

**Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

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

**Report on the Audit of Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying standalone annual financial results of SEPC Limited (Formerly known as Shriram EPC Limited) (hereinafter referred to as 'the Company') for the quarter and year ended March 31, 2022 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Statement:

(i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(ii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2022.

**Basis for Qualified Opinion:**

a) Our audit report on the Statement for the year ended March 31, 2022 is qualified in respect of the matters stated below:

- 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 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 06 of the Audited Standalone financial results). Our audit report on the standalone financial results for the year ended March 31, 2021 and limited review report on the standalone financial results for the quarter ended December 31, 2021 were also qualified in respect of this matter.
- 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 amounts are 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 results. (Refer Note 03 of the Audited standalone financial results)



We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 07 in the standalone financial results, 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 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 Note 07, considering the restructuring of borrowings, infusion of additional equity subsequent to the year-end by the investor and the Management's 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, and realization of trade receivables, the standalone financial results have been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

**Emphasis of Matter**

We draw attention to Note 8 (a) to the standalone financial results 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 Rs. 6,361.26 Lakhs (March 31, 2021: Rs. 1,149.11 Lakhs) on trade receivables, retention money and contract assets to reflect the business impact arising from the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

**Board of Directors' Responsibilities for the Standalone Financial Results**

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.



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

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

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

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

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

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

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



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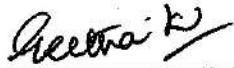
Chartered Accountants

## Other Matters

The Statement include the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

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

**For MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No.105047W



Geetha Jeyakumar  
Partner  
Membership No. 029409  
UDIN: 22029409ALPCMN4032



Place: Chennai  
Date: June 24, 2022

SEPC Limited (Formerly known as Shriram EPC Limited)

Regd Office : Boscon Futura SV- 4th Floor

10/1, Venkatnarayana Road, T Nagar, Chennai - 600017

CIN: L74210TN2000PLC045167

Website: www.shriramepc.com



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Statement of Standalone Audited Financial Results for the Quarter and Year Ended March 31, 2022.

Rs lakhs

S No	Particulars	Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	(a) Revenue from operations	9,239.08	6,412.96	16,416.64	30,278.64	53,193.33
	(b) Other Income	320.01	160.80	504.10	895.41	2,130.68
	<b>Total Income</b>	<b>9,559.09</b>	<b>6,573.76</b>	<b>16,920.74</b>	<b>31,174.05</b>	<b>55,324.01</b>
2	Expenses					
	(a) Cost of Materials, Erection, Construction & Operation Expenses	4,830.03	6,680.50	16,748.67	24,886.53	51,463.44
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	76.66	248.20	76.66
	(c) Employee benefits expense	1,058.21	966.04	1,002.43	3,682.28	3,576.44
	(d) Finance Costs	2,997.65	2,980.82	2,535.87	11,568.38	10,655.75
	(e) Depreciation and amortisation expense	160.24	130.90	130.99	554.82	544.86
	(f) Other expenses	2,684.01	605.11	1,385.35	4,495.60	6,146.28
	<b>Total expenses</b>	<b>11,730.14</b>	<b>11,363.37</b>	<b>21,879.97</b>	<b>45,435.81</b>	<b>72,463.43</b>
3	Loss before exceptional items and tax (1-2)	(2,171.05)	(4,789.61)	(4,959.23)	(14,261.76)	(17,139.42)
4	Exceptional Items (Refer Note No 8(b))	6,361.26	-	1,149.11	6,361.26	1,149.11
5	Loss before tax (3 - 4)	(8,532.31)	(4,789.61)	(6,108.34)	(20,623.02)	(18,288.53)
6	Tax Expense / (Benefit)	4,278.00	-	-	4,278.00	-
7	Loss for the period / year (5 - 6)	(12,810.31)	(4,789.61)	(6,108.34)	(24,901.02)	(18,288.53)
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)	13.90	6.28	17.10	15.61	17.10
	Fair Value of Equity Instruments through OCI (Net of Taxes)	35.15	62.96	2.51	39.01	2.51
	<b>Total Other comprehensive income</b>	<b>49.05</b>	<b>69.24</b>	<b>19.61</b>	<b>54.62</b>	<b>19.61</b>
9	<b>Total comprehensive Loss for the period / year (7+8)</b>	<b>(12,761.26)</b>	<b>(4,720.37)</b>	<b>(6,088.73)</b>	<b>(24,846.40)</b>	<b>(18,268.92)</b>
10	Paid-up equity share capital (Face value ₹ 10 each)	97,152.90	97,152.90	97,152.90	97,152.90	97,152.90
11	Other Equity	-	-	-	(22,548.26)	2,298.12
12	Earnings per share (of Rs 10/- each) (not annualised for the period):					
	(a) Basic	(1.31)	(0.49)	(0.63)	(2.56)	(1.88)
	(b) Diluted	(1.31)	(0.49)	(0.63)	(2.56)	(1.88)

See accompanying notes to the financial results

SEPC Limited

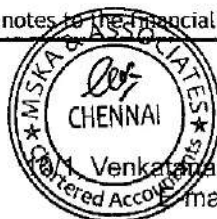
(Formerly Shriram EPC Ltd)

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CIN: L74210TN2000PLC045167







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SEPC Limited (Formerly known as Shriram EPC Limited)  
Standalone Statement of Assets and Liabilities as at March 31, 2022  
(Amount in ₹ lakhs, unless otherwise stated)

