

The National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Mumbai-400 051
NSE Symbol - SEPC

BSE Limited
14th Floor, PJ. Towers,
Dalal Street,
Mumbai-400 001
Scrip Code: 532945

07th February, 2023

Dear Sir / Madam,

Sub: Intimation on the Outcome of meeting of the Rights Issue Committee under Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to our letter dated 27th December, 2022, we wish to inform you that the Rights Issue Committee of the Board of Directors, at its meeting held on February 7, 2023 has considered and approved the Draft Letter of Offer dated February 7, 2023 (the “**Draft Letter of Offer**”) in relation to the rights issue of the Company (the “**Issue**”), with BSE Limited and National Stock Exchange of India Limited (the “**Stock Exchanges**”). The Draft Letter of Offer will be filed with the Stock Exchanges for seeking their in-principle approval for the proposed Issue and listing of Equity Shares, issued pursuant to the same.

A copy of the Draft Letter of Offer is attached herewith for your records.

Thanking you,

Yours faithfully,
For **SEPC Limited**

T. Sriraman
Company Secretary & Compliance officer.

Encl.: a.a.





Our Company was incorporated on June 12, 2000 under the Companies Act, 1956 in the name and style 'Shriram EPC Limited'. A certificate of commencement of business was granted to our Company on June 30, 2000 by the Registrar of Companies, Tamil Nadu. Pursuant to the provisions of Section 391 to 394 of the Companies Act and pursuant to an order dated July 22, 2005 of the High Court of Madras, Shriram Engineering Construction Company Limited was merged with our Company with effect from April 1, 2004, since both companies were in the same line of business, namely, construction engineering. Subsequently, the name of our Company was changed to SEPC Limited pursuant to a certificate of incorporation dated February 12, 2021 issued by Ministry of Corporate Affairs. Our Company pursuant to a resolution passed in the meeting of Board of Directors on January 21, 2021 had shifted its Registered and Corporate Office from Sigappi Achi Building, 4th Floor, 18/3 Rukmini Lakshmiipathi Road, Egmore, Chennai 600 008 Tamil Nadu, India to 4th Floor, Bascon Futura SV, IT Park Venkatanarayana Road, Parthasarathy Puram, T. Naga Chennai – 600 017, Tamil Nadu, India. The Corporate Identification Number of our company L74210TN2000PLC045167.

Registered and Corporate Office: 4th Floor, Bascon Futura SV, IT Park Venkatanarayana Road, Parthasarathy Puram, T. Naga Chennai – 600 17, Tamil Nadu, India; **Tel:** 0444 900 5555; **Fax:** N.A. **E-mail:** info@sepc.in; **Website:** www.shriramepc.com;

Contact Person: Thirupathi Sriraman, Company Secretary and Compliance Officer;

Corporate Identification Number: L74210TN2000PLC045167

OUR PROMOTER - MARK A B CAPITAL INVESTMENT LLC

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

WE HEREBY CONFIRM THAT NONE OF OUR PROMOTER OR DIRECTORS IS A WILFUL DEFAULTER AS ON DATE OF THIS DRAFT LETTER OF OFFER

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 4,990 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 203 OF THIS DRAFT LETTER OF OFFER.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled "Risk Factors" on page 21 of this Draft Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE" along with "BSE" the "Stock Exchanges"). Our Company has received 'in-principle' approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue *vide* their letters dated [●] and [●], respectively. For the purpose of this Issue, the Designated Stock Exchange is [●].

REGISTRAR TO THE ISSUE



CAMEO

CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, No. 01, Club House Road,
Chennai- 600 002, Tamil Nadu, India.

Telephone: +91 44 4002 0700

Facsimile: N.A.

Email: priya@cameoindia.com

Website: www.cameoindia.com / <https://rights.cameoindia.com/sepc>

Investor grievance e-mail: investor@cameoindia.com

Contact Person: K. Sreepriya

SEBI Registration No.: INR000003753

Validity of Registration: Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSURES ON**
[●]	[●]	[●]

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled “Industry Overview”, “Summary of this Draft Letter of Offer”, “Restated Financial Statements”, “Statement of Special Tax Benefits”, “Outstanding Litigation and Material Developments” and “Issue Information” on pages 68, 18, 102, 64, 190 and 203 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

Company Related Terms

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer” or “SEPC”	SEPC Limited, a public limited company incorporated under the Companies Act, 1956, having its registered and corporate office at 4 th Floor, Bascon Futura SV, IT Park Venkatanarayana Road, Parthasarathy Puram, T. Naga Chennai – 600 017, Tamil Nadu, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
“Annual Consolidated Audited Financial Statements”	The consolidated audited financial statements of our Company, its Subsidiaries, prepared as per Ind AS for Fiscal 2022, Fiscal 2021 and Fiscal 2020, prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
“Articles” / “Articles of Association” / “AoA”	Articles / Articles of Association of our Company, as amended from time to time.
“Audit Committee”	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“ SEBI Listing Regulations ”) and Section 177 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 91 of this Draft Letter of Offer.
“Auditor” / “Statutory Auditor”	Statutory and peer review auditor of our Company, namely, M/s. MSKA & Associates, Chartered Accountants.
“Board” / “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
“Chief Financial Officer / CFO”	Chandrasekharan Sivaprakasam Ramalingam, the Chief Financial Officer of our Company.
“Company Secretary and Compliance Officer”	Thiruppathi Sriraman, the Company Secretary and Compliance Officer of our Company.
“Corporate Social Responsibility Committee/ CSR Committee”	The committee of the Board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 91 of this Draft Letter of Offer.
“Director(s)”	The director(s) on the Board of our Company, unless otherwise specified.
“Equity Shareholder”	A holder of Equity Shares
“Equity Shares”	Equity shares of our Company of face value of ₹ 10/- each.
“Executive Directors”	Executive Directors of our Company.
“Independent Director(s)”	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
“Key Management Personnel” / “KMP”	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ <i>Our</i>

Term	Description
	<i>Management – Key Managerial Personnel</i> ” on page 98 of this Draft Letter of Offer.
“Limited Reviewed Financial Information” or “Limited Reviewed Financial Results” or “Limited Reviewed Financial Consolidated Results” or “Limited Reviewed Consolidated Financial Information”	The limited reviewed unaudited consolidated financial results for the six months periods ended September 30, 2022, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see “ <i>Financial Information</i> ” on page 102 of this Draft Letter of Offer.
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time.
“Nomination and Remuneration Committee”	The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 91 of this Draft Letter of Offer.
“Non-Executive and Independent Director”	Non-Executive and Independent Directors of our Company, unless otherwise specified.
“Non-executive Directors”	Non-executive Directors of our Company.
“Promoter”	Mark A B Capital Investment LLC is the Promoter of our Company. For further details, see “ <i>Our Promoter</i> ” on page 99 of this Draft Letter of Offer.
“Registered and Corporate Office”	The Registered and Corporate Office of our Company located at 4th Floor, Bascon Futura SV, IT Park Venkatanarayana Road, Parthasarathy Puram, T. Naga Chennai – 600 017, Tamil Nadu, India.
“Registrar of Companies”/ “RoC”	Registrar of Companies, Tamil Nadu, Chennai having its office at Block No. 6, B Wing 2 nd Floor, Shastri Bhawan 26, Haddows Road, Chennai – 600 034, Tamil Nadu, India.
“Restated Consolidated Financial Statements”/ “Restated Financial Statements”/ “Restated Consolidated Financial Information”/ “Restated Financial Information”	Restated consolidated financial statements of our Company and our Subsidiaries for the for the Fiscals 2022 Fiscal 2021 and Fiscal 2020, prepared in accordance with the Companies Act and restated in accordance with the requirements of the SEBI ICDR Regulations. For details, see “ <i>Financial Information</i> ” on page 102 of this Draft Letter of Offer.
“Rights Issue Committee”	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
“Shareholders/ Equity Shareholders”	The Equity Shareholders of our Company, from time to time.
“Stakeholders’ Relationship Committee”	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see “ <i>Our Management</i> ” on page 91 of this Draft Letter of Offer.
“Subsidiary(ies)”	Shriram EPC FZE and Shriram EPC Arkans LLC, the subsidiaries of our Company.
Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.

Issue Related Terms

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
Abridged Letter of Offer	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.

Term	Description
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue.
Bankers to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “ <i>Terms of the Issue</i> ” on page 203.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Bids under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[•]

Term	Description
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/DLoF/DLOF	This draft letter of offer dated February 7, 2023 filed with the Stock Exchanges and SEBI for information purposes.
Escrow Account	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors– eligible equity shareholders as on record date making an Application through the ASBA facility.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ <i>Notice to Investors</i> ” on page 11.
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 4,990 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Material	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount aggregating up to ₹ 4,990 lakhs
Letter of Offer/LOF	The final letter of offer to be filed with the Stock Exchanges and thereafter with SEBI.
Net Proceeds	Proceeds of the Issue less our Company’s share of Issue related expenses. For further information about the Issue related expenses, see “ <i>Objects of the Issue</i> ” on page 58 of this Draft Letter of Offer.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renounees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●], [●].
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].

Term	Description
“Registrar to the Issue” / “Registrar”	Cameo Corporate Services Limited
Registrar Agreement	Agreement dated February 1, 2023 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
RE ISIN	ISIN for Rights Entitlement i.e, [●]
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] Rights Equity Shares for [●] Equity Shares held on [●], [●]. The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
SEBI Rights Issue Circular	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Self-Certified Syndicate Banks” or “SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Stock Exchanges	Stock Exchanges where the Equity Shares are presently listed, being BSE and NSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter and Fraudulent Borrower	A wilful defaulter or a fraudulent borrower, as defined under the SEBI ICDR Regulations
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
ADB	Asian Development Bank
BOP	Balance of Plant
CAGR	Compounded Annual Growth Rate
Covid-19	Coronavirus Disease 2019
EPA	Environment (Protection) Act ,1986
EPC	Engineering, Procurement, and Construction
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
GVA	Gross Value Added
ICT	Information and communications technology
IIot	Industrial internet of things
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupee (₹)
MORTH	Ministry of Road Transport & Highways
NGRBA	National Ganga River Basin Authority
QoQ	Quarter on Quarter
USA/US	United States of America
USD/ US\$	US Dollar
WEO	World Economic Outlook
YoY	Year over Year

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share

Term	Description
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India

Term	Description
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
SIPCOT	State Industries Promotion Corporation of Tamil Nadu
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The Government of a state in India
Trademarks Act	Trademarks Act, 1999, as amended
TDS	Tax Deducted at Source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email or physical dispatch through registered post / speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email or by registered post / speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF

EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“United States”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

In this Draft Letter of Offer, unless otherwise specified or context otherwise requires, references to ‘US\$’, ‘\$’, ‘USD’ and ‘U.S. dollars’ are to the legal currency of the United States of America, and references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to ‘India’ are to the Republic of India and its territories and possessions and the references herein to ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see “*Financial Information*” on page 102. Our Company’s financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”).

The restated financial statements of our Company for the Financial Years ended March 31, 2022, 2021 and 2020 and the limited review report for the unaudited consolidated financial results for the six months periods ended September 30, 2022, prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Draft Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 102.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(in ₹)

Currency	Exchange rate as on			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	81.55	75.80	73.53	75.38

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 21, this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- There have been instances in the past of default in payment of dues to our lenders. Further, our Company has executed a resolution plan with its lenders under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019, which has led to inter alia, infusion of funds by our current Promoter, change in management from our earlier promoter, *i.e.*, SVL Limited to our current Promoter, Mark AB Capital Investment LLC, conversion of outstanding loans into long term tenor debt instruments, etc. In the event our Company is unable to comply with the resolution plan or if the further defaults in making repayment of its loans, it may impact its continued business operation and financial condition.
- Our Statutory Auditor has included matter of uncertainties, emphasis of matters and qualifications, in the examination report to Restated Consolidated Financial Statements for the three years ended March 31, 2022, March 31, 2021 and March 31, 2020. Further, our Statutory auditor has also included matter of uncertainties, and qualifications in the Limited Review Report on the unaudited consolidated financial results for the six months periods ended September 30, 2022.
- Our Company has availed a significant amount of loans from our lenders. Any default in repayment of these loans, could significantly impact our business operations, results of operation and financial condition.
- Our business is working capital intensive. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our operations.
- We may not be successful in implementing our business strategies effectively or at all.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 21, 82 and 172, respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors nor our Promoter have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, "Objects of the Issue", "Our Business", "Outstanding Litigation and other Defaults" and "Risk Factors" beginning on pages 51, 70, 190 and 21 respectively of this Draft Letter of Offer.

Summary of Industry

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8 percent. The rise in central bank rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.

For further details, please refer to the chapter titled "Industry Overview" at page 68 of this Draft Letter of Offer.

Summary of Business

Our Company was incorporated on June 12, 2000 under the Companies Act, 1956 in the name and style 'Shriram EPC Limited'. A certificate of commencement of business was granted to our Company on June 30, 2000 by the Registrar of Companies, Tamil Nadu. Subsequently, the name of our Company was changed to SEPC Limited pursuant to a certificate of incorporation dated February 12, 2021 issued by Ministry of Corporate Affairs. Pursuant to the provisions of Section 391 to 394 of the Companies Act and pursuant to an order dated July 22, 2005 of the High Court of Madras, Shriram Engineering Construction Company Limited was merged with our Company with effect from April 1, 2004, since both companies were in the same line of business, namely, construction engineering.

For further details, please refer to the chapter titled "Our Business" at page 82 of this Draft Letter of Offer.

Our Promoter

The Promoter of our Company is Mark A B Capital Investment LLC.

For further details please see chapter titled "Our Promoter" beginning on page 99 of this Draft Letter of Offer.

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

(₹ in lakhs)

Particulars	Amount
To augment the existing and incremental working capital requirement of our Company	4600.00
General Corporate Purposes*	[●]
Net Proceed from the Issue**	[●]

* Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Net Proceeds.

** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted as per the Rights Entitlement ratio.

For further details, please see chapter titled "Objects of the Issue" beginning on page 58 of this Draft Letter of Offer.

Intention and extent of participation by the Promoter

Our Promoter has, vide its letter dated February 1, 2023 (the "Subscription Letter") undertaken to subscribe to the full extent of its Rights Entitlement and subscribe to the full extent of any Rights Entitlement. Further, solely

in the event of an under-subscription of this Issue, our Promoter may subscribe to, for additional Rights Equity Shares, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

The additional subscription, if any, by our Promoter shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

As of date of this Draft Letter of Offer, our Company does not have a promoter group.

For further details, please see the chapter titled “*Capital Structure*” beginning on page 56 of this Draft Letter of Offer.

Summary of Financial Information

Following are the details as per the Restated Financial Information as at and for the Financial Years ended on March 31, 2022, 2021, 2020 and Limited Reviewed Financial Information for the six-month period ended September 30, 2022:

(₹ in lakhs)

S. No.	Particulars	Six months period ended September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1.	Share Capital	1,32,152.90	97,152.90	97,152.90	97,152.90
2.	Net Worth	1,10,431.90	73,946.62	1,00,510.81	1,18,537.30
3.	Revenue from operations	11,416.67	32,945.65	58,278.52	1,20,794.88
4.	Profit/(Loss) after Tax	1,135.28	(26,370.37)	(17,947.33)	(7,726.33)
5.	Earnings per Share	0.09	(2.71)	(1.85)	(0.79)
6.	Net Asset Value per equity share	0.27	0.40	0.46	0.52
7.	Total borrowings*	44,676.41	97,827.44	83,588.65	68,410.11

*Total Borrowings (Secured and Unsecured borrowings) which also include current maturities.

For further details, please refer the section titled “*Restated Financial Statements*” on page 102 of this Draft Letter of Offer.

Summary of Outstanding Litigation and Defaults

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter and our Directors is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoters	Material Civil Litigation	Aggregate amount involved (₹ in lakhs)
Company						
By the Company	Nil	21	Nil	Nil	2	38,763.04
Against the Company	5	Nil	Nil	4	3	414.23
Directors						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By Subsidiaries	Nil	1	Nil	Nil	Nil	57.33^

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoters	Material Civil Litigation	Aggregate amount involved (₹ in lakhs)
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

[#]To the extent quantifiable.

[^]OMR converted to INR as per the exchange rate as of January 27, 2023, i.e. 1 OMR = 211.78 INR

For further details, please refer the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 190 of this Draft Letter of Offer.

Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page 21 of this Draft Letter of Offer.

Summary of Contingent Liabilities

For details regarding our contingent liabilities as per Ind AS 37 for Financial Year 2022, see “*Restated Financial Statements*” beginning on page 102 of this Draft Letter of Offer.

Summary of Related Party Transactions

For details regarding our related party transactions as per Ind AS 24 entered into by our company for the Financial Years ended on March 31, 2022, 2021, 2020 and the six month period ended September 30, 2022, see “*Restated Financial Statements*” beginning on page 102 of this Draft Letter of Offer.

Issue of equity shares made in last one year for consideration other than cash

Our company has not issued any Equity Shares during the last one year from the Date of this Draft Letter of Offer for consideration other than cash.

Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of Equity Shares in the last one year.

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 68, 82 and 172 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, has independently verified the information in the industry report or other publicly available information cited in this section.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 16 of this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Consolidated Financial Information and the Limited Review Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to SEPC Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

- There have been instances in the past of default in payment of dues to our lenders. Further, our Company has executed a resolution plan with its lenders under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019, which has led to inter alia, infusion of funds by our current Promoter, change in management from our earlier promoter, i.e. SVL Limited to our current Promoter, Mark AB Capital Investment LLC, conversion of outstanding loans into long term tenor debt instruments, etc. In the event our Company is unable to comply with the resolution plan or if the further defaults in making repayment of its loans, it may impact its continued business operation and financial condition.*

There have been instances of defaults in payment of dues to our lenders. The details of the defaults committed by our Company during the Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020 have been provided below:

(₹ in lakhs)				
S. No	Name of the Lender	FY 2020	FY 2021	FY 2022
Term Loan				
1	Central Bank of India - Principal	1,161	1,470	4,100
	Central Bank of India - Interest	1,581	1,407	2,346
2	IFCI Factors - Principal	88	108	254
	IFCI Factors - Interest	77	87	137
3	ACRE - Principal	-	1,000	2,900
4	Bank of Maharashtra - Principal	-	-	160
Fund Based				
1	Punjab National Bank	-	-	9,945
2	Bank of India	-	-	1,259
3	Yes Bank	-	-	361
4	State Bank Of India	-	-	1,911
5	Indian Bank	-	-	3,917
6	Indusind Bank	-	-	703
7	IDBI Bank	-	-	1,242
8	ICICI Bank	-	-	100
9	Federal Bank	-	-	720
10	DBS Bank India Ltd	-	-	913
11	Central Bank of India	-	-	2,598
12	Bank Of Baroda	-	-	610
13	ARCIL (SIB)	-	-	528
14	Union Bank	-	-	246
15	IFCI Factors	-	-	140
16	Axis Bank	-	-	1,659
17	Bank of Maharashtra	-	-	329

In view of the aforementioned defaults, our Company received a business plan from our Promoter, Mark AB Capital Investment LLC, which is a Middle East based company with investments in EPC companies wherein our Promoter offered infusion of ₹ 35,000 lakhs, by way of issue of Equity Shares on a preferential basis by our Company, for a 26.48% stake in our Company. Based on the business plan, our Company presented a resolution plan to the consortium of lenders led by Punjab National Bank, under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 (the “**Resolution Plan**”). The Resolution Plan provides for infusion of ₹ 35,000 lakhs by our Promoter, change of management of our Company, conversion of debt into Non-Convertible Debentures (“**NCD**”), Compulsorily Convertible Debentures (“**CCD**”) to the tune of ₹ 35,000 lakhs, levy of interest at 9% pa. effective from October 1, 2020, amongst other requirements.

As of date of this Draft Letter of Offer, our Promoter has invested ₹ 35,000 lakhs in our Company by subscribing to 35,00,00,000 of our Company pursuant to a preferential issue of Equity Shares of our Company in accordance with the Resolution Plan. Further our Company has issued and allotted (i) 1,75,00,000 CCD of ₹ 100/- each, to its lenders in lieu of existing debt of our Company with yield, which will be convertible into Equity shares at a future date for an aggregate amount up to ₹ 17,500 lakhs; and (ii) 1,75,00,000 NCD of ₹ 100/- each to the lenders in lieu of their existing debt, for an aggregate amount up to

₹ 17,500 lakhs. The said issuance has been made in accordance with the resolution plan approved by the Board of Directors in their meeting dated January 24, 2022 and by the Shareholders through postal ballot.

In addition to the above, our *erstwhile* Promoter, SVL Limited has been classified as 'Public', pursuant to letter each dated February 2, 2023 received from BSE and NSE, respectively. Additionally, the Board of Directors of our Company have been reconstituted in accordance with the Resolution Plan.

In compliance with the terms of the Resolution Plan our Company has repaid an amount of ₹ 35,000 lakhs to our lenders. Upon implementation of resolution plan there are nil defaults to lenders.

While the ability of the company has considerably increased for serving the loans after implementation of the resolution plan, we cannot assure you that we will be able to fully repay our outstanding loans or that we will not default in repayment of loans to our lenders. On the occurrence of any defaults, our lenders may initiate insolvency petitions against us and demand immediate repayment of loans from our Company, which could adversely affect our business, operations and results of operations.

2. ***Our Statutory Auditor has included matter of uncertainties, emphasis of matters and qualifications, in the examination report to Restated Consolidated Financial Statements for the three years ended March 31, 2022, March 31, 2021 and March 31, 2020. Further, our Statutory auditor has also included matter of uncertainties and qualifications in the Limited Review Report on the unaudited consolidated financial results for the six months periods ended September 30, 2022.***

Our Statutory auditor has included the following remarks in the examination report to the Restated Financial Statements for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the audit reports for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020:

Emphasis of matters and matters of uncertainties:

Extract from the audit report on the audited consolidated financial statements for the year ended March 31, 2022:

(i) Material Uncertainty Related to Going Concern:

“We draw attention to Note 4 (e) to the consolidated financial statements, which states that the Company has incurred a net loss of ₹ 26,370.37 Lakhs during the year ended March 31, 2022 and as of that date has accumulated losses aggregating to ₹ 2,15,105.50 Lakhs which has resulted in substantial erosion of its net worth. Further, the COVID-19 pandemic has also impacted the operations resulting in delay of collection relating to project dues. These events or conditions indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, having regard to the restructuring plan for borrowings, infusion of additional equity subsequent to the year end and the Management's plans to meet financial obligations in foreseeable future out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, and realization of trade receivables, the consolidated financial statements of the Company for the year ended March 31, 2022 have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.”

(ii) Emphasis of Matter:

“We draw attention to Notes 43 to the Consolidated financial statements which states that the Management has made an assessment of the impact of Covid-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2022 and accordingly recognized an impairment loss of ₹ 6,361.26 Lakhs (March 31, 2021: ₹ 1,149.11 Lakhs) on financial assets and contract assets to reflect the business impact arising from the COVID 19 pandemic.”

Extract from the audit report on the consolidated financial statements for the year ended March 31, 2021:

Emphasis of Matter:

“We draw attention to Note 39 to the consolidated financial statements, which fully describes that the Company has made an assessment to recognize an impairment loss of ₹ 1,149.11 Lakhs on financial assets

to reflect the business impact and uncertainties arising from the COVID 19 pandemic on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 (March 31, 2020: INR 2,748.97 Lakhs).”

Extract from the audit report on the consolidated financial statements for the year ended March 31, 2020:

Emphasis of Matter:

“We draw attention to Note 54 to the consolidated financial statements, which fully describes that the Company has made an assessment to recognize and impairment loss of ₹ 2,748.97 Lakhs on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Further such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.”

Extract of the audit report on the consolidated financial statements for the year ended March 31, 2022:

Basis for Qualified Opinion

“(i) The carrying value of Deferred Tax Asset (DTA) include an amount of ₹ 39,645.00 Lakhs (March 31, 2021: ₹ 43,889.00 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment on reasonable certainty of future taxable profits, as required by Ind AS 12- Income taxes and considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 44 of the Consolidated financial statements)”

(ii) Contract Asset (Non-Current) include ₹ 3,956.02 Lakhs (Net of provisions amounting to ₹ 926.98 Lakhs) relating to project dues which is not progressing on account of Statutory delays faced by the Customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amount is not available. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and the impact if any, on account of non-provisioning of the said balance on the Consolidated financial statements. (Refer to Note 08 of the Consolidated Financial Statements)”

Extract of the audit report on the consolidated financial statements for the year ended March 31, 2022:

Qualified Opinion on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

“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 Holding Company's internal financial controls with reference to financial statements as at March 31, 2022:

- a) Provisioning of contract assets which is outstanding for a substantial period of time, which could potentially result in the Company not recognizing a provision for the said assets.
- b) Assessment of future taxable profits which could result in recognition of excess deferred tax asset which the Company may not be able to utilize.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control with reference to 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.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, have in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2022, based on the internal control with reference to 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”) except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the internal financial

controls with reference to financial statements of the Holding Company were operating effectively as of March 31, 2022.

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, 2022 consolidated financial statements of the Company, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company.”

Extract of the audit report on the consolidated financial statements for the year ended March 31, 2021:

- “(i) Financial Assets Loans (Non-Current) include ₹ 3,201.62 Lakhs (March 31, 2020: ₹ 3,800.40 Lakhs) due from a related party. Sufficient appropriate audit evidence to corroborate management’s assessment of recoverability of the above said amount is not available and the amount is outstanding for more than five years. Further, no provision with respect to the same is made in the books of account as explained in Note 9.2 of the Consolidated Financial Statements. Accordingly, we are unable to comment on the carrying value of above-mentioned Financial Assets Loans amounting to ₹ 3,201.62 Lakhs and the impact if any, on account of non-provisioning of the said balance on the financial statements at present.
- (ii) The carrying value of Deferred Tax Asset (DTA) include an amount of ₹ 43,889.00 Lakhs (March 31, 2020: ₹ 43,520 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management’s assessment on reasonable certainty of future taxable profits, as required by Ind AS 12 on Income Taxes, considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. The impact if any, of the undetermined impairment provision on the financial statements is not ascertainable currently. Refer Note 40 of the Consolidated financial statements.”

Extract of the audit report on the consolidated financial statements for the year ended March 31, 2021:

Qualified Opinion on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”):

“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 Holding Company’s internal financial controls with reference to financial statements as at March 31, 2021:

- a) Provisioning of overdue receivables and provisioning of advances which have been outstanding for a period of more than five years, which could potentially result in the Company not recognizing a provision for the said receivables and advances.
- 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.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control with reference to 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.

In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding company have in all material respects, maintained internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2021, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

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, 2021 consolidated financial statements of the Company, and the material weaknesses affects our opinion on the consolidated financial statements of the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to 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."

Extract of the audit report on the consolidated financial statements for the year ended March 31, 2020:

- (i) *Financial Assets Loans (Non-Current) include ₹ 3,800.40 Lakhs (March 31, 2019: ₹ 3,815.40 Lakhs) and Other Trade Receivables under "Other Non-Current Financial Assets" include ₹ 310.04 Lakhs (March 31, 2019: ₹ 318.75 Lakhs), due from related party. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amounts and as these are outstanding for more than five years, we are unable to comment on the recoverability of the same. No provision with respect to the same is made in the books of accounts as explained in the Notes 9.2 of consolidated financial Statements. The impact, if any, of the undetermined provision on the financial statements is not ascertainable currently.*
- (ii) *The carrying value of Deferred Tax Asset (DTA) include an amount of ₹ 43,520.00 Lakhs which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment on reasonable certainty of future taxable profits, as required by IND AS 12 considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. Refer to Note 40 of the consolidated financial statements."*

Extract of the audit report on the consolidated financial statements for the year ended March 31, 2020:

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

"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 Holding Company's internal financial controls with reference to financial statements as at March 31, 2020:

- a) Provisioning of overdue receivables and provisioning of advances which have been outstanding for a period of more than five years, which could potentially result in the Company not recognizing a provision for the said receivables and advances.*
- 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.*

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to 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.

In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding company have in all material respects, maintained internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

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, 2020 consolidated financial statements of the Company, and the material weaknesses affects our opinion on the consolidated financial statements of the Company."

The Statutory Auditor has included the aforementioned emphasis of matters, matters of uncertainties and qualifications in the Restated Financial Statements as well.

Our Statutory auditor has included the following remarks in the limited reviewed report on the unaudited consolidated financial results for the six months periods ended September 30, 2022:

Extract of the limited reviewed report on the unaudited consolidated financial results for the six months periods ended September 30, 2022:

Matters of uncertainties:

“We draw attention to Note 08 in the Statement, which states that the Company has incurred a net loss before exceptional items during the quarter and half year ended September 30, 2022 amounting to ₹ 9,309.66 Lakhs and ₹ 12,394.36 Lakhs respectively and as of that date has accumulated losses aggregating ₹ 2,14,084.24 Lakhs which has resulted in erosion of its net worth. Further, the COVID-19 pandemic has also impacted the operations resulting in delay of collection relating to project dues. These events or conditions indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, as stated in Note 02, considering the implementation of resolution plan, infusion of equity by the investor and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, the Statement has been prepared on going concern basis.”

Extract of the limited reviewed report on the unaudited consolidated financial results for the six months periods ended September 30, 2022:

Emphasis of matter :

“We draw attention to the notes 9(b) to the financial results:

- A) *Note 9(b)(i) to the Statement, which describes the implementation of Resolution Plan entered into with the lenders dated June 22, 2022 wherein Interest waiver, the difference between the carrying amounts of the facilities before restructuring and the fair values of the new facilities has been recognized as income and disclosed under Exceptional items in the statement of profit and loss in accordance with INDAS 109 - Financial Instruments.*
- B) *Note 9(b)(ii) to the Statement, which states that the management has made a provision of Rs. 5,045.93 Lakhs on account of termination of sale order and consequent legal disputes / arbitration proceedings initiated during the period in respect of a project with the customer.*

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

Extract of the limited reviewed report on the unaudited consolidated financial results for the six months periods ended September 30, 2022:

Basis for Qualified Opinion

- “(i) The carrying value of Deferred Tax Asset (DTA) include an amount of 39,679.73 lakhs (September 36, 2021: ₹ 43,914 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management’s assessment on reasonable certainty of future taxable profits, as required by Ind AS 12 on Income taxes, considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized, (Refer Note 07 of the Statement).*
- (ii) Contract Asset (Non-Current) include ₹ 3,956.02 Lakhs (Net of provision amounting to ₹ 926.98 Lakhs) relating to project dues which is not progressing on account of statutory delays faced by the Customer, In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, sufficient appropriate audit evidence to corroborate management’s assessment of recoverability of the above said amount is not available. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and the impact if any, on account of non-provisioning of the said balance on the Statement. (Refer Note 04 of the Statement).”*

There can be no assurance that any similar remarks, or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities

due to which our reputation and financial condition may be adversely affected. For further details, please refer to “*Financial Information*” on page 102 of the Draft Letter of Offer.

3. *We are yet to obtain consents/ no objection certificate from the consortium of lenders of our Company for the Issue.*

Our Company has entered into agreements for fund based and non-fund-based borrowings with a consortium of lenders which is headed by Punjab National Bank and consist of banks namely, IDBI Bank Limited, IndusInd Bank Limited, Indian Bank, Bank of Baroda, The Federal Bank Limited, Axis Bank Limited, Bank of India, DBS Bank India Limited, Bank of Maharashtra, Central Bank of India, ICICI Bank Limited, Yes Bank Limited, IFCI Factors Limited, State Bank of India, Union Bank of India, Asset Reconstruction Company (India) Limited and Assets Care & Reconstruction Enterprise Limited. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations which *inter-alia* include change in capital structure (including this present proposed Issue), formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying secured loans, repaying unsecured loans availed from our Promoters and Directors, undertake guarantee obligations, which shall require our Company to obtain prior approval.

Our Company had discussed the proposal to issue Equity Shares pursuant to the Issue, with the consortium in the meeting of the consortium of lenders held on December 21, 2022. Wherein the following was recorded:

“Company informed the plan for issuance of shares on Rights basis for augmenting long term working capital requirements, for about 45 to 49 crores, which is planned to be completed before Mar 2023, subject to regulatory and other statutory approvals. Since the cash credit limit has been fully utilized and the Company would require funds for operational requirements of the future, especially when the company goes for new order book and execution of new orders as well as to fast track the existing projects, it needs long term source of funding for working capital requirements and hence the rights issue. Lead bank informed that it is good for the company that long term sources are brought in to improve the working capital requirements of the company and also shows the commitment of the new promoters.”

Based on the above our Company has made an application dated January 18, 2023 to Punjab National Bank, the lead bank of the consortium, seeking a no-objection certificate for this Issue. This letter has been duly acknowledged and as of date of this Draft Letter of Offer, we are yet to receive a response from Punjab National Bank, in relation to our application. Undertaking the Issue without obtaining consents/no objection certificates from the aforementioned lenders may constitute a breach of covenant under the relevant financing documents, which could entitle the respective lenders to consider this Issue as an event of default under the loan agreements, thereby entitling them to take adverse actions against our Company as per their respective agreements. The occurrence of any of the events mentioned above can adversely affect our business, results of operations and financial condition.

4. *Our Company has availed a significant amount of loans from our lenders. Any default in repayment of these loans, could significantly impact our business operations, results of operation and financial condition.*

As on September 30, 2022 the total fund based indebtedness of our Company is ₹ 22,473 lakhs, after implementation of the resolution plan by the consortium of lenders led by Punjab National Bank, under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019. The details of the loans availed by our Company have been provided below:

(₹ in lacs)

S. No	Name of the lender	Nature of Facility	Amount Sanctioned	Outstanding as on 30th Sept 2022
1	Punjab National Bank	Cash credit	2,355	2,353
2	Axis Bank Limited	Cash credit	526	510
3	IDBI Bank Limited	Cash credit	1,951	1,565
4	Indian Bank	Cash credit	476	476
5	Bank of India	Cash credit	355	304
6	The Federal Bank Limited	Cash credit	476	476
7	DBS Bank India Limited	Cash credit	984	984
8	Bank of Baroda	Cash credit	664	660

S. No	Name of the lender	Nature of Facility	Amount Sanctioned	Outstanding as on 30th Sept 2022
9	Bank of Maharashtra	Cash credit	463	455
10	Union Bank of India	Cash credit	595	595
11	IFCI Factors Limited	Cash credit	265	265
12	IndusInd Bank Limited	Cash credit	774	774
13	Yes Bank Limited	Cash credit	310	310
14	State Bank of India	Cash credit	1,786	7,327 [^]
15	ICICI Bank Limited	Cash credit	179	179
16	Central Bank of India	Cash credit	3,546	2,880
17	Central Bank of India	Term Loan	1,580	1,560
18	Asset Reconstruction Company (India) Limited	Term Loan	660	660
19	Assets Care & Reconstruction Enterprise Limited	Term Loan	140	140
	Total		18,085	22,473

[^]The outstanding amount as of December 31, 2022 is ₹1785.19 lakhs

The details of the loans converted into compulsorily convertible debentures (“CCD”) and non-convertible debentures (“NCD”) that have been subsequently issued to lenders have been provided below:

(₹ in lacs)

S. No.	Name of the lender	Amount outstanding as of September 30, 2022	
		CCD	NCD
1	Punjab National Bank	1,840	1,831
2	Axis Bank Limited	419	417
3	IDBI Bank Limited	1,324	1,317
4	Indian Bank	402	400
5	Bank of India	225	225
6	The Federal Bank Limited	402	400
7	DBS Bank India Limited	831	827
8	Bank of Baroda	560	557
9	Bank of Maharashtra	554	551
10	Union Bank of India	503	500
11	IFCI Factors Limited	224	223
12	IndusInd Bank Limited	654	651
13	Yes Bank Limited	262	261
14.	State Bank of India [^]	-	-
15	ICICI Bank Limited	151	150
16	Central Bank of India	3,768	3,749
17	Central Bank of India	557	554
18	Asset Reconstruction Company (India) Limited	3,315	3,298
	Total	15991	15912

[^] Outstanding as on December 31, 2022 in respect of CCD is ₹ 1,508 lakhs and NCD is ₹ 1496.69 lakhs

There have been instances of defaults in repayment of loans, in the past, our Company and our Promoter, Mark AB Capital Investment LLC, presented a resolution plan to the consortium of lenders led by Punjab National Bank, under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 (the “Resolution Plan”). The Resolution Plan provides for infusion of ₹ 35,000 lakhs by our Promoter, change of management of our Company, conversion of loan into NCD and CCD to the tune of ₹ 35,000 lakhs, levy of interest at 9% pa. effective from October 1, 2020, amongst other requirements. As of date of this Draft Letter of Offer, our Promoter has invested ₹ 35,000 lakhs in our Company by subscribing to 35,00,00,000 of our Company pursuant to a preferential issue of Equity Shares of our Company in accordance with the Resolution Plan. Further our Company has issued and allotted (i) 175,00,000 compulsorily convertible debentures of ₹ 100/- each, to its lenders in lieu of existing debt of our Company with yield, which will be convertible into Equity shares at a future date for an aggregate amount upto ₹ 17,500 lakhs; and (ii) 1,75,00,000 Non-Convertible Debentures of ₹ 100/- each to the lenders in lieu of their existing debt, for an aggregate amount upto ₹ 17,500 lakhs. While the ability of the company has

considerably increased for servicing the loans after implementation of the resolution plan, We cannot assure you that our Company would be able to repay their debts, in part of full, or at all. Any failure by our Company to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations.

5. *Our business is working capital intensive. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our operations.*

Our business requires a significant amount of non-fund based working capital which is based on certain assumptions, and therefore, any change of such assumptions would result in changes to our working capital requirements. In many contracts, significant amounts of non-fund based working capital are required to finance the purchase of services and materials, the performance and maintenance and other work on our projects before payment is received from clients. Our non-fund based working capital requirements may increase due to an increase in the size of our operations and the increase in credit period of any of our customers. In addition, we may need to incur additional indebtedness in the future to satisfy our working capital requirements.

The trade receivables and Contract assets as at half year ended September 30, 2022 and fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 were ₹ 97,345.51 lakhs, ₹ 1,16,959.22 lakhs, ₹ 1,22,891.30 lakhs and ₹ 1,36,350.59 lakhs respectively.

In general, we may make provisions for bad debts, based primarily on ageing and other factors such as special circumstances relating to specific clients. There can be no assurance that the payments will be remitted by our clients to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such payment practice. The bad debts and provisioning for expected credit losses for the half year ended September 30, 2022 and fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 were ₹ 722 lakhs, ₹ 1831lakhs, ₹2036 lakhs and ₹ 78 lakhs respectively.

Further, one of the objects of this Issue include funding of working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, please see “*Objects of the Issue*” on page 58. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

Our working capital position is therefore also dependent on the financial position of our clients. All of these factors may result in increases in the amount of our receivables and short-term borrowings. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

6. *We may not be successful in implementing our business strategies effectively or at all.*

The success of our business will depend greatly on our ability to implement our business strategies effectively. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted clients. We expect the implementation of our strategies to place significant demands on our management and other resources and require us to continue developing and improving our financial, operation and other internal controls. Any inability to manage our business and implement our strategies effectively or at all could have a material adverse effect on our business, financial condition and profitability.

7. *We may not be able to qualify for and win integrated engineering, procurement and construction (“EPC”) and lump-sum turnkey contracts.*

Most of our EPC contracts are obtained through a competitive bidding process. In selecting contractors for major projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength and size of previous contracts in similar projects, although price competitiveness of the bid is the most important selection criterion. Pre-qualification is key to our winning such major projects. We are currently qualified to bid for projects up to a certain value and therefore may not be able to compete for larger projects. Our ability to bid for and win such major projects is dependent on our ability to show experience of working on such large EPC and lump-sum turnkey contracts and developing strong engineering capabilities and credentials to execute more technically complex projects.

8. *Our order book is relatively concentrated in certain projects.*

There are various risks associated with the execution of large-scale integrated projects. Larger contracts may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Managing large-scale integrated projects may also increase the potential relative size of cost overruns and negatively affect our operating margins.

Our top ten contracts represented 99% of our order book as at September 30, 2022. We define “order book” as anticipated revenues from the uncompleted portions of existing contracts (signed contracts for which all pre-conditions to entry into force have been met, including letters of intent issued by the client prior to execution of final contract) at a certain date. We believe that our contract portfolio will continue to be relatively concentrated. If we do not achieve our expected margins or suffer losses on one or more of these contracts, this could have a material adverse effect on our results of operations and financial condition. Similarly, our top ten customers represented 98% of revenue for the six months ended September 30, 2022.

9. *Our business is dependent on continuing relationships with our clients and strategic partners.*

Our business is significantly dependent on EPC projects undertaken by government agencies and private companies. Our top ten clients vary from period to period depending on the completion schedule of projects. Our top ten clients provided 98%, 94%, 95%, and 90% of our total EPC contracts revenue in the six month period ended September 30, 2022, fiscal 2022, 2021 and 2020, respectively. Our business is also dependent on developing and maintaining strategic alliances with international partners. Our business and results of operations will be materially and adversely affected if we are unable to maintain a continuing relationship or pre-qualified status with certain of our key clients and strategic partners.

10. *We are exposed to significant construction risks on fixed-price or lump-sum turnkey contracts.*

Under the terms and conditions of fixed-price or lump-sum contracts, we generally agree to a fixed-price for providing engineering, procurement and construction services for the part of the project contracted to us or, in the case of turnkey contracts, completed facilities which are delivered in a ready to operate condition, subject, however, to contract variations pursuant to changes in a client’s project requirements. The actual expense to us for executing a fixed-price or lump-sum turnkey contract may vary substantially from the assumptions underlying our bid for various reasons, including:

- unanticipated changes in engineering design of the project;
- unanticipated increases in the cost of equipment, materials or manpower;
- delays associated with the delivery of equipment and materials to the project site;
- unforeseen construction conditions, including inability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs;
- delays caused by local weather conditions;
- suppliers’ or subcontractors’ failure to perform; and
- delays caused by us.

Unanticipated costs or delays in performing part of a contract, for reasons not attributable to customers, can have compounding effects by increasing costs of performing other parts of the contract. In addition, we may be required to pay liquidated damages to the client for any delays caused by us. These variations and the risks generally inherent to the construction industry may result in our profits being different from those originally estimated and may result in our experiencing reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our results of operations.

11. *We face competition in our business segment.*

Even though the competition has reduced in this industry, we still operate in a competitive environment. Our competition varies depending on the size, nature and complexity of the project and the specific industry segment. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. The industries in which we compete have been frequently subject to intense price competition. Some of our competitors are larger than us and have greater financial resources and they may also benefit from greater economies of scale and operating efficiencies. There can be no assurance that we can continue to effectively compete with our competitors in the future, and the failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations. For more information on our competitors in specific industry segments, please see the section titled “*Our Business*” beginning on page 82 of this Draft Letter of Offer.

12. *Our order book may not necessarily indicate future income. Projects included in our order book may be delayed, modified, cancelled or not fully paid for by our clients.*

Our order book does not necessarily indicate future earnings related to the performance of that work. Our order book refers to expected future revenues under signed contracts or contracts where letters of intent have been received. Order book projects represent only business that is considered firm, although cancellations or unanticipated variations or scope or schedule adjustments may occur. Due to changes in project scope and schedule, we cannot predict with certainty when or if our order book will be performed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. We cannot guarantee that the income anticipated in our order book will be realized, or, if realized, will be realized on time or result in profits. Any project cancellations or scope adjustments, which may occur from time to time, could reduce the amount of our order book and the income and profits that we ultimately earn from the contracts. Any delay, cancellation or payment default could have a material adverse effect on our business, results of operation and financial condition.

For some of the contracts in our order book, our clients are obliged to perform or take certain actions, such as acquiring land, securing the right of way, clearing forests, supplying owner supplied material, securing required licenses, authorizations or permits, making advance payments or opening of letters of credit, approving designs, approving supply chain vendors and shifting existing utilities. If a client does not perform these and other actions in a timely manner or at all, and the possibility of such failure is not provided for in the contract, our projects could be delayed, modified or cancelled and as a result, our results of operations could be materially and adversely affected.

13. *We have limited control over the award of new contracts and the timing of client payments, which can cause significant variations in our results of operations and cash flows from period to period.*

As a substantial majority of our income is generated from EPC contracts and the timing of new project awards and their commencement can vary significantly, our results of operations and cash flow may be subject to significant periodic fluctuations. It is generally very difficult to predict whether or when we will receive such awards as these contracts frequently involve a lengthy and complex bidding and selection process which is affected by a number of factors, such as market conditions, governmental approvals and project specific dynamics. As a substantial majority of our income is generated from EPC contracts in our power, captive power and water infrastructure projects businesses, our results of operations and cash flow may fluctuate significantly from quarter to quarter depending on the timing of our contract awards.

We recognize income from our EPC contracts when it satisfies a performance obligation by transferring promised good or service to a customer. As a result, even after we are awarded EPC contracts and we have begun providing services, income recognized from such business vary significantly from period to period depending upon how much of the project is completed and the total costs incurred.

14. *Our operations are subject to hazards and other risks and could expose us to material liabilities, loss in revenues and increased expenses.*

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage.

We may also be subject to claims resulting from defects arising from engineering, procurement and/or construction services provided by us. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. In some of the jurisdictions in which we operate, environmental and workers' compensation liability may be assigned to us as a matter of law. Clients and subcontractors may not have adequate financial resources to meet their indemnity obligations to us. Losses may derive from risks not addressed in our indemnity agreements or insurance policies, or it may no longer be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves against engineering and construction industry risks for any of these reasons could expose us to substantial costs and potentially lead to material losses. Additionally, the occurrence of any of these risks may also adversely affect public perception about our operations and the perception of our suppliers, clients and employees, leading to an adverse effect on our business. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

15. Our insurance coverage may prove inadequate to satisfy future claims against us, and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage.

We maintain insurance for a variety of risks, including risks relating to construction, automobile accidents, marine insurance and other similar risks. However, in some cases, we may have not obtained the required or contemplated insurance or such insurance policies may have lapsed prior to the completion of the project. Further, we may not have obtained insurance cover for some of our projects, products or services that do not require us to maintain insurance.

There are various other types of risks and losses for which we are not insured, such as loss of business and environmental liabilities, because they are either uninsurable or not insurable on commercially acceptable terms. We also do not carry any key-man insurance. Should an uninsured loss or a loss in excess of insured limits occur, or our insurers decline to fully compensate us for our losses, we could incur liabilities, lose capital invested in that property or lose the anticipated future income derived from that business or property, while remaining obligated for any indebtedness or other financial obligations related to our business. Any such loss could result in an adverse effect to our financial condition.

16. We are dependent on technology providers, suppliers, subcontractors and other contractors.

The quality and efficiency of our technology providers, suppliers, other contracts and sub-contractors have a direct impact on the overall quality of our solutions and the timeliness of their delivery. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, or our failure to extend existing task orders or issue new task orders under a subcontract. In addition, if any of our subcontractors fail to deliver on a timely basis the agreed-upon supplies and/or perform the agreed-upon services, our ability to fulfill our obligations as a prime contractor may be jeopardized.

In most instances, there is no contractual relationship between our clients and our suppliers or subcontractors. There is no contractual relationship between our clients and our technology providers. Consequently, we would have to seek remedies from our suppliers, sub-contractors or technology providers, as the case may be, should any service or product liability claim be made by our clients against us. Although we generally design and test the technology we use and implement strict quality control measures on projects through the establishment and enforcement of stringent internal rules and regulations, we are subject to such potential claims against us. In case of any such claim against us, even if it is not proven, our reputation may suffer and our business may be materially and adversely affected. In addition, our resources could be strained by any claim which proceeds to litigation irrespective of the merits of our case. We cannot assure you that claims of such nature will not be brought against us, which could have a material adverse effect on our reputation, business and financial performance. Our future revenue and growth prospects could be materially and adversely affected if other contractors eliminate or reduce their subcontracts relationships with us.

17. *We depend on the adequate and timely supply of materials and bought out items at commercially acceptable prices.*

Our business is significantly affected by the availability, cost and quality of the materials and bought out items, which we need to procure for our projects.. The prices and supply of materials and bought out items depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties.

Although we may enter into back-to-back supplier contracts or provide for price contingencies in our contracts to limit our exposure, if, for any reason, our primary suppliers of materials and bought out items should curtail or discontinue their delivery of such materials to us in the quantities we need, provide us with materials and bought out items that do not meet our specifications, or at prices that are not competitive or not expected by us, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our results of operations and business could suffer.

