

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

**BSE Limited**  
14<sup>th</sup> Floor, PJ. Towers,  
Dalal Street,  
Mumbai-400 001  
Scrip Code: 532945

10<sup>th</sup> August, 2023

Dear Sir / Madam,

**Sub: Outcome of the Board Meeting under Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Further to our intimation dated August 01, 2023 and in terms of Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we wish to inform that the Board of Directors of the Company, at its meeting held today, i.e., August 10, 2023 considered and approved the following:

**1. Un-Audited financial results for the quarter ended June 30, 2023.**

Approved the Un-Audited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2023, as recommended by the Audit Committee; and

Pursuant to Regulation 33 and other applicable provisions of the SEBI Listing Regulations, we enclose the following:

- i. Un-Audited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2023; and
- ii. Limited Review Reports issued by the Statutory Auditors of the Company on the aforesaid Un-Audited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2023.



**SEPC Limited**

(Formerly Shriram EPC Ltd)

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

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

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

CIN: L74210TN2000PLC045167



Pursuant to Regulation 47 of the SEBI Listing Regulations, we would be publishing an extract of the Consolidated Financial Results in the prescribed format in English and Tamil Newspapers within the stipulated time. The detailed standalone financial results and consolidated financial results of the Company would be available on the website of the Company <http://www.sepc.in/> as well as on the websites of Stock Exchanges.

Kindly take the above on record.

The Meeting commenced at 12:00 Noon and concluded at 03:00 P.M.

Thanking you,  
Yours faithfully,  
For **SEPC Limited**



**T. Sriraman**  
**Company Secretary & Compliance officer**  
Encl.:a.a.



**SEPC Limited**  
 Regd Office : 4th Floor, Boscon Futura SV,  
 Door No.10/1, Venkatanarayana Road, T Nagar, Chennai -600017  
 CIN:L74210TN2000PLC045167  
 Website: www.shriramepc.com

Extract of Consolidated Unaudited Financial Results for the Quarter Ended 30 June 2023

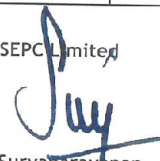
		Rs lakhs			
	Particulars	Quarter Ended			Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		Unaudited	Audited (Refer Note No 13)	Unaudited	Audited
1	Total Income from Operations (Net)	14,585.53	15,012.47	6,855.45	39,887.81
2	Profit/ (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	493.09	1,007.42	(3,084.70)	(11,283.56)
3	Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	493.09	(2,014.53)	(3,084.70)	(490.38)
4	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	517.73	(2,085.34)	(3,093.78)	(558.55)
5	Equity Share Capital ( Face value of Rs 10/- each)	1,37,142.90	1,32,152.90	1,22,452.90	1,32,152.90
6	Earnings Per Share (of Rs. 10/- each)				
	(a) Basic	0.04	(0.16)	(0.31)	(0.04)
	(b) Diluted	0.04	(0.16)	(0.31)	(0.04)

**Note:**

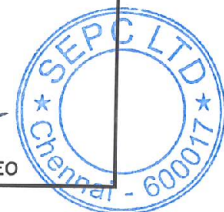
- The above unaudited consolidated financial results for the quarter ended June 30, 2023 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on August 10, 2023.
- The above is an extract of the detailed results for the quarter ended June 30, 2023 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed results for the quarter ended June 30, 2023 are available on the Stock Exchanges Website [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the website of the Company [www.shriramepc.com](http://www.shriramepc.com).
- The Unaudited Standalone Results for the Quarter ended June 30, 2023 are hereunder :

		Rs lakhs			
		Quarter Ended			Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Total Income from Operations	14,585.53	15,033.55	6,096.29	39,093.96
	Profit/ (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	518.45	1,085.40	(3,772.77)	(11,925.42)
	Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	518.45	(1,936.55)	(3,772.77)	(1,132.24)
	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	543.09	(2,007.36)	(3,781.85)	(1,200.41)

For SEPC Limited



N K Suryanarayanan  
 Managing Director & CEO



Place : Chennai  
 Date : 10th August 2023

**SEPC Limited**

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**Independent Auditor's Review Report on unaudited standalone financial results for the quarter ended June 30, 2023 of SEPC 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**