	As at 31-03-2022	As at 31-03-2021
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	3,841.93	4,368.08
Right to Use Assets	233.09	-
Intangible assets	32.00	36.04
Contract Assets	3,956.02	3,956.02
Financial assets		
Investments	76.98	104.10
Loans	8,131.35	10,913.30
Trade Receivables	18,768.50	21,015.14
Other Financial Assets	1,081.79	1,173.27
Deferred tax asset (net)	43,345.50	47,623.70
Income tax assets (net)	1,412.38	3,327.56
<b>Total Non-Current Assets</b>	<b>80,879.54</b>	<b>92,517.20</b>
Current assets		
Inventories	-	248.20
Contract Assets	79,708.74	82,683.42
Financial assets		
Trade receivables	28,057.27	32,820.14
Cash and cash equivalents	548.27	625.68
Other bank balances	2,387.49	2,866.88
Other financial assets	889.02	844.27
Other current assets	11,698.56	13,945.41
Assets classified as held for sale	596.06	596.06
<b>Total Current Assets</b>	<b>1,23,885.41</b>	<b>1,34,630.07</b>
<b>Total Assets</b>	<b>2,04,764.95</b>	<b>2,27,147.27</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Equity share capital	97,152.90	97,152.90
Other equity	(22,548.26)	2,298.12
<b>Total Equity</b>	<b>74,604.64</b>	<b>99,451.02</b>
Liabilities		
Non-Current Liabilities		
Financial liabilities		
Lease Liabilities	201.93	-
Borrowings	15,364.47	20,072.84
Other financial liabilities	4,465.38	4,363.37
Provisions	540.50	559.51
Other non-current liabilities	2,202.91	4,882.17
<b>Total Non-Current Liabilities</b>	<b>22,775.19</b>	<b>29,877.89</b>
Current liabilities		
Financial liabilities		
Lease Liabilities	36.60	-
Borrowings	82,462.97	63,515.80
Trade payables		
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,873.13	22,611.54
Other financial liabilities	1,885.00	1,663.07
Other current liabilities	688.87	1,541.65
Contract Liabilities	5,934.02	8,076.27
Provisions	504.53	410.03
<b>Total Current Liabilities</b>	<b>1,07,385.12</b>	<b>97,818.36</b>
<b>Total Liabilities</b>	<b>1,30,160.31</b>	<b>1,27,696.25</b>
<b>Total Equity and Liabilities</b>	<b>2,04,764.95</b>	<b>2,27,147.27</b>



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SEPC Limited (Formerly known as Shriram EPC Limited)  
Statement of cash flows for the Year ended March 31, 2022  
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 2021-22	Year ended 2020-21
<b>Cash flow from operating activities</b>		
Loss before tax	(20,623.02)	(18,288.53)
Adjustments for:		
Depreciation and amortization expenses	554.82	544.86
Provision for Gratuity	124.63	122.92
Provision for Compensated Absences	150.81	(52.39)
Provision for doubtful receivables	1,831.49	2,036.42
Bad debts written-off	103.35	-
Finance cost	12,530.97	12,644.95
Interest income	(856.49)	(1,643.29)
Liabilities written back	(38.92)	(476.04)
Gain on sale of fixed assets	-	(1.36)
Impairment loss allowance on contract assets and receivables	6,361.26	1,149.11
<b>Operating Profit / (Loss) before working capital changes</b>	<b>138.90</b>	<b>(3,963.35)</b>
<b>Changes in working capital</b>		
Decrease in trade payables	(6,699.50)	(6,537.42)
Decrease in inventories	248.20	76.66
Decrease in trade receivables	5,074.86	7,103.68
Decrease in loans and advances	2,781.95	1,387.74
Decrease in other liabilities	(852.78)	(3,100.57)
Decrease in contract liabilities	(4,821.53)	-
Decrease in Short Term provisions	(56.31)	(97.43)
Decrease in Long Term provisions	(143.65)	(201.36)
Increase in other financial liabilities	323.93	818.12
Decrease in other financial assets	46.73	2,123.85
(Increase) / Decrease in other current assets	2,246.86	(1,990.06)
Increase / (Decrease) in Contract Assets	(3,386.58)	-
Decrease in assets held for sale	-	107.30
Cash (used in) / from operations	(5,098.92)	(4,272.84)
Income tax paid	(1,915.20)	(410.34)
<b>Net cash (used in) / from operating activities (A)</b>	<b>(7,014.12)</b>	<b>(4,683.18)</b>
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipment and intangible assets	(1.10)	(628.89)
Movement in Bank balances not considered as Cash and cash equivalents (Net)	(479.39)	2,018.52
Proceeds from sale/ disposal of fixed assets	-	606.95
Interest received	578.52	119.66
<b>Net cash flow from investing activities (B)</b>	<b>98.03</b>	<b>2,116.24</b>
<b>Cash flow from Financing activities</b>		
Proceeds from Short term borrowings (net)	6,875.28	13,629.85
Repayment of Long term borrowings	-	(549.86)
Interest and Finance Charges Paid	-	(10,560.95)
Repayment of finance lease obligation	(36.60)	-
<b>Net cash flow from financing activities (C)</b>	<b>6,838.68</b>	<b>2,519.04</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(77.41)</b>	<b>(47.90)</b>
Cash and cash equivalents at the beginning of the year	625.68	673.58
<b>Cash and cash equivalents at the end of the Period</b>	<b>548.27</b>	<b>625.68</b>
<b>Cash and cash equivalents comprise</b>		
Cash and cash equivalents as per Balance Sheet	2,935.76	3,492.56
Less: Bank balances not considered as Cash and cash equivalents as defined in Ind-AS 7 Cash Flow Statements	(2,387.49)	(2,866.88)
	<b>548.27</b>	<b>625.68</b>



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**Notes:**

1. The audited Standalone results for the quarter and year ended March 31, 2022 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 24, 2022 and have been subjected to audit by the Statutory Auditor of the Company. The audited standalone financial results are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013

2. 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 on 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:

200,000,000 (Twenty Crores) fully paid-up equity shares having a face value of ₹. 10/- each for cash at par per equity share aggregating to ₹ 20,000 Lakhs (Rupees Twenty 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 1,75,00,000/- (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 1,75,00,000/- (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 ₹. 11,715,290,250 - (Rupees One thousand one hundred and seventy-one crores fifty-two lakhs ninety thousand two hundred and fifty only) divided into 1,17,15,29,025 (One hundred seventeen crores fifteen lakhs twenty-nine thousand and twenty-five) equity shares of ₹.10/- each.