18. *We are dependent on third-party transportation providers for the supply and delivery of our raw materials and bought out items.*

We typically use third-party transportation providers for the supply of most of our materials and bought out items to our clients. Some of our materials and bought out items are procured from suppliers with operations located outside of India, including in China, USA and Europe , which increases our transportation costs. Transportation costs have been steadily increasing. Continuing increases in transportation costs may have an adverse effect on our business and results of operations. In addition, transportation strikes by members of truckers' unions and shipping delays have had in the past, and could have in the future, an adverse effect on our receipt of supplies and our ability to deliver our products. Disruptions or other problems related to transportation and deliveries of products to our projects may materially and adversely affect our results of operations.

19. *A significant part of our business transactions are with government entities or agencies.*

For the six month period ended September 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, 100%, 100%, 100% and 100% of our revenue from operating activities, respectively, were derived from government entities or agencies. There may be delays associated with collection of receivables from government owned or controlled entities. Our operations involve significant working capital requirements and delayed collection of our receivables could materially and adversely affect our liquidity and results of operations. In addition, we may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities and agencies. In addition, for projects of value less than ₹ 1,000 million, government agencies in India may grant "purchase preference" to public sector construction companies whose bid for the project is within 10% of the lowest bidder, and give such public sector enterprises an option to match the lowest bid.

20. *We may be unable to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business.*

We require certain statutory and regulatory permits and approvals for our business. For example, laws or regulations in some countries, including India, may require us to obtain licenses or permits in order to bid on contracts or otherwise conduct our operations. Some activities related to construction of our projects may be subject to the prior granting of environmental licenses or permits or to prior notification. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

21. *We have incurred losses in the recent past. Continuous financial losses incurred by us may be perceived adversely by external parties such as clients and bankers, which could affect our reputation, business, financial condition and results of operation and affect our ability to repay the loans availed by our Company.*

Our Company has incurred losses in the recent past, the details of which are provided below:

(₹ in lacs)

Particulars	Six month period ended September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Profit/(loss) earned by our Company	432.77	(20,623.02)	(18,288.53)	(8,098.83)

We cannot assure you that with lower profit and lower revenue margin, we would be effectively able to service our debt obligations on time and would not commit any defaults in repayment of loans and the interest involved. Occurrence of any of the aforementioned events would adversely affect our ability to maintain adequate cash flows to meet our working capital requirements and run our business in an effective manner. Further, there can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by us may be perceived adversely by external parties such as customers, bankers, and suppliers, which could affect our reputation.

22. In addition to the existing indebtedness our Company, may incur further indebtedness during the course of business. We cannot assure that our Company would be able to service the existing and/or additional indebtedness.

As on September 30, 2022 the total fund based indebtedness of our Company is ₹ 44,676.41 lakhs, which includes the amount of the loan converted into compulsorily convertible debentures and non-convertible debentures. In addition to the indebtedness for the existing operations of our Company, we may incur further indebtedness during the course of the business. The level of our indebtedness could have several important consequences, including but not limited to the following: (i) a significant portion of our cash flow may be used towards repayment of our existing debt, which will reduce the available cash flow to fund our expenditures and other general corporate requirements; (ii) defaults of payment and other obligations under our financing arrangements may result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets; (iii) a substantial portion of our long term indebtedness is subject to floating rates of interest. Fluctuations in market interest rates may require us to pay higher rates of interest and will also affect the cost of our borrowings; and (iv) our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited, which may impact our growth plans. While the ability of the company has considerably increased for serving the loans after implementation of the resolution plan, we cannot assure you that our Company will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Further, there have been instances of defaults in repayment of loans, in the past, our Company and our Promoter, Mark AB Capital Investment LLC, presented a resolution plan to the consortium of lenders led by Punjab National Bank, under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 (the “**Resolution Plan**”). The Resolution Plan provides for infusion of ₹ 35,000 lakhs by our Promoter, change of management of our Company, conversion of loan into NCD and CCD to the tune of ₹ 35,000 lakhs, levy of interest at 9% pa. effective from October 1, 2020, amongst other requirements. As of date of this Draft Letter of Offer, our Promoter has invested ₹ 35,000 lakhs in our Company by subscribing to 35,00,00,000 equity shares of our Company in accordance with the Resolution Plan. Further our Company has issued and allotted (i) 1,75,00,000 compulsorily convertible debentures of ₹ 100/- each, to its lenders in lieu of existing debt of our Company with yield, which will be convertible into Equity shares at a future date for an aggregate amount upto ₹ 17,500 lakhs; and (ii) 1,75,00,000 Non-Convertible Debentures of ₹ 100/- each to the lenders in lieu of their existing debt, for an aggregate amount upto ₹ 17,500 lakhs. While the ability of the company has considerably increased for serving the loans after implementation of the resolution plan, We cannot assure you that our Company would be able to repay their debts, in part of full, or at all. Any failure by our Company to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations.

Any failure to service the indebtedness of our Company or comply with the Resolution Plan or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations.

23. In the past, there have been instances of delayed or erroneous filing of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC by our Company.

In the past, there have been certain instances of delay and/or non-filing of statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company. No show cause notice in respect to the above has been received by our Company till date and, no penalty or fine has been imposed by any regulatory authority in respect to the same. The occurrence of instances of delayed or erroneous filings in future may impact our results of operations and financial position.

24. There are outstanding litigations involving our Company, our Promoters and our Subsidiaries which, if determined adversely, may adversely affect our business and financial condition.

As on the date of this Draft Letter of Offer, our Company, our Promoters and our Subsidiaries are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, our Promoters and our Subsidiaries, as the case may be, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoters and our Subsidiaries are provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoters	Material Civil Litigation	Aggregate amount involved (₹ in lakhs)
Company						
By the Company	Nil	21	Nil	Nil	2	38,763.04
Against the Company	5	Nil	Nil	4	3	414.23
Directors						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By Subsidiaries	Nil	1	Nil	Nil	Nil	57.33 [^]
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

[#]To the extent quantifiable.

[^] OMR converted to INR as per the exchange rate as of January 27, 2023, i.e. 1 OMR = 211.78 INR

For further details, please refer to the section titled “Outstanding Litigation and Other Material Developments” on page 190 of this Draft Letter of Offer.

25. *We depend on certain senior managers and key employees and our inability to retain such senior managers and employees or to adequately replace them or hire additional qualified employees could adversely affect our ability to achieve our objectives and business strategy, and thereby have a material adverse effect on our business and financial performance.*

Our operating and execution capability is substantially attributable to the role played by a group of our senior management and key employees. Our future success depends significantly on the full involvement of these key executives and employees and our ability to continue to retain and recruit high-level personnel. We do not carry key man insurance. We may need to offer higher compensation and other benefits to attract and retain key personnel. Our retention efforts include selecting the right people in our hiring process through adequate screening and through hiring individuals with relevant experience, providing opportunities for employees to share knowledge with one another through training sessions and presentations and offering an attractive, competitive salary and benefits package. In addition, we also offer a performance and potential-based career growth plan aimed at retaining talented employees based on performance goals. Our inability to retain such key executives and employees, or, alternatively to adequately replace them or hire qualified new executives and employees as our business grows, could adversely affect our ability to achieve our objectives and business strategy, and thereby have a material adverse effect on our business, financial condition or results of operations.

26. *As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.*

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There have been instances in the past wherein, our Company has failed to comply with the requirements of the SEBI Listing Regulations in a timely manner, the details of such non-compliances have been provided 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
	Total	9,72,280	

Our Company endeavours to comply with all such obligations/reporting requirements, there may be non-disclosures/delayed/erroneous disclosures and/or any other violations which might have been committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

27. *Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.*

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past, the details of which are provided below:

(₹ in lacs)

Financial Years	Consolidated Cash flows from	Amount (₹ in lacs)
2022	Operating Activities	(7,199.39)
	Financing Activities	*
	Investing Activities	*
2021	Operating Activities	(4,989.19)
	Financing Activities	*
	Investing Activities	*
2020	Operating Activities	(701.30)
	Financing Activities	*
	Investing Activities	(5,175.72)

*indicates positive cash flow

We may incur negative cash flows in the future which could have a material adverse effect on our business, prospects, results of operations and financial condition.

28. We may infringe on the intellectual property rights of others.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we or our technology providers are infringing upon any existing third-party intellectual property rights which may force us to alter our technologies, obtain additional licenses or significantly cease some portions of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. Regardless of whether such claims that we or our technology providers are infringing patents or other intellectual property rights have any merit, those claims could adversely affect our relationships with current or future clients, result in costly litigation, cause product shipment delays or stoppages, divert management's attention and resources, subject us to significant liabilities, require us to enter into additional royalty or licensing agreements or require us to cease certain activities.

An adverse ruling arising out of any intellectual property dispute could subject us to significant liability for damages, prevent us from using technologies or developing products, or require us to negotiate licenses to disputed rights from third parties. Although patent and intellectual property disputes in the technology area are often settled through licensing or similar arrangements, costs associated with these arrangements may be substantial and could include license fees and ongoing royalties, which could be prohibitively expensive. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

29. Some of our Subsidiaries have incurred losses in the past.

Some of our Subsidiaries have incurred losses in the past, details of which are as under:

(₹ in lakhs)

Name of the entity	Profit/(Loss)		
	March 31, 2022	March 31, 2021	March 31, 2020
Shriram EPC FZE, Sharjah	(41.59)	*	*
Shriram EPC Arkans LLC -Oman	(3.27)	*	(0.37)

*Represents profits

There can be no assurance that our Subsidiaries will not incur losses in any future periods, or that there may not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by our Subsidiary may be perceived adversely by external parties.

30. Some of our Subsidiaries have experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Some of our Subsidiaries have experienced negative net cash flow in the past, the details of which are provided below:

(₹ in lakhs)

Name of the entity	March 31, 2022	March 31, 2021	March 31, 2020
Net Cash Flow from/(used in) Operating Activities			
Shriram EPC FZE	(9.05)	(14.85)	(75.80)
Net Cash Flow from/(used in) Investing Activities			
Shriram EPC FZE	*	(0.14)	(1.60)
Net Cash Flow from/(used in) Financing Activities			
Shriram EPC FZE	(0.18)	(0.15)	(8.48)

*Represents positive cash flow

There can be no assurance that our Subsidiaries will not experience negative net cash flow in the future as well.

31. Our Promoter, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoter, Directors and Key Managerial Personnel, have interest in our Company to the extent of the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoter, Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details, please see the section titled “Financial Information” at page 102 of this Draft Letter of Offer.

There can be no assurance that our Promoter, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

32. We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.

The details of our contingent liabilities as per the Restated Consolidated Financial Information as at and for the Financial Years ended on March 31, 2022, 2021 and 2020 are as follows:

(₹ in lakhs)				
S. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
1.	Claims against the company not acknowledged as debts	15,835.06	10,879.21	10,879.21
2.	Central Excise, Service tax and customs duties demand contested in Appeals, not provided for	408.00	408.00	541.00
3.	Disputed VAT/ Central Sales tax demands contested in Appeals, not provided for	9,669.88	9,256.75	9,115.00
4.	Income tax demands contested in appeals not provided for	-	1,800.58	1,800.58
5.	Bank Guarantees Outstanding	32,002.18	41,353.20	43917.06
	Total	57,915.12	63,697.74	66252.85

For further details of contingent liability, see the section titled — “Financial Information” on page 102 of this Draft Letter of Offer. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

33. Our Company has availed certain unsecured loans, which are callable in nature.

As on September 30, 2022, our Company has outstanding long term unsecured loans aggregating to ₹ 900 lakhs, which have been extended by one of the wholly-owned subsidiary of our Promoter, namely, Mark AB India Private Limited, which are re-payable as a bullet payment on December 31, 2035 at an interest rate of 0.1% per annum. The details of the loans availed has been provided below:

S. No.	Name of the lender	Amount sanctioned (₹ in lakhs)	Principal Amount outstanding as on September 30, 2022 (₹ in lakhs)
1.	Mark AB India Private Limited	900	900
Total		900	900

In the event, we are unable to repay the aforementioned loan, on the due date, our Company would stand in violation of the arrangement entered into with Mark AB India Private Limited, which could adversely affect our business, financial condition and results of operations.

34. *We have in past entered into related party transactions and we may continue to do so in the future.*

As of March 31, 2022, we have entered into related party transactions with our Promoters, our Subsidiaries relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please see the section titled “*Financial Information*” at page 102 of this Draft Letter of Offer.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

35. *The agreements executed by our Company with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.*

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors and third parties, undertake guarantee obligations on behalf of any other borrower, which require our Company to obtain prior approval of the lenders for any of the above activities. A default under this clause will result in the outstanding amounts becoming due and payable immediately. This might have an adverse effect on our cash flows, business, results of operations and financial condition.

36. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past three years and the six month period ended September 30, 2022, and there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled “*Dividend Policy*” on page 101 of this Draft Letter of Offer.

37. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.*

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “*Industry Overview*” of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

ISSUE SPECIFIC RISKS

- 38. *We will not distribute the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circular our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

- 39. *SEBI has recently, by way of circular dated January 22, 2020, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circular dated January 22, 2020 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 138 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned / reversed / failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

- 40. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in

dematerialized form (except in case of transmission or transposition of Equity Shares). For details, please refer chapter “*Terms of the Issue*” on page 138 of this Draft Letter of Offer..

41. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 138 of this Draft Letter of Offer..

42. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

43. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchanges on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

44. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that

the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

45. *Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

46. *You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

47. *The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.*

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

48. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

49. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

50. *Investors will not have the option of getting the allotment of Equity Shares in physical form.*

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see “*Terms of the Issue*” on page 138 of this Draft Letter of Offer. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

51. *There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchange.*

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the Stock Exchange, which would adversely affect your ability to sell our Equity Shares.

52. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

53. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTORS

54. *Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and consider material to their assessment of our financial condition.*

Our summary statements of assets and liabilities and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity, as per the Financial Statements, have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

55. *Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

56. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

57. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards (“**ICDS**”), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules (“**GAAR**”) have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

58. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the

United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange's indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

59. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

60. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be

granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

61. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

62. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the insurance industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of price points of various input costs and thereby increase our operational cost.

The Taxation Laws (Amendment) Act, 2019, also prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Furthermore, the Government of India announced the Union Budget for Fiscal 2023 ("**Budget 2023**"), pursuant to which the Finance Bill 2023 (defined below) has proposed various amendments which will only come into effect upon receipt of Presidential assent to the bill and notification in requisite acts. We have not fully determined the impact of these recent and proposed laws and regulations on our business.

There can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations in connection with GST. While we are and will comply with the GST rules and regulations, any failure to comply with the same may result in noncompliance with the GST and may adversely affect our business and results of operations. The GoI announced the union budget for fiscal year 2024, following which the Finance Bill, 2023 was introduced in the Lok Sabha on February 1, 2023. The Finance Bill 2023 is yet to receive the assent from the President of India, post which became the Finance Act, 2022 ("**Finance Act 2023**"). We cannot predict whether the amendments made and yet to be notified pursuant to the Finance Act 2023 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Any changes in the Finance Act 2023 or interpretations of existing, or the promulgation of new, laws, rules and regulations including

foreign investment and stamp duty laws that are applicable to our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Changes in other laws may impose additional requirements, resulting in additional expenditure and time cost. For instance, the GoI has announced four labour codes which are yet to come into force as on the date of this Draft Letter of Offer, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. While the rules for implementation under these codes have not been announced, we are unable to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements, such as “gig workers” and “platform workers” and provides for the mandatory registration of such workers in order to enable these workers to avail themselves of various employment benefits, such as life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

63. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

64. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on December 27, 2022 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “*Terms of the Issue*” on page 203 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Up to [●] Equity Shares
Rights Entitlement	Up to [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	₹ 10/-
Issue Price per Rights Equity Shares	₹ [●]/-
Issue Size	Up to [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of ₹ 4,990 lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue[^]	1,32,15,29,018 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Up to [●] Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application	₹ [●]
Scrip Details	ISIN: INE964H01014 BSE: 532945 NSE: SEPC RE ISIN: [●]
Use of Issue Proceeds	For details please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 58 of this Draft Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 203 of this Draft Letter of Offer.

[^] Our Company has issued and allotted (i) 175,00,000 compulsorily convertible debentures of ₹ 100/- each, to its lenders in lieu of existing debt of our Company with yield, which will be convertible into Equity shares at a future date for an aggregate amount upto ₹ 17,500 lakhs; and (ii) 1,75,00,000 non-convertible debentures of ₹ 100/- each to the lenders in lieu of their existing debt, for an aggregate amount upto ₹ 17,500 lakhs. The said issuance has been made in accordance with the resolution plan approved by the lenders under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 and has been approved by the Board of Directors in their meeting dated January 3, 2022 and by the Shareholders through postal ballot. The Equity Shares which shall be issued post conversion of the compulsorily convertible debentures and the non-convertible debentures, shall be determined as per the prevailing terms of conversion between our Company and the lenders.

Please refer to the chapter titled “*Terms of the Issue*” on page 203 of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

GENERAL INFORMATION

Our Company was incorporated on June 12, 2000 under the Companies Act, 1956 in the name and style 'Shriram EPC Limited'. A certificate of commencement of business was granted to our Company on June 30, 2000 by the Registrar of Companies, Tamil Nadu. Pursuant to the provisions of Section 391 to 394 of the Companies Act and pursuant to an order dated July 22, 2005 of the High Court of Madras, Shriram Engineering Construction Company Limited was merged with our Company with effect from April 1, 2004, since both companies were in the same line of business, namely, construction engineering. Subsequently, the name of our Company was changed to SEPC Limited pursuant to a certificate of incorporation dated February 12, 2021 issued by Ministry of Corporate Affairs. Our Company pursuant to a resolution passed in the meeting of Board of Directors on January 21, 2021 had shifted its Registered and Corporate Office from Sigappi Achi Building, 4th Floor, 18/3 Rukmini Lakshmipathi Road, Egmore, Chennai 600 008 Tamil Nadu, India to 4th Floor, Bascon Futura SV, IT Park Venkatanarayana Road, Parthasarathy Puram, T. Naga Chennai – 600 017, Tamil Nadu, India. The Corporate Identification Number of our company L74210TN2000PLC045167.

Registered and Corporate Office of our Company

SEPC Limited

4th Floor, Bascon Futura SV,
IT Park Venkatanarayana Road,
Parthasarathy Puram,
T. Naga Chennai – 600 017,
Tamil Nadu, India

Telephone: 044 4900 5555

E-mail: info@sepc.in

Website: www.shriramepc.com

Registration Number: 045167

CIN: L74210TN2000PLC045167

Our Company does not have a corporate office.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Tamil Nadu, Chennai situated at the following address.

Registrar of Companies,

Block No.6, B Wing 2nd Floor,
Shastri Bhawan 26, Haddows Road,
Chennai - 600034,
Tamil Nadu, India

Telephone: 44 2827 0071 44 2823 4298

E-mail: roc.chennai@mca.gov.in

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Abdulla Mohammad Ibrahim Hassan Abdulla	28	Chairman and Non-Executive Director	902, Villa Til, Tillal, Post Box 36668, Dubai, United Arab Emirates	09436100
Nemmara Krishnan Suryanarayanan	65	Managing Director and Chief Executive Officer	A-504, Satellite Park, Caves Road, Near Ismail Yusef College, Jogeshwari (East), Mumbai -400 060, Maharashtra, India	01714066
Dr. Ravichandran Rajagopalan	65	Independent Director	2601, A1 Pelung Chs, Puraniks Rumah Bali, Ghodbunder Road, Bhayanderpada, Thane – 400 615, Maharashtra, India.	01920603
Dr. Arun Kumar Gopaldaswamy	52	Independent Director	B-26-3C, Chera Delhi Avenue, IIT Madras, Chennai 600 036, Tamil Nadu, India.	07212557

Name	Age	Designation	Address	DIN
Rajesh Kumar Bansal	61	Independent (Additional) Director	Flat 904, Tower 1, SPR Imperial Estate Sector - 82, Atigaon Road, Faridabad – 121 002, Haryana, India	09634747
Sundaram Gayathri	53	Independent (Additional) Director	Sadan New No. 11, Old No. 4, Norton, 3 rd street, Near St. Johns School, Mandaveli, Raja Annamalaiapuram, S.O., Chennai- 600 028, Tamil Nadu, India.	07342382

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 98 of this Draft Letter of Offer.

Chief Financial Officer

Chandrasekharan Sivaprakasam Ramalingam, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

4th Floor, Bascon Futura SV,
IT Park Venkatanarayana Road,
Parthasarathy Puram,
T. Naga Chennai – 600 017,
Tamil Nadu, India
Telephone: 44 4900 5555
E-mail: rsc@sepc.in

Company Secretary and Compliance Officer

Thiruppathi Sriraman, Company Secretary and Compliance officer of our Company. His contact details are set forth hereunder.

4th Floor, Bascon Futura SV,
IT Park Venkatanarayana Road,
Parthasarathy Puram,
T. Naga Chennai – 600 017,
Tamil Nadu, India
Telephone: 44 4900 5555
E-mail: tsr@sepc.in

Registrar to the Issue

Cameo Corporate Services Limited

Subramanian Building, No. 01,
Club House Road, Chennai- 600 002,
Tamil Nadu, India.

Telephone: +91 44 4002 0700

Facsimile: N.A.

E-mail: priya@cameoindia.com

Website: www.cameoindia.com / <https://rights.cameoindia.com/sepc>

Investor Grievance e-mail: investor@cameoindia.com

Contact Person: K. Sreepriya

SEBI Registration No.: INR000003753

Legal Advisor to the Issue

T&S Law

Door Number 1202, VVIP Mall,
Ghaziabad – 201 017,
Uttar Pradesh, India

Telephone: +91 959 970 0476

Email: info@tandslaw.in

Statutory Auditor of our Company

**MSKA & Associates,
Chartered Accountants**
No. 304 and 305, Anna Salai,
Teynampet, Chennai- 600 018,
Tamil Nadu, India
Telephone: +91 44 6131 0200
Email: geethajeyakumar@mska.in
Contact Person: Geetha Jeyakumar
Membership No: 029409
Firm Registration No: 105047W
Peer Review No.: 013267

Bankers to the Issue/ Refund Bank

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

The Company has not appointed any merchant banker as the Issue size is less than ₹5,000.00 lakhs and hence there is no inter-se allocation of responsibilities.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Underwriting Agreement

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated February 7, 2023 from the Statutory Auditor to include its name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “*expert*” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated February 2, 2023 on our Restated Consolidated Financial Statements for the financial years ended March 31, 2022, March 31, 2021 and

March 31, 2020; (ii) limited reviewed report dated November 14, 2022 on the unaudited consolidated financial results for the six months periods ended September 30, 2022; and (ii) Statement of Special Tax Benefits dated February 7, 2023 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application was submitted by the ASBA Investors through ASBA process.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for Rights Issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer shall be filed with BSE Limited and not with SEBI. However, the Letter of Offer shall be submitted with SEBI for information and dissemination purposes and shall be filed with the Stock Exchange.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	●
Last Date for On Market Renunciation of Rights	●
Issue Closing Date*	●

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

Minimum Subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoter has undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements.

As on date of this Draft Letter of Offer, our Company does not have a promoter group.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Changes in the auditors during the last three years

There has not been any change in the statutory auditors of our Company during the last three years.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

<i>Amount (in ₹ Lakhs, except share data)</i>			
Sr. No	Particulars	Aggregate value at nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	1,40,00,00,000 Equity Shares of face value of ₹ 10/- each	1,40,000.00	NA
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,32,15,29,018 [^] Equity Shares of face value of ₹ 10/- each	1,32,152.90	NA
C.	Present Issue in terms of this Draft Letter of Offer⁽¹⁾		
	Fresh Issue of up to [●] Equity Shares of face value of ₹ 10/- each at a price of ₹ [●] per equity share	4,990.00	[●] [#]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue		
	[●] Equity Shares of face value of ₹ 10/- each	[●]	
E.	Securities Premium Account		
	Before the Issue	1,91,225.43	
	After the Issue*	[●]	

⁽¹⁾The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated December 27, 2022. The terms of the issue including the Record Date and Rights Entitlement Ratio, have been approved by resolution passed by our Board at its meeting held on [●].

[^]Our Company has issued and allotted (i) 175,00,000 compulsorily convertible debentures of ₹ 100/- each, to its lenders in lieu of existing debt of our Company with yield, which will be convertible into Equity shares at a future date for an aggregate amount upto ₹ 17,500 lakhs; and (ii) 1,75,00,000 non-convertible debentures of ₹ 100/- each to the lenders in lieu of their existing debt, for an aggregate amount upto ₹ 17,500 lakhs. The said issuance has been made in accordance with the resolution plan approved by the lenders under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 and has been approved by the Board of Directors in their meeting dated January 3, 2022 and by the Shareholders through postal ballot. The Equity Shares which shall be issued post conversion of the compulsorily convertible debentures and the non-convertible debentures, shall be determined as per the prevailing terms of conversion between our Company and the lenders.

[#]Assuming full subscription for and allotment of the Equity Shares.

*Subject to Basis of Allotment.

NOTES TO CAPITAL STRUCTURE

1. Details of outstanding instruments

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer. Further, our Company does not have any employee stock option scheme or employee stock purchase scheme.

2. Intention and extent of participation by our Promoter in the Issue:

Our Promoter has, vide its letter dated February 1, 2023 (the “**Subscription Letter**”) undertaken to subscribe to the full extent of its Rights Entitlement and subscribe to the full extent of any Rights Entitlement. Further, solely in the event of an under-subscription of this Issue, our Promoter may subscribe to, additional Rights Equity Shares, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

The additional subscription, if any, by our Promoter shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

As of date of this Draft Letter of Offer, our Company does not have a promoter group.

3. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●] per equity share.
4. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.
5. As on the date of filing this Draft Letter of Offer, our Company has no partly paid-up Equity Shares. The Rights Equity Shares, pursuant to this Issue shall be fully paid-up.
6. **Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI Listing Regulations**

- i. The shareholding pattern of our Company as on December 31, 2022, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/sepc-ltd/sepc/532945/shareholding-pattern/> and on the website of the NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SEPC&tabIndex=equity>
- ii. Statement showing shareholding pattern of the Promoter including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2022 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532945&qtrid=116.00&QtrName=December%202022> and on the website of the NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SEPC&tabIndex=equity>
- iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2022 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532945&qtrid=116.00&QtrName=December%202022> and on the website of the NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SEPC&tabIndex=equity>

7. Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges

The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid -up Equity Share capital of our Company, as on December 31, 2022 can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/sepc-ltd/sepc/532945/shareholding-pattern/> and on the website of the NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SEPC&tabIndex=equity>

8. Details of shares locked-in, pledged, encumbrance by promoter:

The entire Equity shareholding of our Promoter, namely, Mark A B Capital Investment LLC, aggregating to 35,00,00,000 Equity Shares has been locked in, in accordance with the SEBI ICDR Regulations, on account of the preferential allotment undertaken by our Company, as per the resolution plan approved by the lenders of our Company. The said issuance has been made in accordance with the resolution plan approved by the lenders under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 and has been approved by the Board of Directors in their meeting dated January 3, 2022 and by the Shareholders through postal ballot. For further details, please refer to the shareholding pattern of the Promoter as on December 31, 2022 which can be accessed on the website of BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532945&qtrid=116.00&QtrName=December%202022> and on the website of the NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SEPC&tabIndex=equity>.

9. Details of specified securities acquired by the promoter in the last one year immediately preceding the date of filing of the Draft Letter of Offer:

Except for 35,00,00,000 Equity Shares allotted to our Promoter, namely, Mark A B Capital Investment LLC pursuant to a preferential allotment undertaken in accordance with the resolution plan approved by the lenders of our Company, our Promoter has not acquired any Equity Shares in the last one year immediately preceding the date of filing of the Draft Letter of Offer.

OBJECTS OF THE ISSUE

Our company proposes to utilize the net proceeds from the issue towards funding the following objects:

- To augment the existing and incremental working capital requirement of our Company; and
- General Corporate Purposes (collectively, referred to hereinafter as the “**Objects**”)

We intend to utilize the gross proceeds raised through the Issue (the “**Issue Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the above-mentioned Objects.

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Details of Issue Proceeds

The details of objects of the Issue are set forth in the following table:

Sr. No.	Particulars	Estimated Amount
1	Gross Proceeds from the Issue*	4,990.00
2	Less: Issue related expenses**	[●]
Net Proceeds from the Issue		[●]

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted as per the Rights Entitlement ratio.*

*** To be determined at the time of filing the Letter of offer.*

Requirement of Funds and Utilization of Net Proceeds

We intend to utilize the Net Proceeds are set forth in the following table:

Sr. No.	Particulars	Estimated Amount*
1	To augment the existing and incremental working capital requirement of our Company	4,600.00
2	General Corporate Purposes*	[●]
Net proceeds from the Issue**		[●]

** Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*

*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

Means of Finance

The funding requirements mentioned above are based on inter alia our Company’s internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Proposed Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the FY 2022-23
1	To augment the existing and incremental working capital requirement of our Company	4,600.00	4,600.00
2	General Corporate Purposes [#]	[●]	[●]
Total Net proceeds from the Issue*		[●]	[●]

[#]The amount to be utilized for General corporate purposes will not exceed 25% of the Gross Proceeds;

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio;

Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Our Company may also utilize any portion of the Net Proceeds, towards the aforementioned objects of the Issue, ahead of the estimated schedule of deployment specified above. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Details of the Objects of the Issue

1. To augment the existing and incremental working capital requirement of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and availed working capital loan from banks and financial institutions. We operate in a competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

Basis of estimation of working capital requirement

The details of our Company's working capital, on the basis of Audited Financial Information, as at March 31, 2022 and March 31, 2021 and source of funding of the same are provided in the table below:

(₹ in lakhs)

Sr. No	Particulars	As at March 31, 2021	As at March 31, 2022
		Amount	Amount
I	Current Assets		
1	Trade receivables	32,820.14	28,057.27
2	Other Current Assets	15,385.74	13,183.64
3	Inventories/Contract Assets	82,931.62	79,708.74
4	Cash and Cash equivalents	3,492.56	2,935.76
	Total (I)	1,34,630.06	1,23,885.41
II	Current Liabilities		
1	Trade Payables	22,611.54	15,873.15
2	Other Financial Liabilities	1,663.07	1,885.00
3	Other Current Liabilities	73,543.75	89,626.99

Sr. No	Particulars	As at March 31, 2021	As at March 31, 2022
		Amount	Amount
	Total (II)	97,818.36	1,07,385.14
III	Net Working capital requirement	36,811.70	16,500.27
IV	Means of Finance (Existing Funding Pattern)		
1	Equity/Internal Accruals or Borrowings	36811.70	16500.27
	Total (IV)	36,811.70	16,500.27

On the basis of the existing working capital requirements of the Company and the incremental and proposed working capital requirements, the details of our Company's expected working capital requirements, as approved by the Board of Directors on February 7, 2023, for the Fiscal 2023 and Fiscal 2024 and funding of the same are as provided in the table below:

Details of Projected Working Capital Requirements

(₹ in lakhs)

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2024
		Estimated Amount	Estimated Amount
I	Current Assets		
1	Trade receivables	26,534.00	45,600.00
2	Other Current Assets	13,034.00	12,718.00
3	Inventories/Contract Assets	65,688.00	74,100.00
4	Cash and Cash equivalents	3,464.00	6,000.00
	Total (I)	1,08,720.00	1,38,418.00
II	Current Liabilities		
1	Trade Payables	9,956.00	19,060.00
2	Other Financial Liabilities	200.00	356.00
4	Other Current Liabilities	20,576.00	22,844.00
	Total (II)	30,732.00	42,260.00
III	Net Working capital requirement	77,988.00	96,158.00
IV	Means of Finance		
1	Internal Accruals / Equity	57,788.00	79,658.00
2	Current Borrowings (other than current maturities from long-term borrowings)	16,500.00	16,500.00
3	Working capital funding through Issue Proceeds	3,700.00	-
	Total (IV)	77,988.00	96,158.00

The table below sets forth the details of holding levels (in days) for Fiscal 2022, and Fiscal 2021 on the basis of audited financial statements and the estimated holding levels (in days) for the Fiscal 2023 and Fiscal 2024 and the assumptions based on which the working plan projections has been made and approved by our Board of Directors:

S. No.	Particulars	Number of days for the period ended			
		March 31, 2021 (Actual)	March 31, 2022 (Actual)	March 31, 2023 (Estimated)	March 31, 2024 (Estimated)
1.	Trade receivables	225	338	185	160
2.	Other current assets	106	159	91	45
3.	Inventories and Contract assets	570	961	458	260
4.	Trade payables	155	191	69	67
5.	Other current liabilities	101	245	28	22

Assumptions for Working Capital Requirements

Reasoning for change in holding period of all the above:

The holding levels of the above in FY 22 are higher than the normal on account of lesser turnover due to frequent stoppage of work in project sites on account of COVID 19 pandemic as well as delay in restructuring of loans as per terms of Resolution Plan. Since the resolution plan has been implemented on 30th Sept 2022, all sites are coming back to normal operations , projected infusion of further funds for working capital , an improvement in holding period has been estimated.

The table below sets forth the key justifications for holding levels:

S. No.	Particulars	Details
<i>Current assets</i>		
1.	Trade receivables	The Company had maintained trade receivable days of 202 days in the Fiscal 2020, 225 days in the Fiscal 2021 and 338 days in the Fiscal 2022. The Company anticipate to reduce its holding levels in trade receivables because of implementation of Resolution plan and all project sites started operating in full swing after COVID 19 pandemic, projected trade receivables days to be 185 days for the Fiscal 2023 and 160 days for Fiscal 2024.
2.	Other current assets	Other Current Assets include balance with government authorities, advances to suppliers and prepaid expenses. For the Fiscal 2020, Fiscal 2021 and Fiscal 2022, The Company's other current assets were 129 days, 106 day and 159 days. It is anticipated to be at 91 days for Fiscal 2023 and 45 days for Fiscal 2024.
3.	Inventories and Contract assets	Inventories include Contract assets. The Company had maintained inventory days of 433 days in Fiscal 2020, 570 days in Fiscal 2021 and 961 days in Fiscal 2022. It is assumed to reduce inventory days to 458 for the Fiscal 2023 and 260 days for Fiscal 2024.
<i>Current liabilities</i>		
1.	Trade payables	The Company had maintained trade payable days of 165 days in Fiscal 2020, 155 days in Fiscal 2021 and 191 days in Fiscal 2022. It is projected to reduce due to improvement in financial efficiency and projected to be 69 days for the Fiscal 2023 and 67 for Fiscal 2024.
2.	Other current liabilities	Other Current Liabilities include current tax liabilities, current provision for employee benefits, advances from customers, statutory dues and deferred government grant. For the Fiscal 2020, Fiscal 2021 and Fiscal 2022, the Company's other current liabilities were 30 days, 101 days and 245 days respectively. It is anticipated to be at 28 days for Fiscal 2023 and 22 days for Fiscal 2024.

2. General Corporate Purposes

Our Company intends to deploy the balance Gross Proceeds, aggregating to ₹ [●] lakhs towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross proceeds in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Gross Proceeds may include, but are not restricted to, salaries and wages, bonus and gratuity, leave encashment, rent, administration expenses, electricity bills of godown and offices, upgradation of information technology infrastructure, insurance related expenses, payment of taxes and duties, repair, maintenance, renovation and upgradation of our offices or branches, funding growth opportunities such as acquiring assets including furniture, fixtures and vehicles, leasehold improvements and intangibles, and similar other expenses incurred in the ordinary course of our business or towards any exigencies.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to the compliance with necessary provisions of the Companies Act, 2013. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

(₹ in lakhs)			
Particulars	Estimated Expenses (₹ in lakhs)*	As a % of total expenses*	As a % of Gross Issue size*
Fees of the Lead Manager, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[•]	[•]	[•]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[•]	[•]	[•]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[•]	[•]	[•]
Total estimated Issue expenses*	[•]	[•]	[•]

**Note: Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.*

Interim Use Of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Net Issue Proceeds for any investment in equity and/ or real estate products and/ or equity linked and/ or real estate linked products.

Appraisal by Appraising Agency

None of the objects have been appraised by any bank or financial institution or any other independent third party organizations.

Bridge Financing Facilities

As on the date of this Draft Letter of Offer, we have not entered into any bridge financing arrangements which is subject to being repaid from the Issue Proceeds.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Monitoring of Utilization of Funds

Since the proceeds from this Issue are less than ₹10,000 lakhs, in terms of Regulation 82 of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Audit Committee and the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the

Company for the relevant Financial Years subsequent to receipt of listing and trading approval from the Stock Exchange.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulations, the Company shall furnish to the Stock Exchange, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Key Industrial Regulations for the Objects of the Issue

No additional provisions of any acts, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter group, directors, associates or key management personnel or group companies, except as stated above and in the normal course of business and in compliance with applicable law.

STATEMENT OF SPECIAL TAX BENEFITS

Statement of possible special tax benefits available to the Company and its Shareholders

The Board of Directors

SEPC Limited (Formerly known as Shriram EPC Limited)

Old No. 56/ L, New No. 10/1, 4th Floor , Bascon Futura Sv it Park,, Venkatnarayana Road, Parthasarathy puram, T. Nagar, Chennai - 600017 February 02, 2023

Sub: Statement of possible special tax benefits available to SEPC Limited (Formerly known as Shriram EPC Limited) , Material Subsidiaries (Namely, “SHRIRAM EPC FZE AND SHRIRAM EPC ARKANS LLC”) and its shareholders, prepared in accordance with the requirements of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”)

1. We, M S K A & Associates, statutory auditors of the Company, hereby confirm that the enclosed Annexures I and II (together, the “Annexures”), prepared by the Company, provides the special tax benefits under direct tax and indirect tax laws presently in force in India available to the Company, Material Subsidiaries and its shareholders as stated in those Annexures, under:
2. The Income-tax Act, 1961 (the “Act”) as amended by the Finance Act, 2022 applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, presently in force in India; and
3. The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 (“GST Acts”), as amended from time to time, the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act 2021, applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 as extended till 31 March 2022 vide Notification No 33/2015-20 dated 28 September 2021 (unless otherwise specified), presently in force in India.
4. This statement of possible special tax benefits is required as per Schedule VI (Part B-1)(10) of the SEBI ICDR Regulations. While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
5. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
6. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, Material Subsidiaries and its shareholders do not cover any general tax benefits available to them.
7. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
8. The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Rights issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.
9. We do not express any opinion or provide any assurance whether:
 - The Company, Material Subsidiaries and its shareholders will continue to obtain these benefits in future;
 - The conditions prescribed for availing the benefits have been/would be met;

- The revenue authorities/courts will concur with the views expressed herein.
10. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non- tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.
 11. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

**For M S K A & Associates,
Chartered Accountants
Firm Registration Number:105047W**

Sd/-

Geetha Jeyakumar

Partner

Membership No: 029409

Place: Chennai

UDIN: 230294098GTMKO3230

Date: February 7, 2023

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SEPC LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT,1961 (hereinafter referred to as ‘the Act’)

Special Tax benefits available to the company under the Act

There are no special tax benefits available to the company.

Special Tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the company.

Notes:

- a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.
- b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c) The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24.
- d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her investment in the shares of the company.
- e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f) No assurance is given that the revenue authorities/court will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such change.

ANNEXURE II

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO SEPC LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively referred to as "indirect tax")

1. Special indirect tax benefits available to the Company under the Act There are no special indirect tax benefits available to the Company.
2. Special Indirect tax benefits available to the shareholders under the Act There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

- a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b) The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
- c) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- d) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Global Industry Outlook

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8 percent. The rise in central bank rates to fight inflation and Russia’s war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.

The balance of risks remains tilted to the downside, but adverse risks have moderated since the October 2022 WEO. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation are plausible. On the downside, severe health outcomes in China could hold back the recovery, Russia’s war in Ukraine could escalate, and tighter global financing conditions could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.

In most economies, amid the cost-of-living crisis, the priority remains achieving sustained disinflation. With tighter monetary conditions and lower growth potentially affecting financial and debt stability, it is necessary to deploy macroprudential tools and strengthen debt restructuring frameworks. Accelerating COVID-19 vaccinations in China would safeguard the recovery, with positive cross-border spillovers. Fiscal support should be better targeted at those most affected by elevated food and energy prices, and broad-based fiscal relief measures should be withdrawn. Stronger multilateral cooperation is essential to preserve the gains from the rules-based multilateral system and to mitigate climate change by limiting emissions and raising green investment.

Forces shaping the Outlook

The global fight against inflation, Russia’s war in Ukraine, and a resurgence of COVID-19 in China weighed on global economic activity in 2022, and the first two factors will continue to do so in 2023.

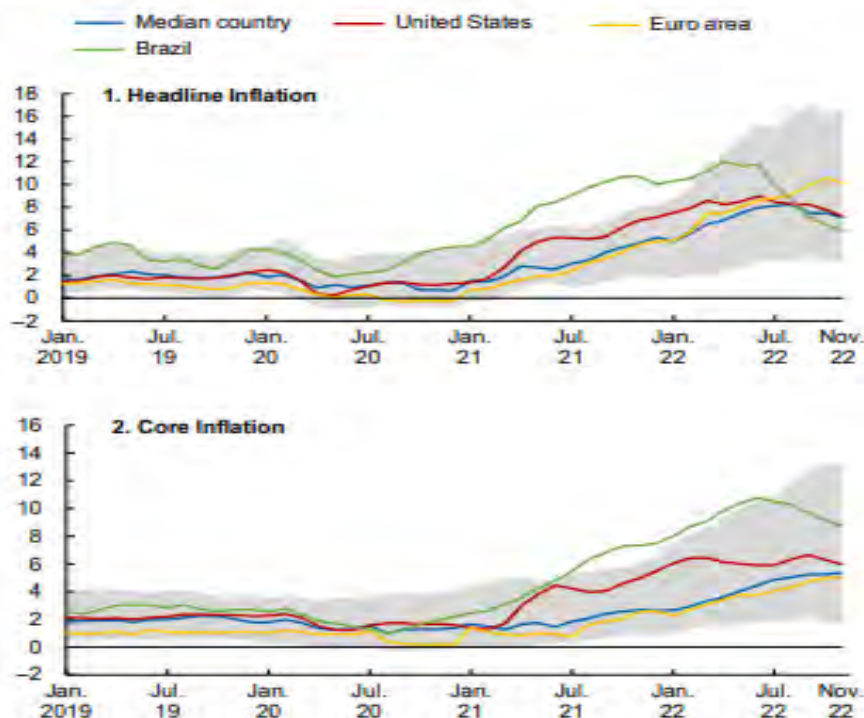
Despite these headwinds, real GDP was surprisingly strong in the third quarter of 2022 in numerous economies, including the United States, the euro area, and major emerging market and developing economies. The sources of these surprises were in many cases domestic: stronger-than-expected private consumption and investment amid tight labor markets and greater-than-anticipated fiscal support. Households spent more to satisfy pent-up demand, particularly on services, partly by drawing down their stock of savings as economies reopened. Business investment rose to meet demand. On the supply side, easing bottlenecks and declining transportation costs reduced pressures on input prices and allowed for a rebound in previously constrained sectors, such as motor vehicles. Energy markets have adjusted faster than expected to the shock from Russia’s invasion of Ukraine.

In the fourth quarter of 2022, however, this uptick is estimated to have faded in most—though not all—major economies. US growth remains stronger than expected, with consumers continuing to spend from their stock of savings (the personal saving rate is at its lowest in more than 60 years, except for July 2005), unemployment near historic lows, and plentiful job opportunities. But elsewhere, high-frequency activity indicators (such as business and consumer sentiment, purchasing manager surveys, and mobility indicators) generally point to a slowdown.

COVID-19 deepens China’s slowdown. Economic activity in China slowed in the fourth quarter amid multiple large COVID-19 outbreaks in Beijing and other densely populated localities. Renewed lockdowns accompanied the outbreaks until the relaxation of COVID-19 restrictions in November and December, which paved the way for a full reopening. Real estate investment continued to contract, and developer restructuring is proceeding slowly, amid the lingering property market crisis. Developers have yet to deliver on a large backlog of presold housing, and downward pressure is building on house prices (so far limited by home price floors). The authorities have responded with additional monetary and fiscal policy easing, new vaccination targets for the elderly, and steps to support the completion of unfinished real estate projects. However, consumer and business sentiment remained subdued in late 2022. China’s slowdown has reduced global trade growth and international commodity prices.

Monetary policy starts to bite. Signs are apparent that monetary policy tightening is starting to cool demand and inflation, but the full impact is unlikely to be realized before 2024. Global headline inflation appears to have peaked in the third quarter of 2022 (Figure 1). Prices of fuel and nonfuel commodities have declined, lowering headline inflation, notably in the United States, the euro area, and Latin America. But underlying (core) inflation has not yet peaked in most economies and remains well above pre-pandemic levels. It has persisted amid second-round effects from earlier cost shocks and tight labor markets with robust wage growth as consumer demand has remained resilient. Medium-term inflation expectations generally remain anchored, but some gauges are up. These developments have caused central banks to raise rates faster than expected, especially in the United States and the euro area, and to signal that rates will stay elevated for longer. Core inflation is declining in some economies that have completed their tightening cycle—such as Brazil. Financial markets are displaying high sensitivity to inflation news, with equity markets rising following recent releases of lower inflation data in anticipation of interest rate cuts (Box 1), despite central banks’ communicating their resolve to tighten policy further. With the peak in US headline inflation and an acceleration in rate hikes by several non-US central banks, the dollar has weakened since September but remains significantly stronger than a year ago.

Figure 1. Twin Peaks? Headline and Core Inflation
(Percent, year over year)



Sources: Haver Analytics, and IMF staff calculations.
Note: The figure shows the developments in headline and core inflation across 18 advanced economies and 17 emerging market and developing economies. Core inflation is the change in prices for goods and services, but excluding those for food and energy (or the closest available measure). For the euro area (and other European countries for which the data are available), energy, food, alcohol, and tobacco are excluded. The gray bands depict the 10th to 90th percentiles of inflation across economies.

Winter comes to Europe. European economic growth in 2022 was more resilient than expected in the face of the large negative terms-of-trade shock from the war in Ukraine. This resilience—which is visible in consumption and investment data for the third quarter—partly reflects government support of about 1.2 percent of European Union GDP (net budgetary cost) to households and firms hit by the energy crisis, as well as dynamism from economies reopening. Gas prices have declined by more than expected amid higher non-Russian pipeline and liquefied natural gas flows, compression of demand for gas, and a warmer-than-usual winter. However, the boost from reopening appears to be fading. High-frequency indicators for the fourth quarter suggest that the manufacturing and services sectors are contracting. Consumer confidence and business sentiment have worsened.

With inflation at about 10 percent or above in several euro area countries and the United Kingdom, household budgets remain stretched. The accelerated pace of rate increases by the Bank of England and the European Central Bank is tightening financial conditions and cooling demand in the housing sector and beyond.

The Forecast

Growth Bottoming Out

Global growth, estimated at 3.4 percent in 2022, is projected to fall to 2.9 percent in 2023 before rising to 3.1 percent in 2024 (Table 1). Compared with the October forecast, the estimate for 2022 and the forecast for 2023 are both higher by about 0.2 percentage point, reflecting positive surprises and greater-than-expected resilience in numerous economies. Negative growth in global GDP or global GDP per capita—which often happens when there is a global recession—is not expected. Nevertheless, global growth projected for 2023 and 2024 is below the historical (2000–19) annual average of 3.8 percent.

The forecast of low growth in 2023 reflects the rise in central bank rates to fight inflation—especially in advanced economies—as well as the war in Ukraine. The decline in growth in 2023 from 2022 is driven by advanced economies; in emerging market and developing economies, growth is estimated to have bottomed out in 2022. Growth is expected to pick up in China with the full reopening in 2023. The expected pickup in 2024 in both groups of economies reflects gradual recovery from the effects of the war in Ukraine and subsiding inflation. Following the path of global demand, world trade growth is expected to decline in 2023 to 2.4 percent, despite an easing of supply bottlenecks, before rising to 3.4 percent in 2024.

These forecasts are based on a number of assumptions, including on fuel and nonfuel commodity prices, which have generally been revised down since October, and on interest rates, which have been revised up. In 2023, oil prices are projected to fall by about 16 percent, while nonfuel commodity prices are expected to fall by, on average, 6.3 percent. Global interest rate assumptions are revised up, reflecting intensified actual and signaled policy tightening by major central banks since October.

For *advanced economies*, growth is projected to decline sharply from 2.7 percent in 2022 to 1.2 percent in 2023 before rising to 1.4 percent in 2024, with a downward revision of 0.2 percentage point for 2024. About 90 percent of advanced economies are projected to see a decline in growth in 2023.