1. We have reviewed the accompanying statement of unaudited standalone financial results of SEPC Limited ('the Company') for the quarter ended June 30, 2023 ('the Statement') attached herewith, being submitted by the 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 Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. **Basis for Qualified Conclusion:**  
Our audit report on the financial statements for the year ended March 31, 2023 was qualified in respect of the matters stated below:
  - a) The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 33,289.92 Lakhs (June 30, 2022: Rs. 39,610.00 Lakhs) which was recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment that sufficient taxable profits will be available in the future against which such unabsorbed business losses can be utilised as required by Ind AS 12 on Income taxes, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 06 of the Statement).
  - b) Contract Assets (Non-Current) include Rs. 7,351.90 Lakhs (Net of provisions amounting to Rs.926.98 Lakhs) (June 30, 2022: Rs.3,956.02 Lakhs) and Trade Receivables (Non-Current) include Rs. 575.21 Lakhs (Net of provisions amounting to Rs. 82.99 Lakhs) relating to dues on projects which are not progressing on account of statutory delays faced by the customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, we do not have sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the said amounts. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and Trade Receivables (Non-Current) and the impact if any, on account of non-provisioning of the said balances, on the Statement. (Refer Note 03 of the Statement)

These qualifications have not been addressed by the Management of the Company in the Statement for the quarter ended June 30, 2023.



# MSKA & Associates

Chartered Accountants

5. Based on our review conducted as stated in paragraph 3 above, with the exception of the matter described in the paragraph 4 above and the effects thereon, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Geetha Jeyakumar

Partner

Membership No.: 029409

UDIN: 23029409BGTMXZ7444



Place: Chennai

Date: August 10, 2023



**SEPC Limited**  
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**SEPC**  
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Statement of Standalone Unaudited Financial Results for the Quarter Ended June 30, 2023.

Rs Lakhs

S No	Particulars	Quarter Ended			Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		Unaudited	Audited ( Refer Note No 13)	Unaudited	Audited
1	<b>Income</b>				
	(a) Revenue from operations	14,327.71	14,222.67	5,924.17	37,884.66
	(b) Other Income	257.82	810.88	172.12	1,209.30
	<b>Total Income from operations</b>	<b>14,585.53</b>	<b>15,033.55</b>	<b>6,096.29</b>	<b>39,093.96</b>
2	<b>Expenses</b>				
	(a) Cost of Materials, Erection, Construction & Operation Expenses	11,645.85	12,192.14	5,253.71	31,852.15
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(115.73)	-	-	-
	(c) Employee benefits expense	790.97	675.93	858.97	3,335.46
	(d) Finance Costs	908.20	933.50	2,722.33	6,038.86
	(e) Depreciation and amortisation expense	133.82	138.73	137.34	614.62
	(f) Other expenses (Refer Note No 8)	703.97	7.85	896.71	9,178.29
	<b>Total expenses</b>	<b>14,067.08</b>	<b>13,948.15</b>	<b>9,869.06</b>	<b>51,019.38</b>
3	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>518.45</b>	<b>1,085.40</b>	<b>(3,772.77)</b>	<b>(11,925.42)</b>
4	Exceptional Items-(income)/expense (Refer Note No 7)	-	-	-	(13,815.13)
5	<b>Profit/(Loss) before tax (3 - 4)</b>	<b>518.45</b>	<b>1,085.40</b>	<b>(3,772.77)</b>	<b>1,889.71</b>
6	<b>Tax Expense</b>				
	Current Tax	-	-	-	-
	Deferred Tax charge / (benefit)	-	3,021.95	-	3,021.95
	<b>Total</b>	<b>-</b>	<b>3,021.95</b>	<b>-</b>	<b>3,021.95</b>
7	<b>Profit/(Loss) for the period / year (5 - 6)</b>	<b>518.45</b>	<b>(1,936.55)</b>	<b>(3,772.77)</b>	<b>(1,132.24)</b>
8	<b>Other comprehensive income / (loss) (OCI)</b>				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
	Re-measurement gains/ (loss) on defined benefit plans (Net of Taxes)	16.53	(64.44)	3.28	(56.38)
	Fair Value of Equity Instruments through OCI (Net of Taxes)	8.11	(6.37)	(12.36)	(11.79)
	<b>Total Other comprehensive income / (Loss)</b>	<b>24.64</b>	<b>(70.81)</b>	<b>(9.08)</b>	<b>(68.17)</b>
9	<b>Total comprehensive Profit/ (Loss) for the period / year (7+8)</b>	<b>543.09</b>	<b>(2,007.36)</b>	<b>(3,781.85)</b>	<b>(1,200.41)</b>
10	Paid-up equity share capital (Face value ₹ 10 each)	1,37,142.90	1,32,152.90	1,22,452.90	1,32,152.90
11	Other Equity	-	-	-	(23,748.69)
12	Earnings per share (of Rs 10/- each) (not annualised for the period):				
	(a) Basic	0.04	(0.16)	(0.38)	(0.09)
	(b) Diluted	0.04	(0.16)	(0.38)	(0.09)
	See accompanying notes to the financial results				