3. The Company entered into a contract to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL). The project is stalled due to delays in statutory approvals. The total exposure in this project recorded under Unbilled Revenue is ₹ 3,956.02 Lakhs (March 31, 2021 - ₹ 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. The auditors have qualified this matter in their report for the year ended March 31, 2022.

4. 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 JV 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.

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 ₹ 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.

**SEPC Limited**

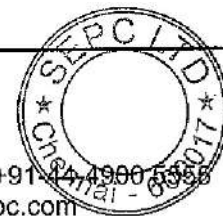
(Formerly Shriram EPC Ltd)

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

CIN: L74210TN2000PLC045167







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6. Against the carried forward loss of ₹. 2,11,013 lakhs, the company has recognised Deferred Tax Asset (DTA) on a carry forward loss of ₹. 1,28,547 lakhs which results in DTA of ₹. 39,645 lakhs ((March 31, 2021 - ₹ 43,889.00 Lakhs). Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the year ended March 31, 2022.

7. The Company has incurred net loss of ₹. 24,901.02 Lakhs during the year ended March 31, 2022 and as of that date has accumulated losses aggregating ₹. 2,14,517.03 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 results are prepared on a going concern basis.

8 (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 other than the provision made as mentioned in Note 8 (b). 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.

8 (b) Exceptional item:

Exceptional item for the quarter and year ended March 31, 2022 represents provisions for trade, other receivables and contract assets amounting to ₹. 6,361.26 lakhs (Previous Year ₹ 1,149.11 lakhs), based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.

9. Revenue includes NIL and ₹ 8,624.16 lakhs for the quarter and Year ended March 31, 2022 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 (₹ 7,342.97 lakhs and ₹ 25,984.00 lakhs for the quarter and year ended March 31, 2021 respectively)

10. Tax expense represents deferred tax asset on unabsorbed business loss written off during the quarter ended March 2022.

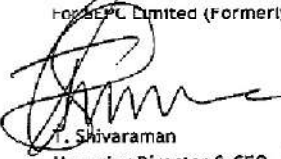
11. The Company is engaged in the sole activity of carrying on the business of "Engineering ,Procurement and Construction " (EPC) and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments". Hence no separate segment reporting is applicable to the Company.

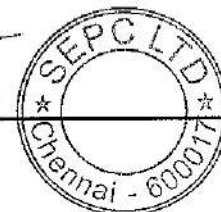
12. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not yet been 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 last quarter ended March 31, 2022 / 2021 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2022 / 2021 and the unaudited published year-to-date figures up to December 2021 / 2020 which were subjected to limited review.

14. Previous period figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.

For SEPC Limited (Formerly known as Shriram EPC Limited)

  
P. Shivaraman  
Managing Director & CEO



Place: Chennai  
Date : June 24, 2022



**SEPC Limited**

(Formerly Shriram EPC Ltd)

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**Independent Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

**To the Board of Directors of SEPC Limited (Formerly known as Shriram EPC Limited) [Holding Company]**

**Report on the Audit of Consolidated Financial Results**

**Qualified Opinion**

We have audited the accompanying consolidated annual financial results of SEPC Limited (Formerly known as Shriram EPC Limited) (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), for the quarter and year ended March 31, 2022, ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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

(i) include the annual financial results of the following entity

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

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(iii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2022.

**Basis for Qualified Opinion**

a) Our audit report on the Statement for the year ended March 31, 2022 is qualified in respect of the matters stated below:

- ii. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 39,645 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 06 of the Audited Consolidated financial results) Our audit report on the Consolidated financial results for the year ended March 31, 2021 and limited review report on the Consolidated financial results for the quarter ended December 31, 2021 were also qualified in respect of this matter.
- iii. 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 amounts are 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 results. (Refer Note 03 of the Audited Consolidated financial results)



We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 07 in the Consolidated financial results, which states that the Company has incurred a net loss Rs. 26,370.37 Lakhs during the year ended March 31, 2022 and as of that date has accumulated losses aggregating Rs. 2,15,105.51 Lakhs which has resulted in substantial erosion of its net worth. Further, the COVID-19 pandemic has also impacted 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 07, considering the restructuring of borrowings, infusion of additional equity subsequent to the year-end by the investor and the Management's 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 and realisation of trade receivables. Accordingly, the Consolidated financials results have been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

**Emphasis of Matter**

We draw attention to Note 8 (a) to the Consolidated financial results 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 Rs. 6,361.26 Lakhs (March 31, 2021: Rs. 1,149.11 Lakhs) on trade receivables, retention monies and contract assets to reflect the business impact arising from the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

**Board of Directors' Responsibilities for the Consolidated Financial Results**

These Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group including its in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

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



The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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