For *emerging market and developing economies*, growth is projected to rise modestly, from 3.9 percent in 2022 to 4.0 percent in 2023 and 4.2 percent in 2024, with an upward revision of 0.3 percentage point for 2023 and a downward revision of 0.1 percentage point for 2024. About half of emerging market and developing economies have lower growth in 2023 than in 2022.

Inflation Peaking

About 84 percent of countries are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Global inflation is set to fall from 8.8 percent in 2022 (annual average) to 6.6 percent in 2023 and 4.3 percent in 2024—above pre-pandemic (2017–19) levels of about 3.5 percent. The projected disinflation partly reflects declining international fuel and nonfuel commodity prices due to weaker global demand. It also reflects the cooling effects of monetary policy tightening on underlying (core) inflation, which globally is expected to decline from 6.9 percent in the fourth quarter of 2022 (year over year) to 4.5 percent by the fourth quarter of 2023. Still, disinflation will take time: by 2024, projected annual average headline and core inflation will, respectively, still be above pre-pandemic levels in 82 percent and 86 percent of economies.

In *advanced economies*, annual average inflation is projected to decline from 7.3 percent in 2022 to 4.6 percent in 2023 and 2.6 percent in 2024—above target in several cases. In *emerging market and developing economies*, projected annual inflation declines from 9.9 percent in 2022 to 8.1 percent in 2023 and 5.5 percent in 2024, above the 4.9 percent pre-pandemic (2017–19) average. In *low-income developing countries*, inflation is projected to moderate from 14.2 percent in 2022 to 8.6 percent in 2024—still high, but close to the pre-pandemic average.

Rise to the Outlook

The balance of risks to the global outlook remains tilted to the downside, with scope for lower growth and higher inflation, but adverse risks have moderated since the October 2022 World Economic Outlook.

Table 1. Overview of the World Economic Outlook Projections
(Percent change, unless noted otherwise)

	Year over Year						Q4 over Q4 2/		
	Estimate		Projections		Difference from October 2022 WEO Projections 1/		Estimate	Projections	
	2021	2022	2023	2024	2023	2024	2022	2023	2024
World Output	6.2	3.4	2.9	3.1	0.2	-0.1	1.9	3.2	3.0
Advanced Economies	5.4	2.7	1.2	1.4	0.1	-0.2	1.3	1.1	1.6
United States	5.9	2.0	1.4	1.0	0.4	-0.2	0.7	1.0	1.3
Euro Area	5.3	3.5	0.7	1.6	0.2	-0.2	1.9	0.5	2.1
Germany	2.6	1.9	0.1	1.4	0.4	-0.1	1.4	0.0	2.3
France	6.8	2.6	0.7	1.6	-0.0	0.0	0.5	0.9	1.8
Italy	6.7	3.9	0.6	0.9	0.8	-0.4	2.1	0.1	1.0
Spain	5.5	5.2	1.1	2.4	-0.1	-0.2	2.1	1.3	2.8
Japan	2.1	1.4	1.8	0.9	0.2	-0.4	1.7	1.0	1.0
United Kingdom	7.6	4.1	-0.6	0.9	-0.9	0.3	0.4	-0.5	1.8
Canada	5.0	3.5	1.5	1.5	0.0	-0.1	2.3	1.2	1.9
Other Advanced Economies 3/	5.3	2.8	2.0	2.4	-0.3	-0.2	1.4	2.1	2.2
Emerging Market and Developing Economies	6.7	3.9	4.0	4.2	0.3	-0.1	2.5	5.0	4.1
Emerging and Developing Asia	7.4	4.3	5.3	5.2	0.4	0.0	3.4	6.2	4.9
China	8.4	3.0	5.2	4.5	0.8	0.0	2.9	5.9	4.1
India 4/	8.7	6.8	6.1	6.8	0.0	0.0	4.3	7.0	7.1
Emerging and Developing Europe	6.9	0.7	1.5	2.6	0.9	0.1	-2.0	3.5	2.8
Russia	4.7	-2.2	0.3	2.1	-2.6	0.6	-4.1	1.0	2.0
Latin America and the Caribbean	7.0	3.9	1.8	2.1	0.1	-0.3	2.6	1.9	1.9
Brazil	5.0	3.1	1.2	1.5	-0.2	-0.4	2.8	0.8	2.2
Mexico	4.7	3.1	1.7	1.6	-0.5	-0.2	3.7	1.1	1.9
Middle East and Central Asia	4.5	5.3	3.2	3.7	-0.4	0.2	...	...	...
Saudi Arabia	3.2	8.7	2.6	3.4	-1.1	0.5	4.6	2.7	3.5
Sub-Saharan Africa	4.7	3.8	3.8	4.1	-0.1	0.0	...	...	...
Nigeria	3.6	3.0	3.2	2.9	0.2	0.0	2.6	3.1	2.9
South Africa	4.9	2.6	1.2	1.3	0.1	0.0	3.0	0.5	1.8
Memorandum	...	...	...	...	...	...	...	...	...
World Growth Based on Market Exchange Rates	6.0	3.1	2.4	2.6	0.3	-0.1	1.7	2.5	2.5
European Union	5.5	3.7	0.7	1.8	0.0	-0.3	1.8	1.2	2.0
ASEAN 5 5/	3.8	5.2	4.3	4.7	-0.2	-0.2	3.7	5.7	4.0
Middle East and North Africa	4.1	5.4	3.2	3.5	-0.4	0.2	...	...	...
Emerging Market and Middle-Income Economies	7.0	3.8	4.0	4.1	0.4	0.0	2.5	5.0	4.1
Low-Income Developing Countries	4.1	4.9	4.9	5.6	0.0	0.1	...	...	...
World Trade Volume (goods and services) 6/	10.4	5.4	2.4	3.4	-0.1	-0.3	...	...	...
Advanced Economies	9.4	6.6	2.3	2.7	-0.0	-0.4	...	...	...
Emerging Market and Developing Economies	12.1	3.4	2.6	4.6	-0.3	0.0	...	...	...
Commodity Prices									
Oil 7/	65.8	39.8	-16.2	-7.1	-3.3	-0.9	11.2	-9.8	-5.9
Nonfuel (average based on world commodity import weights)	26.4	7.0	-6.3	-0.4	-0.1	0.3	-2.0	1.4	-0.2
World Consumer Prices 8/	4.7	8.8	6.6	4.3	0.1	0.2	9.2	5.0	3.5
Advanced Economies 9/	3.1	7.3	4.6	2.6	-0.2	0.2	7.8	3.1	2.3
Emerging Market and Developing Economies 9/	5.9	9.9	8.1	5.5	0.0	0.2	10.4	5.6	4.5

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 26, 2022–November 23, 2022. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1/ Difference based on rounded figures for the current and October 2022 WEO forecasts. Countries whose forecasts have been updated relative to October 2022 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 96 percent (50 percent) of annual world (emerging market and developing economies) output at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and projections are presented on a fiscal year basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.4 percent in 2023 and 6.6 percent in 2024 based on calendar year.

5/ Indonesia, Malaysia, Philippines, Singapore, Thailand.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai/Fatih, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of November 29, 2022), is \$81.13 in 2023 and \$75.38 in 2024.

8/ Excludes Venezuela.

9/ The inflation rate for the euro area is 5.1% in 2023 and 3.3% in 2024, that for Japan is 2.8% in 2023 and 2.6% in 2024, and that for the United States is 4.0% in 2023 and 2.2% in 2024.

Upside risks—Plausible upside risks include more favorable surprises to domestic spending—as in the third quarter of 2022—which, however, would increase inflation further. At the same time, there is room for an upside scenario with lower-than-expected inflation and less monetary tightening:

- **Pent-up demand boost:** Fueled by the stock of excess private savings from the pandemic fiscal support and, in many cases, still-tight labor markets and solid wage growth, pent-up demand remains an upside risk to the growth outlook. In some advanced economies, recent data show that households are still on net adding to their stock of excess savings (as in some euro area countries and the United Kingdom) or have ample savings left (as in the United States). This leaves scope for a further boost to consumption—particularly of services, including tourism. However, the boost to demand could stoke core inflation, leading to even tighter monetary policies and a stronger-than-expected slowdown later on. Pent-up demand could also fuel a stronger rebound in China.
- **Faster disinflation:** An easing in labor market pressures in some advanced economies due to falling vacancies could cool wage inflation without necessarily increasing unemployment. A sharp fall in the

prices of goods, as consumers shift back to services, could further push down inflation. Such developments could imply a “softer” landing with less monetary tightening.

Downside risks—Numerous downside risks continue to weigh on the global outlook, lowering growth while, in a number of cases, adding further to inflation:

- *China’s recovery stalling*: Amid still-low population immunity levels and insufficient hospital capacity, especially outside the major urban areas, significant health consequences could hamper the recovery. A deepening crisis in the real estate market remains a major source of vulnerability, with risks of widespread defaults by developers and resulting financial sector instability. Spillovers to the rest of the world would operate primarily through lower demand and potentially renewed supply chain problems.
- *War in Ukraine escalating*: An escalation of the war in Ukraine remains a major source of vulnerability, particularly for Europe and lower-income countries. Europe is facing lower-than-anticipated gas prices, having stored enough gas to make shortages unlikely this winter. However, refilling storage with much-diminished Russian flows will be challenging ahead of next winter, particularly if it is a very cold one and China’s energy demand picks up, causing price spikes. A possible increase in food prices from a failed extension of the Black Sea grain initiative would put further pressure on lower-income countries that are experiencing food insecurity and have limited budgetary room to cushion the impact on households and businesses. With elevated food and fuel prices, social unrest may increase.
- *Debt distress*: Since October, sovereign spreads for emerging market and developing economies have modestly declined on the back of an easing in global financial conditions (Box 1) and dollar depreciation. About 15 percent of low-income countries are estimated to be in debt distress, with an additional 45 percent at high risk of debt distress and about 25 percent of emerging market economies also at high risk. The combination of high debt levels from the pandemic, lower growth, and higher borrowing costs exacerbates the vulnerability of these economies, especially those with significant near-term dollar financing needs.
- *Inflation persisting*: Persistent labor market tightness could translate into stronger-than-expected wage growth. Higher-than-expected oil, gas, and food prices from the war in Ukraine or from a faster rebound in China’s growth could again raise headline inflation and pass through into underlying inflation. Such developments could cause inflation expectations to de-anchor and require an even tighter monetary policy.
- *Sudden financial market repricing*: A premature easing in financial conditions in response to lower headline inflation data could complicate anti-inflation policies and necessitate additional monetary tightening. For the same reason, unfavorable inflation data releases could trigger sudden repricing of assets and increase volatility in financial markets. Such movements could strain liquidity and the functioning of critical markets, with ripple effects on the real economy.
- *Geopolitical fragmentation*: The war in Ukraine and the related international sanctions aimed at pressuring Russia to end hostilities are splitting the world economy into blocs and reinforcing earlier geopolitical tensions, such as those associated with the US-China trade dispute. Fragmentation could intensify—with more restrictions on cross-border movements of capital, workers, and international payments—and could hamper multilateral cooperation on providing global public goods.¹ The costs of such fragmentation are especially high in the short term, as replacing disrupted cross-border flows takes time.

[Source: *The International Monetary Fund, World Economic Outlook January, 2023*]

Indian Economy Overview

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff

structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

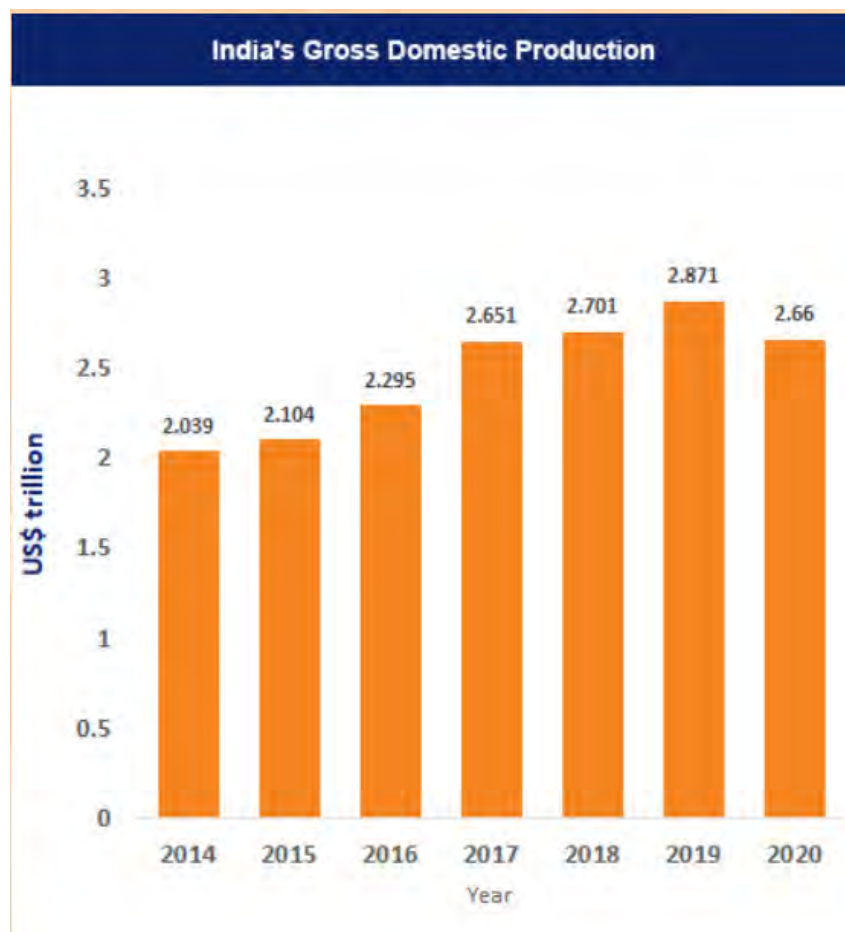
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market Size

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.



Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US\$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).

- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.

In June 2022:

- Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
- The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased

government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.

- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives

(PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

Road Ahead

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

Indian Outlook of Construction and Infrastructure Industry

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure and construction development projects.

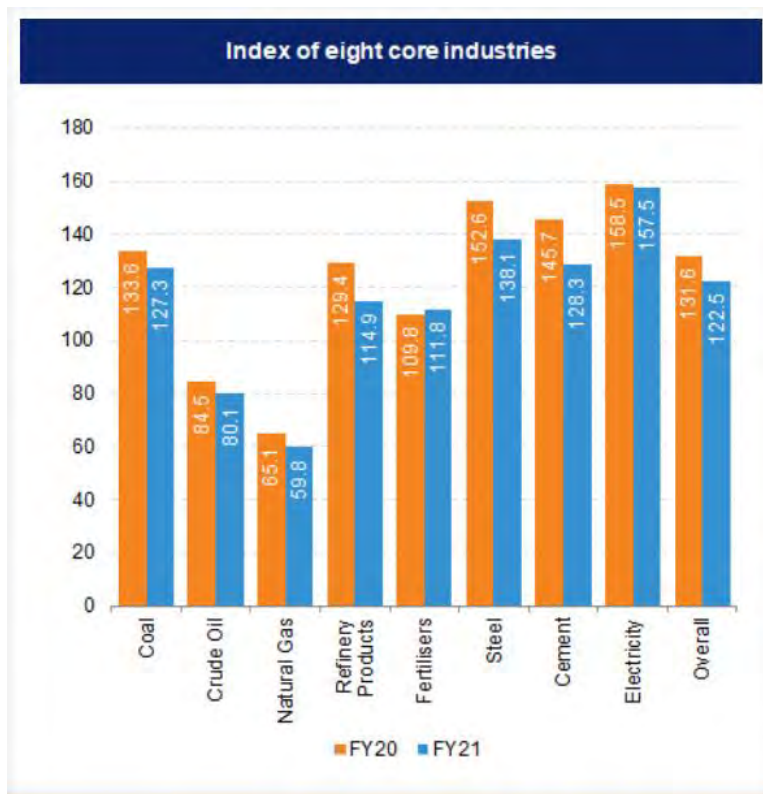
In order to meet India's aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone toward funding for transportation, electricity, and water& irrigation.

While these sectors still remain the key focus, the government has also started to focus on other sectors as India's environment and demographics are evolving. There is a compelling need for enhanced and improved delivery across the whole infrastructure spectrum, from housing provision to water and sanitation services to digital and transportation demands, which will assure economic growth, increase quality of life, and boost sectoral competitiveness.

Market Size

India plans to spend US\$ 1.4 trillion on infrastructure through 'National Infrastructure Pipeline' in the next five years. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion. India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022. As of 22 August, 2022, 122.69 lakh houses have been sanctioned, 103.01 lakh houses have been grounded, and 62.21 lakh houses have been completed, under the Pradhan Mantri Awas Yojna scheme (PMAY-Urban).

Hundreds of new cities need to be developed over the next decade. Over the next 10 years, demand for urban freight is predicted to increase by 140%. Final-mile freight transit in Indian cities accounts for 50% of the total logistics expenditures in the country's increasing e-commerce supply chains. India is expected to become the third-largest construction market globally by 2022. Indian logistics market is estimated to touch US\$ 320 billion by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over FY21-26 driven by spending on water supply, transport and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the 10th five year plan as against 9% in the 11th five year plan. Further, US\$ 1 trillion investment in infrastructure was proposed by the India's planning commission during the 12th five year plan, with 40% of the funds coming from the private sector.



Government Initiatives and Investments

Some of the recent government initiatives and investments in the Infrastructure sector are as follows:

- In Union Budget 2022-23:
 - The government has given a massive push to the infrastructure sector by allocating Rs. 10 lakh crore (US\$ 130.57 billion) to enhance the infrastructure sector.
 - The government allocated Rs. 134,015 crore (US\$ 17.24 billion) to National Highways Authority of India (NHAI).
 - The government announced an outlay of Rs. 60,000 crore (US\$ 7.72 billion) for the Ministry of Road Transport and Highways.
 - The government announced Rs. 76,549 crore (US\$ 9.85 billion) to the Ministry of Housing and Urban Affairs.
 - The government allocated Rs. 84,587 crore (US\$ 10.87 billion) to the Department of Telecommunications to create and augment telecom infrastructure in the country.
 - The total revenue expenditure by Railways is projected to be Rs. 234,640 crore (US\$ 30.48 billion)
 - 100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities will be developed over next three years.
 - Focus was on the PM GatiShakti - National Master Plan for multimodal connectivity to economic zones. Everything, from roads to trains, from aviation to agriculture, as well as many ministries and departments, will be integrated under the PM GatiShakti National Master Plan.
- In September 2022, the government approved rail-cum-road bridge across Brahmaputra river near the existing Saraighat bridge at Guwahati at the cost of Rs. 996.75 crore (US\$ 122.27 million) which will be shared by NHAI & Ministry of Railways.
- In FY 2022-23 (until October 20, 2022), passenger earnings stood at Rs. 33,838.16 crore (US\$ 4.15 billion).
- In August 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways laid foundation stone of six NH projects worth Rs. 2,300 crore (US\$ 287.89 million) in Indore, Madhya Pradesh.
- In FY23 (until September 2022), the combined index of eight core industries stood at 142.8 driven by the production of coal, refinery products, fertilizers, steel, electricity and cement industries.

- In June 2022 Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 15 National Highway projects in Patna and Hajipur in Bihar worth Rs. 13,585 crore (US\$ 1.75 billion)
- FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.22 billion and US\$ 28.64 billion, respectively, between April 2000-June 2022.
- In March 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highway inaugurated 19 National Highway projects in Haryana and Rajasthan totaling Rs. 1,407 crore (US\$ 183.9 million).
- The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. 217 projects worth Rs. 1.10 lakh crore (US\$ 15.09 billion) were completed as of 2020.
- In November 2021, the Asian Development Bank (ADB) has approved a US\$ 250-million loan to support development of the National Industrial Corridor Development Programme (NICDP). This is a part of the US\$ 500-million loan to build 11 industrial corridors bridging 17 states.
- In November 2021, India, the US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region and strengthen bilateral co-operation.
- The initiative 'Infrastructure for Resilient Island States' (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.
- In October 2021, the Union Cabinet of India approved the PM GatiShakti National Master Plan—including implementation, monitoring and support mechanism—for providing multi-modal connectivity.
- In October 2021, the Dubai government and India, inked an agreement to develop infrastructure such as industrial parks, IT towers, multipurpose towers, logistics centres, a medical college and a specialised hospital in Jammu & Kashmir.
- In FY22, government initiatives such the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction.
- To encourage rooftop solar (RTS) throughout the country, notably in rural regions, the Ministry of New and Renewable Energy is undertaking Rooftop Solar Programme Phase II, which aims to install RTS capacity of 4,000 MW in the residential sector by 2022 with a provision of subsidy.
- In May 2021, Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari stated that the government is giving utmost priority to infrastructure development and has set a target of road construction of worth Rs.15 lakh crore (US\$ 206 billion) in the next two years.
- The Ministry of Railways plans to monetise assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through PPP, station redevelopment through PPP, railway land parcels, multifunctional complexes (MFC), railway colonies, hill railways and stadiums.
- Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.
- The government announced Rs. 305,984 crore (US\$ 42 billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.

Road Ahead

India's Infrastructure forms an integral part of the country's economic ecosystem. There has been a significant shift in the industry that is leading to the development of world-class facilities across the country in the areas of roads, waterways, railways, airports, and ports, among others. The country-wide smart cities programmes have proven to be industry game-changers. Given its critical role in the growth of the nation, the infrastructure sector has experienced a tremendous boom as a result of India's necessity and desire for rapid development. The expansion has been aided by urbanisation and an increase in foreign investment in the sector.

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of Rs. 5,000,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30. India's GDP is expected to grow by 8% over the next three fiscal years, one of the quickest rates among major, developing economies, according to S&P Global Ratings. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for development of Northeast to undertake strategic infrastructure projects for the region.

India being a developing nation is set to take full advantage of the opportunity for the expansion of the infrastructure sector, and it is reasonable to conclude that India's infrastructure has a bright future ahead of it.

(Source: <https://www.ibef.org/industry/infrastructure-sector-india>)

OUR BUSINESS

OVERVIEW

Our Company was incorporated on June 12, 2000 under the Companies Act, 1956 in the name and style 'Shriram EPC Limited'. A certificate of commencement of business was granted to our Company on June 30, 2000 by the Registrar of Companies, Tamil Nadu. Subsequently, the name of our Company was changed to SEPC Limited pursuant to a certificate of incorporation dated February 12, 2021 issued by Ministry of Corporate Affairs. Pursuant to the provisions of Section 391 to 394 of the Companies Act and pursuant to an order dated July 22, 2005 of the High Court of Madras, Shriram Engineering Construction Company Limited was merged with our Company with effect from April 1, 2004, since both companies were in the same line of business, namely, construction engineering. The Corporate Identification Number of our company L74210TN2000PLC045167.

We are an ISO 9001-2015 QMS DAkkS, ISO 9001-2015 QMS NABCB, ISO 45001-2018 DAkkS & ISO 14001-2015 EMS DAkkS certified Engineering Procurement and Construction Company (EPC Contractor) engaged in the business of executing turnkey contracts in Engineering, Procurement, and Construction (EPC) and providing end-to-end solutions offering multi-disciplinary services and project management solutions.

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

1. **Infrastructure**
 - a. Water & Sewer
 - b. Road
2. **Process and Metallurgy**
 - a. Process Plants
 - b. Steel Plants
 - c. Mine Development
 - d. Power Plants

1. Infrastructure

Water & Sewer

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

- Drinking water projects
- Sewerage Treatment projects
- Rehabilitation projects

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

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

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

Road

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

2.Process and Metallurgy

Steel Plants

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

Mine Development

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

Power Plants

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

Process Plants

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

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

Sector	Clients
Water	Tamil Nadu Water Supply Board, Chennai Metro Water Supply & Sewerage Board, Kerala Water Authority, Gujarat Water Supply and Sewerage Board, Drinking Water & Sanitation Department..
Process & Metallurgy	Steel Authority of India – Rourkela, Bokaro, Bhilai, Vizag, Durgapur, ISP, Moon Iron and Steel, Oman
Mine Development	Hutti Gold Mines
Thermal Power	Suryadev Alloys, OPG Ltd, Birla White Cements

Our operations are managed from our registered office situated at Chennai, Tamil Nadu.

Our revenues from operations for six months period ended September 30, 2022 and for the year ended March 31, 2022 and March 31, 2021 were ₹ 11,416.67 Lakhs, ₹ 32,945.65 Lakhs and ₹ 58,278.62 Lakhs respectively. Our EBITDA for six months period ended September 30, 2022 and for the year ended March 31, 2022 and March 31, 2021 were ₹ 5,286.04 Lakhs, ₹ (9941.33) Lakhs and ₹ (6610.16) Lakhs respectively. Our profit after tax for six months period ended September 30, 2022 and for the year ended March 31, 2022 and March 31, 2021 were ₹ 1,135.28 Lakhs, ₹ (22,092.37) Lakhs and ₹ (17,825.14) Lakhs respectively. For further details, please refer to the section titled “*Financial Information*” on page 102 of this Draft Letter of Offer.

In the year 2008 our Company made its maiden initial public offering of 50,00,000 Equity Shares of face value ₹10 each for issue price of ₹ 300/- each aggregating to ₹ 15,00,00,00,000 lakhs. Equity Shares of our Company got listed on BSE & NSE.

The market capitalization (full float) of our Company as at December 30, 2022 on BSE and NSE was ₹ 1,37,174.71 lakhs and ₹1,36,778.25 lakhs respectively.

Details of Technology, process & infrastructure facilities

The Company is responsible for design, procurement, construction and commissioning of projects on turnkey basis and the main resource comprising of Engineers and employees specialised in a dedicated sector who offer appropriate solutions for a project in a cost effective way. In addition the company has a suite of softwares on project management control like MS Project, Primavera, design softwares like AutoCADD, Teckla etc.

Company also owns batching plants, equipments for civil construction and Material handling equipments like cranes, hydra etc. Further, Company also owns shaft sinking equipment which are specialised equipments for mine development.

Nature of products

SEPC is focused on providing turnkey solutions in the following business areas:

1. **Infrastructure**
 - a. Installation of drinking water distribution system
 - b. Installation of sewerage treatment system
 - c. Road works.
2. **Process and Metallurgy**
 - a. Green field and brown field projects on Turnkey basis in respect of Steel Plants, Coke oven plants, Cement, Power plants both conventional and Non conventional etc.
 - b. Balance of Plants and utility services in respect of the above including civil and structural work.
 - c. Providing infrastructure for mine development for various minerals like, copper, gold, coal, etc.








OUR STRENGTHS

We believe the following competitive strengths will enable us to take advantage of what we foresee to be significant opportunities for growth:

- **Technical Proficiency** – SEPC efficiency in offering high end designing and engineering solutions have enabled it to carve out a niche for itself in domestic and international market. The Company's ability to provide cost effective solutions to its clients facilitates them to improve their competitive positioning, maximize assets and increase long term success in business. Further, SEPC's capability in offering customized solutions helps it to differentiate itself from others. The confluence of such factors results in securing repeat orders from its clients.
- **Well established in sectors with high potential** – SEPC has a proven track record in executing orders across segments such as water and waste-water distribution and water treatment plants, process and metallurgy projects, mines & mineral processing and power plants including renewable energy. The water sector especially enjoys high potential and provides the company significant opportunity for further growth in India and overseas market.
- **Skilled Management** – A strong management team with rich experience has been instrumental in guiding the Company through the most challenging and difficult times for the EPC Industry. The Company is well supported by its Board of directors, whose diverse experience will enable the management to take strategic decisions to ensure the growth and development of the business of the Company.

TECHNOLOGY PARTNERS:

SEPC works with various technology suppliers on a project specific basis. Some of the suppliers we have worked with in the past are listed below.

Technology Partner/ Equipment supplier	Name/ Business Segment	Brief Profile	Scope of work
	Primetals Metallurgy	Offers engineering and plant building for iron, steel and aluminum industries	Medium structure mill for SAIL Durgapur plant
	Shandong Goldgroup Mining	Engaged in business of gold and non-ferrous metals mining, metal and nonmetal mining and real estate and tourism	Shaft sinking project for Hutti Goldmines
	Hutni project Metallurgy	Provides comprehensive project preparation works, engineering and contracting activities and specialize in designing and heavy metallurgical coking chemistry	Installation of new coal chemical plant for 7m tall new coke oven battery at SAIL Rourkela steel plant and NMDC steel plant
	Danieli & C Metallurgy	Offers engineering, contracting and consulting services in all areas of iron and steel making	Wire rod and bar mill project SAIL- IISCO Steel plant in Burnpur
	SMS Mevac Metallurgy	Offers engineering, technology, plant and service for steel making	SAIL – IISCO Steel plant, secondary refining unit
	KMG Pipe rehabilitation	Deals in rehabilitating the pressure and gravity pipelines of Water and WasteWater sector with 'no-dig' technologies	Rehabilitation sewer lines – ring road Slice A for Delhi Jal Board
	Perco Pipe rehabilitation	Services division designs, manufactures and installs new pipelines and rehabilitates existing pipelines using patented pipe bursting and sewer rehabilitation centres	Replacement of sewer by HDPE pipe by pipe bursting method for MCGM, Mumbai

Details of Projects executed by the company

Some of the major orders (value more than Rs 5000 lakhs) executed in various sectors are displayed below:

Sector / Client	Description of the project	Location
Water Infrastructure		
Tamil Nadu Water Supply Board	Comprehensive Water Supply Scheme	Tamil Nadu
Gujarat Water Supply and Sewage Board	Water Supply Project- HDPE Pipeline-210 Kms	Gujarat
Drinking Water & Sanitation department	Comprehensive Water Supply Scheme	Jharkand
Chennai Metro Water Supply & Sewerage Board	Comprehensive Water Supply Scheme	Tamil Nadu
GMR Energy	Raw Water Intake project	Chattisgarh
UP Jal Nigam	Conditional Assesment & Rehabilitation of old trunk sewer	Uttar Pradesh
Process and Metallurgy		
SAIL	New Coal Chemical Plant	Odisha
RINL	Upgradation of Sinter Plant	Andhra Pradesh
SAIL	ATC/OTC and CDI	Bokaro & Durgapur
SAIL	Electrostatic Precipitator	Bhilai

Sector / Client	Description of the project	Location
MISCO	1.2 MTPA Steel Plant (BoP)- Executed from Shriram EPC FZE- Sharjah	Oman
Process Plants		
Sri Jayajoti Cements	Green field Cement Plant	Andhra Pradesh
Konkala Copper Mines	Gas Cleaning Plant	Zambia
Kerala Feeds Limited	Cattle Feed plant	Kerala
Mineral Processing		
Hutti Gold Mines	Designing, sinking & lining of vertical shaft of 6m diameter and 960m depth	Karnataka
Power		
Suryadev Alloys	2* 80 MW Thermal Power Plant	Tamil Nadu
OPG Limited	77 MW Thermal Power Plant	Tamil Nadu
OGPL	Bio Mass Power Plants	Across India
Various Customers	Wind Farms	Across India

Our Revenue from Operations

Following is our detailed revenue break up on audited consolidated basis for the quarter ended September 30, 2022 and financial years ended March 31, 2022, 2021 and 2020:

(₹ in lakhs)

S. No.	Particulars	Six month period ended September 30, 2022	FY 2022	FY 2021	FY 2020
1.	Revenue from operations	11,416.67	32,945.65	58,278.52	1,20,794.88
2.	Other income	1,056.45	1,113.42	2,334.79	5,091.83
	Total	12,473.12	34,059.07	60,613.31	1,25,886.71

Revenue Break-up

Our revenue break up on consolidated basis for the half year ending September 30, 2022 and financial years ending March 31, 2022, 2021 and 2020 is as follows:

(₹ in lakhs)

Sr. No.	Particulars	Six month ended September 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
1	Domestic	11,416.67	20745.65	24878.52	94,810.88
2	Exports	-	12,200.00	33400.00	25,984.00
	Total	11,416.67	32,945.65	58,278.52	1,20,794.88

Other Financial Information

The following information computed as per the Guidance Note issued by the ICAI from time to time and disclosed in other financial information:

(₹ in lacs)

Particulars	Six Month ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Earnings per share:				
Basic	0.09	(2.71)	(1.85)	(0.79)
Diluted	0.09	(2.71)	(1.85)	(0.79)
Return on Net worth	0.95%	(36%)	(18%)	(7%)

OUR MAJOR CUSTOMERS

The following is the revenue breakup on restated standalone basis of the top five and top ten customers of our Company for the Fiscal 2022 is as follows:

(₹ in lacs)

Particulars	Fiscal 2021-22	Percentage (%)
Top 5 customers	19,246.30	92%
Top 10 customers	20,708.92	99%

Insurance coverage

We maintain comprehensive insurance covering our assets and operations at certain levels, which we believe to be appropriate. Our Company has the following insurance policies as on date.

Nature Of Policies	Sum Insured [In Crores]	Validity Upto	Premium
a. Public liability insurance			
Workmen Compensation Policy	46.80	25-06-2023	4,12,750
EDLI Policy	172.69	25-06-2023	7,83,029
b. Product liability insurance			
CPM Policy	65.00	16-03-2023	8,12,011
Fidelity Guarantee Policy	0.25	18-05-2023	32,450
Fixed Assets Policy	5.45	05-01-2023	41,842
Marine Cargo Policy	213.00	29-06-2023	8,00,016
Money Policy	3.15	18-05-2023	18,583
c. Insurance cover for accidents/fire/natural calamities, etc.			
Fire Policy-Stock	1,056.00	29-04-2023	84,73,344
d. Group accidental or medical insurance policies			
GPA Policy	106.76	14-06-2023	7,55,846
e. Directors and officers liability insurance; and			
D & L O Policy	20.00	31-03-2023	1,18,000
Total	1,469.61		1,22,47,871

HUMAN RESOURCES

Our employees are key contributors to our business success. As on December 31, 2022, we have 216 employees including our Executive Directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

Following is a department wise employee break-up:

Department	Number of Employees
Top management	4
Finance and Accounts	22
HR and Admin	9
Corporate Co-ordination	12
Secretarial	2
Marketing, Sales and customer service	11
Operations and Maintenance	140
Purchase and stores	8
IT	1
Legal	3
Internal Audit	4
Total	216

COMPETITION

The Company's operates in Water& Infrastructure, Road, Process & Metallurgy, Mining projects. The Company is a specialised EPC company with qualification in projects, across various verticals and operates in mid size projects. This is a niche segment and large number of projects in this segment are available across India. This will enable the company to counter competition to get profitable projects.

MARKETING APPROACH

SEPC has developed strong expertise and offerings catering to sectors such as water and waste-water distribution and water treatment plants, process and metallurgy projects, mines & mineral processing, and power plants including renewable energy. The water sector especially enjoys high potential and provides the company significant opportunity for further growth in India and overseas markets.

A number of Government flagship programmes are aimed at creating immense infrastructure development and urban transformation. Since the company has got qualifications exactly in these areas, the following programs are available as market for company to bid and take order.

1) Har Ghar Jal programme

Jal Jeevan Mission, is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. The programme will also implement source sustainability measures as mandatory elements, such as recharge and reuse through grey water management, water conservation, rain water harvesting. The Jal Jeevan Mission will be based on a community approach to water and will include extensive Information, Education and communication as a key component of the mission.

2) Swachh Bharat Mission (Grameen)

The Hon'ble Prime Minister of India, Narendra Modi had launched the Swachh Bharat Mission on 2nd October 2014. Under the mission, all villages, Gram Panchayats, Districts, States and Union Territories in India declared themselves "open-defecation free" (ODF) by 2 October 2019, constructing over 100 million toilets in rural India. To ensure that the ODF behaviours are sustained, no one is left behind, and that solid and liquid waste management facilities are accessible, the Mission is moving towards the next Phase II of SBMG i.e., ODF-Plus. ODF Plus activities under Phase II of Swachh Bharat Mission (Grameen) will reinforce ODF behaviours and focus on providing interventions for the safe management of solid and liquid waste in villages.

1.

3) Clean tap water connections to 10 Cr. Rural Households by Jal Shakti ministry

Clean tap water connections to over 10 crore rural households and open defecation free-plus status for 1.42 lakh villages were among some key achievements for the Jal Shakti Ministry this year. The government has promised 100 per cent tap water connections to all rural households by 2024. A total of 19,36,06,464 rural households have been identified in rural India.

4) Clean Ganga Mission

National Mission for Clean Ganga(NMCG) was registered as a society on 12th August 2011 under the Societies Registration Act 1860. It acted as implementation arm of National Ganga River Basin Authority(NGRBA) which was constituted under the provisions of the Environment (Protection) Act (EPA), 1986. The Act envisages five tier structure at national, state and district level to take measures for prevention, control and abatement of environmental pollution in river Ganga and to ensure continuous adequate flow of water so as to rejuvenate the river Ganga.

5) Water for All by 2024 (Jal Jeevan mission)

The Vision of the Jal Jeevan Mission is that every rural household has drinking water supply in adequate quantity of prescribed quality on regular and long-term basis at affordable service delivery charges leading to improvement in living standards of rural communities. Jal Jeevan Mission, is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India.

6) PM Gati Shakti aligned Infra projects – Outlay 1 lakh Cr.

Traditionally, there was lack of coordination between different Departments, for example, once a road was constructed, other agencies dug up the constructed road again for activities like laying of underground cables, gas pipelines etc. This not only caused great inconvenience but was also a wasteful expenditure. To address this, efforts were made to increase coordination so that all cables, pipelines etc. could be laid simultaneously.

Prime Minister launched PM Gati Shakti - National Master Plan for Multi-modal Connectivity, essentially a digital platform to bring 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects. The multi-modal connectivity will provide integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. It will facilitate the last mile connectivity of infrastructure and reduce travel time for people.

7) Making India a 5 trillion USD Economy

Union Home Minister Amit Shah on 12th Nov 2022, said that India will become a \$5 trillion economy by 2025, and the third largest economy in the world by 2027. "According to a recent report by Morgan

Stanley, India is set to become the third biggest economy in the world by 2027. For this, infrastructure is very important. Because of effective and transparent policies, the Modi government has achieved a lot in different sectors in the last eight years," Amit Shah said.

8) Rural Infra Projects

Target for India's future have been spelt out loud and clear. A US \$5 trillion economy; Infrastructure Development; Housing & better living standards; Enhancing agriculture production and more other. Rural Infrastructure development will be the key. With nearly two-thirds of India's population in rural areas, a mind boggling 800 million people, the challenges and market opportunities that it presents cannot be ignored. Rural areas contribute around 46% to the country's net domestic product and employ 70% of the total workforce. Enhanced reach to rural economies & development of SMART cities will quickly take centre stage in creating employment opportunities for India's youth.

- 9) ADB signs USD 125 million for developing Coimbatore, Madurai and Thootukudi in Tamil Nadu. The Centre and Asian Development Bank (ADB) on Tuesday signed a \$125 million loan to develop climate-resilient sewage collection and treatment, and drainage and water supply systems in three cities in the state of Tamil Nadu.

In Madurai, the project will support the commissioning of 813 km of new water supply distribution pipelines that will connect 163,958 households to 115 newly established district metered area with smart water features to reduce nonrevenue water.

10) Smart City Mission Projects

The 100 Smart Cities Mission in India was launched by Prime Minister Narendra Modi on June 25, 2015. Smart Cities Mission is an urban renewal and retrofitting programme launched by the Government of India to develop smart cities and make them citizen friendly and sustainable.

11) Steel Projects – Outlay public + private

The total steel production capacity of the country at present is 143.91 million tonnes. The details of units engaged in steel production, both in Public and Private Sector are enclosed as below:

S.No	Sector	Units	Capacity ('000 Tonnes)	Production ('000 Tonnes)
1)	Public Sector	9	25,932	19,515
2)	Private Sector	869	1,17,982	84,030
	TOTAL	878	1,43,914	1,03,545

Public Sector steel undertakings have commenced capex programs for expansion as well as efficiency improvement and with our qualifications we would be able to participate in these projects with or without technology providers depending on the project.

12) FGD projects in India

The government plans to install 600 Flue Gas Desulfurisation (FGD) units at thermal power plants with a combined 211.62 GW capacity. This includes power plants owned by the Central Government, States, and by private players. Across the country, the Central Government has awarded bids to install FGD units at 133 projects with a capacity of 58.42 GW. State Governments and private companies have awarded bids for 23 projects with 8.26 GW and 33 projects with 19.06 GW, respectively.

13) Outlay on Roads projects by Centre and States

In FY22 (until December 2021) 5,835 kms of highway was constructed across India. The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US\$ 741.51 billion). Under the Union Budget 2022-23, the Government of India has allocated Rs. 199,107.71 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways.

14) Atmanirbhar Bharat Abhiyan

On 12 May 2020, our Hon'ble PM, Narendra Modi, raised a clarion call to the nation giving a kick start to the Atmanirbhar Bharat Abhiyaan (Self-reliant India campaign) and announced the Special economic and comprehensive package of INR 20 lakh crores - equivalent to 10% of India's GDP – to fight COVID-19 pandemic in India. The aim is to make the country and its citizens independent and self-reliant in all

senses. He further outlined five pillars of Aatma Nirbhar Bharat – Economy, Infrastructure, System, Vibrant Demography and Demand.

15) PLI Schemes

Hon'ble Finance Minister, Smt. Nirmala Sitharaman has announced an outlay of INR 1.97 Lakh Crores for the Production Linked Incentive (PLI) Schemes across 14 key sectors, to create national manufacturing champions and to create 60 lakh new jobs, and an additional production of 30 lakh crore during the next 5 years.

16) New Energy Projects

To preserve the ecology and reduce consumption of fossil fuels, Government of India has embarked on a major investment and promotion of green fuels like Methanol etc., along with new energy focussed on Hydrogen, Fuel cells, Coal to Ammonia, Coal to Gas etc., SEPC will be actively participating in such new ventures.

HEALTH AND SAFETY

SEPC Safety Health & Environment policy clearly states the company's commitment to effective safety-process management and provides a safe working Environment.

SEPC provides a conducive atmosphere at the work place and only few injuries in the past compared to the volume of work done is testimony to good safety policy followed by the company. Some of the customers have also provided safety awards acknowledging this.

Our Immovable Properties

The following are the details of owned and lease hold properties:

a) Owned property:

We own the property located at plot No.31-A/12, Sidco Industrial Estate, Ambattur, Chennai- 53 Land area- 27600 Sq.ft.

Leasehold property: Nil

OUR MANAGMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Draft Letter of Offer, we have six (06) Directors on our Board, which includes, one (01) Managing Director, one (01) Non – Executive Director and four (04) Independent Directors, one of whom is also the woman director of our Company.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Abdulla Mohammad Ibrahim Hassan Abdulla</p> <p>DIN: 09436100</p> <p>Date of Birth: September 6, 1994</p> <p>Designation: Chairman and Non-Executive Director</p> <p>Address: 902, Villa Til, Tillal, Post Box 36668, Dubai, United Arab Emirates</p> <p>Occupation: Business</p> <p>Term: Liable to retire by rotation</p> <p>Nationality: United Arab Emirates</p>	28	<ul style="list-style-type: none"> i. Valiance Engineers Private Limited; and ii. Mark AB Capital Investment India Private Limited.
<p>Nemmara Krishnan Suryanarayanan</p> <p>DIN: 01714066</p> <p>Date of Birth: September 13, 1957</p> <p>Designation: Managing Director and Chief Executive Officer</p> <p>Address: A-504, Satellite Park, Caves Road, Near Ismail Yusef College, Jogeshwari (East), Mumbai - 400 060, Maharashtra, India.</p> <p>Occupation: Professional</p> <p>Term: For a period of three (03) years w.e.f. September 24, 2022.</p> <p>Nationality: Indian</p>	65	Nil
<p>Dr. Ravichandran Rajagopalan</p> <p>DIN: 01920603</p> <p>Date of Birth: July 20, 1957</p>	65	Indo-Latin American Chamber of Commerce & Industry

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Designation: Independent Director</p> <p>Address: 2601, A1 Pelung Chs, Puraniks Rumah Bali, Ghodbunder Road, Bhayanderpada, Thane – 400 615, Maharashtra, India.</p> <p>Occupation: Professional</p> <p>Term: For a period of five (05) years w.e.f. June 24, 2022.</p> <p>Nationality: Indian</p>		
<p>Dr. Arun Kumar Gopaldaswamy</p> <p>DIN: 07212557</p> <p>Date of Birth: February 6, 1971</p> <p>Designation: Independent Director</p> <p>Address: B-26-3C, Chera Delhi Avenue, IIT Madras, Chennai 600 036, Tamil Nadu, India.</p> <p>Occupation: Professional</p> <p>Term: For a period of five (05) years w.e.f. June 24, 2022.</p> <p>Nationality: Indian</p>	52	Nil
<p>Rajesh Kumar Bansal[^]</p> <p>DIN: 09634747</p> <p>Date of Birth: August 18, 1961</p> <p>Designation: Independent (Additional) Director</p> <p>Address: Flat 904, Tower 1, SPR Imperial Estate Sector - 82, Atigaon Road, Faridabad – 121 002, Haryana, India</p> <p>Occupation: Professional</p> <p>Term: For a period of five (05) years w.e.f. January 18, 2023, subject to approval of the Shareholders</p> <p>Nationality: Indian</p>	61	Rahee Infratech Limited
<p>Sundaram Gayathri[^]</p> <p>DIN: 07342382</p>	53	S & S Power Switchgear Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Date of Birth: August 27, 1969</p> <p>Designation: Independent (Additional) Director</p> <p>Address: Sadan New No. 11, Old No. 4, Norton, 3rd street, Near St. Johns School, Mandaveli, Raja Annarnalaipuram, S.O., Chennai- 600 028, Tamil Nadu, India.</p> <p>Occupation: Professional (chartered accountant)</p> <p>Term: For a period of five (05) years w.e.f. January 30, 2023, subject to approval of the Shareholders</p> <p>Nationality: Indian</p>		

^Our Company is in the process of filing Form DIR-12 for the Independent (Additional) Directors.

Brief Biographies of our Directors

Abdulla Mohammad Ibrahim Hassan Abdulla, aged 28 years, is the Chairman and Non-Executive Director of our Company. He holds a bachelor's degree in business administration from Cambridge University. He is a co-promoter of the Al Otaiba Group of Companies and also holds directorship in Valiance Engineers Private Limited and Mark AB Capital Investment India Private Limited.

Nemmara Krishnan Suryanarayanan, aged 65 years, is the Managing Director and Chief Executive Officer of our Company. He holds a bachelor's degree in economics (mechanical) (Hons.) from Calicut University. He received his training in United States of America 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. He has extensive experience in EPC business.

Dr. Ravichandran Rajagopalan, aged 65 years, is the Independent Director of our Company. He is an IICA-MCA qualified Independent Director, Management & Finance professional with 40 years of industry experience. He holds a doctorate in investment banking for international business from for International Business from Adept Institute of Management Studies and Research, Dharwad and has completed a course on governing sustainable finance from ADB Institute. He currently holds the position of managing partner in Dockside International Management Services LLP, Chennai.

Dr. Arun Kumar Gopalswamy, aged 52 years, is the Independent Director of our Company. He holds a Doctorate in Management from Indian Institute of Science, Bangalore. He is a professor at the Department of Management Studies, Indian Institute of Technology, and Madras. He works on assignments with Department of International Development.

Rajesh Kumar Bansal, aged 61 years, is the Independent (Additional) Director of our Company. He holds a bachelor's degree in textile from Technological Institute of Textiles, Bhiwani, has passed the examination for Certified Associate of Indian Institute of Bankers organised by Indian Institute of Banking Finance and is also a certified insolvency resolution professional. He has an experience of more than four years as production engineer in yarn spinning and has 33 years of experience in the banking industry. He was previously associated with Allahabad Bank and Indian Bank.