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S. No	Notes:
1	The above unaudited standalone financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 10, 2023 and has been subjected to review by the Statutory Auditors of the Company. These unaudited standalone 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	Pursuant to the approval of the Board of Directors of the Company at its Meeting held on December 27, 2022, the Company completed the process of rights issue by allotting 4,99,00,000 Rights Equity Shares to the eligible Shareholders at its Meeting held on May 02, 2023.
3	Contract asset(Non- Current) includes Rs 7,351.90 lakhs(net of provisions amounting to Rs 926.98 lakhs)(June 30, 2022, Rs 3,956.02 lakhs) and Trade receivable ( Non -Current) includes an amount of Rs 575.21 lakhs(net of Provisions amounting to Rs 82.99 lakhs) from projects which are stalled due to delays in statutory approvals faced by the customer. Considering the ongoing negotiations with the customers', management is confident of recovering the dues in full. The auditors have qualified this matter in their report for the quarter ended June 30, 2023.
4	The Company (SEPC) and Twarit Consultancy Services Private Limited (TCPL) were the Respondents in respect of an International Arbitration before The Singapore International Arbitration Centre (SIAC) filed by GPE (INDIA) Ltd, GPE JV1 Ltd, Gaja Trustee Company Private Ltd (the Claimants) in connection with the investments made by the claimants in an associate company of the Company. SIAC vide its award dated January 07, 2021 awarded damages jointly and severally on the Respondents to the tune of Rs.19,854.10 lakhs and a sum of SGD 372,754.79 towards Arbitration expenses. These are to be paid along with simple interest @ 7.25% pa from July 21, 2017 until the date of payment. The Respondents preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is held in favour of the claimants. Recognition and Enforcement petition was filed by the claimants before Madras High Court which recognised the foreign award subject to obtaining of prior approval from the RBI. Aggrieved by this the claimants have moved the Supreme Court for certain directions which is pending. However, the Company has entered into an Inter-se arrangement dated September 29, 2015 with TCPL and Shri Housing Pvt Ltd by which, Company will be fully indemnified, in case of any liability arising out of any Suits, Proceedings, Disputes, Damages payable by the Company on any defaults arising out of the above.
5	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.
6	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. The Company has recognised Deferred Tax Asset (DTA) of Rs. 33,289.92 lakhs (June 30, 2022 - Rs. 39,610 Lakhs) in earlier years. 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 June 30, 2023.
7	<b>Exceptional items:</b> (i) Year ended March 31, 2023 includes gain of Rs. 19,634.82 Lakhs resulting from implementation of Resolution Plan with the lenders, on account of reduction in interest cost with effect from October 01, 2020 till June, 30, 2022, the difference between the carrying amounts of the facilities before restructuring as at September 30, 2022 and the fair values of the new facilities recognised as Income in accordance with INDAS 109 - Financial Instruments. (ii) During the year ended March 31, 2023, contract assets amounting to Rs 5,819.69 lakhs was written off, in respect of projects stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project and on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the year in respect of projects with the customers.
8	Other expenses for quarter ended March 31, 2023 is net of provision for unbilled revenue written off during the last quarter, which is regrouped to Cost of Materials, Erection, Construction & Operation Expenses amounting to Rs. 1,144 lakhs.
9	The Company has made net profit during the quarter ended June 30, 2023 amounting to Rs 518.45 Lakhs and as of that date has accumulated losses aggregating Rs. 2,15,130.81 Lakhs. Considering the positive developments of implementing the resolution plan, infusion of equity by the investor, completion of Rights issue and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations in future out of the cash flows from execution of the pipeline of orders in hand, business plans, sanctioned non-fund based facilities etc, these financial results are prepared on a going concern basis.
10	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.
11	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.
12	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.
13	The figures of the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the financial year up to March 31, 2023 and the unaudited published year-to-date figures up to December 31, 2022 being the date of the end of third quarter of the financial year which were subjected to limited review.
14	Previous year/period figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.