# MSKA & Associates

Chartered Accountants

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

## Other Matters

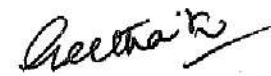
1. The Statement includes the audited Financial Results of one subsidiary Company (including step down subsidiary) whose Financial Results reflect Group's share of total assets of Rs. 15,356.23 Lakhs as at March 31, 2022, Group's share of total revenue of Rs.6.03 Lakhs and Rs.2,885.01 Lakhs and Group's share of total net loss after tax of Rs. 724.73 Lakhs and Rs. 1,469.36 Lakhs for the quarter ended March 31, 2022 and for the period from April 01, 2021 to March 31, 2022 respectively, as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Results of this entity have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

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

2. The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of this matter.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No.105047W

  
Geetha Jeyakumar  
Partner  
Membership No. 029409  
UDIN: 22029409ALPCZV7573



Place: Chennai  
Date: June 24, 2022



Extract of Consolidated audited Financial Results for the Quarter and Year Ended 31 March 2022

Rs lakhs						
	Particulars	Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31-03-2021
		Audited	Un Audited	Audited	Audited	Audited
1	Total Income from Operations (Net)	9,444.29	8,193.92	18,084.40	33,938.24	60,613.31
2	Loss for the period (before Tax, Exceptional and/or Extraordinary items)	(2,895.78)	(6,664.34)	(4,648.13)	(15,731.11)	(16,676.03)
3	Loss for the period after tax (after Exceptional and/or Extraordinary items)	(13,535.04)	(6,664.34)	(5,876.36)	(26,370.37)	(17,947.31)
4	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(13,485.99)	(6,595.10)	(5,856.75)	(26,315.75)	(17,927.70)
5	Equity Share Capital ( Face value of Rs 10/- each)	97,152.90	97,152.90	97,152.90	97,152.90	97,152.90
6	Earnings Per Share (of Rs. 10/- each)					
	(a) Basic	(1.39)	(0.68)	(0.60)	(2.71)	(1.85)
	(b) Diluted	(1.39)	(0.68)	(0.60)	(2.71)	(1.85)

Note:

- The above audited consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on June 24, 2022.
- The above is an extract of the detailed results for the year and quarter ended March 31, 2022 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed results for the year and quarter ended March 31, 2022 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 audited Standalone Results for the Year ended March 31, 2022 are hereunder :

Rs lakhs					
	Quarter Ended			Year Ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31-03-2021
Total Income from Operations	9,559.09	6,573.76	16,920.74	31,174.05	55,324.01
Loss for the period (before Tax, Exceptional and/or Extraordinary items)	(2,171.05)	(4,789.61)	(4,959.23)	(14,261.76)	(17,139.42)
Loss for the period after tax (after Exceptional and/or Extraordinary items)	(12,810.31)	(4,789.61)	(6,108.34)	(24,901.02)	(18,288.53)
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	(12,761.26)	(4,720.36)	(6,088.73)	(24,846.40)	(18,268.92)

For SEPC Limited (Formerly known as Shriram EPC Limited)

**SEPC Limited**

(Formerly Shriram EPC Ltd)

T. Shivaraman

Managing Director & CEO

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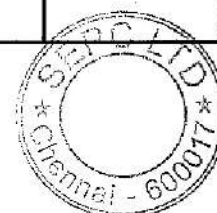
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Statement of Consolidated audited Financial Results for the Quarter and Year Ended March 31, 2022.

Rs lakhs

SNo	Particulars	Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited	Unaudited	Audited	Audited	Audited
	<b>Income</b>					
1	(a) Revenue from operations	9,239.08	8,945.28	17,751.75	32,945.65	58,278.52
	(b) Other Income	205.21	(751.36)	332.65	992.59	2,334.79
	<b>Total Income</b>	<b>9,444.29</b>	<b>8,193.92</b>	<b>18,084.40</b>	<b>33,938.24</b>	<b>60,613.31</b>
2	<b>Expenses</b>					
	(a) Cost of Materials ,Erection, Construction & Operation Expenses	5,529.82	10,029.99	17,779.65	29,022.26	55,671.74
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	(63.78)	248.20	76.66
	(c) Employee benefits expense	1,063.22	971.64	938.59	3,699.44	3,808.40
	(d) Finance Costs	2,878.76	2,981.54	2,536.22	11,450.88	10,658.93
	(e) Depreciation and amortisation expense	160.37	133.11	137.92	562.63	556.04
	(f) Other expenses	2,707.90	741.98	1,403.93	4,685.94	6,517.57
	<b>Total expenses</b>	<b>12,340.07</b>	<b>14,858.26</b>	<b>22,732.53</b>	<b>49,669.35</b>	<b>77,289.34</b>
3	<b>Loss before exceptional items and tax (1-2)</b>	<b>(2,895.78)</b>	<b>(6,664.34)</b>	<b>(4,648.13)</b>	<b>(15,731.11)</b>	<b>(16,676.03)</b>
4	Exceptional items - (Refer Note No 8(b))	6,361.26	-	1,149.11	6,361.26	1,149.11
5	<b>Loss before tax (3 - 4)</b>	<b>(9,257.04)</b>	<b>(6,664.34)</b>	<b>(5,797.24)</b>	<b>(22,092.37)</b>	<b>(17,825.14)</b>
6	Tax Expense	4,278.00	-	79.12	4,278.00	122.17
7	<b>Loss for the period / Year (5 - 6)</b>	<b>(13,535.04)</b>	<b>(6,664.34)</b>	<b>(5,876.36)</b>	<b>(26,370.37)</b>	<b>(17,947.31)</b>
8	<b>Other comprehensive income / (loss) (OCI)</b>					
	Re-measurement gains on defined benefit plans (Net of Taxes)	13.90	6.28	17.10	15.61	17.10
	Fair Value of Equity Instruments through OCI (Net of Taxes)	35.15	62.96	2.51	39.01	2.51
	<b>Total Other comprehensive income</b>	<b>49.05</b>	<b>69.24</b>	<b>19.61</b>	<b>54.62</b>	<b>19.61</b>
9	<b>Total comprehensive Loss for the period / year (7+8)</b>	<b>(13,485.99)</b>	<b>(6,595.10)</b>	<b>(5,856.75)</b>	<b>(26,315.75)</b>	<b>(17,927.70)</b>
10	Paid-up equity share capital (Face value Rs. 10 each)	97,152.90	97,152.90	97,152.90	97,152.90	97,152.90
11	Other Equity	-	-	-	(23,352.88)	3,215.18
12	Earnings per share (of Rs 10/- each) (not annualised except for period):					
	(a) Basic	(1.39)	(0.68)	(0.60)	(2.71)	(1.85)
	(b) Diluted	(1.39)	(0.68)	(0.60)	(2.71)	(1.85)
	See accompanying notes to the financial results					