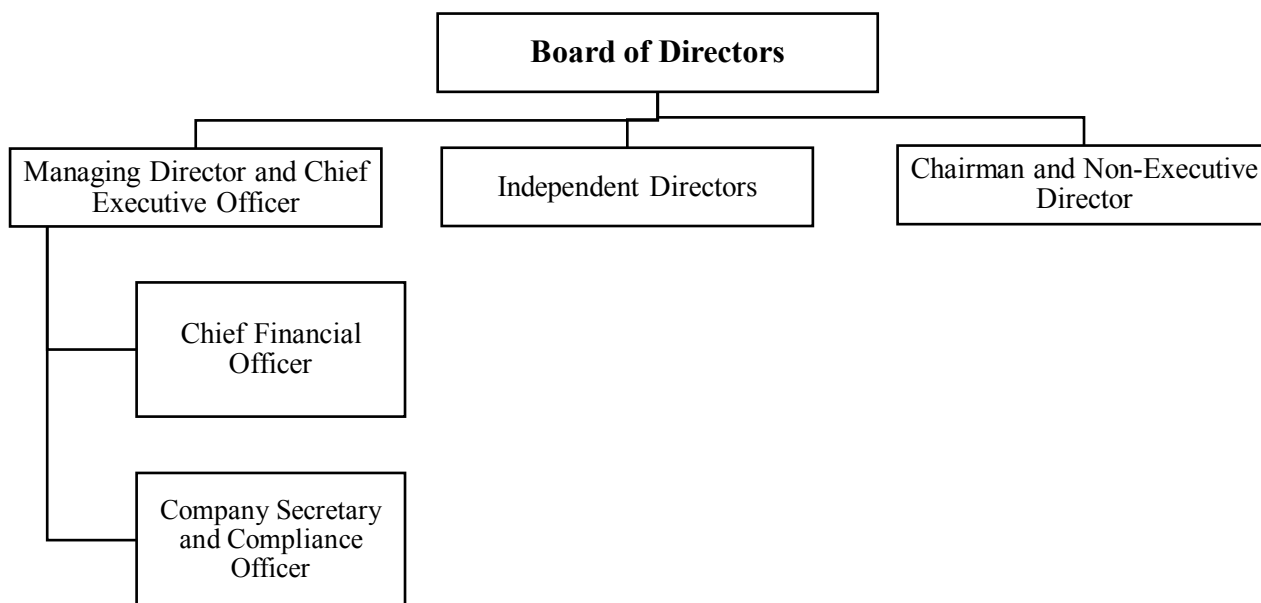
Sundaram Gayathri, aged 53 years, is the Independent (Additional) Director of our Company. She is a chartered accountant and cost and management accountant. She has an experience of more than two decades in corporate accounting, risk management accounting and treasury. She is a director and partner at Profaid's Consulting, a boutique consulting firm specializing in management and internal audits, handling audit of companies across a wide spectrum of industries. She is also an independent director of S & S Power Switchgear Limited.

Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

Management Organization Structure

Set forth is the organization structure of our Company:



Corporate Governance

Certain of the provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, to the extent applicable, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee; and
- d) Risk Management Committee.

Details of each of these committees are as follows:

a. Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors in their meeting held on September 24, 2022 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Dr. Ravichandran Rajagopalan	Chairman
2.	Dr. Arun Kumar Gopaldaswamy	Member
3.	Nemmara Krishnan Suryanarayanan	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

- 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) Recommending fixation of audit fees to the Board.
- 3) Approval of payment to 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:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the board's report;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements related to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Modified opinion(s) 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, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- 7) Reviewing the adequacy of the 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.
- 8) Discussion with Internal Auditors and/or Auditors of any significant findings and follow-up thereon.
- 9) Discussions with Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
- 10) 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.
- 11) To review functioning of the Whistle Blower Mechanism.
- 12) To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG) audit.
- 13) Provide an open avenue of communication between the Independent Auditors, Internal Auditor and the Board of Directors.

- 14) Approval or any subsequent modification of transactions of the Company with related parties.
- 15) Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

b. Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted on September 24, 2022. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Dr. Arun Kumar Gopaldaswamy	Chairman
2.	Dr. Ravichandran Rajagopalan	Member
3.	Nemmara Krishnan Suryanarayanan	Member

The Company Secretary acts as the secretary of the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders Relationship Committee of our Company include:

- 1) Resolving the grievances of the security holders 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 in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 4) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensure timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- 5) To Carry out any other function, as required under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater, including at least one independent director in attendance.

c. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was last reconstituted by our Board of Directors in their meeting held on September 24, 2022 with the following members:

Sr. No.	Name of Member	Designation
1.	Dr. Arun Kumar Gopaldaswamy	Chairman
2.	Dr. Ravichandran Rajagopalan	Member
3.	Nemmara Krishnan Suryanarayanan	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

- 1) To formulate the criteria for determining positive attributes and independence of a Director;
- 2) To recommend distribution of the annual bonus/Performance Related Pay (PRP) and policy for its distribution across the Board and below Board level employees including key managerial personnel;
- 3) To formulate the criteria for evaluation of independent directors and the board;
- 4) To devise a policy on board diversity;
- 5) To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the board their appointment and removal;
- 6) To examine and recommend other allowances and perks, etc. to the Board of Directors for approval;
- 7) To recommend to the board, all remuneration, in whatever form, payable to senior management; and
- 8) To carry out any other function as may be required under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

d. Risk Management Committee

Our Risk Management Committee was last re-constituted on September 24, 2022 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Dr. Arun Kumar Gopaldaswamy	Chairman
2.	Dr. Ravichandran Rajagopalan	Member
3.	Nemmara Krishnan Suryanarayanan	Member

The Company Secretary acts as the secretary of the Risk Management Committee.

The terms of reference of the Risk Management Committee include the following:

1. To formulate a detailed risk management policy, which shall include:
 - (a) 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;
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - (c) 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.

As required under the SEBI Listing Regulations, the Risk Management Committee shall meet at least twice a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one member of the board of directors in attendance.

Additionally, our Company has constituted various operational committees such as the Rights Issue Committee.

Our Key Managerial Personnel

In addition to our Managing Director and Chief Executive Officer, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

Chandrasekharan Sivaprakasam Ramalingam, aged 63 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from University of Madras. He is a Chartered Accountant from Institute of Chartered Accountants of India and has also done a diploma in International Financial Reporting Standards (IFRS) from Association of Chartered Certified Accountants, (ACCA) UK. He has been associated with our Company since February 6, 2012 in the capacity of Chief Financial Officer. In the past, he has served in Shasun Pharmaceuticals Limited as corporate financial controller.

Thiruppathy Sriraman, aged 55 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in economics from University of Madras. He is also an associate of the Institute of Company Secretaries of India and has been associated with our Company since August 1, 2004 and was appointed as the Company Secretary and Compliance Officer of our Company on February 11, 2022.

All our Key Managerial Personnel are permanent employees of our Company.

None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

Relationship of Key Managerial Personnel with our Key Managerial Personnel

None of the key managerial personnel are related to each other.

OUR PROMOTER

Our Promoter is Mark A B Capital Investment LLC. As on date of this Draft Letter of Offer, the shareholding of our Promoter has been provided below:

S. No.	Name of the Promoter	Number of Equity Shares	Percentage of Equity Shares held (%)
1.	Mark A B Capital Investment LLC	35,00,00,000	26.48
Total		35,00,00,000	26.48

Our Company confirms that permanent account number and bank account number of our Promoter shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

Mark A B Capital Investment LLC (“Mark LLC”)

Corporate Information

Mark LLC was originally incorporated in 2007 under the Laws of United Arab Emirates. The registered office of Mark LLC is located at 902, Grosvenor Business Tower, Barsha Heights, Al Barsha, Dubai, United Arab Emirates. Mark LLC is engaged in the business of Investment in Commercial Enterprises and Management.

Mark LLC is promoted by Mr. Abdulla Mohammad Ibrahim Hassan Abdulla and Ms. Huda Abdulla Hassan Abdulla.

The securities of Mark LLC are not listed on any stock exchanges, in India or abroad.

Brief Financial Details

Set forth below is the consolidated financial information of Mark LLC based on its audited financial statements for the last three calendar years:

(₹ in lakhs, except for per share data)

Particulars	December 31, 2021	December 31, 2020	December 31, 2019
Issued and paid-up Equity Share Capital	1,85,715	1,82,473	1,17,923
Reserves and Surplus (excluding revaluation reserves)	33,578	32,992	2,361
Sales / Turnover/Other Income	22,314	46,709	42,966
Profit / (Loss) after Tax	13,504	8,601	5,839
Basic and Diluted EPS per share	1.67	1.06	0.73
Net Asset Value per equity share	23.61	22.79	22.14

Confirmations

- Our Promoter has not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or are currently pending against it.
- Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- Our Promoter has not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter is not and has never been promoter of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- There are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.
- As of date of the Draft Letter of Offer, our Company does not have a promoter group.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Consolidated Financial Information, see section titled “*Financial Information*” at page 102 of this Draft Letter of Offer.

DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

There are no dividends declared by our Company in the preceding three years and the six month period ended September 30, 2022.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

S. No.	Details	Page Number
1.	Limited reviewed unaudited consolidated financial results for the six months periods ended September 30, 2022	103
2.	Restated Consolidated Financial Statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020.	111
3.	Accounting Ratios	169
4.	Statement of Capitalization	171

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly and year to date financial results of SEPC Limited (Formerly known as Shriram EPC Limited) pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

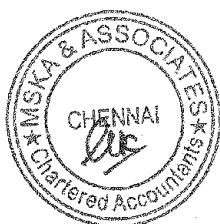
To The Board of Directors of SEPC Limited (Formerly known as Shriram EPC Limited)

1. We have reviewed the accompanying statement of consolidated unaudited financial results of SEPC Limited (Formerly known as Shriram EPC Limited) ('the Holding Company'), its subsidiary, (the Holding Company and its subsidiary together referred to as the 'Group') for the quarter ended September 30, 2022 and the year to-date results for the period April 01, 2022 to September 30, 2022 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

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



5. Basis for Qualified Conclusion:
- a) Our audit report on the consolidated financial statements for the year ended March 31, 2022 & our limited review report on the Statement of the Company for the quarter ended June 30, 2022 was qualified in respect of the matters stated below:
- i. The carrying value of Deferred Tax Asset (DTA) include an amount of 39,679.73 lakhs (September 30, 2021: Rs. 43,914 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment on reasonable certainty of future taxable profits, as required by Ind AS 12 on Income taxes, considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 07 of the Statement).
- ii. Contract Asset (Non-Current) include Rs. 3,956.02 Lakhs (Net of provision amounting to Rs. 926.98 Lakhs) relating to project dues which is not progressing on account of statutory delays faced by the Customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amount is not available. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and the impact if any, on account of non-provisioning of the said balance on the Statement. (Refer Note 04 of the Statement).
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, with the exception of the matter described in the paragraph 5 and the effect thereon, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to Note 08 in the Statement, which states that the Company has incurred a net loss before exceptional items during the quarter and half year ended September 30, 2022 amounting to Rs. 9,309.66 Lakhs and Rs. 12,394.36 Lakhs respectively and as of that date has accumulated losses aggregating Rs. 2,14,084.24 Lakhs which has resulted in erosion of its net worth. Further, the COVID-19 pandemic has also impacted the operations resulting in delay of collection relating to project dues. These events or conditions indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, as stated in Note 02, considering the implementation of resolution plan, infusion of equity by the investor and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, the Statement has been prepared on going concern basis.
8. We draw attention to the notes 9(b) to the financial results:
- A) Note 9(b)(i) to the Statement, which describes the implementation of Resolution Plan entered into with the lenders dated June 22, 2022 wherein Interest waiver, the difference between the carrying amounts of the facilities before restructuring and the fair values of the new facilities has been recognised as income and disclosed under Exceptional items in the statement of profit and loss in accordance with INDAS 109 - Financial Instruments.
- B) Note 9(b)(ii) to the Statement, which states that the management has made a provision of Rs. 5,045.93 Lakhs on account of termination of sale order and consequent legal disputes / arbitration proceedings initiated during the period in respect of a project with the customer.
- Our conclusion is not modified in respect of the above matter.



MSKA & Associates

Chartered Accountants

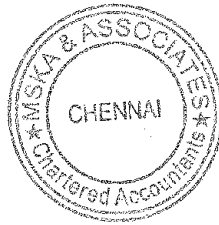
9. We did not review the interim financial statements of subsidiary company (Including step down subsidiary) included in the consolidated unaudited financial results, whose interim financial statements reflect total assets of Rs. 15,480.06 lakhs as at September 30,2022 and total revenues of Rs. 8.54 Lakhs and Rs. 779.27 Lakhs and total Net Profit after tax of Rs. 3.94 lakhs and Rs. 702.51 lakhs for the quarter ended September 30, 2022 and for the period from April 01, 2022 to September 30, 2022, respectively, and cash outflows (net) of Rs. 14.54 lakhs for the period from April 01, 2022 to September 30, 2022, as considered in the consolidated unaudited financial results. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

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



Geetha Jeyakumar
Partner
Membership No.: 029409
UDIN: 22029409BDBWQP7670



Place: Chennai
Date: November 14, 2022

SEPC Limited (Formerly known as Shriram EPC Limited)
Regd Office : Bascon Futura SV- 4th Floor,
10/1, Venkatanarayana Road, T Nagar, Chennai - 600017.
CIN: L74210TN2000PLC045167
Website: www.shriramepc.com
Statement of Consolidated Unaudited Financial Results for the Half Year and Quarter Ended September 30, 2022.

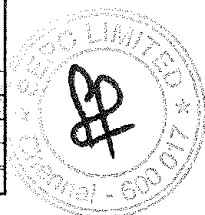
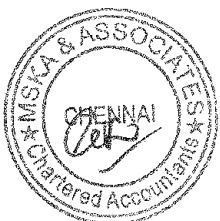
S No	Particulars	Rs. Lakhs					
		Quarter Ended			Half Year Ended		Year Ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	5,492.50	5,924.17	8,105.23	11,416.67	14,761.30	32,945.65
	(b) Other Income	125.17	931.28	1,199.11	1,056.45	1,538.75	1,113.42
	Total Income from operations	5,617.67	6,855.45	9,304.34	12,473.12	16,300.05	34,059.07
2	Expenses						
	(a) Cost of Materials, Erection, Construction & Operation Expenses	4,953.95	5,303.51	7,090.79	10,257.46	13,462.45	29,002.23
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	253.87	-	248.20	248.20
	(c) Employee benefits expense	1,083.04	863.39	761.87	1,946.43	1,664.58	3,699.44
	(d) Finance Costs (Refer Note 10)	1,155.18	2,722.55	2,895.74	3,877.73	5,590.59	11,568.38
	(e) Depreciation and amortisation expense	135.64	137.39	134.10	273.03	269.15	582.66
	(f) Other expenses	7,599.52	913.31	791.17	8,512.83	1,236.06	4,689.27
	Total expenses	14,927.33	9,940.15	11,927.54	24,867.48	22,471.03	49,790.18
3	Profit/(Loss) before exceptional items and tax (1-2)	(9,309.66)	(3,084.70)	(2,623.20)	(12,394.36)	(6,170.98)	(15,731.11)
4	Exceptional Items (Refer Note No 9(b))	(13,529.64)	-	-	(13,529.64)	-	6,361.26
5	Profit/(Loss) before tax (3 - 4)	4,219.98	(3,084.70)	(2,623.20)	1,135.28	(6,170.98)	(22,092.37)
6	Tax Expense (Refer Note 12)	-	-	-	-	-	4,278.00
7	Profit/(Loss) for the period / year (5 - 6)	4,219.98	(3,084.70)	(2,623.20)	1,135.28	(6,170.98)	(26,370.37)
8	Other comprehensive income / (loss) (OCI)						
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
	Re-measurement gains on defined benefit plans (Net of Taxes)	(82.17)	3.28	0.85	(78.89)	1.71	15.61
	Fair Value of Equity Instruments through OCI (Net of Taxes)	(2.51)	(12.36)	0.39	(14.87)	3.88	39.01
	Total Other comprehensive income	(84.68)	(9.08)	1.24	(93.76)	5.59	54.62
9	Total comprehensive Profit / (Loss) for the period / year (7+8)	4,135.30	(3,093.78)	(2,621.96)	1,041.52	(6,165.39)	(26,315.75)
10	Paid-up equity share capital (Face value ₹ 10 each)	1,32,152.90	1,22,452.90	97,152.90	1,32,152.90	97,152.90	97,152.90
11	Other Equity	-	-	-	-	-	(23,352.89)
12	Earnings per share (of Rs 10/- each) (not annualised for the period):						
	(a) Basic	0.37	(0.31)	(0.27)	0.09	(0.63)	(2.71)
	(b) Diluted	0.37	(0.31)	(0.27)	0.09	(0.63)	(2.71)
	See accompanying notes to the financial results						



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10/1, Venkatanarayana Road, T.Nagar, Chennai - 600 017. Phone : +91-44-4900 5555
E-mail: info@shriramepc.com Website : www.shriramepc.com
CIN: L74210TN2000PLC045167



SEPC Limited (Formerly known as Shriram EPC Limited)		
Consolidated Statement of Assets and Liabilities as at September 30, 2022		
(Amount in ₹ lakhs, unless otherwise stated)		
	As at 30-09-2022	As at 31-03-2022
ASSETS		
Non-current assets		
Property, plant and equipment	3,570.36	3,842.03
Right to Use Assets	218.22	233.09
Intangible assets	32.00	32.00
Contract Assets	3,956.02	3,956.02
Financial assets		
Investments	37.85	52.72
Loans	703.36	8,131.35
Trade Receivables	19,275.27	18,768.50
Other Financial Assets	1,050.95	1,091.57
Deferred tax asset (net)	43,345.50	43,345.50
Income tax assets (net)	1,089.34	1,412.42
Total Non-Current Assets	73,278.87	80,865.20
Current assets		
Inventories	-	-
Contract Assets	68,105.52	79,708.74
Financial assets		
Trade receivables	29,239.99	37,250.48
Cash and cash equivalents	3,384.07	582.67
Other bank balances	2,223.65	2,387.49
Other financial assets	67.94	879.25
Other current assets	20,967.20	20,052.12
Assets classified as held for sale	-	596.06
Total Current Assets	1,23,988.37	1,41,456.81
Total Assets	1,97,267.24	2,22,322.01
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,32,152.90	97,152.90
Other equity	(21,879.08)	(23,352.89)
Non - Controlling Interest	158.08	146.61
Total Equity	1,10,431.90	73,946.62
Liabilities		
Non-Current Liabilities		
Financial liabilities		
Lease Liabilities	194.17	201.93
Borrowings	21,622.84	15,364.47
Other financial liabilities	4,723.49	4,465.38
Provisions	513.57	540.50
Other non-current liabilities	2,202.91	2,202.91
Total Non-Current Liabilities	29,256.98	22,775.19
Current liabilities		
Financial liabilities		
Lease Liabilities	36.60	36.60
Borrowings	23,053.57	82,462.97
Trade payables	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	27,680.61	33,968.22
Other financial liabilities	2,075.47	1,875.25
Other current liabilities	543.15	689.94
Contract Liabilities	3,805.84	5,934.03
Provisions	383.12	633.19
Total Current Liabilities	57,578.36	1,25,600.20
Total Liabilities	86,835.34	1,48,375.39
Total Equity and Liabilities	1,97,267.24	2,22,322.01



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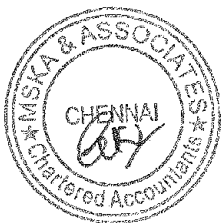
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E-mail: info@shriramepc.com Website : www.shriramepc.com

CIN: L74210TN2000PLC045167



SEPC Limited (Formerly known as Shriram EPC Limited)		
Statement of Consolidated cash flows for the Half Year ended September 30, 2022		
(Amount in ₹ lakhs, unless otherwise stated)		
Particulars	September 30,2022	September 30,2021
Cash flow from operating activities		
Profit/Loss before tax	1,135.28	(6,170.98)
Adjustments for:		
Depreciation and amortization expenses	273.03	269.15
Provision for Gratuity	40.36	(26.18)
Provision for Compensated Absences	(86.10)	(42.00)
Finance cost	3,877.73	5,590.59
Provision for Contract Assets & Trade Receivable	6,643.76	-
Interest income	(113.04)	(1,538.75)
Liabilities written back	(13.00)	-
Loss on sale of fixed asset	346.02	-
Interest income reversal	(13,529.64)	-
Operating Profit / (Loss) before working capital changes	(1,425.60)	(1,918.17)
Changes in working capital		
Decrease in trade payables	(6,274.61)	(4,956.16)
Decrease in inventories	-	248.20
Decrease in trade receivables	6,781.53	5,278.18
Decrease in loans and advances	7,427.99	0.05
Decrease in other Current liabilities	(146.79)	(986.15)
Decrease in contract liabilities	(1,705.19)	-
Decrease in Short Term provisions	(242.86)	107.05
Decrease in Long Term provisions	(67.29)	(26.51)
Increase in other financial liabilities	458.34	201.96
Decrease in other financial assets	851.93	199.54
(Increase) / Decrease in other current assets	(915.08)	291.32
Increase in Contract Assets	5,681.65	-
Cash (used in) / from operations	10,424.02	(1,560.70)
Income tax paid	323.08	(136.78)
Net cash (used in) / from operating activities (A)	10,747.10	(1,697.48)
Cash flow from Investing activities		
Movement in Bank balances not considered as Cash and cash equivalents (Net)	247.58	509.65
Proceeds from Capital	35,000.00	-
Proceeds from sale/ disposal of fixed assets	276.09	2.14
Interest received	29.30	-
Net cash flow from investing activities (B)	35,552.97	511.79
Cash flow from Financing activities		
Proceeds from Short term borrowings (net)	900.00	2,313.59
Repayment of Long & Short term borrowings	(39,215.39)	(1,084.81)
Redemption of debentures	(78.83)	-
Interest and Finance Charges Paid	(5,104.45)	(2.00)
Repayment of finance lease obligation	-	-
Net cash flow (used in) / from financing activities (C)	(43,498.67)	1,226.78
Net increase in cash and cash equivalents (A+B+C)	2,801.40	41.09
Cash and cash equivalents at the beginning of the year	582.67	840.86
Cash and cash equivalents at the end of the Period	3,384.07	881.95
Cash and cash equivalents comprise		
Cash and cash equivalents as per Balance Sheet	5,607.72	3,239.19
Less: Bank balances not considered as Cash and cash equivalents as defined in Ind-AS 7 Cash Flow Statements	2,223.65	2,357.24
	3,384.07	881.95



SEPC Limited

(Formerly Shriram EPC Ltd)

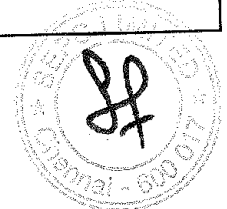
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E-mail: info@shriramepc.com Website : www.shriramepc.com

CIN: L74210TN2000PLC045167

S. No	Notes:
1	The above unaudited Consolidated financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 14, 2022 and has been subjected to review by the Statutory Auditors of the Company. These unaudited Consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting' the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.
2	The Resolution Plan (RP) was implemented by the Company and Lenders, upon completion of compliance of all conditions precedent to the satisfaction of the consortium lenders and RP is 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 and acquisition of 26.48% in equity of the Company by MARK AB LLC Dubai, management has informed to the stock exchange that MARKAB is the promoter, and SVL Limited to be reclassified as part of Public holding.
3	i) During the quarter and period ended September 30, 2022, pursuant to the Resolution Plan, Company has received Rs 35,000 Lakhs of equity and has allotted 35,00,00,000 equity shares of Rs. 10 each on preferential basis to Mark AB Capital Investment LLC, Dubai and shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations. As at September 30, 2022 the Company has utilized the entire proceeds towards the intended purpose. The paid-up equity capital of the Company as on date is Rs. 1,32,15,29.90 Lakhs - divided into 1,32,15,29,025 equity shares of Rs.10/- each. ii) During the period ended September 30, 2022, pursuant to the Resolution Plan, Company has issued 1,59,91,000 Compulsorily Convertible Debentures(CCD) of Rs' 100/- each and 1,59,91,000 Non-Convertible Debenture(NCD) of Rs 100/- each aggregating to Rs. 31,982 Lakhs by way of conversion of existing loans of lenders.
4	The Company entered into a contract in earlier years to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL). The project is stalled due to delays in statutory approvals. The total outstanding amount in respect of this project recorded under Unbilled Revenue is Rs. 3,956.02 Lakhs (Net of provision amounting to Rs. 926.98 Lakhs). Further, based on a reference to Honable National Company Law Tribunal ("NCLT") by a creditor of BCCL, IRP was appointed. Since there was no viable solution, liquidation of BCCL was ordered and liquidator has been appointed. The liquidator and BCCL are in process of evaluating the realisable value of the assets held by BCCL to settle the liabilities. Considering that BCCL is under liquidation and do not have any financial creditor, management is of the view that BCCL will be in a position to settle Company's dues in full. The auditors have qualified this matter in their report for the quarter ended September 30, 2022.
5	The Company (SEPC) is one of the Respondent along with Twarit Consultancy Private Limited (TCPL) in respect of an Arbitration by The Singapore International Arbitration Centre (SIAC) filed by GPE (INDIA) Ltd, GPE JV1Ltd, Gaja Trustee Company Private Ltd (the Claimants) in connection with the claimants' investments in an associate company of the Company. SIAC vide their Order dated January 07, 2021 awarded damages Jointly and Severally on the Respondents to the tune of Rs.1,98,54.10 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 have already preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is pending as on date. 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 investments made by the Complainant in the associate. In view of the said Inter-se Arrangements, the Company do not have any liability whatsoever, on account of this award which is subject to the outcome of the Respondents appeal before all appropriate Jurisdictional Courts / Forums.
6	Mokul Shriram EPC JV (JV Company) have won the complaint against Export Credit Guarantee Corporation of India Limited (ECGC) before the National Consumer Disputes Redressal Commission, (NCDRC) New Delhi, in connection with the project executed in Basra, Iraq. NCDRC, vide their order dated January 27, 2021, allowed the claims and directed ECGC to pay a sum of Rs. 26,501 lakhs along with simple interest @ 10% pa. with effect from September 19, 2016 till the date of realisation to the JV Company within a period of three months from the date of order, failing which ECGC will be liable to pay compensation in the form of simple interest @ 12% pa. ECGC had filed an appeal against the order of NCDRC New Delhi, before Supreme Court, and the case is pending for disposal.
7	The Company has business losses which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss amounting to Rs. 1,50,038.45 lakhs, the Company has recognised Deferred Tax Asset (DTA) on a carry forward loss of Rs. 1,18,022.03 lakhs resulting in DTA of Rs. 39,679.73 lakhs (September 30, 2021 - Rs. 43,914 Lakhs). Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the quarter ended September 30, 2022.
8	The Company has incurred net loss before exceptional items during the quarter and half year ended September 30, 2022 amounting to Rs. 9,309.66 Lakhs and Rs. 12,394.36 Lakhs respectively and as of that date has accumulated losses aggregating Rs. 2,14,084.24 Lakhs which has resulted in erosion of its net worth. Resolution Plan submitted in accordance with the requirement set out in the circular issued by the Reserve Bank of India No RBI/20119/203DBR.No>BP.BC.45/21.04.048./2018-19 dated June 07, 2019 has been approved and implemented by Company and Lenders on September 30, 2022. Considering the positive developments of implementing the resolution plan, infusion of equity by the investor and the change in management, additional funding by investor for working capital together with plans to meet financial obligations in future out of the cash flows from execution of the pipeline of orders in hand, business plans, sanctioned non-fund based facilities etc, these financial results are prepared on a going concern basis.



SEPC Limited

(Formerly Shriram EPC Ltd)

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

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

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


CIN: L74210TN2000PLC045167

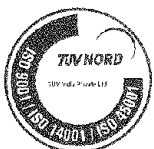
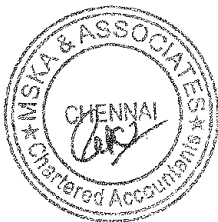
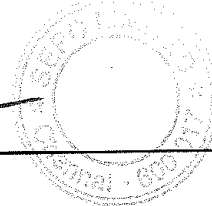


9	<p>(a) The outbreak of Coronavirus (COVID -19) pandemic globally and in India caused significant disturbance and slowdown of economic activity. The Company has assessed the impact of pandemic on its financial results/position based on the principle of prudence in applying judgements, estimates and assumptions including sensitivity analysis and has concluded that there is no major impact of COVID 19 on the recoverability of carrying values of assets and expects to recover the carrying value of its assets.</p> <p>(b) Exceptional item:</p> <p>(i) Exceptional item for the quarter and half year ended September 30, 2022 includes an amount of Rs. 18,575.57 Lakhs resulting from implementation of Resolution Plan entered into with the lenders dated June 22, 2022, on account of reduction in interest cost with effective from October 01, 2020 till June, 30, 2022 and the difference between the carrying amounts of the facilities before restructuring as at September 30, 2022 and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments.</p> <p>(ii) Exceptional item for the quarter and period ended September 30, 2022 includes an amount of Rs. 5,045.93 Lakhs towards provision made towards the receivables, on account of termination of a contract and consequent legal disputes / arbitration proceedings initiated during the quarter in respect of a project with the customer.</p> <p>(iii) Exceptional item for the previous year ended March 31, 2022 represents provisions for trade, other receivables and contract assets amounting to Rs. 6,361.26 lakhs , based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.</p>
10	Consequent to implementation of resolution plan, interest waiver (July'22 - September'22) of Rs. 2,176 Lakhs have been adjusted against Finance cost for the quarter and half year ended September 30, 2022.
11	Revenue includes Rs. NIL and Rs. 5,413.81 lakhs for the Half year ended September 30, 2022 and September 30, 2021 respectively, Rs. NIL and Rs. 1,893.81 lakhs for the quarter ended September 30, 2022 and September 30, 2021 respectively, being share of revenue relating to the Basra project, billed from Mokul Shriram EPC JV (MSJV), a jointly controlled operation, wherein the Company owns 50% interest.
12	Tax expense represents deferred tax asset on unabsorbed business loss written off during the previous year ended March 2022.
13	There is no provision for tax in view of the brought forward losses/unabsorbed depreciation relating to earlier years, available for set off, while computing income, both under the provisions of 115 JB and those other than section 115 JB of the Income Tax act 1961.
14	The Company is engaged in the sole activity of carrying on the business of "Engineering ,Procurement and Construction " (EPC) and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments". Hence no separate segment reporting is applicable to the Company.
15	The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not yet been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact from the period the Code becomes effective
16	Previous period figures have been regrouped / reclassified to be in conformity with current periods classification/disclosure, wherever necessary.

Place: Chennai
Date : November 14, 2022

For SEPC Limited


N K Suryanarayan
Managing Director & CEO



SEPC Limited

(Formerly Shriram EPC Ltd)

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Report of Independent Auditor on the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Cash-flow Statement, Summary Statement of Significant Accounting Policies and Other Explanatory Information of SEPC Limited (Formerly known as Shriram EPC Limited) for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 (collectively, the "Restated Consolidated Financial Information")

The Board of Directors
SEPC Limited (Formerly known as Shriram EPC Limited)
Old No. 56/ L, New No. 10/1, 4th Floor, Bascon Futura Sv it Park,,
Venkatnarayana Road, Parthasarathy puram,
T.Nagar, Chennai - 600017

Dear Sirs,

1. We have examined the Restated Consolidated Financial Information of SEPC Limited (Formerly known as Shriram EPC Limited) (the "Company" or " Holding Company" or the "Issuer") and its subsidiary (the Holding Company and its subsidiary together referred to as the "Group"), as at March 31, 2022, March 31, 2021 and March 31, 2020, annexed to this report for the purpose of inclusion in the Letter of Offer (the 'LOF'), prepared by the Company in connection with its proposed rights issue of its equity shares of face value of Rs. 10 each ("Rights Issue"). These Restated Consolidated Financial Information have been approved by the Board of Directors of the Company at their meeting held on February 02, 2023 and have been prepared by the Company in accordance with the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the LOF to be filed with Securities and Exchange Board of India ("SEBI"), the BSE Limited ("BSE"), the National Stock Exchange of India Limited ("NSE") ("BSE" together with "NSE" are collectively referred to as the "Stock Exchanges") in connection with the Proposed Rights Issue. The Restated Consolidated Financial Information have been prepared by the management of the Company in accordance with basis of preparation stated in note 2 to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the Companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information, which have been used for the purpose of preparation of this Restated Consolidated Financial Information. The Board of Directors of the Holding Company is responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 05, 2023 in connection with the Proposed Rights Issue of the Company;
 - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Proposed Rights Issue.



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4. These Restated Consolidated Financial Information have been compiled by the management from:

Audited Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2022, March 31, 2021, and March 31, 2020 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 24, 2022, June 29, 2021 and June 24, 2020 respectively.

5. For the purpose of our examination, we have relied on:

Auditor's report issued by us dated June 24, 2022, June 29, 2021 and June 24, 2020 on the consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2022, March 31, 2021, and March 31, 2020 as referred in Paragraph 4 above.

- A. The audit report for the year ended March 31, 2022 included the below paragraphs:

(i) **Material Uncertainty Related to Going Concern:**

We draw attention to Note 4 (e) to the consolidated financial statements, which states that the Company has incurred a net loss of Rs. 26,370.37 Lakhs during the year ended March 31, 2022 and as of that date has accumulated losses aggregating to Rs. 2,15,105.50 Lakhs which has resulted in substantial erosion of its net worth. Further, the COVID-19 pandemic has also impacted the operations resulting in delay of collection relating to project dues. These events or conditions indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, as stated in the note, considering the restructuring plan for the borrowings, infusion of additional equity subsequent to the year end by the investor and Management's plans to meet financial obligations in foreseeable future out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, and realisation of trade receivables, the consolidated financial statements of the Company for the year ended March 31, 2022 have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

(ii) **Emphasis of Matter:**

We draw attention to Note 43 to the Consolidated financial statements which states that the Management has made an assessment of the impact of Covid-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2022 and accordingly recognised an impairment loss of Rs. 6,361.26 Lakhs (March 31, 2021: Rs. 1,149.11 Lakhs) on financial assets and contract assets to reflect the business impact arising from the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

(iii) **Other Matters:**

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.15,356.23 Lakhs as at March 31, 2022, total revenues of Rs.2,885.01 Lakhs and net cash flows amounting to Rs.34.40 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 1,469.36 Lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements. The 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.



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- b) The auditor of the subsidiary have examined the restated Consolidated financial statements of the subsidiary namely Shriram EPC (FZE) for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and have confirmed that:
- have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial year ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022;
 - There are no qualifications in the auditors' report as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which require any adjustments to the Restated Consolidated Financial Statements; and
 - The restated consolidated financial statements of Shriram EPC (FZE) as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.
7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report dated January 31, 2023 of the auditor of subsidiary as mentioned in paragraph 6 above, we report that the Restated Consolidated Financial Information:
- have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022;
 - does not contain any qualifications requiring adjustments except for the matters mentioned in para 8 below. Moreover, with respect to the matters mentioned in paragraph 5A, 5B and 5C above, those qualifications/ observations in the Companies (Auditor's Report) Order, 2020 for the year ended March 31, 2022 and Companies (Auditor's Report) Order, 2016 for the years ended March 31, 2021 and March 31, 2020 and the qualifications in the report on the internal financial controls with reference to the consolidated financial statements for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 under clause (i) of sub section 3 of Section 143 of the Companies Act 2013, which do not require any adjustments in the Restated Consolidated Financial Information have been disclosed in Note 59 to the Restated Consolidated Financial Information and;
 - have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. Basis for Qualified Opinion

- A) The audit report on the consolidated financial statements for the year ended March 31, 2022 issued by us, included the below qualifications which have not been adjusted in the Restated Consolidated Financial Information :
- The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 39,645.00 Lakhs (March 31, 2021: Rs. 43,889.00 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment on reasonable certainty of future taxable profits, as required by Ind AS 12- Income taxes and considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 44 of the Consolidated financial statements)
 - Contract Asset (Non-Current) include Rs. 3,956.02 Lakhs (Net of provisions amounting to Rs. 926.98 Lakhs) relating to project dues which is not progressing on account of Statutory delays faced by the Customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amount is not available. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and the impact if any, on account of non-provisioning of the said balance on the Consolidated financial statements. (Refer to Note 08 of the Consolidated Financial Statements)



B) The audit report for the year ended March 31, 2021 included the below qualifications which have not been adjusted in the Restated Consolidated Financial Information:

- i. Financial Assets Loans (Non-Current) include Rs. 3,201.62 Lakhs (March 31, 2020: Rs. 3,800.40 Lakhs) due from a related party. Sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amount is not available and the amount is outstanding for more than five years. Further, no provision with respect to the same is made in the books of account as explained in Note 9.2 of the Consolidated Financial Statements. Accordingly, we are unable to comment on the carrying value of above-mentioned Financial Assets Loans amounting to Rs. 3,201.62 Lakhs and the impact if any, on account of non-provisioning of the said balance on the financial statements at present.
- ii. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. Rs. 43,889.00 Lakhs (March 31, 2020: Rs. 43,520 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment on reasonable certainty of future taxable profits, as required by Ind AS 12 on Income Taxes, considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. The impact if any, of the undetermined impairment provision on the financial statements is not ascertainable currently. Refer Note 40 of the Consolidated financial statements.

C) The audit report for the year ended March 31, 2020 included the below qualifications which have not been adjusted in the Restated Consolidated Financial Information:

- i. Financial Assets Loans (Non-Current) include Rs. 3,800.40 Lakhs (March 31, 2019: Rs. 3,815.40 Lakhs) and Other Trade Receivables under "Other Non-Current Financial Assets" include Rs. 310.04 Lakhs (March 31, 2019: Rs. 318.75 Lakhs), due from related party. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amounts and as these are outstanding for more than five years, we are unable to comment on the recoverability of the same. No provision with respect to the same is made in the books of accounts as explained in the Notes 9.2 of consolidated financial Statements. The impact, if any, of the undetermined provision on the financial statements is not ascertainable currently.
- ii. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. Rs. 43,520.00 Lakhs which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment on reasonable certainty of future taxable profits, as required by IND AS 12 considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. Refer to Note 40 of the consolidated financial statements.

9. Qualified Opinion

In our opinion and to the best of our information and according to the explanation given to us and after considering auditors' reports issued by other auditors, except for the effect of the matter described in Basis for Qualified Opinion paragraph above, the Restated Consolidated Financial Information of the Group as at and for the years ended March 31, 2022, March 31, 2021 and 31 March 2020, read with basis of preparation and summary of significant accounting policies disclosed in Note 2.1, have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note.

10. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated Ind AS financial statements mentioned in paragraph 4 above.

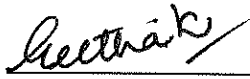


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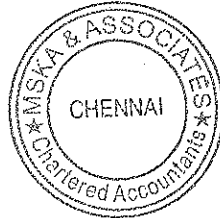
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11. This report should not in any way be construed as a reissuance or re-dating of report issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the LOF to be filed with SEBI and the Stock Exchanges in connection with the proposed Rights Issue. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number:



Geetha Jeyakumar
Partner
Membership Number: 029409
UDIN: 23029409BGTMKJ5237



Place: Chennai
Date: February 02, 2023

MSKA & Associates

Chartered Accountants

B. The audit report for the year ended March 31, 2021 included the below paragraphs:

(i) **Emphasis of Matter:**

We draw attention to Note 39 to the consolidated financial statements, which fully describes that the Company has made an assessment to recognize an impairment loss of Rs. 1,149.11 Lakhs on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 (March 31, 2020: INR 2,748.97 Lakhs).

Our opinion is not modified in respect of this matter.

(ii) **Other Matters:**

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 16,819.33 Lakhs as of March 31, 2021, total revenues of Rs. 5,085.19 lakhs and net cash flows amounting to (Rs. 316.80 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 the subsidiary, and our report in terms of subsection (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.

C. The audit report for the year ended March 31, 2020 included the below paragraph:

(i) **Emphasis of Matter:**

We draw attention to Note 54 to the consolidated financial statements, which fully describes that the Company has made an assessment to recognize and impairment loss of Rs. 2,748.97 Lakhs on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Further such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

(ii) **Other Matters:**

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.21,244.19 Lakhs as at March 31, 2020, total revenues of Rs. 58,492.79 Lakhs and net cash flows amounting to (Rs. 1,761.62 Lakhs) for the year ended on that date, as considered in the consolidated financial statements. The financial statements of the subsidiary 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 the subsidiary, and our report in terms of sub-sections (3) and (11) 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.

6.

- a) The Restated Consolidated Financial Information of the Group for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 includes financial information in relation to subsidiary of the Company, as listed below, which has been examined by other auditor.

Name of the subsidiary	Name of other auditor
Shriram EPC (FZE)	VASS International Auditing and Consultants Dubai, United Arab Emirates



SEPC Limited (Formerly known as Shriram EPC Limited)				
Restated Consolidated Balance Sheet				
(Amount in ₹ lakhs, unless otherwise stated)				
Particulars	Notes	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
ASSETS				
Non-current assets				
Property, plant and equipment	6A	3,842.03	4,476.34	5,011.26
Right of Use Assets	6B	233.09	-	-
Intangible assets	7	32.00	36.04	40.08
Contract assets	8	3,956.02	3,956.02	3,956.02
Financial assets				
Investments	9	52.72	79.84	77.33
Loans	10	8,131.35	10,913.30	12,301.03
Trade Receivables	11	18,768.50	21,015.14	19,848.34
Other Financial Assets	12	1,091.57	1,186.06	5,056.07
Deferred tax asset (net)	13	43,345.50	47,623.70	47,623.70
Income tax assets (net)	14	1,412.42	3,327.56	2,917.18
Total Non-Current Assets		80,865.20	92,614.00	96,831.01
Current assets				
Inventories	15	-	248.20	324.86
Contract Assets	16	79,708.74	82,683.76	80,380.08
Financial assets				
Trade receivables	17	37,250.48	40,207.54	55,970.51
Cash and cash equivalents	18	582.67	840.86	1,205.55
Other bank balances	19	2,387.49	2,866.88	1,464.19
Other Financial Assets	20	879.25	844.27	665.66
Other Current assets	21	20,052.12	20,727.54	22,720.18
Assets classified as held for sale	22	596.06	596.06	703.36
Total Current Assets		1,41,456.81	1,49,015.11	1,63,434.39
Total Assets		2,22,322.01	2,41,629.11	2,60,265.40
EQUITY AND LIABILITIES				
Equity				
Equity share capital	23	97,152.90	97,152.90	97,152.90
Other equity	24	(23,352.89)	3,215.18	21,237.64
Minority Interest	24	146.61	142.73	146.76
Total Equity		73,946.62	1,00,510.81	1,18,537.30
Liabilities				
Non-Current Liabilities				
Financial liabilities				
Lease Liabilities	6B	201.93	-	-
Borrowings	25	15,364.47	20,072.84	20,622.70
Other financial liabilities	26	4,465.38	4,363.37	5,642.52
Provisions	27	540.50	559.51	613.20
Contract Liabilities	28	2,202.91	4,882.17	12,535.32
Total Non-Current Liabilities		22,775.19	29,877.89	39,413.74
Current liabilities				
Financial liabilities				
Lease Liabilities	6B	36.60	-	-
Borrowings	29	82,462.97	63,515.81	47,787.41
Trade payables		-	-	-
a) Total outstanding dues of micro enterprises and small enterprises		-	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	30	33,968.22	34,002.60	42,506.88
Other financial liabilities	31	1,875.25	1,663.25	1,302.67
Other current liabilities	32	689.94	3,447.20	4,480.48
Contract Liabilities	33	5,934.03	8,076.25	5,678.40
Provisions	34	633.19	535.30	558.52
Total Current Liabilities		1,25,600.20	1,11,240.41	1,02,314.36
Total Liabilities		1,48,375.39	1,41,118.30	1,41,728.10
Total Equity and Liabilities		2,22,322.01	2,41,629.11	2,60,265.40

Summary of significant accounting policies 2

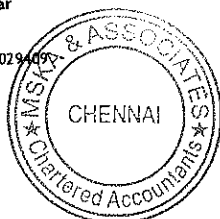
The accompanying notes are an integral part of the restated consolidated financial statements

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Geetha Jayakumar

Geetha Jayakumar
Partner

Membership No : 0294099



Place: Chennai
Date: February 02, 2023

For and on behalf of the Board of Directors of
SEPC Limited (Formerly Known as Shriram EPC Limited)
CIN - L7210TN2000PLC045167

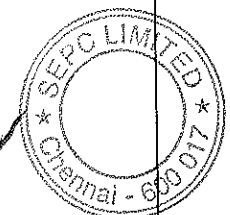
N. K. Sriyanarayana
N. K. Sriyanarayana
Managing Director & CEO
DIN : 01714066

T. Sriraman

T. Sriraman
Company Secretary
Place: Chennai
Date: February 02, 2023

Arun Kumar Gopaldaswamy
Arun Kumar Gopaldaswamy
Director
DIN : 07212557

R. S. Chandrasekharan
R. S. Chandrasekharan
Chief Financial Officer



SEPC Limited (Formerly known as Shriram EPC Limited)
Restated Consolidated Statement of Profit and Loss Account
(Amount in ₹ lakhs, unless otherwise stated)


Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Income				
Revenue from operations	35	32,945.65	58,278.52	1,20,794.88
Other income	36	1,113.42	2,334.79	5,091.83
Total income		34,059.07	60,613.31	1,25,886.71
Expenses				
Erection, Construction & Operation Expenses	37	29,002.23	55,671.74	99,953.89
Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	248.20	76.66	3,524.37
Employee benefits expense	39	3,699.44	3,808.41	5,726.01
Finance costs	40	11,568.38	10,658.93	10,043.86
Depreciation and amortization expense	41	582.66	556.04	566.81
Other expenses	42	4,689.27	6,517.58	7,191.12
Total expenses		49,790.18	77,289.36	1,27,006.06
Loss before exceptional items and tax		(15,731.11)	(16,676.05)	(1,119.35)
Exceptional items	43	(6,361.26)	(1,149.11)	(6,606.98)
Loss before tax		(22,092.37)	(17,825.16)	(7,726.33)
Income tax expense	44			
Current tax		-	122.17	-
Deferred tax		4,278.00	-	-
Total income tax expense		4,278.00	122.17	-
Loss for the year		(26,370.37)	(17,947.33)	(7,726.33)
Other Comprehensive Income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Re-measurement gains on defined benefit plans (Net of Taxes)		15.61	17.10	25.03
Fair Value of Equity Instruments through OCI (Net of Taxes)		39.01	2.51	(10.62)
Other Comprehensive Income for the year		54.62	19.61	14.41
Total Comprehensive Loss for the year		(26,315.75)	(17,927.72)	(7,711.92)
Earnings / (Loss) per share	45			
Basic earnings / (loss) per share (₹)		(2.71)	(1.85)	(0.79)
Diluted earnings / (loss) per share (₹)		(2.71)	(1.85)	(0.79)
Face value per equity share (₹)		10.00	10.00	10.00

Summary of significant accounting policies

2

The accompanying notes are an integral part of the restated consolidated financial statements

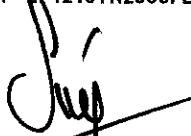
As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

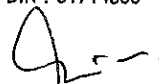

Geetha Jeyakumar
Partner
Membership No : 029409




Place: Chennai
Date: February 02, 2023

For and on behalf of the Board of Directors of
SEPC Limited (Formerly Known as Shriram EPC Limited)
CIN - 74210TN2000PLC045167