Place: Chennai  
Date : August 10, 2023



For SEPC Limited

N K Suryanarayanan  
Managing Director & CEO



## SEPC Limited

(Formerly Shriram EPC Ltd)

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**Independent Auditor's Review Report on Unaudited Consolidated financial results for the quarter ended June 30, 2023 of SEPC 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

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

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

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

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

5. Basis for Qualified Conclusion:

Our audit report on the consolidated financial statements for the year ended March 31, 2023 was qualified in respect of the matters stated below:

- a) The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 33,289.92 Lakhs (June 30, 2022: Rs. 39,610.00 Lakhs) which was recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment that sufficient taxable profits will be available in the future against which such unabsorbed business losses can be utilised as required by Ind AS 12 on Income taxes, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 06 of the Statement).
- b) Contract Assets (Non-Current) include Rs. 7,351.90 Lakhs (Net of provisions amounting to Rs. 926.98 Lakhs) (June 30, 2022: Rs. 3,956.02 Lakhs) and Trade Receivables (Non-Current) include Rs. 575.21 Lakhs (Net of provisions amounting to Rs. 82.99 Lakhs) relating to dues on projects which are not progressing on account of statutory delays faced by the customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, we do not have sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the said amounts. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and Trade Receivables (Non-Current) and the impact if any, on account of non-provisioning of the said balances on the Statement. (Refer Note 03 of the Statement)





# MSKA & Associates

Chartered Accountants

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

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the and other auditor referred to in paragraph 7 below, with the exception of the matter described in the paragraph 5 and the effect thereon, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the interim financial results of subsidiary Company (including step down subsidiary) included in the Statement, whose interim financial results reflect total revenues of Rs. Nil , total net loss after tax of Rs. 25.37 Lakhs and total comprehensive loss of Rs.25.37 Lakhs, for the quarter ended June 30, 2023, as considered in the Statement. These interim financial results have been reviewed by other auditor 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 this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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

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



Geetha Jeyakumar  
Partner  
Membership No.: 029409  
UDIN: 23029409BGTMYA1767



Place: Chennai  
Date: August 10, 2023

## SEPC Limited

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Engineering the Future

## Statement of Consolidated Unaudited Financial Results for the Quarter Ended June 30, 2023

Rs Lakhs

S No	Particulars	Quarter Ended			Year Ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		Unaudited	Audited (Refer Note No 13)	Unaudited	Audited
1	<b>Income</b>				
	(a) Revenue from operations	14,327.71	14,222.67	5,924.17	37,884.66
	(b) Other Income	257.82	789.80	931.28	2,003.15
	<b>Total Income from operations</b>	<b>14,585.53</b>	<b>15,012.47</b>	<b>6,855.45</b>	<b>39,887.81</b>
2	<b>Expenses</b>				
	(a) Cost of Materials, Erection, Construction & Operation Expenses	11,645.85	12,192.15	5,303.51	31,905.03
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(115.73)	-	-	-
	(c) Employee benefits expense	790.97	675.93	863.39	3,340.15
	(d) Finance Costs	908.42	933.76	2,722.55	6,039.75
	(e) Depreciation and amortisation expense	133.82	138.73	137.39	614.73
	(f) Other expenses (Refer Note No 8)	729.11	64.48	913.31	9,271.71
	<b>Total expenses</b>	<b>14,092.44</b>	<b>14,005.05</b>	<b>9,940.15</b>	<b>51,171.37</b>
3	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>493.09</b>	<b>1,007.42</b>	<b>(3,084.70)</b>	<b>(11,283.56)</b>
4	Exceptional Items-(income)/expense (Refer Note No 7)	-	-	-	(13,815.13)
5	<b>Profit/(Loss) before tax (3 - 4)</b>	<b>493.09</b>	<b>1,007.42</b>	<b>(3,084.70)</b>	<b>2,531.57</b>
6	<b>Tax Expense</b>				
	Current Tax	-	-	-	-
	Deferred Tax charge / (benefit)	-	3,021.95	-	3,021.95
	<b>Total</b>	<b>-</b>	<b>3,021.95</b>	<b>-</b>	<b>3,021.95</b>
7	<b>Profit/(Loss) for the period / year (5 - 6)</b>	<b>493.09</b>	<b>(2,014.53)</b>	<b>(3,084.70)</b>	<b>(490.38)</b>
8	<b>Other comprehensive income / (loss) (OCI)</b>				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
	Re-measurement gains/ (loss) on defined benefit plans (Net of Taxes)	16.53	(64.44)	3.28	(56.38)
	Fair Value of Equity Instruments through OCI (Net of Taxes)	8.11	(6.37)	(12.36)	(11.79)
	<b>Total Other comprehensive income / (Loss)</b>	<b>24.64</b>	<b>(70.81)</b>	<b>(9.08)</b>	<b>(68.17)</b>
9	<b>Total comprehensive Profit/ (Loss) for the period / year (7+8)</b>	<b>517.73</b>	<b>(2,085.34)</b>	<b>(3,093.78)</b>	<b>(558.55)</b>
10	Paid-up equity share capital (Face value ₹ 10 each)	1,37,142.90	1,32,152.90	1,22,452.90	1,32,152.90
11	Other Equity	-	-	-	(23,503.32)
12	Earnings per share (of Rs 10/- each) (not annualised for the period):				
	(a) Basic	0.04	(0.16)	(0.31)	(0.04)
	(b) Diluted	0.04	(0.16)	(0.31)	(0.04)
	See accompanying notes to the financial results				