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SEPC Limited (Formerly known as Shriram EPC Limited)  
Statement of Consolidated Assets and Liabilities as at March 31, 2022  
(Amount in INR lakhs, unless otherwise stated)

	As at 31-03-2022	As at 31-03-2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,842.03	4,476.34
Right of Use Assets	233.09	-
Intangible assets	32.00	36.04
Contract Assets	3,956.02	3,956.02
<b>Financial assets</b>		
Investments	52.72	79.84
Loans	8,131.35	10,913.30
Trade Receivables	18,768.50	21,015.14
Other Financial Assets	1,091.57	1,186.06
Deferred tax asset (net)	43,345.55	47,623.70
Income tax assets (net)	1,412.37	3,327.56
<b>Total Non-Current Assets</b>	<b>80,865.20</b>	<b>92,614.00</b>
<b>Current assets</b>		
Inventories	-	248.20
Contract Assets	79,708.74	82,683.76
<b>Financial assets</b>		
Trade receivables	37,250.49	40,207.54
Cash and cash equivalents	582.67	840.86
Other bank balances	2,387.49	2,866.88
Other financial assets	879.24	844.27
Other current assets	20,052.12	20,727.54
Assets held for sale	596.06	596.06
<b>Total Current Assets</b>	<b>1,41,456.81</b>	<b>1,49,015.11</b>
<b>Total Assets</b>	<b>2,22,322.01</b>	<b>2,41,629.11</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	97,152.90	97,152.90
Other equity	(23,352.88)	3,215.18
Non-Controlling Interest	146.61	142.73
<b>Total Equity</b>	<b>73,946.63</b>	<b>1,00,510.81</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
<b>Financial liabilities</b>		
Lease Liabilities	201.93	-
Borrowings	15,364.47	20,072.84
Other financial liabilities	4,465.38	4,363.37
Provisions	540.50	559.51
Other non-current liabilities	2,202.91	4,882.17
<b>Total Non-Current Liabilities</b>	<b>22,775.19</b>	<b>29,877.89</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Lease Liabilities	36.60	-
Borrowings	82,462.97	63,515.81
Trade payables	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	33,968.22	34,002.60
Other financial liabilities	1,875.25	1,663.25
Contract Liabilities	689.94	3,447.20
Other current liabilities	5,934.02	8,076.26
Provisions	633.19	535.29
<b>Total Current Liabilities</b>	<b>1,25,600.19</b>	<b>1,11,240.41</b>
<b>Total Liabilities</b>	<b>1,48,375.38</b>	<b>1,41,118.30</b>
<b>Total Equity and Liabilities</b>	<b>2,22,322.01</b>	<b>2,41,629.11</b>

**SEPC Limited**

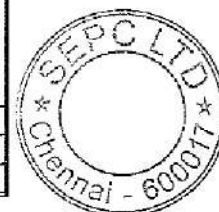
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**SEPC Limited (Formerly known as Shriram EPC Limited)**  
**Statement of cash flows for the Year ended March 31, 2022**  
(Amount in ₹ lakhs, unless otherwise stated)