N.K. Suryanarayana
Managing Director & CEO
DIN : 01714066


T. Sriraman
Company Secretary
Place: Chennai
Date: February 02, 2023

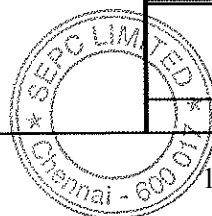

Arun Kumar Gopalaswamy
Director
DIN : 07212557


R.S. Chandrasekharan
Chief Financial Officer



SEPC Limited (Formerly known as Shriram EPC Limited)
Restated Consolidated Cash-flow Statement
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 2021-22	Year ended 2020-21	Year ended 2019-20
Cash flow from operating activities			
Loss before tax	(22,092.37)	(17,825.16)	(7,726.33)
Adjustments for:			
Depreciation and amortization expenses	582.66	556.04	566.81
Provision for Gratuity	124.63	122.92	75.62
Provision for Compensated Absences	150.81	(52.39)	93.31
Provision for doubtful receivables and advances	1,831.49	2,036.44	-
Bad debts written-off	103.35	-	-
Finance cost	12,534.32	12,648.14	11,519.21
Interest income	(1,074.50)	(1,852.03)	(3,875.46)
Liabilities written back	(38.92)	(476.04)	(719.65)
Loss/ (Gain) on sale of fixed assets	99.18	1.78	(5.95)
Impairment loss allowance on contract assets and receivables	6,361.26	1,149.11	6,606.98
Loss on write off of Inventory	-	-	3,414.26
Loss on write off of CWIP	-	-	14.84
Operating Profit / (Loss) before working capital changes	(1,418.09)	(3,691.19)	9,963.64
Changes in working capital			
Increase / (Decrease) in trade payables	4.54	(8,142.43)	(10,068.03)
Decrease in inventories	248.20	76.66	110.13
Decrease in trade receivables	3,237.95	9,938.57	2,036.01
Decrease in loans and advances	2,781.95	1,387.73	5,374.64
Increase / (Decrease) in other Current liabilities	(2,757.25)	1,364.60	(13,658.87)
Decrease in contract liabilities	(4,821.49)	-	-
Decrease in Other Non Current liabilities	-	(7,653.15)	(8,148.09)
Decrease in Short Term provisions	(52.92)	29.16	(61.24)
Decrease in Long Term provisions	(169.82)	(176.61)	(47.49)
Increase in other financial liabilities	314.00	818.11	65.43
Decrease in other financial assets	59.52	2,124.19	(4,308.11)
(Increase) / Decrease in other current assets	675.43	(761.74)	19,254.03
Increase in Contract Assets	(3,386.24)	-	12.42
Decrease in assets held for sale	-	107.29	(703.35)
Cash used in operations	(5,284.22)	(4,578.81)	(178.86)
Income tax paid	(1,915.15)	(410.38)	(522.44)
Net cash used in operating activities (A)	(7,199.37)	(4,989.19)	(701.30)
Cash flow from Investing activities			
Payment for property, plant and equipment and intangible assets	(1.10)	(631.53)	(147.82)
Movement in Bank balances not considered as Cash and cash equivalents (Net)	(479.39)	2,018.52	3,231.48
Proceeds from sale/ disposal of fixed assets	4.47	601.99	19.43
Interest received	578.52	119.66	919.43
Net cash flow from investing activities (B)	102.50	2,108.64	4,022.52
Cash flow from Financing activities			
Proceeds from Short term borrowings (net)	6,875.28	13,629.85	1,963.33
Repayment of Long term borrowings	-	(549.86)	(22.63)
Interest and Finance Charges Paid	-	(10,564.13)	(7,116.41)
Repayment of finance lease obligation	(36.60)	-	-
Net cash flow from financing activities (C)	6,838.68	2,515.86	(5,175.71)
Net increase in cash and cash equivalents (A+B+C)	(258.19)	(364.69)	(1,854.49)
Cash and cash equivalents at the beginning of the year	840.86	1,205.55	3,060.04
Cash and cash equivalents at the end of the Period	582.67	840.86	1,205.55



SEPC Limited (Formerly known as Shriram EPC Limited)
Restated Consolidated Cash-flow Statement
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 2021-22	Year ended 2020-21	Year ended 2019-20
Cash and cash equivalents comprise			
Cash and cash equivalents as per Balance Sheet	2,970.16	3,707.74	2,669.75
Less: Other Bank balances disclosed separately under note -19	(2,387.49)	(2,866.88)	(1,464.19)
	582.67	840.86	1,205.55

Summary of significant accounting policies

2

The accompanying notes are an integral part of the restated consolidated financial statements

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

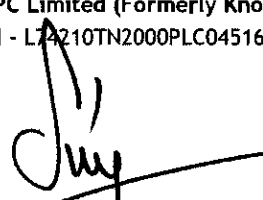


Geetha Jeyakumar
Partner
Membership No : 029409

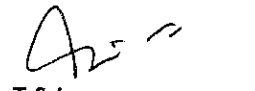


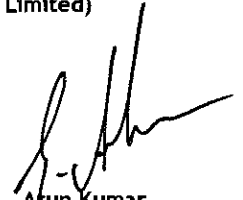
Place: Chennai
Date: February 02, 2023

For and on behalf of the Board of Directors of
SEPC Limited (Formerly Known as Shriram EPC Limited)
CIN - L74210TN2000PLC045167



N.K Suryanarayanan
Managing Director & CEO
DIN : 01714066


T.Sriraman
Company Secretary
Place: Chennai
Date: February 02, 2023



Arun Kumar Gopaldaswamy
Director
DIN : 07212557


R.S.Chandrasekharan
Chief Financial Officer



SEPC Limited (Formerly known as Shriram EPC Limited)
Restated Consolidated Statement of Changes in Equity
(Amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid
Outstanding at the beginning of the year
Add: Shares issued during the year
Outstanding at the end of the year

	As at 31-03-2022		As at 31-03-2021		As at 31-03-2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
	97,15,29,018	97,152.90	97,15,29,018	97,152.90	97,15,29,018	97,152.90
	97,15,29,018	97,152.90	97,15,29,018	97,152.90	97,15,29,018	97,152.90

(B) Other equity

Particulars	Reserve and surplus						Components of Other Comprehensive Income			Total	
	Share options outstanding account	Securities premium account	General reserve	Capital reserve	Share of reserve from an associate	Foreign Currency Monetary Item Translation Diff account	Non Controlling Interest	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)		Equity Instruments through Other Comprehensive Income
Balance as at 1 April 2021	-	1,91,225.43	561.93	12.92	4,700.99	32.46	142.73	(1,93,436.12)	148.07	(30.50)	3,357.91
Loss for the year	-	-	-	-	-	-252.32	3.88	(26,370.37)	-	-	(26,616.81)
Transfer	-	-	-	-	(4,700.99)	-	-	4,700.99	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	15.61	39.01	54.62
Total other comprehensive loss for the year	-	-	-	-	-	-219.86	146.61	-2,15,105.50	163.68	8.51	-23,206.28
Issue of Equity shares	-	1,91,225.43	561.93	12.92	-	-	-	-	163.68	-	-
Balance as at 31 March 2022	-	1,91,225.43	561.93	12.92	-	-219.86	146.61	(2,15,105.50)	163.68	8.51	(23,206.28)

Particulars	Reserve and surplus						Components of Other Comprehensive Income			Total	
	Share options outstanding account	Securities premium account	General reserve	Capital reserve	Share of reserve from an associate	Foreign Currency Monetary Item Translation Diff account	Non Controlling Interest	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)		Equity Instruments through Other Comprehensive Income
Balance as at 1 April 2020	0.17	1,91,225.43	561.75	12.92	4,700.99	127.22	146.76	(1,75,488.82)	130.97	(33.01)	21,384.40
Loss for the year	-	-	-	-	-	(94.76)	(4.03)	(17,947.31)	-	-	(16,046.10)
Transfer	(0.17)	-	0.17	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	17.10	2.51	19.61
Total other comprehensive loss for the year	-	-	-	-	-	-	143.73	(1,93,436.13)	148.07	(30.50)	3,357.91
Issue of Equity shares	-	1,91,225.43	561.92	12.92	4,700.99	32.46	-	-	148.07	-	-
Balance as at 31 March 2021	-	1,91,225.43	561.92	12.92	4,700.99	32.46	142.73	(1,93,436.13)	148.07	(30.50)	3,357.91

Other equity

Particulars	Reserve and surplus						Components of Other Comprehensive Income			Total	
	Share options outstanding account	Securities premium account	General reserve	Capital reserve	Share of reserve from an associate	Foreign Currency Monetary Item Translation Diff account	Non Controlling Interest	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)		Equity Instruments through Other Comprehensive Income
Balance as at 1 April 2019	0.17	1,91,225.43	561.75	12.92	4,700.99	(63.68)	135.54	(1,67,762.48)	105.94	-22.39	28,894.21
Loss for the year	-	-	-	-	-	190.90	11.22	(7,726.34)	-	-	(7,534.22)
Other comprehensive income	-	-	-	-	-	-	-	-	25.03	(10.62)	14.41
Total other comprehensive loss for the year	-	-	-	-	-	-	146.76	(1,75,488.82)	130.97	(33.01)	21,384.40
Issue of Equity shares	-	1,91,225.43	561.75	12.92	4,700.99	127.22	-	-	-	-	0.00
Balance as at 31 March 2020	-	1,91,225.43	561.75	12.92	4,700.99	127.22	146.76	(1,75,488.82)	130.97	(33.01)	21,384.40

Summary of significant accounting policies

The accompanying notes are an integral part of the restated consolidated financial statements

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105647W

Geetha Jayakumar
Partner
Membership No. : 029-409

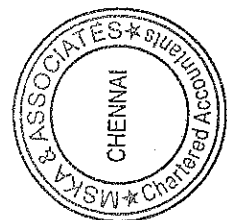
For and on behalf of the Board of Directors of
SEPC Limited (Formerly known as Shriram EPC Limited)
CIN - 874101N2000PLC045167

N K Suresh Babu
Managing Director & CEO
DIN : 01714086

Arun Kumar Gopalaswamy
Director
DIN : 07212557



B. S. Chandrasekharan
Chief Financial Officer



Place: Chennai
Date: February 02, 2023

1 General Information

SEPC Limited (formerly known as Shriram EPC Limited) (the "Company" or "SEPC") which is a part of the Shriram EPC Group 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 Company which are consolidated			% of holding and voting power		
Name of entity	Relationship	Country of incorporation	March 31, 2022	March 31, 2021	March 31, 2020
Shriram EPC (FZE)	Subsidiary	United Arab Emirates	100%	100%	100%
Shriram EPC Arkan LLC	Subsidiary of Subsidiary	Muscat, Oman	70%	70%	70%

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Statement of compliance

The Restated Consolidated Financial Information relates to SEPC Limited (Formerly known as Shriram EPC Limited) (the "Company" or the "Issuer") and its subsidiary (the Company and its subsidiaries together referred to as the "Group") and has been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited and Registrar of Companies, Chennai in connection with the proposed Right issue of equity shares of the Company (referred to as the "Issue"). The Restated Consolidated Financial Information comprise of the Restated Consolidated statement of assets and Liabilities as at 31 March 2022, 31 March 2021 and 31 March 2020, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Cash Flow Statement, the Restated Consolidated Statement of Changes in Equity and Statement of Significant Accounting Policies and other explanatory information for the year ended 31 March 2022, 31 March 2021 and 31 March 2020 (hereinafter collectively referred to as "Restated Consolidated Financial Information") as approved by the Board of Directors at their meeting held on February 02, 2023.

The Restated Consolidated Financial Information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act") read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"), and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information has been compiled by the Management from:

The audited consolidated IND AS financial statements as at and for the year ended 31 March 2022, 31 March 2021 & 31 March 2020 prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

(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.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value (Refer Accounting Policy No. 2.15 on financial instruments).

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The normal operating cycle of the entity for Construction contracts is the duration of 2 to 3 years depending on each contract.

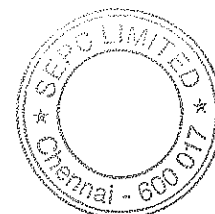
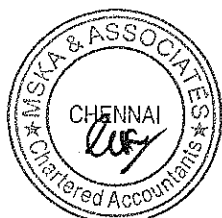
(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. 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 Property, plant and equipment (PPE)

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE are stated at original cost net of taxes/duty credits availed, if any less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful Life
Leasehold improvement*	Lease period or life of asset whichever is lower
Plant & Machinery	2 to 4 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	
- Servers	6 years
- End user devices such as laptops, desktops	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate. Freehold land is not depreciated.

2.3 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost, net of tax/duty credits availed, if any less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalized as part of cost of the intangible asset.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Technical know how	5 to 10 years
Computer Software	5 years

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and Intangible Assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and Intangible Assets are tested for impairment, so as to determine the impairment loss, if any. Goodwill and Intangible Assets with indefinite life are tested for impairment each year.

2.4 Foreign Currency Transactions

(a) **Functional and presentation currency**

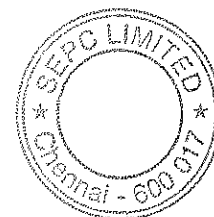
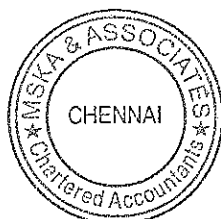
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) **Transactions and balances**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.



2.5 Fair value measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS and certain items of property, plant and equipment that were revalued in earlier years in accordance with the I-GAAP principles. The carrying value of all the items of property, plant and equipment as on date of transition is considered as the deemed cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement.

Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- ▶ Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- ▶ Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- ▶ Level 3 inputs are unobservable inputs for the valuation of assets/liabilities

2.6 Revenue Recognition

A. The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to 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.

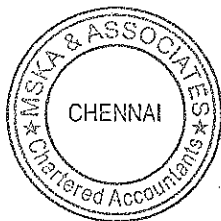
Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

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 Operational Revenue

Other Operational Revenue represents income earned from activities incidental to the business and is recognized when the right to receive income is established as per the terms of contract.



Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted in the period in which the right to receive the same is established.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The company has not opted to exercise the option under section 115BAA of the income tax 1961, as introduced by the taxation laws (Amendment) ordinance, 2019 and decided to continue with the existing rate of tax for the purpose of deferred tax computation.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 Leases

The Indian accounting standard on lease (Ind AS 116) requires entity to determine whether a contract is or contains a lease at inception of the contract.

Ind AS 116 requires lessee to recognise a liability to make lease payments and an asset representing the right-of-use asset during the lease term for all leases except for short term leases and leases of low-value assets, if they choose to apply such exemptions

Payments associated with short-term leases and low value assets are recognized as expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

At the commencement date, Company recognise a right-of-use asset measured at cost and a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate

The cost of the right-of-use asset comprised of, the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received

At the commencement date, the lease payments included in the measurement of the lease liability comprise (a) fixed payments less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (c) amounts expected to be payable by the lessee under residual value guarantees;(d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Depreciation on Right-of-use asset is recognised in statement of profit and Loss on a straight line basis over the period of lease and the Company separately recognises interest on lease liability as a component of finance cost in statement of profit and Loss.

2.9 Exceptional items

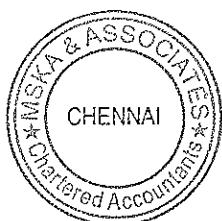
An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").



2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- funding related commitment to subsidiary, associate and joint venture companies; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, cheques in transit and demand deposits with banks.

For the purposes of the cash flow statement, Cash and Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.14 Statement of Cash Flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- all other items for which the cash effects are investing or financing cash flows.

2.15 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- at amortized cost; or
- at fair value through other comprehensive income; or
- 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.

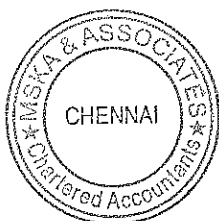
Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

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 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**

(f) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.16 Employee Benefits

(a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) **Other long-term employee benefit obligations**

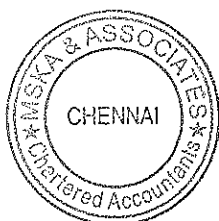
(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes forming part of the Restated Consolidated Financial Statements
(Amount in ₹ lakhs, unless otherwise stated)

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

2.17 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.19 Inventory- (Contract Work in progress)

Contract Work in progress are valued at cost or net realisable value, whichever is lower. Cost comprises all direct development expenditure.

2.20 Non-Current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

4 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

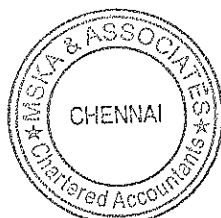
The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

(c) Construction Contracts

Recognizing construction contract revenue requires significant judgement in determining actual work performed and the estimated costs to complete the work, provision for rectification costs, variation claims etc

(d) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes forming part of the Restated Consolidated Financial Statements
(Amount in ₹ lakhs, unless otherwise stated)

(e) Going Concern:

As on March 31, 2022:

The Company has incurred net loss of ₹. 26,370.37 Lakhs during the year ended March 31, 2022 and as of that date has accumulated losses aggregating ₹. 2,15,105.5 Lakhs which has resulted in substantial erosion of its net worth. The company is in default to its lenders and the lenders have categorised the Company's account as Non-Performing Asset and one of the financial creditor filed an NCLT case against the company. Resolution Plan submitted in accordance with the requirement set out in the circular issued by the Reserve Bank of India No RBI/20119/203DBR.No>BP.BC.45/21.04.048./2018-19 dated June 07, 2019 has been approved by the lenders with super majority on March 25, 2022. Subsequent to year end on June 22, 2022, the Company has entered into Master Restructuring Agreement (MRA) to give effect to the resolution plan. Based on the MRA all over dues are scheduled to be paid. With these positive developments by implementing the resolution plan, underlying strength of the Company's business plans and future growth outlook as assessed with existing order book, the credit profile of the Company, would improve resulting in it being able to meet its obligations in due course of time. Accordingly, these financial statement are prepared on a going concern basis.

As on March 31, 2021:

The Group has incurred net loss of Rs. 17,947.31 Lakhs during the year ended 31 March 2021 and as of that date has accumulated losses aggregating Rs. 193,436.13 Lakhs which has resulted in substantial erosion of its net worth. The Group has defaulted in repayment of term loan principal and payment of interest on the same to their lenders amounting to Rs. 2,578.03 lakhs and Rs 771.86 lakhs respectively as on March 31, 2021. Further, the COVID-19 pandemic has also impacted operations resulting in delay of collection relating to project dues. The Group has received an investment proposal from an Investor who has submitted a business plan based on which a Resolution Plan has been submitted to the consortium of lenders in accordance with the requirement set out in the circular issued by the Reserve Bank of India No RBI/20119/203DBR.No>BP.BC.45/21.04.048./2018-19 dated June7, 2019. The Resolution plan provides for infusion of Rs 35000 Lakhs equity, change of management, conversion of loan into preference shares to the tune of Rs 35000 Lakhs, moratorium of term loans for two years and levy of interest at 9% pa. effective from October 01, 2020, amongst other requirements. Based on the expectation of the implementation of the resolution plan with lenders, underlying strength of the Company's business plans and future growth outlook as assessed with existing order book, the credit profile of the Company, would improve resulting in it being able to meet its obligations in due course of time. Accordingly, these financial results are prepared on a going concern basis.

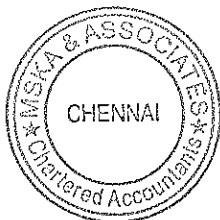
5 Standards (including amendments) issued but not yet effective

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. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 - Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.



SEPC Limited (Formerly known as Shirram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

6A Property, plant and equipment - 2021-22

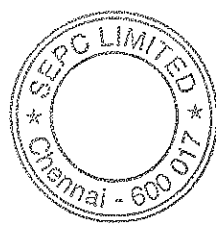
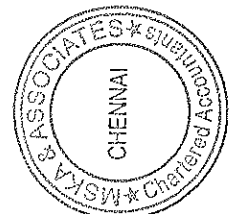
Block of Assets	Gross block			Depreciation			Net block	
	As at 1 April 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2022	For the year 2021-22	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2021
Owned assets								
Freehold land	241.50	-	-	241.50	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	7.28	-	357.43	160.14
Buildings	147.76	-	0.90	148.66	44.70	2.57	192.86	119.28
Plant and Machinery	5,836.45	-	258.73	6,095.18	461.23	175.32	6,380.09	3,838.37
Furniture and Fixtures	90.92	-	22.89	113.81	9.38	2.21	121.00	47.07
Office Equipment	13.17	-	1.00	14.17	2.25	2.63	16.00	1.46
Computers	177.37	14.97	101.41	90.93	18.36	99.79	9.50	50.23
Vehicle	51.75	-	-	51.75	5.67	2.07	55.45	18.30
Total	6,909.06	14.97	384.93	6,539.11	548.87	284.59	3,842.03	4,476.34

Property, plant and equipment - 2020-21

Block of Assets	Gross block			Depreciation			Net block	
	As at 1 April 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2021	For the year 2020-21	Deductions/ Adjustments	As at 31 Mar 2021	As at 31 March 2020
Owned assets								
Freehold land	241.50	-	-	241.50	-	-	241.50	241.50
Leasehold Improvements	350.15	-	-	350.15	-	-	350.15	160.14
Buildings	148.70	-	0.94	149.64	7.03	0.66	156.67	126.59
Plant and Machinery	6,030.91	601.82	796.28	6,836.45	498.18	188.12	7,146.51	4,342.89
Furniture and Fixtures	98.62	-	7.70	106.32	11.46	1.73	125.05	64.50
Office Equipment	27.04	0.37	14.24	41.65	1.09	14.21	28.53	2.21
Computers	148.86	28.51	-	177.37	23.40	-	200.77	45.12
Vehicle	53.20	0.83	2.28	56.31	10.84	2.28	64.87	28.31
Total	7,098.98	631.53	821.43	6,909.06	552.00	207.00	4,476.34	5,011.26

Property, plant and equipment - 2019-20

Block of Assets	Gross block			Depreciation			Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2020	For the year 2019-20	Deductions/ Adjustments	As at 31 March 2020	As at 1 April 2019
Owned assets								
Freehold land	241.50	-	-	241.50	-	-	241.50	241.50
Leasehold Improvements	318.15	34.48	2.48	350.15	40.79	-	390.94	168.93
Buildings	151.11	-	2.41	153.52	5.09	22.11	136.50	134.09
Plant and Machinery	5,981.12	95.45	45.66	6,030.91	447.77	34.74	6,443.94	4,706.13
Furniture and Fixtures	99.21	-	0.59	99.80	7.02	-	106.82	72.11
Office Equipment	22.89	-	-4.15	18.74	1.94	24.83	1.85	-
Computers	131.72	17.89	0.75	149.36	31.49	103.74	76.11	58.51
Vehicles	74.16	-	20.96	95.12	13.48	19.52	89.08	43.24
Total	7,019.86	147.82	68.70	7,098.98	547.58	35.22	5,011.26	5,424.52



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

7 Intangible assets - 2021-22	Gross block				Depreciation			Net block	
	As at 1 April 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2022	For the year	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Block of Assets									
Computer Software	43.12	-	-	43.12	1.79	-	23.33	19.79	21.58
Technical Knowhow	54.22	-	-	54.22	2.25	-	42.01	12.21	14.46
Total	97.34	-	-	97.34	4.04	-	65.34	32.00	36.04
Intangible assets - 2020-21									
	Gross block				Depreciation			Net block	
Block of Assets	As at 1 April 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	For the year	Deductions/ Adjustments	As at 31 March 2021	As at 31 Mar 2021	As at 31 March 2020
Computer Software	43.12	-	-	43.12	1.79	-	21.54	71.58	23.37
Technical Knowhow	54.22	-	-	54.22	2.25	-	39.76	14.46	16.71
Total	97.34	-	-	97.34	4.04	-	61.30	36.04	40.08
Intangible assets - 2019-20									
	Gross block				Depreciation			Net block	
Block of Assets	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2020	For the year	Deductions/ Adjustments	As at 31 Mar 2020	As at 31 Mar 2020	As at 31 March 2019
Computer Software	43.12	-	-	43.12	4.64	-	19.75	23.37	28.01
Technical Knowhow	54.22	-	-	54.22	3.31	-	37.51	16.71	20.02
Total	97.34	-	-	97.34	7.95	-	57.26	40.08	48.03



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(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
Balance as at 1 April 2020	-	-
Additions	-	-
Deletion	-	-
Depreciation	-	-
Balance as at 31 March 2021	-	-
Additions	262.85	262.85
Deletion	-	-
Depreciation	(29.76)	(29.76)
Balance as at 31 March 2022	233.09	233.09

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Building	Total
Balance as at 1 April 2020	-	-
Additions	-	-
Interest expense	-	-
Lease Payments	-	-
Balance as at 31 March 2021	-	-
Additions	252.00	252.00
Interest expense	23.13	23.13
Lease Payments	(36.60)	(36.60)
Balance as at 31 March 2022	238.53	238.53

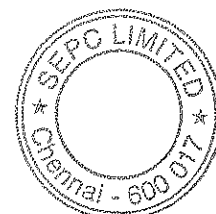
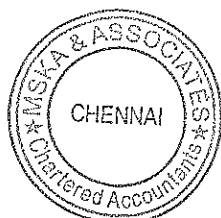
Break-up of current and non-current lease liabilities

Particulars	31st March 2022	31st March 2021
Current Lease Liabilities	36.60	-
Non-current Lease Liabilities	201.93	-

8 Contract Assets

	As at 31 Mar 2022	As at 31 Mar 2021	As at 31 Mar 2020
Contract Assets (Refer Note 8.1)	4,883.00	4,883.00	4,883.00
Less: Allowance for expected credit loss	(926.98)	(926.98)	(926.98)
Total	3,956.02	3,956.02	3,956.02

8.1 The Company entered into a contract in earlier years to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL). The project is stalled due to delays in statutory approvals. The net exposure in this project recorded under Contract Assets is Rs. 3,956.02 Lakhs (March 31, 2021 - Rs. 3,956.02 Lakhs)(March 31, 2020 - Rs. 3,956.02 Lakhs). Considering that BCCL is under liquidation and do not have any financial creditor, management is of the view that BCCL will be in a position to settle company's dues in full on realisation of asset.



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

9 Financial Assets- Investments (Non Current)

(A) Investment in Associate - Non Trade

Unquoted

Nil Equity Shares (March 31, 2021: Nil Equity Shares) (March 31, 2022: Nil Equity Shares) of Rs. 10/- each fully paid up in Haldia Coke and Chemicals Private Limited (Refer Note 9.1 below)

Less: Provision for Diminution in value of Investments

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
	-	-	-
	-	-	-
	-	-	-

9.1 Consequent to the initiation of insolvency proceedings of Haldia Coke and Chemicals Private Limited (HCCPL) by the shareholders of HCCPL during year 2019-20, the investments in HCCPL amounting to Rs.4007.22 lakhs has been written off against the provision carried towards this investment. (Refer note 42 for disclosure of write off in statement of profit and loss).

(B) Investment in equity instruments (fully paid-up)

Investment in Others - Equity investments at fair value through other comprehensive income (FVOCI)

Quoted

As on March 31, 2022: 386,526 Equity Shares (March 31, 2021: 386,526 Equity Shares) (March 31, 2020: 386,526 Equity Shares) of ₹ 10/- each fully paid up in Orient Green Power Company Limited

52.72

13.71

11.20

Unquoted

As on March 31, 2022: Nil (As on March 31, 2021 : 661,300 Equity shares) (As on March 31, 2020 : 661,300 Equity shares) of ₹ 10/- each fully paid in Hexa Wind Farm Private Limited (Refer Note 9.2 & 49)

-

66.13

66.13

As on March 31, 2022: 4,076,474 Equity shares (As on March 31, 2021: 4,076,474 Equity Shares) (As on March 31, 2020: 4,076,474 Equity Shares) of ₹ 10/- each fully paid up in Leitwind Shriram Manufacturing Private Limited

407.56

407.56

407.56

Less: Provision for Diminution in value of Investments

(407.56)

(407.56)

(407.56)

Total (A+B)

52.72

79.84

77.33

52.72

79.84

77.33

Aggregate book value of:

Quoted investments

52.72

13.71

11.20

Unquoted investments

-

66.13

66.13

Aggregate Market value of:

Quoted investments

52.72

13.71

11.20

Unquoted investments

-

66.13

66.13

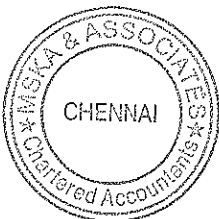
Aggregate amount of impairment in value of Investments

407.56

407.56

407.56

9.2 Based upon agreement with SVL Limited (Company's Entity exercising significant influence over the Company) dt March 14, 2022, 661,300 Equity shares of Hexa Wind Farm Private Limited has been sold @ Rs.10 per share (Cost).



	As at 31 March 2022	As at 31 March 2021	As at 31 Mar 2020
10 Non-Current Financial assets - Loans			
<u>Unsecured, considered good</u>			
-Considered Good	18,402.42	21,184.37	22,878.20
-Credit impaired	306.10	306.10	306.10
Less: Allowance for expected credit loss	(306.10)	(306.10)	(306.10)
	18,402.42	21,184.37	22,878.20
Less: Allowance for expected credit loss	(10,271.07)	(10,271.07)	(10,577.17)
Total	8,131.35	10,913.30	12,301.03

10.1 Loans includes due from:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 Mar 2020
i) Related Parties:			
Leitwind Shriram Manufacturing Private Limited (Net of provision of expected credit loss Rs. 9,141.70 lakhs - March 31, 2021 Rs 9,141.70 lakhs) Refer (Note 10.2 & Note 49)	477.77	3,201.62	3,800.40
Bharath Wind Farm Pvt Ltd (Refer Note 49)	-	4.71	4.71

10.2 During Financial Year 2021-22, Financial Assets Loans (Non Current) include Rs. 477.77 Lakhs (March 31, 2021: Rs. 3,201.62 Lakhs) due from Leitwind Shriram Manufacturing Pvt Limited (LSML) (a related party). During Financial Year 2021-22, loan amounting to Rs. 2,723.85 Lakhs has been taken over by SVL Limited (Company's Entity exercising significant influence over the Company). Remaining loan amounting to Rs. 477.77 Lakhs has been taken over subsequent to the year ended 31st March, 2022.

10.3 Financial Assets Loans (Non Current) include Rs. 3,201.92 Lakhs (March 31, 2020: Rs. 3,800.40 Lakhs) due from Leitwind Shriram Manufacturing Pvt Limited (LSML) (a related party). The management is confident of realising the amounts due from LSML considering the fact that, LSML has settled the lenders dues and any surplus cashflows/ recovery of retention receivables from their customers will be utilised for repayment of these dues towards the Company. The auditors have qualified this matter in their report for the Quarter and Year ended March 31, 2021 & March 31, 2020.

10.4 For the Financial Year 2019-20, Financial Assets Loans (Non Current) include Rs. 3,800.40 Lakhs (March 31, 2019: Rs. 3,815.40 Lakhs) and Other Trade Receivables under "Other Non Current Financial Assets" include Rs. 310.04 Lakhs (March 31, 2019: Rs. 318.75 Lakhs), due from related party, due from Leitwind Shriram Manufacturing Pvt Limited (LSML) (a related party). LSML is in the process of restructuring their operations and the dues are expected to be recovered earlier than the original repayment plan. Considering the developments, the management is confident of realizing the dues.

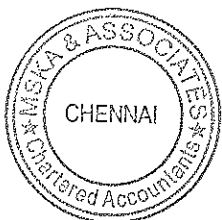
10.5 During the Financial Year 2019-20, advances receivable amounting to Rs. 4587.30 Lakhs (Net of Unexpired expired credit loss provision of Rs.4280.30 lakhs) has been sold to the Company's Entity exercising significant influence over the Company. Consequently, the corresponding deferred tax asset on unexpired credit loss provision amounting to Rs. 482.31 Lakhs has been reversed during the year.

	As at 31 March 2022	As at 31 March 2021	As at 31 Mar 2020
11 Non Current - Trade receivables			
<u>Trade Receivables - Retention Money</u>			
-Considered Good	18,768.50	21,015.14	19,848.34
-Credit impaired	2,267.44	1,219.69	990.14
Less: Allowance for for expected credit loss	(2,267.44)	(1,219.69)	(990.14)
	18,768.50	21,015.14	19,848.34
<u>Trade Receivables - Others</u>			
-Considered Good	-	-	-
-Credit impaired	301.79	301.79	1,562.72
Less: Allowance for for expected credit loss	(301.79)	(301.79)	(1,562.72)
Other receivables	-	-	454.18
	-	-	454.18
Total	18,768.50	21,015.14	20,302.52

11.1 During FY 2019-20, Other Receivables includes an amount of Rs. 441.03 Lakhs and the balance consideration receivable from My Home Industries Limited ("MHIL") towards the value of certain receivables due from Sree Jayajothi Cements Limited ("SJCL") taken over by MHIL pursuant to an agreement dated 11 August 2013 entered into with them. This amount has been deposited in a Joint Escrow Account to be received by the Company after completion of certain formalities of Sree Jayajothi Cements Limited.

11A Non Current - Trade receivables ageing schedule
31-03-2022

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	16,810.77	-	-	-	-	-	16,810.77
- Credit impaired	-	-	283.83	-	-	1,294.49	1,578.32
	16,810.77	-	283.83	-	-	1,294.49	18,389.09
Less: Credit impaired							(1,578.32)
							16,810.77
Disputed							
- Considered good	1,957.73	-	-	-	-	-	1,957.73
- Credit impaired	-	-	-	-	-	990.90	990.90
	1,957.73	-	-	-	-	990.90	2,948.63
Less: Credit impaired							(990.90)
							1,957.73
Total							18,768.50



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							18,085.50
- Considered good	18,085.50	-	-	-	-	1,294.49	1,294.49
- Credit impaired	-	-	-	-	-	1,294.49	1,294.49
Less: Credit impaired	18,085.50	-	-	-	-	-	18,085.52
Disputed							2,929.61
- Considered good	2,929.61	-	-	-	-	227.00	227.00
- Credit impaired	-	-	-	-	-	227.00	3,156.62
Less: Credit impaired	2,929.61	-	-	-	-	227.00	(227.00)
							2,929.62
Total							21,015.14

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							19,848.34
- Considered good	19,848.34	-	-	-	-	990.14	990.14
- Credit impaired	-	-	-	-	-	990.14	20,838.48
Less: Credit impaired	19,848.34	-	-	-	-	990.14	(990.14)
							19,848.34
Disputed							0.00
- Considered good	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	0.00
Less: Credit impaired	-	-	-	-	-	-	0.00
Total							19,848.34

12 Other non current financial assets	As at	As at	As at
	31 March 2022	31 March 2021	31 Mar 2020
Deposits	1,050.18	1,186.06	1,180.69
-Considered Good	132.86	-	-
-Credit impaired	(132.86)	-	-
Less: Allowance for expected credit loss			
Deposit accounts with maturity for more than twelve months from the balance sheet date	41.39	-	3,421.20
Other receivable	-	-	454.18
	<u>1,091.57</u>	<u>1,186.06</u>	<u>5,056.08</u>

13 Deferred Tax Assets (Net)	As at	As at	As at
	31 Mar 2022	31 Mar 2021	31 Mar 2020
Deferred Tax Assets (Net) (Refer Note 44)	43,345.50	47,623.70	47,623.70
Total	<u>43,345.50</u>	<u>47,623.70</u>	<u>47,623.70</u>

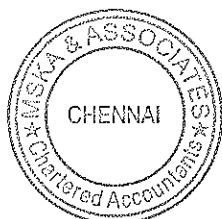
14 Income Tax Assets (Net)	As at	As at	As at
	31 March 2022	31 March 2021	31 Mar 2020
Advance Tax & TDS Receivable(Net of Provision for Tax (March 31,2022 ₹ 5,540.74 lakhs (March 2021 ₹ 5,540.74 lakhs))	1,412.42	3,327.56	2,917.18
Total	<u>1,412.42</u>	<u>3,327.56</u>	<u>2,917.18</u>

15 Inventories	As at	As at	As at
	31 March 2022	31 March 2021	31 Mar 2020
Contract Work in progress (Valued at lower of cost and net realizable value)	-	248.20	324.86
Total	-	<u>248.20</u>	<u>324.86</u>

16 Contract assets	As at	As at	As at
	31 March 2022	31 Mar 2021	31 Mar 2020
Contract Assets (Refer Note 16.1)	83,029.75	83,594.71	82,236.06
Less: Allowance for Expected Credit Loss	(3,321.01)	(910.95)	(1,855.98)
Total	<u>79,708.74</u>	<u>82,683.76</u>	<u>80,380.08</u>

16.1 The above Contract Assets includes materials at project site amounting to Rs. 25,512.38 Lakhs , March 31, 2021 Rs. 27,817.86 Lakhs, March 31, 2020 Rs 27,042.93 Lakhs

17 Trade receivables	As at	As at	As at
	31 March 2022	31 March 2021	31 Mar 2020
Unsecured	29,567.80	33,960.38	48,419.01
-Considered good	9,075.87	6,971.47	4,777.98
-Credit impaired	(9,075.87)	(6,971.47)	(5,200.48)
Less: Allowance for Expected Credit Loss	7,682.68	6,247.16	7,974.00
Trade Receivable - Retention monies	37,250.48	40,207.54	55,970.51
Net			



17.1 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 majority of customers comprise of public sector undertakings and other private entities.

17.2 Trade receivable include due from related parties amounting to Rs. 3,636.56 Lakhs (March 31, 2021- 6,608.11 Lakhs) (March 31, 2020 - ₹ 2,707.69 Lakhs) (Refer Note 49 (C))

Trade receivables ageing schedule
31-03-2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	5,139.54	2,464.46	2,588.29	10,973.19	5,178.63	8,339.63	34,683.74
- Credit impaired	-	-	1,837.11	-	-	6,894.15	8,731.26
Less: Credit impaired	5,139.54	2,464.46	4,425.40	10,973.19	5,178.63	15,233.78	43,415.00
							(8,731.27)
							34,683.73
Disputed							
- Considered good	-	1,396.44	-	1,038.05	-	132.26	2,566.75
- Credit impaired	-	267.29	-	-	-	77.32	344.61
Less: Credit impaired	-	1,663.73	-	1,038.05	-	209.58	2,911.36
							(344.61)
							2,566.75
Total							37,250.48

31-03-2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Upto 6 months	6 months to 1 year	1- 2 years	2-3 years	More than 3 years	
Undisputed							
- Considered good	3,770.12	844.74	1,214.51	13,263.01	8,176.22	12,085.27	39,353.87
- Credit impaired	-	-	-	-	-	6,894.15	6,894.15
Less: Credit impaired	3,770.12	844.74	1,214.51	13,263.01	8,176.22	18,979.42	46,248.02
							(6,894.15)
							39,353.87
Disputed							
- Considered good	-	-	-	-	-	853.67	853.67
- Credit impaired	-	-	-	-	-	77.32	77.32
Less: Credit impaired	-	-	-	-	-	930.99	930.99
							(77.32)
							853.67
Total							40,207.54

31-03-2020

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	26,920.30	844.74	1,214.51	13,135.85	916.17	12,085.27	55,116.84
- Credit impaired	-	-	-	-	-	6,894.15	6,894.15
Less: Credit impaired	26,920.30	844.74	1,214.51	13,135.85	916.17	18,979.42	62,010.99
							(6,894.15)
							55,116.84
Disputed							
- Considered good	-	-	-	-	-	853.67	853.67
- Credit impaired	-	-	-	-	-	77.32	77.32
Less: Credit impaired	-	-	-	-	-	930.99	930.99
							(77.32)
							853.67
Total	26,920.30	844.74	1,214.51	13,135.85	916.17	18,979.42	55,970.51

Notes:

Movement in loss allowance - Trade Receivable (Non current (Note-11) & Current (Note -17))

Particulars	As at 31 March 2022	As at 31 Mar 2021	As at 31 Mar 2020
Opening balance	8,492.95	6,069.91	4,607.90
Additions / Transfer	3,152.15	2,423.04	1,462.01
Utilizations / Reversals	-	-	-
Closing balance	11,645.10	8,492.95	6,069.91

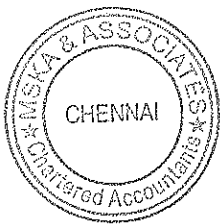


	As at 31 March 2022	As at 31 March 2021	As at 31 Mar 2020
18 Cash and bank balances			
Balances with banks			
In current accounts	506.33	299.46	733.28
Margin Money (Original Maturity of less than 3 Months)	75.75	540.89	466.54
Cash on hand	0.59	0.52	5.73
Total	582.67	840.86	1,205.55
19 Other Bank Balances			
Deposit Account (Original Maturity of 3 Months to 12 Months)	224.88	180.23	-
Margin Money (Original Maturity of More than 3 Months to 12 Months)	2,162.61	2,686.65	1,464.19
Total	2,387.49	2,866.88	1,464.19
20 Other Current Financial assets			
Security deposit	59.17	115.01	116.40
Interest Receivable	820.07	729.26	549.26
Total	879.25	844.27	665.66
21 Other current assets			
Advances to Employees	62.75	75.64	48.12
Balance with Government Authorities	4,305.93	5,349.15	5,532.47
Prepaid Expenses	21.28	30.99	106.98
Other Advances	2,310.06	1,903.86	1,775.88
	6,700.02	7,359.65	7,463.46
Advances to Suppliers			
- Considered good	13,352.10	13,367.90	15,256.72
- Credit impaired	1,640.30	1,640.30	1,640.30
Less: Allowance for Expected Credit Loss	(1,640.30)	(1,640.30)	(1,640.30)
	13,352.09	13,367.90	15,256.72
Total	20,052.12	20,727.54	22,720.18
22 Assets classified as held for sale			
Asset held for Sale	596.06	596.06	703.35
Total	596.06	596.06	703.35

Assets held for sale represents the assets taken over from Afcons Infrastructure Limited (AIL) pursuant to a mutual agreement between AIL, Valecha Engineering Limited (VEL) and the Company in settlement of dues receivable from VEL Ltd. These assets are expected to be sold during FY 22-23

Disclosure pursuant to Ind AS 105 - Major classes of assets and liabilities classified as held for sale:

	As at 31 Mar 2022	As at 31 Mar 2021	As at 31 Mar 2020
Property, Plant and Equipment	596.06	596.06	703.35



2.3 Equity Share capital

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Authorized			
1,400,000,000 (31 March 2021-1,400,000,000) (31 March 2020- 1,400,000,000) Equity Shares of ₹ 10 each	1,40,000.00	1,40,000.00	1,05,000.00
	1,40,000.00	1,40,000.00	1,05,000.00
Issued, subscribed and paid up			
971,529,018 (31 March 2021: 971,529,018) (31 March 2020: 971,529,018) equity shares of ₹ 10 each fully paid	97,152.90	97,152.90	97,152.90
	97,152.90	97,152.90	97,152.90

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	97,15,29,018	97,152.90	97,15,29,018	97,152.90
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	97,15,29,018	97,152.90	97,15,29,018	97,152.90

(b) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity Shares						
SVL Limited (Refer Note (i) Below)	27,93,91,356	28.76%	27,93,91,356	28.76%	27,93,91,356	28.76%
State Bank of India	12,56,34,843	12.93%	12,56,34,843	12.93%	12,56,34,843	12.93%
Punjab National Bank	10,22,35,172	10.52%	12,43,46,199	10.52%	12,43,92,428	12.80%
Central Bank of India	9,35,70,276	9.63%	9,35,70,276	9.63%	9,35,70,276	9.63%
IDBI Bank Limited	3,29,90,947	3.40%	3,29,90,947	3.40%	5,42,55,616	5.58%

(c) Details of shares held by Promoters - Entities exercising significant influence over the Company

Name of shareholder	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares
SVL Limited	27,93,91,356	28.76%	27,93,91,356	28.76%	27,93,91,356	28.76%

(d) Terms/rights attached to the shares

The Company has issued equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company has only one class of share capital, i.e., equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

(e) The Authorised Equity Share Capital has been increased to 140,000 Lakhs with effect from 19th March 2021

(f) Preferential issue of equity shares during past five years:

Particulars	2016-17				2017-18			
	No. shares	Face value of Rs. 10/-	Premium	Total	No. shares	Face value of Rs. 10/-	Premium	Total
Promoters - SVL Limited	11,39,78,495	11,398	15102.15	26,500	-	-	-	-
KPR Investment private limited	-	-	-	-	1,29,19,896	1,292	2,208.01	3,500.00
Lender Bank- Conversion of funded interest term Loan (FITL)	73,34,961	734	1685.57	2,419	10,193	1	2.34	3.36
Lender bank - Conversion of Interest sacrifice	4,06,991	41	122.3	163	24,03,425	240	722.23	962.57
Lender Bank- Conversion of Working capital term Loan (WCTL)	48,46,21,073	48,462	64212.3	1,12,674	1,92,27,563	1,923	2,547.65	4,470.41

There is no Preferential issue of Equity during the year ended March 31, 2019, March 31, 2020, March 31, 2021 & March 31, 2022

g) Consequent to the default in payment of dues towards term loan, interest on working capital facility etc. the Company had proposed a Debt Resolution Plan to the lenders for restructuring of the debt with change in Management ('Resolution Plan') formulated under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 vide its circular dated 7th June 2019 ('the RBI Circular' / 'Regulatory Framework'). On March 25, 2022, the resolution plan was approved by the consortium lenders with super majority subject to certain conditions precedent. On June 22, 2022, the Company has entered into Master Restructuring Agreement (MRA) to give effect to the Resolution Plan. The Company is in the process of compliance of all conditions precedent.

The key feature of the Resolution Plan are as follows:

- Investment of ₹ 35,000 Lakhs in equity of the company at a price per equity share of ₹ 10 each by an investor which will be utilised to reduce the debt.
- Conversion of ₹ 17,500 Lakhs of debt into 4% Compulsory Convertible Debentures at the end of March 31, 2035.
- Conversion of ₹ 17,500 Lakhs of debt into 4% Non-Convertible Debentures redeemable over a period of 14 years.

For the purpose of classification as at March 31, 2022, the said restructuring has not been considered, Instead borrowings repayable after 12 months from the balance sheet date has been considered as non-current, and those dues that were in default have been classified as current based on confirmations / repayment schedule received from lenders.

The Allotment Committee of the Board of Directors of the Company, at its meeting held on June 24, 2022 has approved the following:

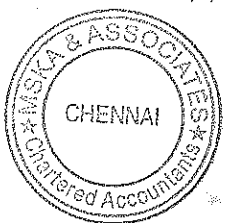
1) Allotment of equity shares of the Company on preferential basis in terms of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the 'ICDR Regulations') to Mark AB Capital Investment LLC as under:
220,000,000 (Twenty two Crores) fully paid-up equity shares having a face value of ₹. 10/- each for cash at par per equity share aggregating to ₹ 22,000 Lakhs (Rupees Twenty two thousand lakhs only);

2) Allotment of securities of the Company on preferential basis in terms of the Resolution Plan for part Conversion of the debt not exceeding to ₹. 3,50,00,00,000/- (Rupees Three hundred and fifty crores only) as under:

- Not exceeding 175,00,00,000 (One hundred and seventy-five crores) fully paid up secured Compulsorily convertible debentures with an average yield of 4% (hereinafter referred to as the 'CCDs') having a face value of ₹. 100/- (Rupees One Hundred only) each aggregating to 1,75,00,00,000/- (Rupees One crore seventy-five lakhs only)
- Not exceeding 175,00,00,000 (One hundred and seventy-five crores) fully paid up secured Non-convertible debentures with an average yield of 4% (hereinafter referred to as the 'NCDs') having a face value of ₹. 100/- (Rupees one hundred only) each aggregating to 1,75,00,00,000/- (Rupees One crore seventy-five lakhs only) redeemable over a period of 14 years.

The equity shares and the other securities so allotted on preferential basis shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations.

Post allotment of equity shares, the paid-up equity capital of the Company is ₹. 11,915,290,250 - (Rupees One thousand one hundred and ninety-one crores fifty-two lakhs ninety thousand two hundred and fifty only) divided into 1,19,15,29,025 (One hundred nineteen crores fifteen lakhs twenty-nine thousand and twenty-five) equity shares of ₹. 10/- each.