## SEPC Limited

(Formerly Shriram EPC Ltd)

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CIN: L74210TN2000PLC045167



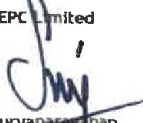


Engineering the Future

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 August 10, 2023 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	Pursuant to the approval of the Board of Directors of the Company at its Meeting held on December 27, 2022, the Company completed the process of rights Issue by allotting 4,99,00,000 Rights Equity Shares to the eligible Shareholders at its Meeting held on May 02, 2023.
3	Contract asset(Non- Current) includes Rs 7,351.90 lakhs(net of provisions amounting to Rs 926.98 lakhs)(June 30, 2022, Rs 3,956.02 lakhs) and Trade receivable ( Non -Current) includes an amount of Rs 575.21 lakhs(net of Provisions amounting to Rs 82.99 lakhs) from projects which are stalled due to delays in statutory approvals faced by the customer. Considering the ongoing negotiations with the customers', management is confident of recovering the dues in full. The auditors have qualified this matter in their report for the quarter ended June 30, 2023.
4	The Company (SEPC) and Twarit Consultancy Services Private Limited (TCPL) were the Respondents in respect of an International Arbitration before The Singapore International Arbitration Centre (SIAC) filed by GPE (INDIA) Ltd, GPE JV1Ltd, Gaja Trustee Company Private Ltd (the Claimants) in connection with the investments made by the claimants in an associate company of the Company. SIAC vide its award dated January 07, 2021 awarded damages jointly and severally on the Respondents to the tune of Rs.19,854.10 lakhs and a sum of SGD 372,754.79 towards Arbitration expenses. These are to be paid along with simple interest @ 7.25% pa from July 21, 2017 until the date of payment. The Respondents preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is held in favour of the claimants. Recognition and Enforcement petition was filed by the claimants before Madras High Court which recognised the foreign award subject to obtaining of prior approval from the RBI. Aggrieved by this the claimants have moved the Supreme Court for certain directions which is pending. However, the Company has entered into an Inter-se arrangement dated September 29, 2015 with TCPL and Shri Housing Pvt Ltd by which, Company will be fully indemnified, in case of any liability arising out of any Suits, Proceedings, Disputes, Damages payable by the Company on any defaults arising out of the above.
5	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.
6	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.The Company has recognised Deferred Tax Asset (DTA) of Rs. 33,289.92 lakhs (June 30, 2022 - Rs. 39,610 Lakhs) in earlier years. 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 June 30, 2023.
7	<b>Exceptional items:</b> (i) Year ended March 31, 2023 includes gain of Rs. 19,634.82 Lakhs resulting from implementation of Resolution Plan with the lenders , on account of reduction in interest cost with effect from October 01, 2020 till June, 30, 2022, the difference between the carrying amounts of the facilities before restructuring as at September 30, 2022 and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments. (ii) During the year ended March 31, 2023,contract assets amounting to Rs 5,819.69 lakhs was written off, in respect of projects stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project and on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the year in respect of projects with the customers.
8	Other expenses for quarter ended March 31, 2023 is net of provision for unbilled revenue written off during the last quarter, which is regrouped to Cost of Materials, Erection, Construction & Operation Expenses amounting to Rs.1,144 lakhs.
9	The Company has made net profit during the quarter ended June 30, 2023 amounting to Rs 493.08 Lakhs and as of that date has accumulated losses aggregating Rs. 2,15,102.79 Lakhs.Considering the positive developments of implementing the resolution plan, infusion of equity by the investor, completion of Rights issue and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations in future out of the cash flows from execution of the pipeline of orders in hand, business plans,sanctioned non-fund based facilities etc,these financial results are prepared on a going concern basis.
10	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.
11	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.
12	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.
13	The figures of the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the financial year up to March 31, 2023 and the unaudited published year-to-date figures up to December 31, 2022 being the date of the end of third quarter of the financial year which were subjected to limited review.
14	Previous year/period figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.

Place: Chennai  
Date : August 10, 2023



For SEPC Limited  
  
N K Suryanarayana  
Managing Director & CEO



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(Formerly Shriram EPC Ltd)  
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