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Particulars	Year ended 2021-22	Year ended 2020-21
<b>Cash flow from operating activities</b>		
Loss before tax	(22,092.37)	(17,825.14)
Adjustments for:		
Depreciation and amortization expenses	562.63	556.04
Provision for Gratuity	124.63	122.92
Provision for Compensated Absences	150.81	(52.39)
Provision for doubtful receivables	1,831.49	2,036.42
Bad debts written-off	103.35	-
Finance cost	12,534.31	12,648.14
Interest income	(1,074.50)	(1,852.03)
Liabilities written back	(38.92)	(476.04)
Loss / (Gain) on sale of fixed assets	99.18	1.78
Impairment loss allowance on contract assets and receivables	6,361.26	1,149.11
<b>Operating (Loss)/profit before working capital changes</b>	<b>(1,438.13)</b>	<b>(3,691.19)</b>
<b>Changes in working capital</b>		
Increase / (Decrease) in trade payables	4.58	(8,142.43)
Decrease in inventories	248.20	76.66
Decrease in trade receivables	3,257.98	9,938.57
Decrease in loans and advances	2,781.95	1,387.73
Increase / (Decrease) in other current liabilities	(2,757.25)	1,364.60
Decrease in contract liabilities	(4,821.51)	-
Decrease in other non current liabilities	-	(7,653.15)
Increase in Short Term provisions	(52.91)	29.16
Decrease in Long Term provisions	(169.82)	(176.61)
Increase in other financial liabilities	314.00	818.11
Decrease in other financial assets	59.53	2,124.19
(Increase) / Decrease in other current assets	675.43	(761.74)
Increase in Contract Assets	(3,386.24)	-
Decrease in assets held for sale	-	107.29
Cash used in operations	(5,284.19)	(4,578.81)
Income tax paid	(1,915.20)	(410.38)
<b>Net cash used in operating activities (A)</b>	<b>(7,199.39)</b>	<b>(4,989.19)</b>
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipment and intangible assets	(1.10)	(631.53)
Movement in Bank balances not considered as Cash and cash equivalents (Net)	(479.39)	2,018.52
Proceeds from sale/ disposal of fixed assets	4.49	601.99
Interest received	578.52	119.66
<b>Net cash flow from investing activities (B)</b>	<b>102.52</b>	<b>2,108.64</b>
<b>Cash flow from Financing activities</b>		
Proceeds / (Repayment) of Short term borrowings (net)	6,875.28	13,629.85
Repayment of Long term borrowings	-	(549.86)
Interest and Finance Charges Paid	-	(10,564.13)
Repayment of finance lease obligation	(36.60)	-
<b>Net cash flow from financing activities (C)</b>	<b>6,838.68</b>	<b>2,515.86</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(258.19)</b>	<b>(364.69)</b>
Cash and cash equivalents at the beginning of the year	840.86	1,205.55
Cash and cash equivalents at the end of the Period	582.67	840.86
<b>Cash and cash equivalents comprise</b>		
Cash and cash equivalents as per Balance Sheet	2,970.16	3,707.74
Less: Bank balances not considered as Cash and cash equivalents as defined in Ind-AS 7 Cash Flow Statements	(2,387.49)	(2,866.88)
	582.67	840.86

**SEPC Limited**

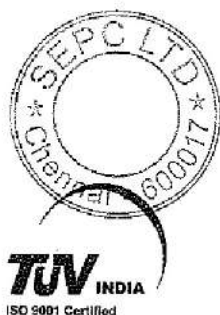
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**Notes:**

1. The audited Consolidated results for the quarter and year ended March 31, 2022 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 24, 2022 and have been subjected to audit by the Statutory Auditor of the Company. The audited Consolidated financial results are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.

2. 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 on 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 24th June 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:

20,000,000 (Twenty lakhs) fully paid-up equity shares having a face value of Rs. 10/- each for cash at par per equity share aggregating to Rs. 20,000 lakhs (Rupees twenty 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 ₹. 11,715,290,250 - (Rupees One thousand one hundred and seventy-one crores fifty-two lakhs ninety thousand two hundred and fifty only) divided into 1,17,15,29,025 (One hundred seventeen crores fifteen lakhs twenty-nine thousand and twenty-five) equity shares of ₹.10/- each.

3. The Company entered into a contract to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCEL). The project is stalled due to delays in statutory approvals. The total exposure in this project recorded under Unbilled Revenue is ₹ 3,956.02 Lakhs (March 31, 2021 - ₹ 3,956.02 Lakhs) Considering that BCEL is under liquidation and do not have any financial creditor, management is of the view that BCEL will be in a position to settle company's dues in full. The auditors have qualified this matter in their report for the year ended March 31, 2022.

4. 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 Claimant 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.

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 ₹ 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.



**SEPC Limited**

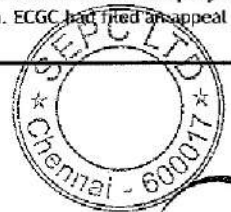
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6. Against the carried forward loss of ₹. 2,11,013 lakhs, the company has recognised Deferred Tax Asset (DTA) on a carry forward loss of ₹.1,28,547 lakhs which results in DTA of ₹. 39,645 lakhs ((March 31, 2021 - ₹ 43,889.00 Lakhs). Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc. the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the year ended March 31, 2022.

7. 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 ₹. 2,15,105.51 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 results are prepared on a going concern basis.

8 (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 other than the provision made as mentioned in Note 8 (b). 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.

8 (b) Exceptional item:

Exceptional item for the quarter and year ended March 31, 2022 represents provisions for trade, other receivables and contract assets amounting to ₹. 6,361.26 lakhs (Previous Year ₹ 1,149.11 lakhs), based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.

9. Revenue includes NIL and ₹ 8,624.16 lakhs for the quarter and Year ended March 31, 2022 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 (₹ 7,342.97 lakhs and ₹ 25,984.00 lakhs for the quarter and year ended March 31, 2021 respectively)

10. Tax expense represents deferred tax asset on unabsorbed business loss written off during the quarter ended March 2022.

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.

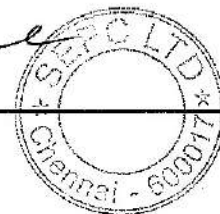
12. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not yet been 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 last quarter ended March 31, 2022 / 2021 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2022 / 2021 and the unaudited published year-to-date figures up to December 2021 / 2020 which were subjected to limited review.