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

24 Other equity

- (A) The Company has preference share capital having a par value of ₹ 100 per share, referred to herein as preference share capital

Authorized

30,000,000 (31 March 2021: 30,000,000) (31 March 2020: 30,000,000) Convertible Preference Shares of ₹ 100 each

Total

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
	30,000.00	30,000.00	30,000.00
Total	30,000.00	30,000.00	30,000.00

(B) Other equity

Securities premium reserve (Refer Note (i) below)
General reserve (Refer Note (ii) below)
Capital Reserve (Refer Note (iii) below)
Deficit in the Statement of Profit and Loss (Refer Note (iv) below)
Employee Stock options outstanding account (ESOOA) (Refer Note (v) below)
Investments FVTOCI Reserve on equity instruments (Refer Note (vi) below)
Re-measurement gains/ (losses) on defined benefit plans (Net of Tax) (Refer Note (vii) below)
Foreign Currency monetary item translation diff account (Refer Note (viii) below)
Share of reserve from an Associate
Non Controlling Interest
Total

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Securities premium reserve (Refer Note (i) below)	1,91,225.43	1,91,225.43	1,91,225.43
General reserve (Refer Note (ii) below)	561.93	561.93	561.75
Capital Reserve (Refer Note (iii) below)	12.92	12.92	12.92
Deficit in the Statement of Profit and Loss (Refer Note (iv) below)	(2,15,105.50)	(1,93,436.12)	(1,75,488.81)
Employee Stock options outstanding account (ESOOA) (Refer Note (v) below)	-	-	0.17
Investments FVTOCI Reserve on equity instruments (Refer Note (vi) below)	8.51	(30.50)	(33.01)
Re-measurement gains/ (losses) on defined benefit plans (Net of Tax) (Refer Note (vii) below)	163.68	148.07	130.97
Foreign Currency monetary item translation diff account (Refer Note (viii) below)	(219.86)	32.46	127.22
Share of reserve from an Associate	-	4700.99	4700.99
Non Controlling Interest	146.61	142.73	146.76
Total	(23,206.28)	3,357.91	21,384.40

(i) Securities premium reserve

Opening balance
Add : Securities premium credited on issue of shares
Closing balance

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening balance	1,91,225.43	1,91,225.43	1,91,225.43
Add : Securities premium credited on issue of shares	-	-	-
Closing balance	1,91,225.43	1,91,225.43	1,91,225.43

(ii) General reserve

Opening balance
Additions/(Transfers)
Closing balance

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening balance	561.93	561.75	561.75
Additions/(Transfers)	-	0.17	-
Closing balance	561.93	561.93	561.75

(iii) Capital Reserve

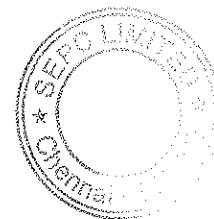
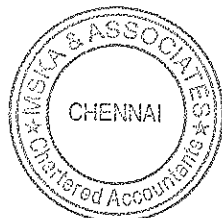
Opening balance
Additions/(Transfers)
Closing balance

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening balance	12.92	12.92	12.92
Additions/(Transfers)	-	-	-
Closing balance	12.92	12.92	12.92

(iv) Deficit in the Statement of Profit and Loss

Opening balance
Add: Net loss for year
Transfer
Closing balance

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening balance	(1,93,436.12)	(1,75,488.79)	(1,67,762.49)
Add: Net loss for year	(26,370.37)	(17,947.33)	(7,726.33)
Transfer	4,700.99	-	-
Closing balance	(2,15,105.50)	(1,93,436.12)	(1,75,488.81)



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

(v) Employee Stock options outstanding account	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening Balance	-	0.17	0.17
Additions/(Transfers)	-	(0.17)	
Closing Balance	-	-	0.17
(vi) Investments FVTOCI Reserve on equity instruments	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening balance	(30.50)	(33.01)	(22.39)
-Fair valuation changes for the year (net of tax)##	39.01	2.51	-10.62
Closing balance	8.51	(30.50)	(33.01)
## Includes cumulative fair valuation changes in equity shares (net of Tax)			
(vii) Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening Balance	148.07	130.97	105.94
Additions	15.61	17.10	25.03
Closing Balance	163.68	148.07	130.97
(viii) Foreign Currency monetary item translation diff account	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening balance	32.46	127.22	(63.68)
Additions	(252.32)	(94.76)	190.90
Closing balance	(219.86)	32.46	127.22

Nature and Purpose of Reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

General Reserve

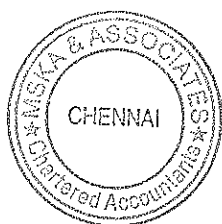
The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

Employee Stock options outstanding account

The reserve is used to recognize the grant date fair value of the options issued to employees under Company's Employee Stock Option Plan.



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

25 Non-current borrowings	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Secured - At Amortized Cost			
From Banks			
Term Loans	6,291.99	11,089.54	12,291.06
From Others			
Term Loans	8,512.45	8,444.45	7,781.35
Working Capital Term Loans	560.03	490.46	31.28
Funded Interest Term Loans	-	48.39	518.31
Others			
Finance Lease Obligations	-	-	0.68
Total	15,364.47	20,072.84	20,622.69

25.1 Terms of Repayment and Security details

S.No	31.03.2022	31.03.2021	31.03.2020	Terms of Repayment	Secured by
Term Loans from Banks	1,198.00	1,995.35	2,139.69	32 Structured quarterly commencing from Jun'16 to Sept'24	Primary Exclusive charge on 5 Wind Electric Generator of 1.5 MW from LSML
Term Loans from Banks	5,093.99	9,094.19	10,151.37	27 Structured quarterly commencing from Jun'18 to Sept'25	First Paripassu charge on Pooled Assets i.e., all movable (both fixed, current and non-current) Immovable assets of the company and corporate guarantee of SVL and SVL Trust
Term Loans from Others	5,857.87	8,444.45	7,781.35	27 Structured quarterly commencing from Jun'18 to Sept'25	
Term Loans from Others	2,654.58	-	-	4 Equal Half yearly instalments commencing from Sept'27 to March'29	First Paripassu charge on Pooled Assets i.e., all movable (both fixed, current and non-current) Immovable assets of the company and corporate guarantee of SVL and SVL Trust
Funded Interest Term Loan from Others	-	48.39	31.28	20 Structured quarterly commencing from Jun'16 to Sept'21	
Working Capital Term Loan from Others	560.03	490.47	518.31	32 Structured quarterly commencing from Jun'16 to Sept'24	
Finance Lease Obligations from Bank	-	-	0.68	36 to 60 months	Secured by Vehicles purchased under Hire Purchase schemes
Total	15,364.47	20,072.84	20,622.69		

25.2 Corporate Debt Restructuring

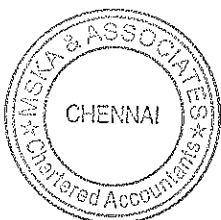
- Company undertook a Corporate Debt Restructuring (CDR) under CDR mechanism w.e.f. April 01, 2014 and all the terms were compiled including right to recompense by way of allotment of equity shares.
- Working Capital Term Loan (WCTL) amounting to Rs 1226.72 Cr have been converted into equity based on the approval by CDR EG and lenders at the price determined in accordance with SEBI (Issue of Capital and Disclosure) Regulations, 1999 (the Regulations).
- All amounts due under CDR are covered by Corporate Guarantee of SVL Limited, Entity exercising significant influence over the Company and SVL Trust.
- 18,01,46,496 Equity shares of the Company have been pledged with the CDR lenders by SVL Limited, Entity exercising significant influence over the Company.

25.3 Implementation of Resolution Plan post year end 31st March, 2022

The company is in default to its lenders and the lenders have categorised the Company's account as Non- Performing Asset and one of the financial creditor filed an NCLT case against the company. The Company had proposed a debt resolution plan to the lenders for restructuring of the debt ("Resolution Plan") under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 issued by Reserve Bank of India vide its circular dated June 7, 2019 (the "RBI Circular"). On March 25, 2022, the Resolution Plan was approved by the consortium lenders subject to certain conditions precedent. The Resolution Plan submitted to the lenders has been approved with 81.85% by value and 61.11% by number. Subsequent to the year end on June 22, 2022 the Borrowers have entered into Master Restructuring Agreement (MRA) to give effect to the resolution plan.

The key features of the Resolution Plan are as follows:

- Equity Infusion by Prospective Investor - Minimum of Rs. 35,000 Lakhs. Preferential Issue of Equity Shares subject to the pricing as per the SEBI (ICDR) Regulations 2015 to the Investor for 26.4% stake in the Company.
- Conversion of a part of the existing bank debts into Rs. 17,500 Lakhs of Non-Convertible Debentures (NCD) and Rs. 17,500 Lakhs of Compulsory Convertible Debenture (CCD).
- Charging rate of interest on the CC facility @ 9.00% p.a. (1 year MCLR + 1.75%) w.e.f 1st October 2020.
- Banks to allow utilization of vacancy in Non-Fund Based Facilities and Fund based limits already sanctioned and available to the Company, post implementation of the plan.
- Prospective Investor to provide Corporate Guarantee to lenders for entire facilities.
- Continuation of Margin of 15% on stock and book debts and cover period of 270 days for receivable.



25.4 Classification of borrowings

During the year ended and as at March 31, 2022, the Company has made defaults in repayment of term loans. As at March 31, 2022, the Company has obtained balance confirmation and repayment schedule of outstanding Term Loans as of March 31, 2022 from the Lenders. Based on the maturity of the term loan instalments payables as per the balance confirmation, the Company has classified the borrowings under current and non-current and for the purpose of classification of term loans as at March 31, 2022, the impact as per Resolution Plan has not been considered as the condition precedents need to be complied with for effecting the adjustments. Further all defaulted loans have also been classified as Current maturities.

The Company has defaulted in repayment of loans and interest during year ended March 31, 2022 in respect the following

Particulars	Principal/ Interest	Period of Delay	During the year ended 31st March, 2022 (Rs. In Lakhs)
Central Bank	Principal pending to be repaid	547-365 days	1,470.13
	Principal pending to be repaid	365-1 days	2,630.75
	Interest pending to be repaid	547-365 days	719.13
	Interest pending to be repaid	365-1 days	1,627.10
IFCI WCTL	Principal pending to be repaid	547-365 days	63.75
	Principal pending to be repaid	365-1 days	114.07
	Interest pending to be repaid	547-365 days	46.55
	Interest pending to be repaid	365-1 days	74.55
IFCI FITL	Principal pending to be repaid	547-365 days	44.17
	Principal pending to be repaid	365-1 days	31.71
	Interest pending to be repaid	547-365 days	6.18
	Interest pending to be repaid	365-1 days	10.10
ACRE	Principal pending to be repaid	547-365 days	1,000.00
	Principal pending to be repaid	365-1 days	1,900.00
BOM - Covid Loan	Principal pending to be repaid	547-365 days	32.00
	Principal pending to be repaid	365-1 days	128.00

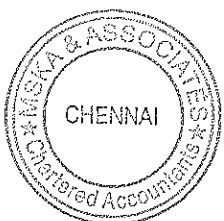
25.5 The Company has defaulted in repayment of loans and interest during year ended March 31, 2021 in respect the following

Particulars	Principal/ Interest	Period of Delay	During the year ended 31st March, 2021 (Rs. In Lakhs)
Central Bank	Principal pending to be repaid	182 Days	386.88
	Principal pending to be repaid	90 Days	541.63
	Principal pending to be repaid	1 day	541.63
	Interest pending to be repaid	3 days to 90 Days	532.85
	Interest pending to be repaid	121 days to 365 days	874.12
IFCI WCTL	Principal pending to be repaid	182 Days	16.78
	Principal pending to be repaid	90 Days	23.49
	Principal pending to be repaid	1 day	23.49
	Interest pending to be repaid	3 days to 90 Days	27.26
IFCI FITL	Interest pending to be repaid	121 days to 365 days	49.26
	Principal pending to be repaid	182 Days	12.46
	Principal pending to be repaid	90 Days	15.86
	Principal pending to be repaid	1 day	15.86
ACRE	Interest pending to be repaid	3 days to 90 Days	3.61
	Interest pending to be repaid	121 days to 365 days	6.59
	Principal pending to be repaid	182 Days	200.00
	Principal pending to be repaid	90 Days	400.00
	Principal pending to be repaid	1 day	400.00

25.6 The Company has defaulted in repayment of loans and interest during year ended March 31, 2020 in respect the following

Particulars	Principal/ Interest	Period of Delay	During the year ended 31st March, 2020 (Rs. In Lakhs)
Term Loans from Banks:			
Central Bank of India	Principal paid subsequently	52	386.88
	Principal paid subsequently	72	386.88
	Principal paid subsequently	115	386.88
	Principal which has been under Moratorium	Under Moratorium	386.88
	Interest paid subsequently	14 days to 109 Days	1,343.75
	Interest pending to be repaid	3 days to 90 Days	238.18
	Interest which has been under Moratorium	Under Moratorium	142.17
	Principal paid subsequently	61	29.45
	Principal paid subsequently	92	39.79
IFCI	Principal pending to be repaid	92	19.12
	Principal which has been under Moratorium	Under Moratorium	16.78
	Interest which have been repaid subsequently	30 days to 152 days	57.99
	Interest pending to be repaid	30 days to 91 days	19.33
	Interest which has been under Moratorium	Under Moratorium	6.13

25.7 The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender for the above-mentioned period.



26 Other financial liabilities	As at 31 Mar 2022	As at 31 March 2021	As at 31 March 2020
Sundry Creditors- Retention	4,465.38	4,363.37	5,642.52
Total	4,465.38	4,363.37	5,642.52

Sundry Creditors- Retention
As on 31-03-2022

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	4,465.38	-	-	-	-	4,465.38
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4,465.38	-	-	-	-	4,465.38

As on 31-03-2021

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	4,363.37	-	-	-	-	4,363.37
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4,363.37	-	-	-	-	4,363.37

As on 31-03-2020

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	5,642.52	-	-	-	-	5,642.52
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	5,642.52	-	-	-	-	5,642.52

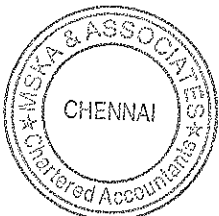
27 Long Term Provisions	As at 31 Mar 2022	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (Refer Note: 47)	540.50	559.51	613.20
Total	540.50	559.51	613.20

28 Other non-current liabilities	As at 31 Mar 2022	As at 31 March 2021	As at 31 March 2020
Contract Liabilities			
Advance from Customers	2,202.91	4,882.17	12,535.32
Total	2,202.91	4,882.17	12,535.32

29 Short-term borrowings	As at 31 Mar 2022	As at 31 March 2021	As at 31 March 2020
From bank (Secured)			
- Cash Credit and Overdraft facilities	42,731.22	35,698.43	27,133.79
- Working Capital Demand Loans	17,014.48	17,355.22	16,984.60
- Demand Loan - Covid Emergency loan	191.95	193.85	-
- Interest accrued and due	7,405.38	1,889.19	-
- Current Maturities - Term Loans	7,465.00	2,630.75	1159.99
- FTTL- Moratorium interest	1,272.62	2,886.15	-
From others (Secured)			
- Current Maturities	5,724.00	2,045.78	1418.01
- Cash Credit and Overdraft facilities	582.33	476.88	432.06
- Funded Interest Term Loans	76.00	-	-
Interest accrued not due	-	-	631.47
From SVL Limited (Entities exerting significant influence over the company) Refer Note - 49	-	339.55	27.48
Total	82,462.97	63,515.81	47,787.41

29.1 First Pari-passu Charge on Pooled Assets is all movable (both fixed, current and non current assets) immovable assets of the company and corporate guarantee of SVL and SVL Trust. The Company has defaulted in repayment of loans and interest in respect the following

Bank	Cash Credit		WCCL		FTTL	
	Date of default	Amount (In Lakhs)	Date of default	Amount (In Lakhs)	Date of default	Amount (In Lakhs)
Punjab National Bank (eOBC)	26-Mar-20	5,679	30-Sep-20	255	-	-
Punjab National Bank	2-Mar-20	3,159	30-Sep-20	852	-	-
Bank of India	14-Feb-20	1,158	30-Sep-20	101	-	-
Yes Bank	31-Dec-20	258	-	-	31-Oct-20	103
State Bank Of India	21-Sep-20	1,190	-	-	31-Oct-20	721
Indian Bank	25-Apr-20	3,682	30-Sep-20	235	-	-
Indusind Bank	23-Nov-20	165	30-Sep-20	351	31-Dec-20	187
IDBI Bank	31-Oct-20	298	30-Sep-20	576	30-Sep-20	368
ICICI Bank	30-May-20	100	-	-	-	-
Federal Bank	5-Mar-20	720	-	-	-	-
DBS Bank India Ltd	30-Sep-20	692	-	-	31-Dec-20	221
Central Bank of India	26-Feb-20	1,982	31-Dec-20	278	31-Oct-20	338
Bank Of Baroda	30-Nov-20	202	30-Nov-20	262	31-Dec-20	146
Asset Reconstruction Company (India) Limited (ARCIL)	31-Dec-20	528	-	-	-	-
Union Bank	31-Mar-21	206	-	-	31-Dec-20	40
IFCI Factors	30-Sep-20	131	-	-	30-Sep-20	9
Axis Bank	30-Nov-21	1,635	31-Jan-21	24	-	-
Bank of Maharashtra	30-Apr-21	329	-	-	-	-
Total		22,114		2,934		2,133



30 Trade payables

	As at 31 Mar 2022	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Acceptances	323.42	842.43	8,435.70
Trade Payables (Refer Note 30.1 & 30.2)	33,644.80	33,160.17	34,071.18
Total	33,968.22	34,002.60	42,506.88

30.1 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.

30.2 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 2022	As at 31 March 2021	As at 31 March 2020
(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.	-	-	-

30.3 Ageing Trade payable ageing

As on 31-03-2022

Particulars	Outstanding for following periods from due date of payments					
	Not due	Less than 1 year	1-2 years	2-3 years	More than three year	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	2,546.10	11,396.90	2,232.31	10,494.76	5,045.06	31,715.13
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	245.04	385.54	476.66	1,145.85	2,253.09
Total	2,546.10	11,641.94	2,617.85	10,971.42	6,190.91	33,968.22

As on 31-03-2021

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	8,783.08	9,415.95	8,225.17	2,741.93	2,545.86	31,711.98
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	0.54	168.99	824.53	568.08	728.47	2,290.61
Total	8,783.62	9,584.94	9,049.70	3,310.01	3,274.33	34,002.60

As on 31-03-2020

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	18,776.00	11,565.71	7,380.35	2,910.71	1,664.01	42,296.78
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	0.54	22.40	3.02	10.17	173.97	210.10
Total	18,776.54	11,588.11	7,383.37	2,920.88	1,837.98	42,506.88

31 Other Financial Liabilities

	As at 31 Mar 2022	As at 31 March 2021	As at 31 March 2020
Other liabilities*	1,875.25	1,663.25	1,301.40
Unclaimed Dividend	-	-	1.27
Total	1,875.25	1,663.25	1,302.67

*Included employee dues and other routine payable for expenses

31.1 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022, March 31, 2021 & March 31, 2020

32 Other current liabilities

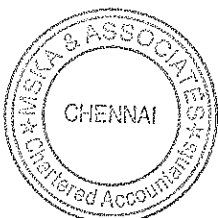
	As at 31 Mar 2022	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	141.84	773.80	322.03
Advance Billing	548.11	2,673.39	4,158.44
Total	689.94	3,447.20	4,480.48

33 Contract Liabilities

	As at 31 Mar 2022	As at 31 March 2021	As at 31 March 2020
Advance from customers	5,934.03	8,076.25	5,678.40
Total	5,934.03	8,076.25	5,678.40

34 Short Term Provisions

	As at 31 Mar 2022	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (Refer Note: 47)	23.70	23.62	25.42
Provision for Compensated Absences (Refer Note: 47)	480.83	385.94	531.73
Other Provision	128.67	125.73	1.37
Total	633.19	535.30	558.52



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

35 Revenue from operations	2021-22	2020-21	2019-20
Revenue from Engineering and Construction Contracts (Refer Note 35.1 & 35.2)	32,944.17	57,992.37	1,19,266.08
Other operating Revenue	-	-	-
Company's share in profit of Integrated Joint Ventures	1.48	286.15	1,528.80
Total	32,945.65	58,278.52	1,20,794.88

35.1 Revenue for the Year ended March 31, 2022 includes Rs. 8,624 lakhs, being share of revenue relating to the Basra project, billed from Mokul Shriram EPC JV (MSJV), a jointly controlled operation, where in the company owns 50% interest (Year ended March 31, 2021- Rs.25,984 Lakhs, Year ended March 31, 2020- Rs.30,379.93 Lakhs)

35.2 For the FY 21-22, Unsatisfied performance obligation: Management expects that the transaction price allocated to partially or fully unsatisfied performance obligation of ₹ 119,664 lakhs (March 31, 2021: ₹ 1,48,295 lakhs)(March 31, 2020: ₹ 2,04,434 Lakhs) will be recognised as revenue over the project life cycle.

36 Other income	2021-22	2020-21	2019-20
Interest income			
- Margin Money deposits	280.01	126.03	767.55
- Interest income on Financial Assets	-	1,512.07	2,970.34
- On Income Taxes	316.91	-	-
Export Incentive	-	-	216.93
Liabilities written back	38.92	476.04	719.65
Profit on sale of fixed assets	-	-	5.95
Miscellaneous income	477.58	220.65	411.42
Total	1,113.42	2,334.79	5,091.83

37 Erection, Construction & Operation Expenses	2021-22	2020-21	2019-20
Cost of Materials and Labour (Refer Note 37.1)	28,791.73	49,303.85	98,721.64
Other Contract Related Costs	210.50	6,367.89	1,232.25
Total	29,002.23	55,671.74	99,953.89

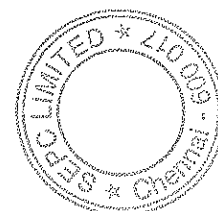
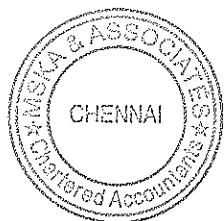
37.1 Cost of Materials and Labour for the Year ended March 31, 2022 includes Rs.8,624 lakhs, being share of cost relating to the Basra project, from Mokul Shriram EPC JV (MSJV), a jointly controlled operation, where in the company owns 50% interest (Year ended March 31, 2021- Rs.25,984 Lakhs) (Year Ended March 31, 2020 Rs. 30,379.93 Lakhs).

38 Change in Inventories of Contract WIP	2021-22	2020-21	2019-20
Inventories at the beginning of the year	248.20	324.86	3,849.23
	248.20	324.86	3,849.23
Less: Inventories at the end of the year	-	248.20	324.86
	-	248.20	324.86
Net decrease	248.20	76.66	3,524.37
Total	248.20	76.66	3,524.37

39 Employee benefits expense	2021-22	2020-21	2019-20
Salaries,wages,bonus and other allowances	3,194.97	3,131.40	4,490.24
Contribution to Provident and Other funds	196.18	228.49	776.67
Contribution to Gratuity (Refer Note - 47)	133.37	93.10	75.62
Staff welfare expenses	174.92	355.41	383.48
Total	3,699.44	3,808.41	5,726.01

40 Finance costs	2021-22	2020-21	2019-20
Interest on Cash Credits	7,788.18	6,676.05	5,141.43
Interest on Term Loans	1,711.75	1,715.69	1,975.00
Interest - Others	628.71	852.10	1,438.81
Interest on financial liabilities measured at Effective interest rates	1,416.60	1,415.09	1,488.63
Interest on Lease Liabilities	23.13	-	-
Total	11,568.38	10,658.93	10,043.86

41 Depreciation and amortization expense	2021-22	2020-21	2019-20
Depreciation on Property, Plant and equipment (Refer Note- 6A)	548.87	552.00	558.86
Amortization of Intangible Assets (Refer Note- 7)	4.04	4.04	7.95
Amortization of Right of use assets (Refer Note- 6B)	29.76	-	-
Total	582.66	556.04	566.81



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

42 Other expenses	2021-22	2020-21	2019-20
Electricity and water	119.24	238.68	173.67
Rates and taxes	59.12	14.44	117.63
Rent	105.26	119.49	218.55
Repairs and Maintenance:			
Building	14.66	4.30	9.11
Plant and Machinery, Equipments	56.67	48.77	31.80
Others	20.01	28.79	58.32
Auditors' Remuneration (Refer Note 42.1)	34.32	24.48	31.17
Bank Charges, Letter of Credit / Guarantee charges	965.93	1,989.20	1,475.35
Travel and conveyance	343.12	273.44	747.38
Insurance premium	192.75	263.07	240.14
Printing & Stationery	20.98	22.33	44.91
Communication, broadband and internet expenses	29.27	58.14	110.63
Sitting Fees	8.70	7.30	6.15
Consultancy charges	391.00	591.76	2,449.88
Legal Expenses	105.86	101.24	189.78
Advertisement	22.32	33.06	77.42
Bad Debts	103.35	-	-
Donation	0.08	0.31	0.11
Company's share of Loss of Integrated Joint Ventures	-	-	172.36
CWIP - Written off	-	-	14.84
Investment in associates written off	-	-	4007.22
Provision for Diminution in value of Investments reversed	-	-	-4007.22
Impairment loss allowances on Trade receivable & contract assets	-	-	478.67
Provision for doubtful trade and Other receivables and Loans and Advances	1,831.49	2,036.42	78.40
Loss on Sale of assets	99.18	1.78	-
Miscellaneous expenses	165.97	660.58	464.85
Total	4,689.27	6,517.58	7,191.12

42.1 The following is the break-up of Auditors remuneration (exclusive of GST)

As auditor:	2021-22	2020-21	2019-20
Statutory audit	27.00	18.00	24.00
Other matters	6.00	6.00	6.00
Reimbursement of expenses	1.32	0.48	1.17
Total	34.32	24.48	31.17

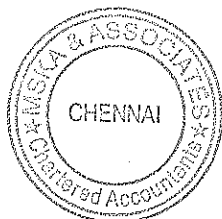
43 Exceptional Items

	2021-22	2020-21	2019-20
Provision for trade, other receivables and contract assets (Refer- 43.1 & 43.2)	6,361.26	1,149.11	-
Impairment loss on contract asset(net) (Refer- 43.3)	-	-	6,606.98
Total	6,361.26	1,149.11	6,606.98

43.1 Exceptional items for the year ended March 31, 2022 represents provision of trade, other receivables and contract assets amounting to Rs 6,361.26 lakhs, based on estimation of potential stress on project completion, considering COVID 19 pandemic.

43.2 Exceptional items for the year ended March 31, 2021 represents provision of trade, other receivables and contract assets amounting to Rs.1,149.11 lakhs, based on estimation of potential stress on project completion in a project, considering COVID 19 pandemic.

43.3 Exceptional items for the year ended March 31, 2020 represents write off of trade and other receivables subject to litigation amounting to Rs.3,858.02 lakhs, and write off of contract assets amounting to Rs.2,748.97 lakhs, based on estimation of potential stress on project completion in a project, considering COVID 19 pandemic.



44 Disclosure pursuant to Ind AS 12 "Income Taxes"

(A) Components of Deferred Tax Assets and Liabilities recognised in Balance Sheet:

i) 31-03-2022

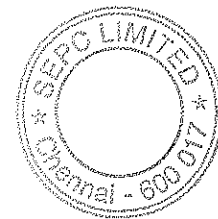
Particulars	Balance as at April 1, 2021	Recognized in profit or loss during 2021-22	Recognized in OCI during 2021-22	Balance as at March 31, 2022
Deferred tax assets				
Expenditure allowed on payment basis for Income tax purpose	338.58	32.05	(5.46)	365.17
Impairment loss on Financial Assets and Contract Assets	3,937.69	(24.96)	-	3,912.73
Deferred tax asset on account of unabsorbed losses and depreciation allowance	43,889.00	(4,244.00)	-	39,645.00
	48,165.27	(4,236.91)	(5.46)	43,922.90
Deferred tax liabilities				
On Property, Plant and Equipment	541.57	35.83	-	577.40
On Others	541.57	35.83	-	577.40
	47,623.70	(4,272.74)	(5.46)	43,345.50
Deferred tax asset, net				

The Company has business losses and unabsorbed depreciation which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss of ₹ 2,11,013 lakhs, the company has recognized deferred tax asset on a carry forward loss to the extent of Rs.1,28,547 lakhs which results in DTA of Rs. 39,645 lakhs. During current year, the Company has written off DTA amounting to Rs. 4278 Lakhs (Net) due to carry forward business losses which is expiring by FY 2021-22.

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.

ii) 31-03-2021

Particulars	Balance as at April 1, 2020	Recognized in profit or loss during 2020-21	Recognized in OCI during 2020-21	Balance as at March 31, 2021
Deferred tax assets				
Expenditure allowed on payment basis for Income tax purpose	409.44	(64.87)	(5.98)	338.58
Impairment loss on Financial Assets and Contract Assets	4,204.37	(266.68)	-	3,937.69
Deferred tax asset on account of unabsorbed losses and depreciation allowance	43,519.98	369.02	-	43,889.00
	48,133.79	37.47	(5.98)	48,165.27
Deferred tax liabilities				
On Property, Plant and Equipment	510.09	31.48	-	541.57
On Others	510.09	31.48	-	541.57
	47,623.70	5.99	(5.98)	47,623.70
Deferred tax asset, net				



The Company has business losses and unabsorbed depreciation which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss of Rs.1,99,103 lakhs, the company has recognized deferred tax asset on a carry forward loss to the extent of Rs.1,40,773 lakhs which results in DTA of Rs. 43,899 lakhs. Considering potential order book as on date, future business plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available.

iii) 31st March 2020

Particulars	Balance as at April 1, 2019	Recognized in profit or loss during 2019-20	Recognized in OCI during 2019-20	Balance as at March 31, 2020
Deferred tax assets				
Expenditure allowed on payment basis for income tax purpose	416.37	0.52	(7.45)	409.44
Impairment loss on Financial Assets and Contract Assets	6,743.43	(2,539.06)	-	4,204.37
Deferred tax asset on account of unabsorbed losses and depreciation allowance	41,013.89	2,506.09	-	43,519.98
	48,173.69	(32.45)	(7.45)	48,133.79
Deferred tax liabilities				
On Property, Plant and Equipment	549.99	(39.90)	-	510.09
On Others	-	-	-	-
	549.99	(39.90)	-	510.09
Deferred tax asset, net	47,623.70	7.45	(7.45)	47,623.70

i) The Company has business losses and unabsorbed depreciation which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss of Rs.1,82,359 lakhs, the company has recognized deferred tax asset on a carry forward loss to the extent of Rs.1,28,911 lakhs which results in DTA of Rs. 43,520 lakhs. Considering potential order book as on date, future business plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The Auditors have qualified this matter in their report for the year ended March 31, 2021 and March 31, 2020.

ii) Also, Refer Note 9.3 on reversal of deferred tax asset of Rs. 482.31 Lakhs relating to deferred tax asset on unexpired credit loss provision.

(B) Components of Income tax	2021-22	2020-21	2019-20
	Current Tax	-	122.17
Deferred Tax	(4,278.00)	-	-
Total	(4,278.00)	122.17	-
(C) Reconciliation of tax charge	2021-22	2020-21	2019-20
	(22,092.37)	(17,825.16)	(7,726.33)
(a) Loss before tax	34.94%	34.94%	34.94%
(b) Corporate Tax Rate as per Income Tax Act, 1961	(7,719.08)	(6,228.11)	(2,699.58)
(c) Tax on Accounting Loss			
(d) Tax adjustments			
(i) Tax on Non-deductible item for tax purpose	(1,808.36)	(789.06)	-
(ii) Tax effect on expiry of carry forward losses	(7,500.00)	-	-
(iii) Tax effect of losses of current year on which no deferred tax benefit is recognised	(2,608.98)	(5,197.30)	(2,681.15)
(iv) Tax effect of various other items	(79.74)	(119.58)	(18.43)
Total effect of Tax Adjustments	(11,997.08)	(6,105.94)	(2,699.58)
(e) Tax expenses recognised during the year	(4,278.00)	122.17	-
(e) = (c) - (d)			



45 Basic and Diluted Earnings Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share":

Particulars		As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Basic EPS				
Loss after Tax as per Accounts (₹ lakhs)	A	(26,370.37)	(17,947.33)	(7,726.33)
Weighted Average Number of Equity Shares Outstanding	B	9,715.29	9,715.29	9,715.29
Basic EPS (₹)	A/B	(2.71)	(1.85)	(0.79)
Diluted EPS				
Loss after Tax as per Accounts (₹ lakhs)	A	(26,315.75)	(17,947.33)	(7,726.33)
Weighted Average Number of Equity Shares Outstanding	B	9,715.29	9,715.29	9,715.29
Diluted EPS (₹)	A/B	(2.71)	(1.85)	(0.79)

46 Disclosures pursuant to EPC Contracts:

S. No	Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
1	Contract revenue recognised for the financial year	32,944.17	57,992.37	1,19,266.08
2	Aggregate amount of Contract costs incurred and recognized profits (less recognized losses) upto the reporting date	29,250.43	55,748.40	1,03,478.26
3	Advances received for contracts in progress	8,136.94	12,958.42	18,213.72
4	Retention amount by customers for contracts in progress	28,718.62	28,481.99	28,812.49
5	Gross amount due from customers for contract work (Asset)	83,664.76	86,639.78	80,380.08
6	Gross amount due to customers for contract work (Liability)	548.11	2,673.39	4,158.44

47 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

	2021-22	2020-21	2019-20
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 39)	196.18	228.49	353.58

(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, 2022 by Mr. S. Krishnan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to these employees.

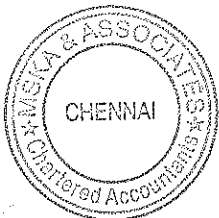
i) Actuarial assumptions

	2021-22	2020-21	2019-20
Discount rate (per annum)	7.28%	6.92%	6.64%
Rate of increase in Salary	5.00%	5.00%	5.00%
Expected average remaining working lives of employees (years)	12.80	13.30	13.40
Attrition rate	3.00%	3.00%	3.00%

ii) Changes in the present value of defined benefit obligation

	Gratuity		Long Term Compensated Absences	
	2021-22	2020-21	2021-22	2020-21
Present value of obligation at the beginning of the year	583.13	638.62	385.95	533.10
Interest cost	35.62	38.21	25.05	33.01
Past service cost	-	-	-	-
Current service cost	97.76	54.89	380.31	249.68
Curtailements	-	-	-	-
Settlements	-	-	-	-
Benefits paid	(136.70)	(131.49)	(47.95)	(74.61)
Actuarial gain on obligations	(15.61)	(17.10)	(262.53)	(354.78)
Present value of obligation at the end of the year*	564.20	583.13	480.83	386.40

*Included in provision for employee benefits (Refer notes 27 and 34)



Changes in the present value of defined benefit obligation

	Gratuity	Long Term Compensated Absences
	2019-20	2019-20
Present value of obligation at the beginning of the year	689.28	502.27
Interest cost	45.59	34.03
Past service cost	-	-
Current service cost	30.04	1,282.09
Curtailments	-	-
Settlements	-	-
Benefits paid	(104.97)	(61.11)
Actuarial gain on obligations	(21.31)	(1,222.81)
Present value of obligation at the end of the year*	638.62	534.47

*Included in provision for employee benefits (Refer notes 27 and 34)

iii) Expense recognized in the Statement of Profit and Loss

	Gratuity		Long Term Compensated Absences	
	2021-22	2020-21	2021-22	2020-21
Current service cost	35.62	38.21	380.31	249.68
Past service cost	-	-	-	-
Interest cost	97.75	54.89	25.05	33.01
Expected return on plan assets	-	-	-	-
Actuarial gain on obligations	(15.61)	(17.10)	(262.53)	(356.61)
Settlements	-	-	-	-
Curtailments	-	-	-	-
Total expenses recognized in the Statement Profit and Loss	117.76	93.10	142.83	(73.92)
Total expenses recognized in OCI	(15.61)	(17.10)		

Expense recognized in the Statement of Profit and Loss

	Gratuity	Long Term Compensated Absences
	2019-20	2019-20
Current service cost	30.04	1,282.09
Past service cost	-	-
Interest cost	45.59	34.03
Expected return on plan assets	-	-
Actuarial gain on obligations	(21.31)	(1,222.81)
Settlements	-	-
Curtailments	-	-
Total expenses recognized in the Statement Profit and Loss	54.31	93.31

iv) Assets and liabilities recognized in the Balance Sheet:

	Gratuity		Long Term Compensated Absences	
	2021-22	2020-21	2021-22	2020-21
Present value of unfunded obligation as at the end of the year	(564.20)	(583.13)	(480.83)	(386.40)
Unrecognized actuarial (gains)/losses	-	-	-	-
Unfunded net liability recognized in Balance Sheet*	(564.20)	(583.13)	(480.83)	(386.40)

*Included in provision for employee benefits (Refer notes 27 and 34)

Assets and liabilities recognized in the Balance Sheet:

	Gratuity	Long Term Compensated Absences
	2019-20	2019-20
Present value of unfunded obligation as at the end of the year	(638.62)	(534.47)
Unrecognized actuarial (gains)/losses	-	-
Unfunded net liability recognized in Balance Sheet*	(638.62)	(534.47)

*Included in provision for employee benefits (Refer notes 27 and 34)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2022, 31 March 2021 & 31 March 2020 is as shown below:

Impact on defined benefit obligation

	2021-22	2020-21	2019-20
Discount rate			
0.5% increase	-2.86%	-3.09%	-3.19%
0.5% decrease	3.04%	3.29%	3.41%
Rate of increase in salary			
0.5% increase	3.04%	3.29%	3.41%
0.5% decrease	-2.86%	-3.09%	-3.19%

vi) Maturity profile of defined benefit obligation

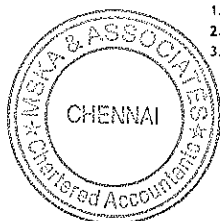
Period	(in ₹ lakhs)		
	2021-22	2020-21	2019-20
By the end of the First Year	167.89	172.76	193.33
Between Year 1 and Year 2	11.21	30.62	27.87
Between Year 2 and Year 3	69.93	9.16	36.13
Between Year 3 and Year 4	99.03	58.35	9.11
Between Year 4 and Year 5	45.28	100.38	57.87
Between Year 5 and Year 10	374.94	364.20	473.55

48 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%.

The maturity analysis of lease liabilities are given as below:

Particulars	31st March 2022	31st March 2021
Within one year	36.60	-
After one year but not more than five years	195.58	-
More than five years	106.40	-

Amounts recognised in the Statement of Profit and Loss:

Particulars	As at 31 March 2022	As at 31 March 2021
Amortization expense of right-of-use assets	29.76	-
Interest expense on lease liabilities	23.13	-
Expense relating to short-term leases (included in other expenses)	105.26	119.49
Total amount recognised in statement profit or loss	157.84	119.49

Amounts recognised in statement of Cash Flows:

Particulars	As at 31 March 2022	As at 31 March 2021
Total Cash outflow for leases	36.60	-

Operating leases where Company is a lessee During March 31, 2021 & March 31, 2020

The operating lease payments recognized in the Statement of Profit and Loss amount to Rs. 119.49 lakhs (31 March 2020: Rs. 218.55 lakhs) included in Note 42. The future expected minimum lease payments under operating leases are given below. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation

Future minimum rentals payable under non-cancellable operating leases are, as	2020-21	2019-20
Within one year	119.49	218.55
After one year but not more than five years	-	-
More than five years	-	-
Total	119.49	218.55

There is no any operating lease during FY 2021-22

Year wise future minimum lease rental payment on contacts:

Particulars	As at March 31, 2020	
	Total minimum Lease payments	Present Value of Minimum Lease Payments
Within one year	3.45	3.36
After one year but not more than five years	-	-
More than five years	-	-
Total	0.10	-

Less: Future Finance Charges

49 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:

Entites exercising significant influence over the Company
SVL Limited

Subsidiary of Entites exercisng significant influence over the Company
Shriram SEPL Composites Private Limited
Bharat Coal Chemicals Limited (BCCL)

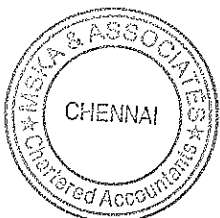
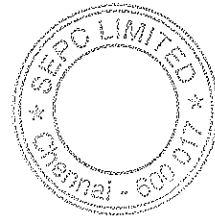
Enterprises under the joint control of the Entites exercising significant influence over the Company:
Leitwind Shriram Manufacturing Private Limited

Associates (Upto March 31, 2020)
Haldia Coke and Chemicals Private Limited
Ennore Coke Limited (Subsidiary of Haldia Coke and Chemicals Private Limited)
Wellman Coke India Limited (Subsidiary of Haldia Coke and Chemicals Private Limited)

Key management personnel
T. Shivaraman - Managing Director
M. Anjad Shariff - Joint Managing Director

Other enterprises under the control of the key management personnel
Orient Green Power Company Limited
Bharath Wind Farm Limited
Clarion Windfarms Private Limited
Beta Wind Farm Private Limited
Orient Eco Energy Private Limited
Amrit Environmental Technologies P Ltd

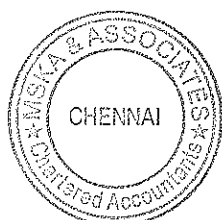
Joint Operations
Larsen & Toubro Limited Shriram EPC JV
Mokul Shriram EPC JV
Shriram EPC Eurotech Environmental Pvt Ltd - JV
SEPC DRS ITPL JV



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

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

	2021-22	2020-21	2019-20
(i) Entites exercising significant influence over the Company			
Sale consideration on transfer of advances / receivables (Also Refer note 9.3)	-	-	4,280.63
Transfer of Advances/Receivables & Investment	2,793.80	4,758.88	-
Fund Received (Net)	2,454.85	5,194.75	908.65
(ii) Key Management Personnel (KMP)			
Compensation of key management personnel			
T. Shivaraman	60.40	60.40	60.40
M. Amjad Shariff	60.15	60.15	60.15
(iii) Subsidiary of entites exercising significant influence over the company			
Shriram SEPL Composites Private Limited			
Expenses incurred and recoverable	-	-	26.79
Enterprises under the joint control of the investing party:			
Leitwind Shriram Manufacturing Private Limited			
Expenses incurred and recoverable	-	-	9.29
(iv) Other enterprises under the control of the key management personnel			
(a) Orient Green Power Company Limited			
Payments made	0.41	-	0.93
(b) Bharath Wind Farm Limited			
Fund Receipts	4.11	-	-
(v) Joint Operations			
(a) Larsen & Toubro Limited Shriram EPC JV			
Company's share in profit of Integrated Joint Ventures	1.48	286.15	(172.35)
Funds Received	390.77	-	512.18
(b) Shriram EPC Eurotech Environmental Pvt Ltd - JV			
Progressive Billings/ Revenue	698.18	532.66	1,076.42
Expenses reimbursed by the party	4.51	125.33	155.70
(c) SEPC DRS ITPL JV			
Progressive Billings/ Revenue	1.99	590.73	663.99
Expenses reimbursed by the party	-	260.85	158.83
(d) Mokul Shriram EPC JV			
Progressive Billings/ Revenue	8,624.17	25,983.90	30,379.93
Cost incurred for Materials and Labour	8,624.17	25,983.90	30,379.93
Expenses reimbursed by the party	-	-	10.00
(C) Amount due (to)/from related party as on:			
(i) Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Advances / (Borrowings):			
SVL Limited	-	(339.55)	(27.48)
Leitwind Shriram Manufacturing Private Limited (Expected Credit Loss of ₹ 9,141.70 Lakhs (March 31, 2021: ₹ 9,141.70 Lakhs)	477.77	3,201.62	3,800.40
Bharat Wind Farm Limited	-	4.71	4.71
Orient Green Power Company Limited	-	(0.41)	1.41
Receivables /(Payables):			
Amrit Environmental Technologies P Ltd	1,966.38	2,300.00	-
Shriram EPC Eurotech Environmental Pvt Ltd - JV	-	(0.11)	(70.45)
SEPC DRS ITPL JV	-	523.85	93.75
Larsen & Toubro Limited Shriram EPC JV	0.90	445.71	256.14
Mokul Shriram EPC JV	1,669.28	3,338.55	1,786.43
Leitwind Shriram Manufacturing Private Limited	-	-	310.04
Orient Green Power Company Limited	-	-	1.41
Shriram SEPL Composites Private Limited	-	-	259.93
(D) The Company accounts for costs incurred by Related parties based on the actual invoice/debit notes raised and accruals as confirmed by such parties. The related parties have confirmed to the Management that as at March 31, 2022, March 31, 2021 and March 31, 2020 there are no further amounts payable to/receivable from them, other than disclosed above.			



50 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

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Inventories - Note 15	-	-	-	248.20	-	248.20
Trade Receivables - Note 17	37,250.48	-	37,250.48	40,207.54	-	40,207.54
Other Current Financial Assets - Note 20	879.25	-	879.25	844.27	-	844.27

Particulars	As at March 31, 2020		
	Within twelve months	After twelve months	Total
Inventories - Note 15	324.86	-	324.86
Trade Receivables - Note 17	55,970.51	-	37,744.42
Other Current Financial Assets - Note 20	665.66	-	8,639.66

(B) Current liabilities expected to be settled within twelve months and after twelve months from the reporting date

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Acceptances - Note 30	323.42	-	323.42	842.43	-	842.43
Trade Payables - Note 30	33,644.84	-	33,644.84	33,160.17	-	33,160.17
Other Current Financial Liabilities - Note 26	4,465.38	-	4,465.38	4,363.37	-	4,363.37

Particulars	As at March 31, 2020		
	Within twelve months	After twelve months	Total
Acceptances - Note 30	8,435.70	-	8,435.70
Trade Payables - Note 30	34,071.18	-	34,071.18
Other Current Financial Liabilities - Note 26	5,642.52	-	5,642.52

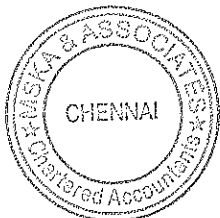
51 Segment reporting

The Chief Operating Decision Maker (CODM) reviews the operations of the Company for the year ended March 31, 2022, March 31, 2021 & March 31, 2020 as one operating segment being Construction Contracts. Hence no separate primary segment information has been furnished herewith as required by Ind AS 108, "Operating segment". The Company has operations within India and outside India and the disclosures in respect of the geographical segment are given below:

Particulars	(in ₹ Lakhs)		
	31-Mar-22	31-Mar-21	31-Mar-20
Rest of the World			
Revenue	11,291.17	31,069.19	52,689.69
Assets	819.18	7,004.55	5,442.75
India			
Revenue	21,653.00	26,925.18	66,576.39
Assets	2,19,268.01	2,20,142.91	2,54,822.64
Capital Expenditure	14.97	628.89	147.82

52 Expenditure in Foreign Currency

Particulars	(in ₹ Lakhs)		
	31-Mar-22	31-Mar-21	31-Mar-20
Professional & Consultancy Fees	4.85	-	0.48
Material Consumed in Execution of Engineering Contracts	201.72	40.62	43.28
Erection ,Construction & Operation Exp	59.00	-	24.14
Travelling & Conveyance	3.74	5.18	75.88
Salaries and wages	67.95	-	181.53
Others	154.84	0.44	4.84
Total	492.10	46.24	330.15



53 Fair Value Measurement

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	Note	Carrying Amount				Fair Value				
		Financial Assets at amortised cost	Mandatory at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total	
Assets										
Financial Assets Measured at Fair Value										
Investments	9	-	-	-	38.65	52.72	-	-	52.72	
Financial Assets not Measured at Fair Value*										
Investments	9	-	-	-	-	-	-	-	-	
Loans	10	8,131.35	-	-	-	-	-	-	-	
Trade Receivables	11 & 17	56,018.99	-	-	-	-	-	-	-	
Cash and Cash Equivalents	18	582.67	-	-	-	-	-	-	-	
Other Bank balances	19	2,387.49	-	-	-	-	-	-	-	
Other financial assets	12 & 20	1,970.82	-	-	-	-	-	-	-	
Total		69,091.32	-	-	38.65	52.72	-	-	52.72	
Liabilities										
Financial Liabilities not Measured at Fair Value*										
Non Current Borrowings	25	-	-	15,364.47	-	-	-	-	-	
Current Borrowings	29	-	-	82,462.97	-	-	-	-	-	
Trade payables	30	-	-	33,968.28	-	-	-	-	-	
Other financial liabilities	26 & 31	-	-	6,340.63	-	-	-	-	-	
Total		-	-	1,38,136.33	-	-	-	-	-	

31-Mar-21

Particulars	Note	Carrying Amount				Fair Value				
		Financial Assets at amortised cost	Mandatory at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total	
Assets										
Financial Assets Measured at Fair Value										
Investments	9	-	-	-	38.65	38.65	-	-	38.65	
Financial Assets not Measured at Fair Value*										
Investments	9	-	-	-	-	-	-	-	-	
Loans	10	10,913.30	-	-	66.13	-	-	-	-	
Trade Receivables	11 & 17	61,222.68	-	-	10,913.30	-	-	-	-	
Cash and Cash Equivalents	18	840.86	-	-	61,222.68	-	-	-	-	
Other Bank balances	19	2,866.88	-	-	840.86	-	-	-	-	
Other financial assets	12 & 20	2,030.33	-	-	2,866.88	-	-	-	-	
Total		77,874.05	-	-	104.78	38.65	-	-	38.65	
Liabilities										
Financial Liabilities not measured at fair value*										
Non Current Borrowings	25	-	-	20,072.84	-	-	-	-	-	
Current Borrowings	29	-	-	63,515.81	-	-	-	-	-	
Trade payables	30	-	-	34,002.60	-	-	-	-	-	
Other financial liabilities	26 & 31	-	-	6,026.62	-	-	-	-	-	
Total		-	-	1,23,617.87	-	-	-	-	-	



SEPC Limited (Formerly known as Shirtram EPC Limited)
Notes forming part of the Restated Financial Statements
(Amount in ₹ lakhs, unless otherwise stated)

31-Mar-20

Particulars	Note	Carrying Amount				Fair Value				
		Financial Assets at amortised cost	Mandatory at FYTPL	Other Financial liabilities at amortised cost	Investments at Fair Value through Other comprehensive income	Total carrying value	Level 1	Level 2	Level 3	Total
Assets										
Financial Assets Measured at Fair Value										
Investments	8	-	-	-	38.65	-	11.20	-	-	11.20
Financial Assets not Measured at Fair Value*										
Loans	8	-	-	-	66.13	-	-	-	-	-
Trade Receivables	10 & 14	12,301.03	-	-	-	-	-	-	-	-
Cash and Cash Equivalents	15	67,844.85	-	-	-	-	-	-	-	-
Other Bank balances	16	1,205.55	-	-	-	-	-	-	-	-
Other financial assets	10 & 17	1,464.19	-	-	-	-	-	-	-	-
Total		10,274.54	-	-	-	-	11.20	-	-	101.59
93,090.17					66.13		11.20			101.59
Liabilities										
Financial Liabilities not Measured at Fair Value*										
Non Current Borrowings	22	-	-	20,622.70	-	-	-	-	-	-
Current Borrowings	26	-	-	45,209.42	-	-	-	-	-	-
Trade payables	27	-	-	30,812.18	-	-	-	-	-	-
Other financial liabilities	23 & 28	-	-	8,221.79	-	-	-	-	-	-
Total		-	-	1,04,866.09	-	-	-	-	-	-
20,622.70										
45,209.42										
30,812.18										
8,221.79										
1,04,866.09										

* The Company has not disclosed the fair value for Financial Instruments mentioned above because their carrying amounts are a reasonable approximation of fair value.