14. Previous period figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.

For SEPC Limited (Formerly known as Shriram EPC Limited)

T. Shivanan  
Managing Director & CEO



Place: Chennai  
Date : June 24, 2022



**SEPC Limited**

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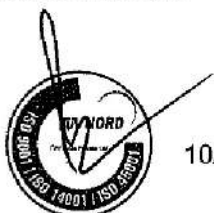
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**ANNEXURE I**  
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)  
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022, [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			Rs lakhs
1	Turnover / Total income	31,174.05	
2	Total Expenditure	45,435.81	
3	Net Profit/(Loss)	-14,261.76	
4	Earnings Per Share	-2.56	
5	Total Assets	2,04,764.95	
6	Total Liabilities	1,30,160.31	
7	Net Worth	74,604.64	
8	Any other financial item(s) (as felt appropriate by the management)		
II.	<b>Audit Qualification (each audit qualification separately):</b>		
	<b>a. Details of Audit Qualification:</b>		
1(a)	<p>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 amounts are 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 results. (Refer Note 03 of the Audited standalone financial results)</p> <p><b>Note No 3 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2022</b></p> <p>The Company entered into a contract to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL). The project is stalled due to delays in statutory approvals. The total exposure in this project recorded under Unbilled Revenue is ₹ 3,956.02 Lakhs (March 31, 2021 - ₹ 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. The auditors have qualified this matter in their report for the year ended March 31, 2022.</p>		
1(b)	<p>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 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 06 of the Audited Standalone financial results). Our audit report on the standalone financial results for the year ended March 31, 2021 and limited review report on the standalone financial results for the quarter ended December 31, 2021 were also qualified in respect of this matter</p> <p><b>Note No 6 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2022</b></p> <p>Against the carried forward loss of ₹. 2,11,013 lakhs, the company has recognised Deferred Tax Asset (DTA) on a carry forward loss of ₹.1,28,547 lakhs which results in DTA of ₹. 39,645 lakhs (March 31, 2021 - ₹ 43,889.00 Lakhs). Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the year ended March 31, 2022.</p>		
1(c)	<p><b>Emphasis of Matter</b></p> <p>We draw attention to Note 8(a) to the standalone financial results 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 recognize an impairment loss of Rs. 6,361.26 Lakhs (March 31, 2021: Rs. 1,149.11 Lakhs) on trade receivables, Retention Money and contract assets to reflect the business impact arising from the COVID 19 pandemic.</p> <p><b>Note No 8 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2022</b></p> <p>8 (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 other than the provision made as mentioned in Note 8 (b). 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.</p> <p>8 (b) Exceptional items :</p> <p>Exceptional item for the quarter and year ended March 31, 2022 represents provisions for trade, other receivables and contract assets amounting to ₹. 6,361.26 lakhs (Previous Year ₹ 1,149.11 lakhs), based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.</p>		



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**Material Uncertainty Related to Going Concern**

1(D) We draw attention to Note 07 in the standalone financial results, which states that the Company has incurred a net loss of Rs. 24,901.00 Lakhs during the year ended March 31, 2022 and as of that date has accumulated losses aggregating Rs. 2,14,517.01 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 Note 07, considering the restructuring of borrowings, infusion of additional equity subsequent to the year-end by the investor and the Management's 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, and realization of trade receivables, the standalone financials results have been prepared on going concern basis.

**Note No 7 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2022**

The Company has incurred net loss of ₹. 24,901.00 during the year ended March 31, 2022 and as of that date has accumulated losses aggregating ₹. 2,14,501.72 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 results are prepared on a going concern basis.

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

Qualification 1(a)- First Year

Qualification 1(b)- Repetitive (Third Year)

Emphasis of Matter -1(c)- Repetitive (Thrid Year)

Material Uncertainty Related to Going Concern - 1 (d) - First Year

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

Not Applicable

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

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

Nil

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

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

Management is of the view that the entire amount is recoverable

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

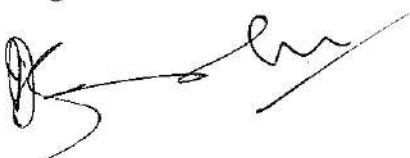
NA

**III. Signatories:**

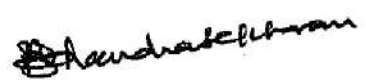
T. Shivaraman  
Managing Director & CEO



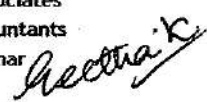
P.D.Karandikar  
Audit Committee Chairman



R. S Chandrasekharan  
Chief Financial Officer



For MSKA & Associates  
Chartered Accountants  
Geetha Jayakumar  
Partner



Place: Chennai  
Date: 24th June 2022



**SEPC Limited**

(Formerly Shriram EPC Ltd)

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

CIN: L74210TN2000PLC045167





## ANNEXURE I

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



Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022, [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
		Rs lakhs	
1	Turnover / Total income	33,938.23	
2	Total Expenditure	49,669.35	
3	Net Profit/(Loss)	-15,731.12	
4	Earnings Per Share	-2.71	
5	Total Assets	2,22,322.01	
6	Total Liabilities	1,48,375.38	
7	Net Worth	73,946.63	
8	Any other financial item(s) (as felt appropriate by the management)		
II.	<b>Audit Qualification (each audit qualification separately):</b>		
1(a)	<p><b>a. Details of Audit Qualification:</b></p> <p>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 amounts are 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 results. (Refer Note 03 of the Audited Consolidated financial results)</p> <p><b>Note No 3 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2022</b></p> <p>The Company entered into a contract to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL). The project is stalled due to delays in statutory approvals. The total exposure in this project recorded under Unbilled Revenue is ₹ 3,956.02 Lakhs (March 31, 2021 - ₹ 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. The auditors have qualified this matter in their report for the year ended March 31, 2022.</p>		
1(b)	<p>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 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 06 of the Audited Consolidated financial results). Our audit report on the Consolidated financial results for the year ended March 31, 2021 and limited review report on the consolidated financial results for the quarter ended December 31, 2021 were also qualified in respect of this matter</p> <p><b>Note No 6 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2022</b></p> <p>Against the carried forward loss of ₹. 2,11,013 lakhs, the company has recognised Deferred Tax Asset (DTA) on a carry forward loss of ₹.1,28,547 lakhs which results in DTA of ₹. 39,645 lakhs ((March 31, 2021 - ₹ 43,889.00 Lakhs). Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the year ended March 31, 2022.</p>		
1(c)	<p><b>Emphasis of Matter</b></p> <p>We draw attention to Note 8(a) to the Consolidated financial results 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 recognize an impairment loss of Rs. 6,361.26 Lakhs (March 31, 2021: Rs. 1,149.11 Lakhs) on trade receivables, Retention Money and contract assets to reflect the business impact arising from the COVID 19 pandemic.</p> <p><b>Note No 8 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2022</b></p> <p>8 (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 other than the provision made as mentioned in Note 8 (b). 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.</p> <p>8 (b) Exceptional items :</p> <p>Exceptional item for the quarter and year ended March 31, 2022 represents provisions for trade, other receivables and contract assets amounting to ₹. 6,361.26 lakhs (Previous Year ₹ 1,149.11 lakhs), based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.</p>		