54 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 derivative 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:

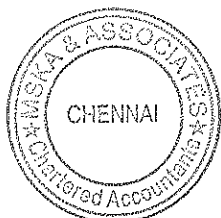
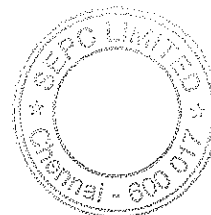
a) Forward exchange contracts entered into by the Company and outstanding as on March 31, 2022 - Nil (March 31, 2021 - Nil) (March 31, 2020- Nil)

b) Foreign Currency exposure

Particulars	31-Mar-22		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	USD	0.07	5.16
	IQD	2.43	0.13
Trade Payables (including Payables on purchase of fixed assets)	USD	1.11	84.44
	EURO	37.17	3,130.82
Trade and Other Receivables	USD	31.62	2,396.93

Particulars	31-Mar-21		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	OMR	0.05	0.98
	AED	0.01	0.07
	EURO	0.01	0.82
	USD	0.01	1.55
	YUAN	0.01	0.61
	IQD	2.43	0.14
Trade Payables (including Payables on purchase of fixed assets)	USD	1.11	81.45
	EUR	42.22	3,620.71
Trade and Other Receivables	USD	39.54	2,890.77
	OMR	(0.14)	(27.12)

Particulars	31-Mar-20		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Cash and Bank Balances	OMR	0.00	0.24
	AED	0.05	1.00
	EURO	0.00	0.11
	USD	0.00	0.01
	YUAN	0.01	0.06
	IQD	0.00	0.00
Trade Payables (including Payables on purchase of fixed assets)	USD	1.11	83.95
	EUR	35.71	2,968.55
Trade and Other Receivables	USD	36.51	2,751.08
	OMR	(0.14)	(27.12)



(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 it's 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-22

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	46,326.35	(9,075.87)	37,250.48
Contract Assets	83,029.75	(3,321.01)	79,708.74
Advances to Suppliers	14,992.40	(1,640.30)	13,352.09

31-Mar-21

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	47,179.01	(6,971.47)	40,207.54
Contract Assets	83,594.71	(910.95)	82,683.76
Advances to Suppliers	15,008.20	(1,640.30)	13,367.90

31-Mar-20

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	61,170.99	(5,200.48)	55,970.51
Contract Assets	82,236.06	(1,855.98)	80,380.08
Advances to Suppliers	16,897.02	(1,640.30)	15,256.72

Reconciliation of Provision and Expected Credit Loss - Other financial assets

Financial Year 2021-22

Particulars	Trade receivables	Contact Asset	Advances to suppliers
Provision and Expected Credit Loss on March 31, 2021	6,971.47	910.95	1,640.30
Allowance for Doubtful Debts	2,104.40	2,410.06	-
Provision and Expected Credit Loss on March 31, 2022	9,075.87	3,321.01	1,640.30

Reconciliation of Provision and Expected Credit Loss - Other financial assets

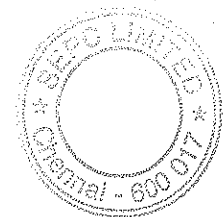
Financial Year 2020-21

Particulars	Trade receivables	Unbilled revenue	Advances to suppliers
Provision and Expected Credit Loss on March 31, 2020	5,200.48	1,855.98	1,640.30
Allowance for Doubtful Debts	2,505.25	450.70	-
Interest income derecognised	(607.92)	-	-
Provision no longer required	(10.00)	-	-
Interest income on Financial Assets	(116.34)	(1,395.73)	-
Provision and Expected Credit Loss on March 31, 2021	6,971.47	910.95	1,640.30

Reconciliation of Provision and Expected Credit Loss - Other financial assets

Financial Year 2019-20

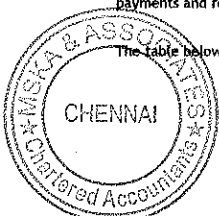
Particulars	Trade receivables	Contact Asset	Advances to suppliers
Provision and Expected Credit Loss on March 31, 2019	5,207.55	8,028.38	1,640.30
Allowance for Doubtful Debts	78.40	-	-
Provision no longer required	-	(4,295.64)	-
Interest income on Financial Assets	(85.47)	(1,876.75)	-
Provision and Expected Credit Loss on March 31, 2020	5,200.48	1,855.98	1,640.30



(C) Liquidity risk

Company being an EPC contractor, has a constant liquidity pressures to meet the project requirements. These requirements are met by a balanced mix of borrowings and project cash flows. Cash flow forecast is made for all projects on monthly basis and the same are tracked for actual performance on daily basis. Shortfall in cash flows are matched through short term borrowings and other strategic financing means. The daily project requirements are met by allocating the daily aggregated cash flows among the projects. Company has established practice of prioritising the site level payments and regulatory payments above other requirements.

The table below summarizes the maturity profile of the Company's financial liabilities:



	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31-Mar-22					
Short term borrowings		82,462.97	-	-	82,462.97
Long-term borrowings	-	-	15,364.47	-	15,364.47
Trade payables	-	26,874.24	7,094.02	-	33,968.26
Other financial liability	-	2,202.91	-	-	2,202.91
	-	1,11,540.12	22,458.49	-	1,33,998.61
31-Mar-21					
Short term borrowings	-	63,515.81	-	-	63,515.81
Long-term borrowings	-	-	20,072.84	-	20,072.84
Trade payables	-	24,818.32	9,184.28	-	34,002.60
Other financial liability	-	4,882.17	-	-	4,882.17
	-	93,216.30	29,257.12	-	1,22,473.42
31-Mar-20					
Short term borrowings	-	47,787.41	-	-	47,787.41
Long-term borrowings	-	-	20,622.69	-	20,622.69
Trade payables	-	30,364.65	12,142.23	-	42,506.88
Other financial liability	-	12,535.32	-	-	12,535.32
	-	90,687.38	32,764.92	-	1,23,452.30

55 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-22	31-Mar-21	31-Mar-20
Total equity	(i)	73,946.62	1,00,510.81	1,18,537.30
Total debt	(ii)	97,827.44	83,588.66	68,410.11
Cash and Cash Equivalents	(iii)	582.67	840.86	1,205.55
Net Debt	(iv) = (ii) - (iii)	97,244.77	82,747.80	67,204.55
Total Capital	(v) = (i) + (iv)	1,71,191.39	1,83,258.61	1,85,741.85
Net Debt to Capital ratio	(iv) / (v)	0.57	0.45	0.36

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022, 31 March 2021 & 31 March 2020.

56 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

Movement in Provisions:

During Financial year 2021-22:

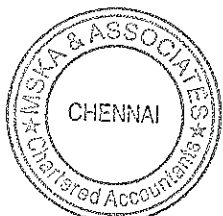
Particulars	Provision for Expected Credit Losses		Provision for Doubtful Receivables	Provision for Advances
	Current	Non-Current	Non-Current	Current
Opening Balance as on April 01, 2021	7,882.42	11,198.05	1,521.48	1,640.30
Add: Additional Provision during the year	4,514.46	132.86	1,047.75	-
Closing Balance as on March 31, 2022	12,396.88	11,330.91	2,569.23	1,640.30

During Financial year 2020-21:

Particulars	Provision for Expected Credit Losses		Provision for Doubtful Receivables	Provision for Advances
	Current	Non-Current	Non-Current	Current
Opening Balance as on April 01, 2020	7,056.47	11,810.97	2,552.87	1,640.30
Add: Additional Provision during the year	2,955.95	-	229.55	-
Less: Interest Income on Financial Assets	(1,522.07)	-	-	-
Less: Interest income derecognised	(607.93)	-	-	-
Provision No Longer Required	-	(612.92)	(1,260.94)	-
Closing Balance as on March 31, 2021	7,882.42	11,198.05	1,521.48	1,640.30

During Financial year 2019-20:

Particulars	Provision for Expected Credit Losses		Provision for Doubtful Receivables	Provision for Advances
	Current	Non-Current	Non-Current	Current
Opening Balance as on April 01, 2019	13,235.94	21,944.60	3,798.11	1,640.30
Add: Additional Provision during the year	78.40	-	-	-
Less: Interest Income on Financial Assets	(2,053.89)	(915.08)	-	-
Provision no longer required	(4,203.98)	(9,218.55)	(1,245.24)	-
Less: movement on account of transfer of advances to	-	-	-	-
Closing Balance as on March 31, 2020	7,056.47	11,810.97	2,552.87	1,640.30



SEPC Limited (Formerly known as Shriram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

57	Commitments Particulars	As at	As at	As at
		31 March 2022	31 March 2021	31 March 2020
	Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	Nil	Nil	Nil
58	Contingent liabilities Particulars	As at	As at	As at
		31 March 2022	31 March 2021	31 March 2021
a)	Claims against the Company not acknowledged as debts	15,835.06	10,879.21	10,879.39
b)	Central Excise, Service Tax and customs Duties demands contested in Appeals, not provided for	408.00	408.00	541.00
c)	Disputed VAT / Central Sales tax demands contested in Appeals, not provided for	9,669.88	9,256.75	9,115.00
d)	Income tax demands contested in Appeals, not provided for	-	1,800.58	1,800.58
e)	Bank Guarantees outstanding	32,002.18	41,353.20	43,917.06

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.



59 Summary of Restatement Adjustments:

Part A: Particulars of Restated Consolidated Summary Statements for prior year

Particulars	Reconciliation between audited Total Equity and Restated Total Equity	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Total Equity (as per audited financial statements)	73,946.62	1,00,510.81
Adjustment	-	1,18,537.30
Total Equity as per Restated Statement of Consolidated Assets and Liabilities	73,946.62	1,00,510.81
		1,18,537.30

Reconciliation between audited profit/(loss) and restated profit/(loss)

Particulars	For the year ended	
	31 March 2022	31 March 2021
Profit/(Loss) after tax (as per audited financial statements)	(26,370.37)	(17,947.33)
Adjustment	-	(7,726.33)
Restated profit/(loss) after tax for the year	(26,370.37)	(17,947.33)
		(7,726.33)

Part A : Notes to Adjustments

- Adjustments for Audit Qualifications: None (also refer Part B below for non-adjusted items)
- Material regrouping/reclassifications: Appropriate regroupings have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit & Loss and Restated Statement of Cashflows, wherever required, by reclassification of the corresponding items of Income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the period ended March 31, 2022 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

3 Material errors: There were no material errors in Audited Consolidated Financial Statements for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 requiring any adjustments in Restated Consolidated Financial Information.

Part B: Non-adjusted items

A) Auditor's Comments in the Independent Auditors' Report -

Statutory Auditors have made the following comments in their Auditors' Report for Financial Year 2021-22, 2020-21, 2019-20.

Financial Year ended 31 March 2022

a) Qualifications:

i) The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 39,645.00 Lakhs (March 31, 2021: Rs. 43,889.00 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment on reasonable certainty of future taxable profits, as required by Ind AS 12- Income taxes and considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 44 of the Standalone financial statements). This matter was also qualified in our report on the Consolidated financial statements for the year ended March 31, 2021.

ii) Contract Asset (Non-Current) include Rs. 3,956.02 Lakhs (Net of provisions amounting to Rs. 926.98 Lakhs) relating to project dies which is not progressing on account of Statutory delays faced by the Customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amount is not available. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and the impact if any, on account of non-provisioning of the said balance on the Standalone financial statements. (Refer to Note 08 of the Standalone Financial Statements)

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

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 Holding Company's internal financial controls with reference to financial statements as at March 31, 2022:

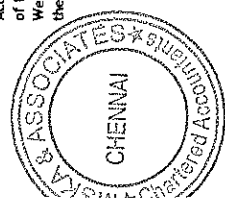
a) Provisioning of contract assets which is outstanding for a substantial period of time, which could potentially result in the Company not recognizing a provision for the said assets.

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

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to 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.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, have in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2022, based on the internal control with reference to 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") except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the internal financial controls with reference to financial statements of the Holding Company were operating effectively as of March 31, 2022.

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, 2022 consolidated financial statements of the Company, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company.



b) Material Uncertainty Related to Going Concern

We draw attention to Note 4 (e) to the standalone financial statements, which states that the Company has incurred a net loss of Rs. 24,901.02 Lakhs during the year ended March 31, 2022 and as of that date has accumulated losses aggregating to Rs. 2,14,517.03 Lakhs which has resulted in substantial erosion of its net worth. Further, the COVID-19 pandemic has also impacted the operations resulting in delay of collection relating to project dues. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, as stated in the note, considering the restructuring plan for the borrowings, infusion of additional equity subsequent to the year end by the investor and Management's plans to meet financial obligations in foreseeable future out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, and realisation of trade receivables, the standalone financial statements of the Company for the year ended March 31, 2022 have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

c) Emphasis of Matter:

We draw attention to Notes 43 to the Standalone financial statements which states that the Management has made an assessment of the impact of Covid-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2022 and accordingly recognised an impairment loss of Rs. 6,361.26 Lakhs (March 31, 2021: Rs. 1,149.11 Lakhs) on financial assets and contract assets to reflect the business impact arising from the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

Financial Year ended 31 March 2021

d) Qualification:

i. Financial Assets Loans (Non-Current) include Rs. 3,201.62 Lakhs (March 31, 2020: Rs. 3,800.40 Lakhs) due from a related party. Sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amount is not available and the amount is outstanding for more than five years. Further, no provision with respect to the same is made in the books of account as explained in Note 9.2 of the Consolidated Financial Statements. Accordingly, we are unable to comment on the carrying value of above-mentioned Financial Assets Loans amounting to Rs. 3,201.62 Lakhs and the impact if any, on account of non-provisioning of the said balance on the financial statements at present.

ii. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. Rs. 43,889.00 Lakhs (March 31, 2020: Rs. 43,520 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment on reasonable certainty of future taxable profits, as required by Ind AS 12 on Income Taxes, considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. The impact if any, of the undetermined impairment provision on the financial statements is not ascertainable currently. Refer Note 40 of the Consolidated financial statements.

Qualified Opinion on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") :

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 Holding Company's internal financial controls with reference to financial statements as at March 31, 2021:

a) Provisioning of overdue receivables and provisioning of advances which have been outstanding for a period of more than five years, which could potentially result in the Company not recognizing a provision for the said receivables and advances.

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.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to 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.

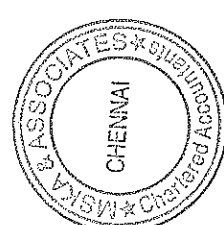
In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding company have in all material respects, maintained internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2021, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

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, 2021 consolidated financial statements of the Company, and the material weaknesses affects our opinion on the consolidated financial statements of the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to 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.

e) Emphasis of Matter:

We draw attention to Note 39 to the consolidated financial statements, which fully describes that the Company has made an assessment to recognize an impairment loss of Rs. 1,149.11 Lakhs on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 (March 31, 2020: INR 2,748.97 Lakhs).



Financial Year ended 31 March 2020

f) Qualification:

i. Financial Assets Loans (Non-Current) include Rs. 3,201.62 Lakhs (March 31, 2020: Rs. 3,800.40 Lakhs) due from a related party. Sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amount is not available and the amount is outstanding for more than five years. Further, no provision with respect to the same is made in the books of account as explained in Note 9.2 of the Consolidated Financial Statements. Accordingly, we are unable to comment on the carrying value of above-mentioned Financial Assets Loans amounting to Rs. 3,201.62 Lakhs and the impact if any, on account of non-provisioning of the said balance on the financial statements at present.

ii. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 43,889.00 Lakhs (March 31, 2020: Rs. 43,520 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment on reasonable certainty of future taxable profits, as required by Ind AS 12 on Income Taxes, considering the current pandemic situation, we are unable to ascertain the extent to which the deferred tax asset can be utilized. The impact if any, of the undetermined impairment provision on the financial statements is not ascertainable currently. Refer Note 40 of the Consolidated Financial statements

Qualified Opinion on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") :

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 Holding Company's internal financial controls with reference to financial statements as at March 31, 2020:

a) Provisioning of overdue receivables and provisioning of advances which have been outstanding for a period of more than five years, which could potentially result in the Company not recognizing a provision for the said receivables and advances.

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.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to 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.

In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding company have in all material respects, maintained internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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, 2020 consolidated financial statements of the Company, and the material weaknesses affects our opinion on the consolidated financial statements of the Company.

g) Emphasis of Matter:

We draw attention to Note 54 to the consolidated financial statements, which fully describes that the Company has made an assessment to recognize and impairment loss of Rs. 2,748.97 Lakhs on financial assets to reflect the business impact and uncertainties arising from the COVID 19 pandemic. Further such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

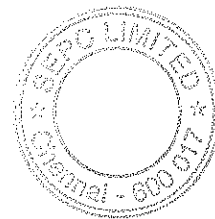
B) Auditor's Comment in Company Auditor's Report Order :-

Statutory Auditors have made the following comments in terms with the requirements of the Companies (Auditor's Report) Order, 2020 for Financial Year 2021-22 & Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies act, 2013 of India for Financial Year 2020-21 and 2019-20.

Annexure to Auditor's Report for the Financial Year ended 31 March 2022

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

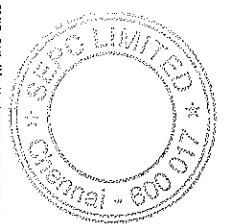
Nature of borrowing, including debt securities	Name of Lender	Amount not paid on due date (Rs. Lakhs)	Whether principal or Interest	No. of Days delay or unpaid	Remarks, if any
Term Loan	Central Bank	4,100.87	Principal	547-1 days	Principal pending to be repaid
		2,346.23	Interest	547-1 days	Interest pending to be repaid
WCPL	IFCI	177.82	Principal	547-1 days	Principal pending to be repaid
		121.10	Interest	547-1 days	Interest pending to be repaid
FITL	IFCI	75.88	Principal	547-1 days	Principal pending to be repaid
		16.28	Interest	547-1 days	Interest pending to be repaid
ACRE	ACRE	2,900.00	Principal	547-1 days	Principal pending to be repaid
Covid Loan	BOM	100.00	Principal	547-1 days	Principal pending to be repaid



SEPC Limited (Formerly known as Shirram EPC Limited)
Notes to the Restated Consolidated Financial Information
(Amount in ₹ lakhs, unless otherwise stated)

Nature of borrowing, including debt securities	Name of Lender	Amount not paid on due date	Interest	Unpaid	Remarks, if any
Cash Credit	Punjab National Bank	8,838.00	Interest	759-1 Days	Interest pending to be repaid
	Bank of India	1,158.00	Interest	766-1 Days	Interest pending to be repaid
	Yes Bank	258.00	Interest	455-1 Days	Interest pending to be repaid
	State Bank Of India	1,190.00	Interest	556-1 Days	Interest pending to be repaid
	Indian Bank	3,682.00	Interest	705-1 Days	Interest pending to be repaid
	Indusind Bank	165.00	Interest	493-1 Days	Interest pending to be repaid
	IDBI Bank	298.00	Interest	516-1 Days	Interest pending to be repaid
	Federal Bank	720.00	Interest	756-1 Days	Interest pending to be repaid
	DBS bank India Ltd	692.00	Interest	547-1 Days	Interest pending to be repaid
	Central Bank of India	1,982.00	Interest	764-1 Days	Interest pending to be repaid
	Bank of Baroda	202.00	Interest	486-1 Days	Interest pending to be repaid
	ARCIL	578.00	Interest	455-1 Days	Interest pending to be repaid
	Union Bank	206.00	Interest	365-1 Days	Interest pending to be repaid
	ICICI Factors	131.00	Interest	547-1 Days	Interest pending to be repaid
	Axis Bank	1,635.38	Interest	121-1 Days	Interest pending to be repaid
	Bank of Maharashtra	329.05	Interest	335-1 Days	Interest pending to be repaid
	ICICI Bank	100.00	Interest	670-1 Days	Interest pending to be repaid
	Punjab National Bank	1107	Interest	547-1 Days	Interest pending to be repaid
	Bank of India	101	Interest	547-1 Days	Interest pending to be repaid
	Indian Bank	235	Interest	547-1 Days	Interest pending to be repaid
	Indusind Bank	351	Interest	547-1 Days	Interest pending to be repaid
	IDBI Bank	576	Interest	547-1 Days	Interest pending to be repaid
	Central Bank of India	278	Interest	455-1 Days	Interest pending to be repaid
Bank of Baroda	262	Interest	486-1 Days	Interest pending to be repaid	
Axis Bank	24	Interest	424-1 Days	Interest pending to be repaid	
Yes Bank	100	Principal	516-1 Days	Principal Pending to be repaid	
	3	Interest		Interest Pending to be repaid	
	500	Principal		Principal Pending to be repaid	
State Bank of India	221	Interest	455-1 Days	Interest Pending to be repaid	
Indusind Bank	156	Principal		Principal Pending to be repaid	
	31	Interest	547-1 Days	Interest Pending to be repaid	
	320	Principal		Principal Pending to be repaid	
IDBI Bank	48	Interest	455-1 Days	Interest Pending to be repaid	
	189	Principal		Principal Pending to be repaid	
DBS Bank India Ltd	32	Interest	516-1 Days	Interest Pending to be repaid	
	284	Principal		Principal Pending to be repaid	
Central Bank of India	54	Interest	455-1 Days	Interest Pending to be repaid	
Bank of Baroda	117	Principal		Principal Pending to be repaid	
	29	Interest	455-1 Days	Interest Pending to be repaid	
Union bank	35	Principal		Principal Pending to be repaid	
	5	Interest	455-1 Days	Interest Pending to be repaid	
ICICI Factors	7	Principal		Principal Pending to be repaid	
	7	Interest	547-1 Days	Interest Pending to be repaid	

ii) 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 service tax, provident fund, employees' state insurance, income-tax, duty of custom, cess have not been regularly deposited by the Company with the appropriate authorities and there have been serious delays in large number of cases. According to the information and explanations given to us, no undisputed amount payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and any other statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable.



ii) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any disputes, are as follows:

Name of the statute	Nature of dues	Amount Rs. (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax (Chapter V of the Finance Act, 1994)	Service Tax and Penalty	408.00	2010-11 to 2012-13	Customs Excise and Service Tax Appellate Tribunal
Andhra Pradesh Value Added Tax Act	Value Added Tax	223.33	2008-09 and 2009-10	Supreme Court
Tamil Nadu Value Added Tax Act	Value Added Tax	57.16	2008-09 to 2014-15	High Court
West Bengal Value Added Tax Act	Value Added Tax	1,980.00	2007-08 to 2015-16	Revisional Board
Orissa Value Added Tax Act	Value Added Tax	6,700.75	2011-12 and 2012-13	High Court
Kerala value added tax Act	Dispute on Penalty	653.00	2015-16	High Court
Jharkhand Value added tax act	Interest VAT Tax Amount	41.64	2013-14 to 2014-15	Dy. Commissioner of commercial tax
Goods & Service Tax Act	Disputed on Transitional credit - Interest	8.00	2017-2022	C.G.S.T & Central Excise -Bhilai

iv) According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of audit report. However, the Company is 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. Further, as stated in the note 4 (e), considering the restructuring plan for the borrowings, infusion of additional equity subsequent to the year end by the investor and the Management's plans to meet financial obligations in foreseeable future out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, and realisation of trade receivables, the standalone financial statements of the Company for the year ended March 31, 2022 have been prepared on a going concern basis. 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.

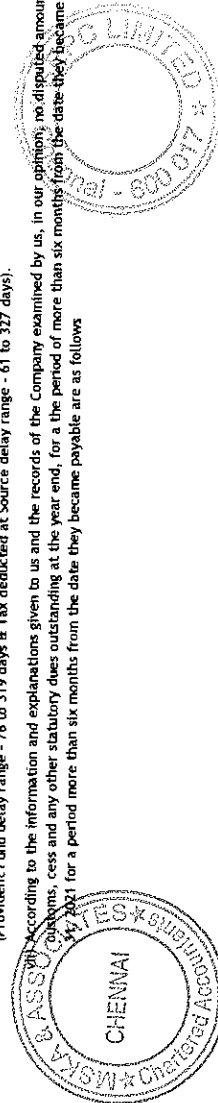
Annexure to Auditor's Report for the Financial Year ended 31 March 2021

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

Nature of borrowing, including debt securities	Name of Lender	Amount not paid on due date (Rs. Lakhs)	Whether principal or interest	No. of Days delay or unpaid	Remarks, if any
Term Loan	Central Bank of India	368.88	Principal	182 Days	Principal Pending to be repaid
		541.63	Principal	90 Days	
		541.63	Principal	1 Day	
WCTL	IFCI	532.85	Interest	3 days to 90 Days	Interest Pending to be repaid
		874.12	Interest	121 Days to 365 Days	
		16.78	Principal	182 Days	
		23.49	Principal	90 Days	
FITL	IFCI	23.49	Principal	1 Day	Principal Pending to be repaid
		23.49	Principal	3 days to 90 Days	
		27.26	Interest	121 Days to 365 Days	
		49.26	Interest	182 Days	
ACRE	ACRE	12.46	Principal	1 Day	Interest Pending to be repaid
		15.85	Principal	3 days to 90 Days	
		15.86	Principal	182 Days	
		3.61	Interest	90 Days	
ACRE	ACRE	6.59	Interest	3 days to 90 Days	Principal Pending to be repaid
		200.00	Principal	121 Days to 365 Days	
		400.00	Principal	182 Days	
		400.00	Principal	90 Days	

vi) 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 provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases (Provident Fund delay range - 76 to 319 days & Tax deducted at Source delay range - 61 to 327 days).

vii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no disputed amount payable in respect of employees' state insurance, incometax, goods and service tax, duty of customs, cess and any other statutory dues outstanding at the year end, for a period of more than six months from the date they became payable except provident fund and tax deducted at source which are outstanding as at March 31, 2021 for a period more than six months from the date they became payable are as follows



Name of statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount	Due date	Date of payment	Remarks if any
Employee provident fund Act, 1952	Provident Fund	81.77	April' 2020 - August' 2020	Various dates	Various dates	Subsequently Paid
Income tax Act 1961	Tax deducted at Source	60.6	April' 2020 - August' 2020	Various dates	Various dates	Pending to be paid
		54.75				Subsequently Paid
		46.78				Pending to be paid

vii) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax, Interest and Penalty	1,800.58	2012 to 2013	Income Tax Appellate Tribunal
Service Tax (Chapter V of the Finance Act, 1994)	Service Tax and Penalty	408.00	2010-11 to 2012-13	Customs Excise and Service Tax Appellate Tribunal
Andhra Pradesh Value Added Tax	Value Added Tax	223.33	2008-09 and 2009-10	Supreme Court
Tamil nadu Value Added tax Act	Value Added Tax	57.16	2008-09 and 2014-15	High Court
West bengal Value Added Tax	Value Added Tax	2,003.00	2007-08 to 2015-16	Revisional Board
Orissa Value Added Tax Act	Value Added Tax	6,700.75	2011-12 to 2012-13	High Court
Jharkhand Value Added tax Act	Interest VAT Tax Amount	41.64	2013-14 to 2014-15	Dy Commissioner of Commercial Tax
Kerala Value Added Tax Act	Disputed on Penalty	127.19	2013-14 to 2016-17	Sales Tax Officer
Kerala Value Added Tax Act	Disputed on Tax & Interest	78.83	2016-17	Assistant Commissioner
West bengal Value Added Tax	Value Added Tax	24.84	2016-17	Revisional Board

Annexure to Auditor's Report for the Financial Year ended 31 March 2020

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

Name of Lender	Amount not paid on due date (Rs. Lakhs)	Whether principal or interest	No. of Days delay or unpaid	Remarks, if any
Central Bank of India	773.76	Interest	Ranging from 3-90 days	Principal Amount Subsequently Cleared
	386.88	Principal	Ranging from 91-180 days	Principal Amount Subsequently Cleared
	1285.2	Interest	Ranging from 3-90 days	Interest Amount Subsequently Cleared
	57.89	Interest	Ranging from 91-180 days	Interest Amount Subsequently Cleared
	238.18	Interest	Ranging from 3-90 days	Interest Amount Subsequently Not Cleared
IFCI	46.21	Principal	Ranging from 3-90 days	Principal Amount Subsequently Cleared
	23.02	Principal	Ranging from 91-180 days	Principal Amount Subsequently Cleared
	19.12	Principal	Ranging from 3-180 days	Principal Amount Subsequently Not Cleared
	22.39	Interest	Ranging from 3-90 days	Interest Amount Subsequently Cleared
	35.6	Interest	Ranging from 91-180 days	Interest Amount Subsequently Cleared
	19.33	Interest	Ranging from 3-90 days	Interest Amount Subsequently Not Cleared



- x) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it. There were no undisputed statutory dues in arrears, as at March 31, 2020 for a period of more than six months from the date they became payable.
- xi) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax, Interest and Penalty	1,800.58	2012 to 2013	Income Tax Appellate Tribunal
Service Tax (Chapter V of the Finance Act, 1994)	Service Tax and Penalty	408.00	2010-11 to 2012-13	Customs Excise and Service Tax Appellate Tribunal
Service Tax (Chapter V of the Finance Act, 1994)	Service Tax and Penalty	133.00	2006-2007 to 2008-09	Commissioner of Service Tax (Appeals)
Andhra Pradesh Value Added Tax	Value Added Tax	229.33	2008-09 and 2009-10	Supreme Court
Tamil nadu Value Added tax Act	Value Added Tax	57.00	2008-09 and 2014-15	High Court
West bengal Value Added Tax	Value Added Tax	527.00	2007-08 to 2014 to 15	Revisional Board
Orissa Value Added Tax Act	Value Added Tax	6,700.75	2011-12 to 2012-13	High Court
Jharkhand Value Added tax Act	Interest VAT Tax Amount	44.00	2013-14 to 2015-16	Dy Commissioner of Commercial Tax
Kerala Value Added Tax Act	Disputed on Penalty	127.00	2013-14 to 2016-17	Sales Tax Officer
Kerala Value Added Tax Act	Disputed on Tax & Interest	79.00	2009-10	Assistant Commissioner
West bengal Value Added Tax	Value Added Tax	25.00	2016-17	Revisional Board



- 60 The Company (SEPC) is one of the Respondent along with Twarit Consultancy Private Limited (TCPL) in respect of an Arbitration by The Singapore International Arbitration Centre (SIAC) filed by GPE (INDIA) Ltd, GPE JV1 Ltd, Gaja Trustee Company Private Ltd (the Claimants) in connection with the claimants' investments in an associate company of the Company. SIAC vide their Order dated January 07, 2021 awarded damages Jointly and Severally on the Respondents to the tune of ₹ 1,98,54.10 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 have already preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is pending as on date. 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 investments made by the Complainant in the associate. In view of the said Inter-se Arrangements, the Company do not have any liability whatsoever, on account of this award which is subject to the outcome of the Respondents appeal before all appropriate Jurisdictional Courts / Forums.
- 61 Mokul Shriram EPC JV (JV Company) have won the complaint against Export Credit Guarantee Corporation of India Limited (ECGC) before the National Consumer Disputes Redressal Commission, (NCDRC) New Delhi, in connection with the project executed in Basra, Iraq. NCDRC, vide their order dated January 27, 2021, 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.
- 62 The outbreak of Coronavirus (COVID -19) pandemic globally and in India caused significant disturbance and slowdown of economic activity. The Company has assessed the impact of pandemic on its financial results/position based on the principle of prudence in applying judgements, estimates and assumptions including sensitivity analysis and has concluded that there is no major impact of COVID 19 on the recoverability of carrying values of assets and expects to recover the carrying value of its assets other than the provision made as mentioned in Note 43.1. Considering that it is a dynamic and evolving situation, the management will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have bearing on the Company's operations.
- During FY 2019-20, The SARS - CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID -19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and Companies have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended many times across the country to contain the spread of virus. The extent to which the COVID -19 pandemic will impact the company's financials will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID -19 pandemic and any action to contain its spread or mitigate its impact whether government -mandated or elected by the Company. The Company's assessment of impairment loss allowance on its loans and other assets is subject to a number of management judgments and estimates. The Company has measured impairment loss allowance on loans and other assets and recognized the incremental impairment provision for Rs. 2,748.97 lakhs in the Consolidated Financial statement which is adequate in the view of the Company considering the current information available. Given the dynamic nature of pandemic situation, the Company's impairment loss allowance estimates are inherently uncertain due to severity and duration of the pandemic. The Company will continue to monitor any material changes to the future economic conditions.
- 63 During the FY 2020-21, advances receivable, Loans & advances amounting to Rs. 4,758.88 Lakhs has been taken over by the Company's Entity exercising significant influence over the Company.
- 64 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

65 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	Balance outstanding as at March 31, 2020
MODY INDUSTRIES (FC) P LTD	Payables	NA	-	(2.91)	(2.91)
SCHNEIDER ELECTRIC	Payables	NA	-	(13.29)	(13.29)
Harim Tradowing Pvt Ltd	Payables	NA	-	(0.05)	(0.05)
ORIENT CARGO MOVERS (P) LTD.	Payables	NA	-	(0.22)	(0.22)
DEVACHANDANA FOUNDATIONS	Payables	NA	-	(0.40)	(0.40)
FILTREX CONSULTANTS&ENGINEERS	Payables	NA	-	(11.91)	(11.91)

66 Utilisation of Borrowed funds:

- (i) The Company and its subsidiary has not advanced or loaned or invested funds during the reporting periods to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise that the Intermediary shall: (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- ii) The Company and its subsidiary has not received any fund during the reporting periods 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: (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

67 Details of Benami Property held

The Group does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

68 The Company has not opted to exercise the option under Section 115BAA of the Income Tax Act, 1961, as introduced by the taxation Laws (Amendment) Ordinance, 2019 and decided to continue with the existing rate of income tax for the purpose of deferred tax computation.

69 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.

70 Undisclosed income

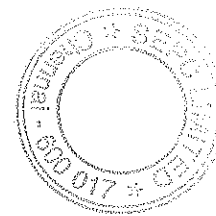
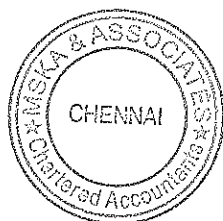
The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

71 Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year 2021-22, 2020-21 & 2019-20.

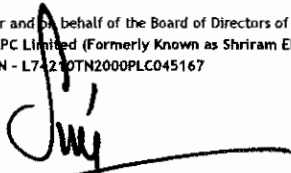
72 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.



73 These Restated Consolidated Financial Information were approved by the Rights issue committee of the board of directors on February 02, 2023 for submission to regulatory authorities in connection with proposed rights issue.

For and on behalf of the Board of Directors of
SEPC Limited (Formerly Known as Shriram EPC Limited)
CIN - L7-20TN2000PLC045167

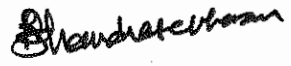


N.K. Suryanarayanan
Managing Director & CEO
DIN : 01714066



Arun Kumar Gopalswamy
Director
DIN : 07212557

T.Sriraman
Company Secretary



R.S. Chandrasekharan
Chief Financial Officer

Place: Chennai
Date: February 02, 2023



3

STATEMENT OF ACCOUNTING RATIO

The following table sets forth the accounting ratios as at March 31, 2022, March 31, 2021 and March 31, 2020:

(Rs. In Lakhs)

Particulars	As at March 31,	As at March 31,	As at March 31,
	2022	2021	2020
Basic and Diluted Earnings Per Share Rs.			
Basic Earnings Per Share (Basic EPS)			
Net loss after tax, attributable to equity shareholders	(26,315.75)	(17,927.72)	(7,711.92)
Weighted average number of Equity Shares outstanding	97,15,29,018	97,15,29,018	97,15,29,018
Basic EPS in Rs.	(2.71)	(1.85)	(0.79)
Face value in Rs.	10	10	10
Diluted Earnings Per Share fluted EPS			
Net loss after tax, attributable to equity shareholders	(26,315.75)	(17,927.72)	(7,711.92)
Weighted average number of Equity Shares considered for calculating Diluted EPS	97,15,29,018	97,15,29,018	97,15,29,018
Diluted EPS in Rs.	(2.71)	(1.85)	(0.79)
Face value in Rs.	10	10	10
Net Asset Value Per Equity Share Rs.			
Net Asset Value (Net-worth)	73,946.62	1,00,510.81	1,18,537.30
Number of equity shares outstanding at the end of the year	97,15,29,018	97,15,29,018	97,15,29,018
Number of adjusted equity shares outstanding at the end of the year	97,15,29,018	97,15,29,018	97,15,29,018
Net Assets Value per equity share Rs.	7.61	10.35	12.20
Return on Net worth			
Net loss after tax	(26,370.37)	(17,947.33)	7,726.33
Net worth	73,946.62	1,00,510.81	1,18,537.30
Return on net worth	-35.66%	-17.86%	6.52%
EBITDA			
Loss after tax A)	(26,370.37)	(17,947.33)	7,726.33
Income tax expense (B)	4,278.00	122.17	-
Finance costs C)	11,568.37	10,658.93	10,043.86
Depreciation and amortization expense (D)	582.66	556.04	566.81
EBITDA A+B+C+D	(9,941.33)	(6,610.19)	18,337.00



Notes:

The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

Net Profit after tax for the year/period, attributable to equity shareholders

Weighted average number of equity shares outstanding during the year/period

(ii) Net Assets Value (NAV)

Net Asset Value at the end of the year/period

Number of equity shares outstanding at the end of the year/period

(iii) Return on Net worth (%)

Net Profit after tax for the year/period, attributable to equity shareholders Net worth (excluding revaluation reserve) at the end of the year/period

Net-worth (excluding revaluation reserve), means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss.

(iv) EBITDA

Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation and amortization expense, as presented in the restated financial statement of profit and loss.



Capitalisation Statement

(Rs. in Lakhs)

Particulars	Pre-issue as at September 30, 2022	As adjusted for the Issue (Post Issue)
Total Borrowings		
Current Borrowings (A) (including current maturity*)	23,053.57	[•]
Non-current Borrowings (B)	21,622.84	[•]
Total Borrowings (C)= (A)+(B)	44,676.41	[•]
Total Equity attributable to the owners of the parent		
Equity Share Capital (D)	1,32,152.90	[•]
Reserves and Surplus (E)	(21,879.08)	[•]
Total Equity attributable to the owners of the parent (F)= (D)+(E)	1,10,273.82	[•]
Non-current Borrowings / Total Equity attributable to the owners of the parent (B)/(F)	0.20	[•]
Total Borrowings/ Total Equity attributable to the owners of the parent (C)/(F)	0.41	[•]

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

Note:

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

For and on behalf of the board of directors of SEPC Limited
(Formerly known as Shriram EPC Limited)


N K Suryanarayanan
Managing Director & CEO
Chennai
February 07, 2023



SEPC Limited

(Formerly Shriram EPC Ltd)

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

CIN: L74210TN2000PLC045167



MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited consolidated financial statements as of and for the Fiscal 2022, 2021 and 2020 and our limited reviewed unaudited consolidated Financial Results as of and for six-month period ended September 30, 2022 and corresponding six-month period ended September 30, 2021 included in this Draft Letter of Offer. Our audited consolidated financial statements for Fiscal 2022, 2021 and 2020, are prepared in accordance with Ind – AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Consolidated Financial Statements of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

*In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to SEPC Limited., our Company. Unless otherwise indicated, financial information included therein are based on our “**Audited Consolidated Financial Statements**” for Financial Years 2022, 2021 and 2020 along with limited reviewed unaudited consolidated financial results for the six-month ended September 30, 2022 and corresponding six-month period ended September 30, 2021 included in this Draft Letter of offer beginning on page 102 of this Draft Letter of Offer.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “**Forward Looking Statements**” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

OVERVIEW OF OUR BUSINESS

Primary Business of Issuer

The Company is in the business of executing turnkey contracts in Engineering, Procurement, and Construction (EPC) and providing end-to-end solutions offering multi-disciplinary services and project management solutions.

Details of Technology, process & infrastructure facilities

The Company is responsible for design, procurement and construction of projects on turnkey basis and the main resource comprising of Engineers and employees specialised in a dedicated sector who offer appropriate solutions for a project in a cost effective way. In addition the company has a suite of softwares on project management control like MS Project, Primavera, design softwares like AutoCADD, Teckla etc.

Company also owns batching plants, equipments for civil construction and Material handling equipments like cranes, hydra etc. Further, Company also owns shaft sinking equipments which are specialised equipments for mine development.

Nature of products/ services, etc

SEPC is focused on providing turnkey solutions in the following business areas:

3. **Infrastructure**
 - a. Instalation of drinking water distribution system
 - b. Instalation of sewerage treatment system
 - c. Road works.
4. **Process & Metallurgy**
 - a. Green filed and brown field projects on Turnkey basis in respect of Steel Plants, Coke oven plants, Cement, Power plants both conventional and Non-conventional etc.
 - b. Balance of Plants and utility services in respect of the above including civil and structural work.

Providing infrastructure for mine development for various minerals like, copper, gold, coal, etc.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled ***“Risk Factors”*** on page 21. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Growth of unorganized sector and threat from local regional players;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our Company’s ability to successfully implement our growth strategy;
- Changes in laws and regulations relating to the industry in which we operate;
- Any adverse outcome in the legal proceedings in which our Company is involved;
- Any adverse changes in central or state government policies;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Our ability to maintain and enhance our brand image;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulation, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Consolidated Financial Statements. For details of our significant accounting policies, please refer section titled ***“Financial Information”*** beginning on page 102 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter ***“Financial Information”*** on page 102, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled ***“Financial Information”*** on page 102.

OVERVIEW OF REVENUE & EXPENDITURE

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Income

Our Total Income comprises of revenue from operations and other income.

Revenue from operations - Our revenue from operations consists of revenue from Engineering and Construction Contracts, other operating revenue and Company's share in profit of Integrated Joint Ventures.

Other Income - Other income primarily comprises interest income from Margin Money Deposit, Interest Income on Financial Assets and Income Tax refund, Liabilities Written back and Miscellaneous income.

Expenses

Our expenses comprise of Erection, Construction & Operation Expenses, changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress, employee benefit expenses, finance costs, depreciation & amortization expenses and other expenses.

- **Erection, Construction & Operation Expenses** – Erection, Construction & Operation Expenses comprises of Cost of Material and Labour and other Contract Related Costs.
- **Changes in inventories of Finished Goods** - Changes in inventories of Finished Goods includes increase / decrease in the finished goods during the year.
- **Employee benefit expenses** – Our employee benefit expenses mainly include salaries & wages expense, bonus and allowance, contribution to provident fund and other funds, contribution to Gratuity and staff welfare expenses.
- **Finance Cost** – Finance Cost comprise of Interest on Cash Credits, Term Loans, Lease Liabilities and interest on financial liabilities measures at effective interest rates and others.
- **Depreciation and amortization expenses** – Our depreciation and amortization expenses comprise of depreciation on tangible fixed assets and amortization of intangible assets.
- **Other expenses** – Other expenses mainly include expenses towards Electricity and Water, Rates and taxes, Rent, Repairs and Maintenance w.r.t. Building, Plant and Machinery, Equipments and others, Auditors remuneration, Bank Charges, Travel and Conveyance, Insurance premium, Printing and Stationary, Communication, broadband and internet expenses, sitting fees, Consultancy charges, Legal Expenses, Advertisement, Bad debts, Donations, Provision for doubtful trade and Other receivables and Loans and Advances, Loss on Sale of assets and others.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Our Results of Operations

The following table sets forth, for the limited reviewed unaudited consolidated financial results for the six month ended September 30, 2022 and September 30, 2021, certain items derived from our Summary Statements, in each case also stated as a percentage of our total income:

(Amount in lakhs)

Particulars	Six months ended September 30, 2022		Six months ended September 30, 2021	
	Amount	(%)*	Amount	(%)*
Revenue				
Revenue from Operations	11,416.67	92%	14,761.30	91%
Other Incomes	1,056.45	8%	1,538.75	9%
Total Income	12,473.12	100%	16,300.05	100%
Expenses:				
Erection, Construction & Operation Expenses	10,257.46	82%	13,462.45	83%

Particulars	Six months ended September 30, 2022		Six months ended September 30, 2021	
	Amount	(%)*	Amount	(%)*
Changes in inventories of finished goods, stock-in-trade and work-in-progress	-	0%	248.20	2%
Employee Benefit Expenses	1,946.43	16%	1,664.58	10%
Finance Costs	3,877.73	31%	5,590.59	34%
Depreciation & Amortization expenses	273.03	2%	269.15	2%
Other Expenses	8,512.83	68%	1,236.06	8%
Total Expenses	24,867.48	199%	22,471.03	138%
Profit/(Loss) before exceptional items and tax	(12,394.36)	(99%)	(6,170.98)	(38%)
Exceptional Items	(13,529.64)	(108%)	-	-
Profit/(Loss) before tax	1,135.28	9%	(6,170.98)	(38%)
Tax Expenses:				
(i) Current tax	-	0%	-	0%
(ii) Deferred Tax	-	0%	-	0%
Total Tax Expenses				
Profit/ (Loss) After Tax	1,135.28	9%	(6,170.98)	(38%)
Other Comprehensive Income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	0%	-	0%
Re-measurement gains on defined benefit plans (Net of Taxes)	(78.89)	(1%)	1.71	0%
Fair Value of Equity Instruments through OCI (Net of Taxes)	(14.87)	0%	3.88	0%
Other Comprehensive Income for the year	(93.76)	(1%)	5.59	0%
Total Comprehensive Income/(Loss) for the year	1,041.52	8%	(6,165.39)	(38%)

*(%) column represents percentage of total income.

COMPARISON OF SIX MONTHS ENDED SEPTEMBER 30, 2022 WITH SIX MONTHS ENDED SEPTEMBER 30, 2021

Our total income has decreased by 23 % to 12473.12 lakhs for the six months ended September 30, 2022 from 16300.05 lakhs for the six months ended September 30, 2021, bifurcated into revenue from operations and other income.

Revenue from operations

Our revenue from operations for six months ended September 30, 2022 was ₹ 11,416.67 lakhs (comprising of 92 % of our total income for the six months ended September 30, 2022) from ₹ 14,761.30 lakhs for the six months ended September 30, 2021 (comprising 91% of our total income for the six months ended September 30, 2021), representing a decrease of 22.66%.

Other income

Our other income for the six months ended September 30, 2022 was ₹ 1056.45 lakhs from ₹ 1538.75 for the six months ended September 30, 2021 representing a decrease of 30 %. This decrease was mainly due to one off income to the tune of ₹ 482.30 lakhs in previous six months ended September 30, 2021 relating to levy of liquidated damages on vendors, which was not available in six months ended September 30, 2022.

Total Expenses

Our total expenses increased to ₹ 24867.48 lakhs for the six months ended September 30, 2022 from ₹ 22471.03 lakhs for the six months ended September 30, 2021 representing 11% increase. This increase was mainly due to provision made for contract assets in six months ended September 30, 2022.

Cost of Material, Erection, Construction & Operation Expenses

Erection, Construction & Operation Expenses for the six months ended September 30, 2022 decreased to ₹ 10257.46 lakhs from ₹ 13462.45 lakhs for six months ended September 30, 2021, representing a decrease of 24%. This correlates with the reduction in revenue to the tune of 23% during the same period.

Changes in inventories of Finished Goods, work in progress and stock in trade

Change in inventories of Finished Goods, stock in trade and work in progress for the six months ended September 30, 2022 recorded a decrease to ₹ Nil from ₹ 248.20 lakhs in the six months ended September 30, 2021, representing an overall decrease of 100%.