**SEPC Limited**

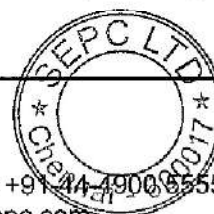
(Formerly Shriram EPC Ltd)



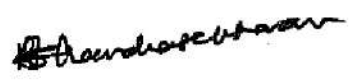


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<b>Material Uncertainty Related to Going Concern</b> We draw attention to Note 07 in the Consolidated financial results, which states that the Company has incurred a net loss Rs. 26,370.37 Lakhs during the year ended March 31, 2022 and as of that date has accumulated losses aggregating Rs. 2,15,105.51 Lakhs which has resulted in substantial erosion of its net worth. Further, the COVID-19 pandemic has also impacted 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 07, However, considering the restructuring of borrowings, infusion of additional equity subsequent to the year-end by the investor and the Management's 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 and realisation of trade receivables. Accordingly, the Consolidated financials results have been prepared on going concern basis.	
<b>Note No 7 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2022</b> 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 ₹. 2,15,105.51 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 results are prepared on a going concern basis.	
c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Qualification 1(a)- First Year Qualification 1(b)- Repetitive (Third Year) Emphasis of Matter -1(c)- Repetitive (Thrid Year) Material Uncertainty Related to Going Concern - 1 (d) - First Year
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views	Not Applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: 1 Turnover / Total income 2 Total Expenditure 3 Net Profit/(Loss) 4 Earnings Per Share 5 Total Assets 6 Total Liabilities 7 Net Worth (ii) If management is unable to estimate the impact, reasons for the same : (iii) Auditors' Comments on (i) or (ii) above:	Nil Management is of the view that the entire amount is recoverable NA
III. Signatories:  T. Shivaraman Managing Director & CEO  Audit Committee Chairman	R. S Chandrasekharan Chief Financial Officer  For MSA & Associates Chartered Accountants Geetha Jeyakumar Partner  
Place: Chennai Date : 24th June 2022	



**SEPC Limited (Formerly known as Shriram EPC Limited)**  
**Registered Office: 4th Floor, Bascon Futura SV,**  
**Door No. 10/1, Venkatnarayana Road, T. Nagar, Chennai - 600017.**  
**www.shriramepc.com**

**Corporate Identity Number :L74210TN2000PLC045167**

**Extract of Consolidated audited Financial Results for the Quarter and Year Ended 31 March 2022**

Rs lakhs						
	Particulars	Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31-03-2021
		Audited	Un Audited	Audited	Audited	Audited
1	Total Income from Operations (Net)	9,444.29	8,193.92	18,084.40	33,938.24	60,613.31
2	Loss for the period (before Tax, Exceptional and/or Extraordinary items)	(2,895.78)	(6,664.34)	(4,648.13)	(15,731.11)	(16,676.03)
3	Loss for the period after tax (after Exceptional and/or Extraordinary items)	(13,535.04)	(6,664.34)	(5,876.36)	(26,370.37)	(17,947.31)
4	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(13,485.99)	(6,595.10)	(5,856.75)	(26,315.75)	(17,927.70)
5	Equity Share Capital ( Face value of Rs 10/- each)	97,152.90	97,152.90	97,152.90	97,152.90	97,152.90
6	Earnings Per Share (of Rs. 10/- each)					
	(a) Basic	(1.39)	(0.68)	(0.60)	(2.71)	(1.85)
	(b) Diluted	(1.39)	(0.68)	(0.60)	(2.71)	(1.85)

**Note:**

- The above audited consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on June 24, 2022.
- The above is an extract of the detailed results for the year and quarter ended March 31, 2022 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed results for the year and quarter ended March 31, 2022 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 audited Standalone Results for the Year ended March 31, 2022 are hereunder :

	Rs lakhs				
	Quarter Ended			Year Ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31-03-2021
Total Income from Operations	9,559.09	6,573.76	16,920.74	31,174.05	55,324.01
Loss for the period (before Tax, Exceptional and/or Extraordinary items)	(2,171.05)	(4,789.61)	(4,959.23)	(14,261.76)	(17,139.42)
Loss for the period after tax (after Exceptional and/or Extraordinary items)	(12,810.31)	(4,789.61)	(6,108.34)	(24,901.02)	(18,288.53)
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	(12,761.26)	(4,720.36)	(6,088.73)	(24,846.40)	(18,268.92)

**For SEPC Limited (Formerly known as Shriram EPC Limited)**

Place :Chennai  
Date : 24th June 2022

T.Shivaraman  
Managing Director & CEO