Employee Benefit Expenses

Our Company has incurred ₹ 1946.43 lakhs of employee benefit expenses for the six months ended September 30, 2022, as compared to ₹ 1664.58 lakhs for the six months ended September 30, 2021, reflecting an increase of 17%. This was mainly due to increase in salaries, wages and bonus in the six months ended September 30, 2022 compared to previous year.

Finance Cost

Finance costs decreased to ₹ 3877.73 lakhs for the six months ended September 30, 2022 from ₹ 5590.59 lakhs for the six months ended September 30, 2021, representing a change of 31% from the corresponding previous six months. The major reasons for reduction in finance costs includes reduction in interest rate to 9% , conversion of debt of Rs 350 crores into NCD and CCD, consequent to implementation of Resolution Plan.

Depreciation & Amortization expense

Depreciation and amortization expenses was increased to ₹ 273.03 lakhs for the six months ended September 30, 2022 from ₹ 269.15 lakhs for the six months ended September 30, 2021. This was due to increase cost of amortization of right to use assets.

Other expense

Our other expenses was increased to ₹ 8512.83 Lakhs for the six months ended September 30, 2022 from ₹ 1236.06 lakhs for the six months ended September 30, 2021 representing 589%. This increase was mainly due to provision made for contract assets in the six months ended September 30, 2022.

Profit / (Loss) before Tax

Our profit before tax for the six months ended September 30, 2022 was ₹ 1135.28 lakhs (comprising 7% of our total income) as compared to the loss before tax ₹ (6170.98) lakhs (comprising 38% of our total income) for the six months ended September 30, 2021.

Taxation

Our tax expenses are ₹ NIL for the both six months ended September 30, 2022 and six months ended September 30, 2021.

Profit/Loss after Tax

Our profit after tax for the six months ended September 30, 2022 was ₹ 1135.28 lakhs (comprising 7% of our total income) as compared to the loss before tax ₹ (6170.98) lakhs (comprising 38% of our total income), for the six months ended September 30, 2021, representing an increase of 118 %. This is mainly due to exceptional income of Rs 13529.64 lakhs comprising of reversal of interest by lenders on implementation of RP and interest credit on account of IND AS.

The following table sets forth, for the year ended 2022, 2021 and 2020 indicated, certain items derived from our Consolidated Financial Statements, in each case also stated as a percentage of our total income:

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2022		For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	Amount	(%)*	Amount	(%)*	Amount	(%)*
Revenue						
Revenue from Operations	32,945.65	97%	58,278.52	96%	1,20,794.88	96%
Other Incomes	1,113.42	3%	2,334.79	4%	5,091.83	4%
Total Income	34,059.07	100%	60,613.31	100%	1,25,886.71	100%
Expenses						
Erection, Construction & Operation Expenses	29,002.23	85%	55,671.74	92%	99,953.89	79%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	248.20	1%	76.66	0%	3,524.37	3%
Employee Benefit Expenses	3,699.44	11%	3808.41	6%	5,726.01	5%
Finance Costs	11,568.38	34%	10,658.93	18%	10,043.86	8%
Depreciation & Amortization expenses	582.66	2%	556.04	1%	566.81	0%
Other Expenses	4,689.27	14%	6,517.58	11%	7191.12	6%
Total Expenses	49,790.18	146%	77,289.36	128%	1,27,006.06	101%
Profit/(Loss) before exceptional items and tax	(15,731.11)	(46%)	(16,676.05)	(28%)	(1,119.35)	(1%)
Exceptional Items (5%)	(6,361.26)	(19 %)	(1,149.11)	(2%)	(6,606.98)	
Profit/(Loss) before tax	(22,092.37)	(65%)	(17,825.16)	(29%)	(7,726.33)	(6%)
Tax Expenses:						
(i) Current tax			122.17	0%		
(ii) Deferred Tax	4,278.00	13%				
Total Tax Expenses	4,278.00	13%	122.17	0%		
Profit/ (Loss) After Tax	(26,370.37)	(77%)	(17,947.33)	(30%)	(7,726.33)	(6%)
Other Comprehensive Income						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Re-measurement gains on defined benefit plans (Net of Taxes)	15.61	0%	17.10	0%	25.03	0%
Fair Value of Equity Instruments through OCI (Net of Taxes)	39.01	0%	2.51	0%	(10.62)	0%
Other Comprehensive Income for the year	54.62	0%	19.61	0%	14.41	0%
Total Comprehensive Income/(Loss) for the year	(26,315.75)	(77%)	(17,927.72)	(30%)	(7,711.92)	(6%)

*(%) column represents percentage of total income.

COMPARISION OF FINANCIAL YEAR ENDED MARCH 31, 2022 WITH FINANCIAL YEAR ENDED MARCH 31, 2021

Total Income:

Our total income for Fiscal 2022 was ₹ 34,059.07 lakhs as compared to ₹ 60,613.31 lakhs for the Fiscal 2021, representing a decrease of 44%. Further, total income was bifurcated into revenue from operations and other income.

Revenue from operations

Revenue from operations decreased to ₹ 32,945.65 lakhs (comprising of 97 % of our total income) in Fiscal 2022 from ₹ 58,278.52 lakhs (comprising 96 % of our total income) in Fiscal 2021, representing a decrease of 43%. This was primarily due to stoppage of work in various projects on account of Covid 19 Lock down in various states. Further, previous year revenue includes ₹ 25,984 lakhs from Basra project against ₹ 8,624 lakhs in Fiscal 2022 on account of completion of Basra Project in Dec 2021.

Other income

Our other income for the Fiscal 2022 was ₹ 1,113.42 lakhs as compared to ₹ 2,334.79 lakhs for the Fiscal 2021, representing a decrease of 52%. This was mainly due to ₹ 1,512.07 lakhs as interest income on Financial Assets (INDAS) recognized in Fiscal 2021 which is NIL in Fiscal 2022.

Total Expenses

Our total expenses decreased to ₹ 49,790.18 lakhs in Fiscal 2022 from ₹ 77,289.36 lakhs in Fiscal 2021 representing 36 % decrease. This decrease in total expenses was mainly due to reduction in Erection, Construction and Operation Expenses.

Erection, Construction & Operation Expenses

Erection, Construction & Operation Expenses for the Fiscal 2022 decreased to ₹ 29,002.23 lakhs from ₹ 55,671.74 lakhs in Fiscal 2021, representing a decrease of 47.90 %. This decrease was mainly on account of reduction in cost of material and labour and other contract related costs.

Changes in inventories of Finished Goods, stock in trade and work in progress

Our change in inventories of Finished Goods, stock in trade and work in progress in the Fiscal 2022 was ₹ 248.20 lakhs as compared to ₹ 76.66 lakhs in the Fiscal 2021, representing an overall increase of 223%.

Employee Benefit Expenses

Our Company has incurred ₹ 3,699.44 lakhs of employee benefit expenses in the Fiscal 2022, as compared to ₹ 3,808.41 lakhs in the Fiscal 2021, reflecting a decrease of 2.86%. This decrease was mainly on account of decrease in contribution of provident and other funds and Staff welfare expenses in Fiscal 2022.

Finance Cost

Our Finance costs increased to ₹ 11,568.38 lakhs in the Fiscal 2022 from ₹ 10,658.93 lakhs in the Fiscal 2021, representing a change of 8.53 %, majorly due to increase in interest on cash credits in the Fiscal 2022.

Depreciation & Amortization expense

Our depreciation and amortization expense was ₹ 582.66 lakhs in the Fiscal 2022 as compared to ₹ 556.04 lakhs in the Fiscal 2021, representing an increase of 4.79%. This was due cost of amortization of right to use assets from Nil in the Fiscal 2021 to ₹ 29.76 lakhs in the Fiscal 2022.

Other expense

Our other expenses was ₹ 4,689.27 Lakhs in the Fiscal 2022 as compared to ₹ 6,517.58 Lakhs in the Fiscal 2021, representing a decrease of 28.05%. This decrease pertains to decrease in bank charges, electricity and water and others.

Profit / (Loss) before Tax

Our Loss before tax was ₹ 22,092.37 lakhs in the Fiscal 2022 as compared to ₹ 17,825.16 lakhs in the Fiscal 2021, representing an increase in loss of 23.93%.

Taxation

Our tax expenses increased from ₹ 122.17 lakhs in the Fiscal 2021 to ₹ 4,278.00 lakhs in the Fiscal 2022. This was due to charging of deferred tax asset on account of expiry of carried forward loss.

Profit/Loss after Tax

Our Loss for the year increased from ₹ 17,947.33 lakhs (comprising 30 % of our total income) in the Fiscal 2021 to ₹ 26,370.36 lakhs (comprising 77 % of our total income) in the Fiscal 2022, representing an increase in loss of 46.93%.

COMPARISION OF FINANCIAL YEAR ENDED MARCH 31, 2021 WITH FINANCIAL YEAR ENDED MARCH 31, 2020

Total Income:

Our total income for the Fiscal 2021 was ₹ 60,613.31 lakhs as compared to ₹ 1,25,886.71 lakhs for the Fiscal 2020, representing a decrease of 52%. Further, total income was bifurcated into revenue from operations and other income.

Revenue from operations

Revenue from operations decreased to ₹ 58,278.52 lakhs (comprising of 96 % of our total income) in the Fiscal 2021 from ₹ 1,20,794.88 lakhs (comprising 96 % of our total income) in the Fiscal 2020, representing a decrease of 52%. This was primarily due to stoppage of work in various projects on account of Covid 19 lock down in various states.

Other income

Our other income for the Fiscal 2021 was ₹ 2,334.79 lakhs as compared to ₹ 5,091.83 lakhs for the Fiscal 2020, representing a decrease of 54 %. This was mainly due to decrease in Interest income on Financial Assets, Margin money deposit and Miscellaneous income.

Total Expenses

Our total expenses decreased to ₹ 77,289.36 lakhs in the Fiscal 2021 from ₹ 1,27,006.06 lakhs in the Fiscal 2020 representing 39 % decrease. This decrease in total expenses was mainly due to decrease in changes in inventories of finished goods, stock in trade and work in progress, Employee benefit expenses and other expenses.

Erection, Construction & Operation Expenses

Erection, Construction & Operation Expenses for the Fiscal 2021 decreased to ₹ 55,671.74 lakhs from ₹ 99,953.89 lakhs in the Fiscal 2020, representing a decrease of 44.30 %. This decrease was mainly on account of reduction in cost of materials and labour.

Changes in inventories of Finished Goods, stock in trade and work in progress

Our change in inventories of Finished Goods, stock in trade and work in progress in the Fiscal 2021 was ₹ 76.66 lakhs as compared to ₹ 3,524.37 lakhs in the Fiscal 2020, representing an overall decrease of 98%.

Employee Benefit Expenses

Our Company has incurred ₹ 3,808.40 lakhs of employee benefit expenses in the Fiscal 2021, as compared to ₹ 5,726.01 lakhs in the Fiscal 2020, reflecting a decrease of 33%. This was due to decrease in salaries, wages, bonus and other allowances, contribution to provident and other funds on account of reduction in employee strength due to resignation.

Finance Cost

Our Finance costs increased to ₹ 10,658.93 lakhs in the Fiscal 2021 from ₹ 10,043.86 lakhs in the Fiscal 2020, representing a change of 6 %, majorly due to increase in interest on cash credits.

Depreciation & Amortization expense

Our depreciation and amortization expense was ₹ 556.04 lakhs in the Fiscal 2021 as compared to ₹ 566.81 lakhs in the Fiscal 2020, representing a decrease of 2%. This was due to sale of assets.

Other expense

Our other expenses was ₹ 6,517.58 lakhs in the Fiscal 2021 as compared to ₹ 7,191.12 lakhs in the Fiscal 2020, representing a decrease of 9%. This decrease pertains to decrease in rates and taxes, rent, travel and conveyance printing and stationary, consultancy charges and others.

Profit / (Loss) before Tax

Our Loss before tax was ₹ 17,825.14 lakhs in the Fiscal 2021 as compared to ₹ 7,726.33 lakhs in the Fiscal 2020, representing an increase in loss of 131%.

Taxation

Our tax expenses increased to ₹ 122.17 lakhs in the Fiscal 2021 from NIL in the Fiscal 2020. This was due to tax provision in one of the subsidiaries.

Profit/Loss after Tax

Our Loss for the year increased to ₹ 17,947.31 lakhs (comprising 30 % of our total income) in the Fiscal 2021 from ₹ 7,726.33 lakhs (comprising 6% of our total income) in the Fiscal 2020, representing an increase of 132%.

LIQUIDITY AND CAPITAL RESOURCES

Comparison of Cash Flow for the six months ended September 30, 2022, September 30, 2021 and September 30, 2020:

The table below summaries our cash flows from our unaudited consolidated limited reviewed financial information for the six months ended September 30, 2022, September 30, 2021 and September 30, 2020.

(Amount in Lakhs)

Particulars	For the six months ended September 30, 2022	For the six months ended September 30, 2021	For the six months ended September 30, 2020
Net (Loss)/Profit before tax	1135.28	(6170.98)	(5985.35)
Net cash generated from / (used in) operating activities	10,747.10	(1697.48)	(6867.29)
Net cash generated from / (used in) Investing Activities	35,552.97	511.79	1377.20

Net cash generated from / (used in) from financing activities	(43498.67)	1226.78	6023.24
Net Increase / (decrease) in Cash & Cash Equivalents	2801.40	41.09	533.16
Cash and cash equivalents at the beginning of the year	582.67	840.86	1205.55
Cash and cash equivalents at the end of the year	3384.07	881.95	1738.69

Operating Activities

Our net cash generated from operating activities was ₹ 10,747.10 lakhs for the six months ended September 2022. Our operating loss before working capital changes was ₹ 1,425.60 lakhs for the six months ended September 2022 which was primarily adjusted for increase in working capital by ₹ 10,424.02 lakhs.

Our net cash used in operating activities was ₹ 1,697.48 lakhs for the six months ended September 2021. Our operating loss before working capital changes was ₹ 1,918.17 lakhs for the six months ended September 2021 which was primarily adjusted for decrease in working capital by ₹ 1,560.70 lakhs.

Our net cash used in operating activities was ₹ 6,867.31 lakhs for the six months ended September 2020. Our operating profit before working capital changes was ₹ 583.97 lakhs for the six months ended September 2020 which was primarily adjusted for decrease in working capital by ₹ 6,656.91 lakhs.

Investing activities

Net cash generated from investing activities was ₹ 35,552.97 lakhs for the six months ended September 2022. This was primarily on account of equity infusion.

Net cash generated from investing activities was ₹ 511.79 lakhs for the six months ended September 2021. This was primarily on account of increase in margin money deposits.

Net cash generated from investing activities was ₹ 1,377.20 lakhs for the six months ended September 2020. This was primarily on account of increase in margin money deposits.

Financing activities

Net cash used in financing activities for the six months ended September 2022 was ₹ 43,498.67 lakhs. This was on account of repayment of borrowing.

Net cash generated from financing activities for the six months ended September 2021 was ₹ 1,226.78 lakhs. This was on account of increase in borrowing.

Net cash generated from financing activities for the six months ended September 2020 was ₹ 6,023.25 lakhs. This was on account of increase in borrowing.

Comparison of Cash Flow for the Year Ended March 31, 2022, March 31, 2021 and March 31, 2020:

The table below summaries our cash flows from our audited consolidated financial information for the financial year ended March 31, 2022 and 2021.

(Amount in lakhs)

Particulars	For the year ended March 31		
	2021 - 22	2020 - 21	2019-20
Net (Loss)/Profit before tax	(22,092.37)	(17,825.16)	(7,726.33)
Net cash generated from / (used in) operating activities	(7,199.37)	(4,989.19)	(701.30)
Net cash generated from / (used in) Investing Activities	102.50	2,108.64	4,022.52

Net cash generated from / (used in) from financing activities	6,838.68	2,515.86	(5,175.71)
Net Increase / (decrease) in Cash & Cash Equivalents	258.19	(364.69)	(1,854.49)
Cash and cash equivalents at the beginning of the year	840.86	1,205.55	3,060.04
Cash and cash equivalents at the end of the year	582.67	840.86	1,205.55

Operating Activities

Our net cash used in operating activities was ₹ 7,199.40 lakhs for the financial year 2021-22. Our operating loss before working capital changes was ₹ 1,418.09 lakhs for the financial year 2021-22 which was primarily adjusted for decrease in working capital by ₹ 5,284.24 lakhs.

Our net cash used in operating activities was ₹ 4,989.19 lakhs for the financial year 2020-21. Our operating loss before working capital changes was ₹ 3,691.19 lakhs for the financial year 2020-21 which was primarily adjusted for decrease in working capital by ₹ 4,578.81 lakhs.

Our net cash used in operating activities was ₹ 701.30 lakhs for the financial year 2019-20. Our operating profit before working capital changes was ₹ 9,963.65 lakhs for the financial year 2019-20 which was primarily adjusted for decrease in working capital by ₹ 178.88 lakhs.

Investing activities

Net cash generated from investing activities was ₹ 102.51 lakhs for the financial year 2021-22. This was primarily on account of movement in margin money.

Net cash generated from investing activities was ₹ 2,108.65 lakhs for the financial year 2020-21. This was primarily on account of movement in margin money.

Net cash generated from investing activities was ₹ 4,022.52 lakhs for the financial year 2019-20. This was primarily on account of movement in margin money.

Financing activities

Net cash generated from financing activities for the financial year 2021-22 was ₹ 6,838.68 lakhs. This was on account of repayment of borrowing

Net cash generated from financing activities for the financial year 2020-21 was ₹ 2,515.86 lakhs. This was on account of repayment of borrowing

Net cash used in financing activities for the financial year 2019-20 was ₹ 5,175.72 lakhs. This was on account of increase in borrowing

Related party transactions

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to purchase and sale of remuneration, sitting fees, borrowing, deposits, rent, interest, quality complain, reimbursements, disinvestments, employee benefit expenses, corporate social responsibility, contribution to gratuity fund, etc. The details of related party transaction for financial year 2021-22, 2020-21 and 2019-20 on consolidated basis, please see the “*Related Party Disclosure*” in section titled “*Financial Information*” at page no. 102 of this draft letter of offer.

Capital Expenditure

In the financial year ended March 31, 2022 and 2021, our capital expenditure was ₹ 14.97 lakhs, and ₹ 628.89 lakhs, respectively. Our capital expenditures are mainly related to the purchase of plant & machinery, factory equipment, computer, office fittings & equipment and refinery factory building which also includes capital work

in progress. The primary source of financing for our capital expenditures has been cash generated from our operations and capital infused by the promoters of our company.

Indebtedness

As of March 31, 2022, we had long-term borrowings of ₹ 15,364.47 lakhs and short-term borrowings of ₹ 82,462.97 lakhs. The following table sets forth certain information relating to our outstanding indebtedness and our repayment obligations in the periods indicated:

(Amount in Lakhs)

Category of Borrowings	O/s as on September 30, 2022	O/s as on March 31, 2022	O/s as on March 31, 2021
Long-term Borrowings			
- Non – current liability	29,256.98	22,775.19	29,877.89
- Current maturities	-	13,189.00	4,676.53
Short-term borrowings	23,053.57	69,273.97	58,839.27
Grand Total	52,310.55	1,05,238.16	93,393.69

For further details regarding our indebtedness, see “*Financial Information*” on page 102, respectively.

Contingent Liabilities

The following table sets forth our contingent liabilities and commitments as on March 31, 2022 and March 31, 2021 as per audited consolidated financial statements:

(Amount in Lakhs)

Particulars	For the period ended Sept 30, 2022	As on March 31, 2022	As on March 31, 2021
Contingents Liabilities:			
Claims not acknowledged as debts	15,935.05	15,835.06	10,879.21
Central, Sales tax, Customs duties demands contested in appeals not provided for	408.00	408.00	408.00
Disputed VAT /Central sales tax demand contested in appeals not provided for	9,669.88	9,669.88	9,256.75
Income tax demands contested in Appeal not provided for	-	-	1,800.58
Bank Guarantees outstanding	32,002.18	32,002.18	41,353.20

Note:

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 judgements / decisions pending at various forums / authorities

Off-Balance Sheet Items

We do not have any other off – balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off – balance sheet arrangements.

QUALITATIVE DISCLOSURE ABOUT 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 derivative 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).

Credit Risk

The credit risk to the company arises from two sources:

a) Customers, who default on their contractual obligations, thus resulting in financial loss to the company evaluates the credentials of a customer at a very early stage of the bid. Company has adopted a policy of 3 tier verification before participating for any bid. The first step of such verification includes verification of customer credentials. The company, as part of verification of the customer credentials, ensures the compliance with the following criterion,

(i) Customer's financial health by examining the audited financial statements

(ii) Whether the Customer has achieved the financial closure for the work for which the company is bidding

(iii) Where the customer is Public Sector Undertaking, sanction and availability of adequate financial resources for the proposed work. Company makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The provision is made separately for each financial assets of each business line. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile. Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. Majority of the customers of the company comprise of Public Sector Undertakings, with whom the company does not perceive any credit risk. As regards the customers from private sector, company carries out financial evaluation on regular basis and provides for any amount perceived as non-realizable, 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

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 prioritizing the site level payments and regulatory payments above other requirements.

We do not have any other off – balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off – balance sheet arrangements.

OTHER QUALITATIVE FACTORS

Reservations, qualifications and adverse remarks

For Details, see section titled “*Financial Information*” on page 102.

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. The same has been addressed in chapter titled “*Financial information*” beginning on page 102 of this Draft Letter of Offer.

Unusual or infrequent events or transactions

During the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

Significant economic changes that materially affected or are likely to affect income from continuing operations.

Indian rules and regulations as well as the overall growth of Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

Other than as described in the section titled “*Risk Factors*” beginning on page 21 of this Draft Letter of Offer to our knowledge there are no significant economic changes that materially affects or are likely to affect income of our Company from continuing operations.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “*Risk Factors*” on page 21. Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 21 and 172, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 21 and 172, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Not Applicable

The extent to which the business is seasonal

Our Company's business is not seasonal in nature.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty, timely supply and better sourcing of raw-material. Due to which, we are able to stay competitive. For further details, kindly refer the chapter titled "***Our Business***" beginning on page 82 of this Draft Letter of Offer.

Total Turnover of Each Major Business Segment

We operate in the sole activity of carrying on the business of "Engineering, Procurement and Construction" (EPC) and therefore have only one reportable segment. The turnover details are given in "*Financial Information*" at page 102.

New Product or Business Segment

Our Company has not announced any new product or business segment.

Significant dependence on a Single or Few Suppliers or Customers

Our Company does not significantly depend on single or few suppliers or Customers.

SIGNIFICANT DEVELOPMENTS SINCE LAST BALANCE SHEET DATE

Except as disclosed above and in this Draft Letter of Offer, including under "***Our Business***" and "***Risk Factors***" on pages 82 and 21 respectively, to our knowledge no circumstances have arisen since September 30, 2022, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and actively being traded on BSE and NSE from February 20, 2008.

- a) Year is a Financial Year;
- b) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- c) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- d) In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

a) BSE Limited

Financial Year	High (₹)	Date of high	No. of shares traded on date of high	Total volume traded on date of high (in ₹)	Low (₹)	Date of low	No. of shares traded on date of low	Total volume of traded on date of low (in ₹)	Average price for the year (₹)
2022	12.17	06-01-22	3981678	47887709	3.86	23-04-21	27522	107807	6.50
2021	6.18	24-06-20	411572	2543469	2.31	07-04-20	19937	46377	4.03
2020	13.44	20-09-19	33245	436749	2.06	25-03-20	500	1030	7.23

(Source: www.bseindia.com)

b) National Stock Exchange of India Limited

The name of the company was changed w.e.f March 03, 2022. The high, low and average market closing prices details prior to the given date is not available on the NSE website.

Market Prices for the last six calendar months

The total number of days trading during the past Six months, from August 2022 to January 2023 was 125. The average volume of Equity Shares traded on the BSE was 3,15,537 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

a) BSE Limited

Month	Date of high	High (₹)*	Volume (No. of shares)	Total volume traded on date of high (in ₹)	Date of low	Low (₹)*	Volume (No. of shares)	Total volume traded on date of low (in ₹)	Average price for the month (₹)**
Jan 2023	20-01-23	14.75	750943	10839378	04-01-23	11.12	284867	3185144	12.86
Dec 2022	13-12-22	13.41	1574308	20871630	01-12-22	8.12	142001	1156949	10.82

Month	Date of high	High (₹)*	Volume (No. of shares)	Total volume traded on date of high (in ₹)	Date of low	Low (₹)*	Volume (No. of shares)	Total volume traded on date of low (in ₹)	Average price for the month (₹)**
Nov 2022	10-11-22	8.65	201493	1741872	04-11-22	7.77	126915	992692	8.08
Oct 2022	07-10-22	8.50	180030	1533082	21-10-22	8.06	51461	419041	8.27
Sept 2022	07-09-22	9.44	181880	1708916	26-09-22	8.10	119169	978654	8.85
Aug 2022	24-08-22	8.62	161042	1389541	05-08-22	7.33	121724	907727	7.90

(Source: www.bseindia.com)

* High and low prices are based on the high and low of the daily closing prices.

**Average of the daily closing prices.

b) National Stock Exchange of India Limited

The total number of days trading during the past six months, from August 2022 to January 2023 was 125. The average volume of Equity Shares traded on the NSE was 16,61,777 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the NSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

Month	Date of high	High (₹)*	Volume (No. of shares)	Total volume traded on date of high (in ₹)	Date of low	Low (₹)*	Volume (No. of shares)	Total volume traded on date of low (in ₹)	Average price for the month (₹)**
Jan 2023	20-01-23	14.75	4606221	6,63,49,460.85	04-01-23	11.05	1260204	1,40,94,584.40	12.82
Dec 2022	13-12-22	13.40	7913138	105049429.65	01-12-22	8.10	421007	3425932.67	10.81
Nov 2022	10-11-22	8.60	1978238	17153583.45	04-11-22	7.75	473970	3709539.05	8.06
Oct 2022	07-10-22	8.53	507587	4327292.35	28-10-22	8.05	203874	1644485.05	8.27
Sept 2022	07-09-22	9.45	1250236	11777417.6	26-09-22	8.10	770332	6354124.45	8.86
Aug 2022	24-08-22	8.70	1636087	14206396.95	05-08-22	7.35	1136737	8490403.75	7.88

(Source: www.nseindia.com)

* High and low prices are based on the high and low of the daily closing prices.

**Average of the daily closing prices.

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The Board of our Company has approved the Issue at their meeting held on **December 27, 2022**. The high and low prices of our Company's shares as quoted on the BSE and NSE on **December 28, 2022**, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No of equity Shares)	Highest Price (₹)	Low price (₹)
BSE			
December 28, 2022	1,15,133	10.80	10.30
NSE			

Date	Volume (No of equity Shares)	Highest Price (₹)	Low price (₹)
BSE			
December 28, 2022	1,15,133	10.80	10.30
December 28, 2022	6,92,792	10.70	10.25

Source: www.nseindia.com and www.bseindia.com

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Directors, Subsidiaries or Promoter; (ii) actions by any statutory or regulatory authorities involving our Company, Directors, Subsidiaries or Promoter; or (iii) claim involving our Company, Directors, Subsidiaries or Promoter for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Directors, Subsidiaries or Promoter (other than proceedings covered under (i) to (iii) above) which has been determined to be “material” pursuant to our Company’s ‘Policy on determination of materiality of events’ framed in accordance with Regulation 30 of the SEBI Listing Regulations (“Materiality Policy”).

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation:

- A. involving our Company, Promoter and Subsidiaries (“Relevant Parties”):
- i. where the aggregate monetary claim made by or against the Relevant Parties, in any pending civil litigation proceeding is in excess of 10% of the turnover or 10% of the net worth, whichever is higher in the most recently completed Fiscal as per the Restated Consolidated Financial Information (being March 31, 2022) shall be considered material and will be disclosed in the Offer Documents. 10% of the Net Worth as per the Restated Consolidated Financial Statements amounts to 7,394.60 lakhs. Accordingly, all outstanding civil litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties, in any such pending litigation proceeding is in excess of ₹ 7,394.60 lakhs shall be considered material;
 - ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of our Company will be considered “material” and will be disclosed in the Offer Documents.
- B. involving our Directors and our Promoter (individually or in aggregate), the outcome of which would materially and adversely affect the business, operations, prospects, financial position or reputation of our Company, irrespective of the amount involved, has been considered as material.

Further, except as disclosed in this section, there are no (i) disciplinary action taken against any of our Promoter by SEBI or the Stock Exchange in the five Fiscals preceding the date of this Draft Letter of Offer; and (ii) litigation involving our Subsidiaries which may have a material impact on our Company.

Further, in accordance with the Materiality Policy, a creditor of our Company, shall be considered to be material creditor (except banks and financial institutions from whom our Company has availed financing facilities) for the purpose of disclosure in the offer documents, if amounts due to such creditor exceeds 10 per cent of the total trade payables of our Company as per the most recently completed Fiscal as per the Restated Consolidated Financial Information. Accordingly, we have disclosed consolidated information of outstanding dues owed to any creditors of our Company, separately giving details of number of cases and amount for all dues where each of the dues exceed 73.95 lakhs (being approximately 10% of total trade payables of our Company as at March 31, 2022 as per the Restated Consolidated Financial Information) (“Material Dues”). Further, in accordance with the Materiality Policy for the disclosure of the outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”) will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

1. LITIGATION INVOLVING OUR COMPANY

i. Litigation against our Company

1. *Criminal Proceedings*

- a) AVR Constructions filed four criminal cases bearing numbers 5573, 5574, 5576 and 5577 of 2021 before the Chief Judicial Magistrate, Raipur on account of certain cheques issued by our Company amounting to ₹ 369.70 lakhs being returned unpaid. Subsequently, the parties arrived at a settlement pursuant to a settlement agreement dated July 2, 2022 and filed the same before the Chief Judicial Magistrate. Till date Rs 220 lakhs has been paid. The matter is pending for disposal.
- b) Apollo Pipes Limited filed a criminal case bearing numbers 7378/2018 before the Metropolitan Magistrate Court, New Delhi on account of certain cheques issued by our Company amounting to 61.65 lakhs being returned unpaid. The matter is presently pending for further proceedings.

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

(₹ in lakhs)		
Particulars	Number of cases	Amount involved*
Indirect Tax		
Sales Tax/VAT	18 [^]	9,729.00
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	1 [^]	408.00
Total	19[^]	1,0137.00
Direct Tax		
Cases filed against our Company	Nil	Nil
Cases filed by our Company	2	8,576.87
Total	2	8,576.87
Total	21	18,713.87

*To the extent quantifiable

[^]Cases filed by our Company

4. *Other Material Litigations*

- a) Our Company is one of the Respondent along with Twarit Consultancy Private Limited (“TCPL, collectively, the “**Respondents**”)” in respect of an arbitration filed by the Singapore International Arbitration Centre (“SIAC”) filed by GPE (INDIA) Limited, GPE JV1 Limited, Gaja Trustee Company Private Limited (the “**Claimants**”) in connection with the Claimants’ investments in an associate company of our Company. SIAC vide their Order dated January 07, 2021 awarded damages jointly and severally on the Respondents to the tune of ₹ 1,98,54.10 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 have already 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 Complainants However, our Company has entered into an inter-se arrangement dated September 29, 2015 with TCPL and Shri Housing Private Limited by which, our Company will be fully indemnified, in case of any liability arising out of any suits, proceedings, disputes, damages payable by our Company on any defaults arising out of the investments made by the Complainant in our associate. In view of the said Inter-se Arrangements, our Company does not have any liability whatsoever, on account of this award.
- b) A claim for ₹ 174 lakhs have been made by AVR Construction Co. (“AVR”), towards balance dues, before the National Company Law Tribunal, Chennai (“NCLT”) vide case No: CP(IB)/332(CHE)/2021. Our Company had filed a counter rejecting the alleged claim and further claiming ₹ 15.89 lakhs from AVR, on the grounds that AVR in its rejoinder had referred to twelve new set of invoices, without referring them in the original application and the demand notice, the supporting documents for the invoices were not provides in the rejoinder and the calculations for making the claim, as was referred to

in the rejoinder was not previously mentioned in the original application and the demand notice. Subsequently, our Company executed a composite settlement agreement with AVR on July 2, 2022 to cover total dues including the amount mentioned in respect of four criminal cases filed by AVR against our Company and the same has been filed with NCLT. AVR has agreed to keep this matter in abeyance till the full amount is paid as per the settlement agreement is paid. The matter is currently pending before the NCLT.

- c) M/s. Galaxy Infra & Engineering Private Limited (“**Galaxy**”), a sub-contractor working in Gaya Project, Gaya Bihar sent a demand notice dated January 9, 2020 to our Company, alleging an unpaid amount of ₹ 183.76 lakhs. Subsequently, Galaxy sent a second demand notice dated October 31, 2020 for an alleged amount of ₹ 183.17 lakhs. Galaxy subsequently filed an application under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal, Chennai (“**NCLT**”) for claiming an alleged amount of ₹ 214.62 lakhs from our Company. Our Company filed counter stating that the alleged unpaid debt as claimed by Galaxy in the demand notices and the applications filed is not correct or ascertainable. Galaxy filed a rejoinder with a proof for the claim. The matter is currently pending.

5. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*

Our Company has paid certain fines and penalties levied by BSE Limited and National Stock Exchange of India Limited, for non-compliances committed by us under the SEBI Listing Regulations and SEBI ICDR Regulations. We have paid the fines levied by the Stock Exchanges. The details of such fines and penalties have been provided 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
	Total	9,72,280	

ii. **Litigation by our Company**

1. *Criminal Proceedings*

Nil

2. *Civil and other Material Litigations*

- a) Our Company invoked an arbitration clause against Hindustan Copper Limited, (“**HCL**”) in respect of breach of the terms and conditions of the contract and made a claim of ₹ 11,913.72 lakhs including illegal encashment of bank guarantee of ₹ 920.52 lakhs, before the three member panel of Arbitrators constituted for the purpose. HCL filed the statement of defence and counter claim for an amount of ₹14,817.17 lakhs and also made jurisdictional objection of the tribunal. The Hon’ble Tribunal rejected the jurisdictional objection of HCL and provided interim protection against the invocation of the bank guarantees for an amount of ₹ 3,024.92 lakhs. Arbitration proceedings are in progress.
- b) Our Company invoked an arbitration clause against National Mineral Development Corporation (“**NMDC**”) in respect of contract value for ₹ 27,499 lakhs and made a claim of ₹ 8,486.62 lakhs including illegal encashment of bank guarantee for ₹ 2,625.01 lakhs before the sole arbitrator. NMDC filed their

statement of defence with counter claim of ₹ 16,807.78 lakhs. Our Company filed a rejoinder to the counter claim and statement of defence. The proceedings are pending.

2. LITIGATION INVOLVING OUR PROMOTER

Cases filed against our Promoter

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Promoter, specifying the number of cases pending and the total amount involved:

(₹ in lakhs)

Particulars	Number of cases	Amount involved*
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax		
Cases filed against our Promoter	Nil	NIL
Cases filed by our Promoter	Nil	Nil
Total	Nil	Nil
Total	Nil	Nil

*To the extent quantifiable

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Promoter by SEBI or any stock exchange in the last five Fiscals*

Nil

Cases filed by our Promoter

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

3. LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our Directors

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Directors by SEBI or any stock exchange in the last five Fiscals*

Nil

Cases filed by our Directors

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

4. LITIGATION INVOLVING OUR SUBSIDIARIES

Cases filed against our Subsidiaries

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Subsidiaries, specifying the number of cases pending and the total amount involved:

(₹ in lakhs)

Particulars	Number of cases	Amount involved [^]
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise and Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax		
Cases filed against our Subsidiaries	01*	57.33*
Cases filed by our Subsidiaries	Nil	Nil
Total	01*	57.33*

[^]To the extent quantifiable

*OMR converted to INR as per the exchange rate as of January 27, 2023, i.e. 1 OMR = 211.78 INR

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Subsidiaries by SEBI or any stock exchange in the last five Fiscals*

Nil

Cases filed by our Subsidiaries

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

5. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy, our Company has no material creditors, as on September 30, 2022.

As September 30, 2022, the details of amounts outstanding towards small scale undertakings and other creditors are as follows:

<i>(₹ in lakhs)</i>		
Particulars	No. of Creditors	Amount
Outstanding dues to small scale undertakings	Nil	Nil
Outstanding dues to other creditors	587	27,680.61
Total outstanding dues	587	27,680.61

For further details, refer to the section titled “*Financial Information*” on page 102 of this Draft Letter of Offer.

6. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

7. MATERIAL DEVELOPMENT SINCE SEPTEMBER 30, 2022.

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 172 of this Draft Letter of Offer.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 58 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors in its meeting dated December 27, 2022 have authorized this Issue under Section 62(1)(a) of the Companies Act, 2013.

Our Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share, and the Rights Entitlement as [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares held on the Record Date.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letters dated [●] and [●] issued by BSE and NSE, respectively for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Except for Chandra Ramesh, who is a director on the board of directors of Procap Financial Services Private Limited, none of our Directors or Promoter are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company and our Promoter are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to ₹ 4,990 lakhs. The present Issue being of less than ₹ 5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. www.sebi.gov.in.

Disclaimer from our Company and our Directors

Our Company and our Directors accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.shriramepc.com or the respective websites of the affiliates of our Company would be doing so at his or her own risk.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Tamil Nadu, India only.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is [•].

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO

BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, legal advisor, the Registrar to the Issue and the Banker to the Issue* to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

**To be obtained prior to filing of the Letter of Offer*

Our Company has received written consent dated February 7, 2023 from the Statutory Auditor to include its name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “*expert*” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated February 2, 2023 on our Restated Consolidated Financial Statements for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020; (ii) limited reviewed report dated November 14, 2022 on the unaudited consolidated financial results for the six months periods ended September 30, 2022; and (ii) Statement of Special Tax Benefits dated February 7, 2023 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated February 7, 2023 from the Statutory Auditor to include its name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “*expert*” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated February 2, 2023 on our Restated Consolidated Financial Statements for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020; (ii) limited reviewed report dated November 14, 2022 on the unaudited consolidated financial results for the six months periods ended September 30, 2022; and (ii) Statement of Special Tax Benefits dated February 7, 2023 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Except for the abovementioned documents, provided by our Statutory Auditor, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

None of our Subsidiaries or associate companies are listed as on date of this Draft Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE and NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled “*Market Price Information*” on page 187 of this Draft Letter of Offer.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the

threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer will be filed with BSE Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Cameo Corporate Services Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” beginning at page 203 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Cameo Corporate Services Limited

Subramanian Building, No. 01,
Club House Road, Chennai- 600 002,
Tamil Nadu, India.

Telephone: +91 44 4002 0700

Facsimile: N.A.

E-mail: priya@cameoindia.com

Website: www.cameoindia.com / <https://rights.cameoindia.com/sepc>

Investor Grievance e-mail: investor@cameoindia.com

Contact Person: K. Sreepriya

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Thiruppathi Sriraman, Company Secretary of our Company. His contact details are set forth hereunder.

4th Floor, Bascon Futura SV,
IT Park Venkatanarayana Road,
Parthasarathy Puram,
T. Naga Chennai – 600 017,
Tamil Nadu, India

Telephone: 44 4900 5555

E-mail: tsr@sepc.in

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

1) Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, through email to the email addresses or physical delivery through registered post / speed post to all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, only through email or by registered post / speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.shriramepc.com;
- b) the Registrar to the Issue at <https://rights.cameoindia.com/sepc>;
- c) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at (*i.e.*, <https://rights.cameoindia.com/sepc>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (*i.e.*, www.shriramepc.com).

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

2) *Facilities for Application in this Issue:*

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as “**ASBA Circulars**”), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “*Procedure for Application through the ASBA Process*” on page 212.

3) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “**SEPC Limited**”) opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity shares held by Eligible Equity shareholders in physical form (b) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (c) Equity Shares held in the account of IEPF authority; or (d) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●], [●] are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date i.e. [●], [●] in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circular, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

4) *Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 217.

5) *Application for Additional Equity Shares*

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number

of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchanges. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” beginning on page 225.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

- 6) Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renounee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled “*Procedure for Application through the ASBA process*” on page 212 of this Draft Letter of Offer.
- 7) *Other important links and helpline:*

The Investors can visit following links for the below-mentioned purposes:

- a) Updation of Indian address/ email address/ mobile number of Non resident Eligible Equity Shareholders in the records maintained by the Registrar or our Company: by email to priya@cameoindia.com
- b) Updation of demat account details by resident Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/sepc>

Renounees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated December 24, 2022 has authorised this Issue under Section 62(1) (c) of the Companies Act, 2013.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date.

Our Company has received in-principle approval from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated [●] and [●], respectively.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchanges, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement (“REs”) (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (<https://rights.cameoindia.com/sepc>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.shriramepc.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the email addresses as well as to the physical addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Letter of Offer will be provided, through email or registered post/ speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchanges' websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ [●] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **Application Forms with zero entitlement will be non-negotiable/non-renounceable.**

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated Stock Exchanges, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE964H01014 on BSE (Scrip Code: 532945) and NSE (Symbol: SEPC). Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE subject to necessary approvals. Our Company has received in-principle approval from BSE and NSE through letter no. [●] dated [●] and [●] dated [●]. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchanges.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE and NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

For details of trading and listing of Rights Equity Shares, please refer to the heading “*Terms of Payment*” at page 207 of this Draft Letter of Offer.

Subscription to the Issue by our Promoter

For details of the intent and extent of the subscription by our Promoter, see “*Capital Structure – Intention and extent of participation by our Promoter in the Issue*” on page 56.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;

- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

Notices

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circular, our Company will send, through email or by registered post/ speed post, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, through email or by registered post/speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and

sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Tamil language daily newspaper with wide circulation at Tamil Nadu, where our Registered and Corporate Office is situated.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 217.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email and speed post at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.shriramepc.com;
- b) the Registrar to the Issue at <https://rights.cameoindia.com/sepc>;
- c) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website

of the Registrar (i.e., <https://rights.cameoindia.com/sepc>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.shriramepc.com). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date i.e. [●], [●], after which they can apply through ASBA facility.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “*Grounds for Technical Rejection*” on page 222. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 214.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://rights.cameoindia.com/sepc> and link of the same would also be available on the website of our Company at (www.shriramepc.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode.

Such resident Eligible Equity Shareholders must check the procedure for Application in “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 217.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 212.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchanges and in the manner prescribed under the section titled “*Terms of the Issue*” on page 203. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “*Basis of Allotment*” on page 225.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renounee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered and Corporate Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue, Manager to the Issuer or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently, may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Bengaluru and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see “*Modes of Payment*” on page 216.

The envelope should be super scribed “*SEPC Limited – Rights Issue*” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being SEPC Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;

- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

*“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“**US Securities Act**”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“**United States**”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“**Regulation S**”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at . Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or

before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under “*Terms of the Issue - Basis of Allotment*” on page 225.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchanges, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things,

subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at priya@cameoindia.com.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail

address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. Alternatively the same can be uploaded in the website of the Registrar *i.e.*, <https://rights.cameoindia.com/sepc>;

2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in “*Application on Plain Paper under ASBA process*” beginning on page 214.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE “ALLOTMENT ADVICES/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 225.

General instructions for Investors

- (a) Please read this Draft Letter of Offer, Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (e) Application should be made only through the ASBA facility.
- (f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.

- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 214.
- (h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (l) Application forms supported by the amount blocked from a third party bank account
- (m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders

holding Equity Shares in physical form.

- (s) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (v) In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (b) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- (c) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

- (g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (h) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (i) Do not submit multiple Applications.
- (j) No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- (k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat

account.

- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository.

Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see “*Investment by Mutual Funds*” below on page 230.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoter as described in *Capital Structure – Intention and extent of participation by our Promoter in the Issue*” on page 56).

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor may withdraw their Application post the Issue Closing Date.

Issue schedule

Issue Opening Date	[●]
Last date for receiving requests for Application Form and Rights Entitlement Letter	[●]
Issue Closing Date	[●]
Finalising the basis of allotment with the Designated Stock Exchange	[●]
Date of Allotment (on or about)	[●]
Initiation of refunds	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- (b) As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, therefore those Equity Shareholders holding less than [●] ([●]) Equity Shares would be entitled to 'Zero' Rights Equity Shares under this Issue, Application Form with 'Zero' entitlement will be sent to such shareholders. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the allotment of 1 (One) Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for. Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.
- (c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
- (e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- (f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- (a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- (b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- (c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/ /Unblocking of ASBA accounts

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 1 day from the finalisation of Basis of allotment T+1, T being the date of approval of basis of allotment. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 1 day’ period.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House (“NACH”) except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement (“RTGS”).

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post or email intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.

The letter of allotment or refund order would be sent by registered post, email or speed post to the sole/ first Investor’s address or the email address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked ‘Account Payee only’ and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the event, our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund the entire proceeds of the Issue within four days of receipt of intimation from the Stock Exchanges rejecting the application for listing of Equity Shares, and if any such money is not repaid within four days after our Company becomes liable to repay we shall, on and from the expiry of the fourth day, be liable to repay that money with interest at the rate of fifteen per cent. per annum.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. Unblocking amounts blocked using ASBA facility;

2. National Automated Clearing House (“NACH”) – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

3. National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.

5. RTGS – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.

6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor’s bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 217.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted

basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised Stock Exchanges in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“**SEBI VCF Regulations**”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“**SEBI FVCI Regulations**”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised Stock Exchanges in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements each dated October 12, 2007 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE964H01014.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock

Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoter has undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not

proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “*Risk Factors*” on page 21.

All enquiries in connection with this Draft Letter of Offer, the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “*SEPC Limited – Rights Issue*” on the envelope to the Registrar at the following address:

Cameo Corporate Services Limited

Subramanian Building, No. 01,
Club House Road, Chennai- 600 002,
Tamil Nadu, India.

Telephone: +91 44 4002 0700

Facsimile: N.A.

E-mail: priya@cameoindia.com

Website: www.cameoindia.com / <https://rights.cameoindia.com/sepc>

Investor Grievance e-mail: investor@cameoindia.com

Contact Person: K. Sreepriya

The Issue will remain open for a minimum period of 7 (seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue shall be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor as on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.shriramepc.com from the date of this Draft Letter of Offer until the Issue Closing Date.

1. MATERIAL CONTRACTS FOR THE ISSUE

- Registrar Agreement dated February 1, 2023 entered into amongst our Company and the Registrar to the Issue.
- Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Banker to the Issue.

2. MATERIAL DOCUMENTS

- Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- Annual Reports of the Company for the past three years.
- Certificate of incorporation dated June 12, 2000 and certificate of commencement of business dated June 30, 2000.
- Fresh certificate of incorporation dated February 12, 2021 issued by Ministry of Corporate Affairs, pursuant to change of name of our Company to '*SEPC Limited*'.
- Prospectus dated February 8, 2008 filed with SEBI, Stock Exchange, RoC and other regulatory authorities during the initial public offering of our Company.
- Resolution of the Board of Directors dated December 27, 2022 in relation to the Issue authorization.
- Resolution of the Board of Directors dated February 7, 2023 approving and adopting this Draft Letter of Offer.
- Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.
- Resolution of our Board dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
- Consents of our Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Banker to the Issue*, Legal Advisor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer.

**To be obtained prior to filing of the Letter of Offer*

- The examination reports dated February 2, 2023 on our Company's Restated Financial Statements for the Fiscals 2022, 2021 and 2020.
- The limited reviewed report dated November 14, 2022 on the unaudited consolidated financial results for the six months periods ended September 30, 2022.
- Statement of Special Tax Benefits dated February 7, 2023 available to our Company and its shareholders under the applicable laws in India issued by our Statutory Auditor.

- Tripartite Agreement dated October 12, 2007 between our Company, NSDL and the Registrar to the Issue.
- Tripartite Agreement dated October 12, 2007 between our Company, CSDL and the Registrar to the Issue.
- In principle listing approval dated [●] and [●] issued by BSE and NSE, respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the , shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Abdulla Mohammad Ibrahim Hassan Abdulla
(Chairman and Non-Executive Director)

Sd/-

Nemmara Krishnan Suryanarayanan
(Managing Director and Chief Executive Officer)

Sd/-

Dr. Ravichandran Rajagopalan
(Independent Director)

Sd/-

Dr. Arun Kumar Gopalaswamy
(Independent Director)

Sd/

Rajesh Kumar Bansal
(Independent (Additional) Director)

Sd/

Sundaram Gayathri
(Independent (Additional) Director)

SIGNED BY OUR CHIEF FINANCIAL OFFICER

Sd/-

Chandrasekharan Sivaprakasam Ramalingam

Place: Chennai, Tamil Nadu

Date: February 7, 2023