

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

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

09th February, 2023

Dear Sir / Madam,

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

Further to our intimation dated February 1, 2023 and in terms of Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we wish to inform that the Board of Directors of the Company, at its meeting held today, i.e., February 09, 2023 considered and approved the following:

1. Un-audited financial results for the quarter ended December 31, 2022.

The unaudited financial results for the Quarter ended 31st December, 2022 was approved by the Board pursuant to Regulation 33 of the SEBI Listing Regulations. We enclose herewith the Unaudited Financial Results of the Company along with Limited Review Report for the quarter ended 31st December, 2022.

2. Approval of postal ballot notice seeking consent of the equity shareholders for:

- **Appointment of Mr. Rajesh Kumar Bansal (DIN: 09634747) as Additional (Independent) Director of the Company for the term of 5 (Five) years commencing from 18th January, 2023 to 17th January, 2028 (both days inclusive).**
- **Appointment of Ms. Gayathri Sundaram (DIN: 07342382) as Additional (Independent) Director of the Company for the term of 5 (Five) years commencing from 30th January, 2023 to 29th January, 2028 (both days inclusive).**



The postal ballot notice will be filed with the Stock Exchange in due course.

The Meeting commenced at 12:00 Noon and concluded at 02.55 P.M.

Thanking you,

Yours faithfully,

For **SEPC Limited**

T.
Sriraman
T. Sriraman
Company Secretary & Compliance officer

Digitally signed by
T. Sriraman
Date: 2023.02.09
14:58:08 +05'30'

Encl.:a.a.



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

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

1. We have reviewed the accompanying statement of consolidated unaudited financial results of SEPC Limited (Formerly known as Shriram EPC Limited) ('the Holding Company'), its subsidiary, (the Holding Company and its subsidiary together referred to as the 'Group') for the quarter ended December 31, 2022 and the year to date results for the period April 01, 2022 to December 31, 2022 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
4. This Statement includes the results of the Holding Company and the following entity:

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



MSKA & Associates

Chartered Accountants

5. Basis for Qualified Conclusion:

a) Our audit report on the consolidated financial statements for the year ended March 31, 2022 & our limited review report on the Statement of the Company for the quarter ended June 30, 2022 & September 30, 2022 and the year to date results for the period April 01, 2022 to September 30, 2022 was qualified in respect of the matters stated below:

i. The carrying value of Deferred Tax Asset (DTA) include an amount of 39,675.48 lakhs (December 31, 2021: Rs. 43,930 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment that sufficient taxable profit will be available against which such losses can be utilised, as required by Ind AS 12 on Income taxes, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 8 of the Statement).

ii. Contract Asset (Non-Current) include Rs. 3,956.02 Lakhs (Net of provision amounting to Rs. 926.98 Lakhs) relating to project dues which is not progressing on account of statutory delays faced by the Customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amount is not available. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and the impact if any, on account of non-provisioning of the said balance on the Statement. (Refer Note 5 of the Statement).

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, with the exception of the matter described in the paragraph 5 and the effect thereon, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We draw attention to Note 9 in the Statement, which states that the Company has incurred a net loss before exceptional items for the period April 01, 2022 to December 31, 2022 amounting to Rs. 12,290.99 Lakhs and as of that date has accumulated losses aggregating Rs.2,14,743.40 Lakhs which has resulted in erosion of its net worth. These events or conditions indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, as stated in Note 02, considering the implementation of resolution plan, infusion of equity by the investor and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, the Statement has been prepared on going concern basis.

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

8. We draw attention to the notes 10 to the financial results:

A) Note 10(i) to the Statement, which describes the implementation of Resolution Plan entered into with the lenders dated June 22, 2022 wherein Interest waiver, the difference between the carrying amounts of the facilities before restructuring and the fair values of the new facilities has been recognised as income and disclosed under Exceptional items in the statement of profit and loss in accordance with INDAS 109 - Financial Instruments.

B) Note 10(ii) to the Statement, which states that the management has made a provision of Rs. 5,820.08 Lakhs on account of termination of sale order and consequent legal disputes / arbitration proceedings initiated during the period in respect of projects with the customers.

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



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Chartered Accountants

9. We did not review the interim financial statements of subsidiary company (Including step down subsidiary) included in the consolidated unaudited financial results, whose interim financial statements reflect total revenues of Rs.35.66 Lakhs and Rs.814.93 Lakhs and total Net profit after tax of Rs.17.33 Lakhs and Rs.719.83 Lakhs for the quarter ended December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, respectively, as considered in the consolidated unaudited financial results. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

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



Geetha Jeyakumar
Partner
Membership No.: 029409
UDIN: 23029409BGTMKR9954



Place: Chennai
Date: February 09, 2023

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

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2022.

Rs. Lakhs

S No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	12,245.33	5,492.50	8,945.28	23,662.00	23,706.57	32,945.65
	(b) Other Income	156.89	125.17	-751.36	1,213.35	787.38	1,113.42
	Total Income from operations	12,402.22	5,617.67	8,193.92	24,875.35	24,493.95	34,059.07
2	Expenses						
	(a) Cost of Materials, Erection, Construction & Operation Expenses	9,455.42	4,953.95	10,029.99	19,712.88	23,492.44	29,002.23
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	248.20	248.20
	(c) Employee benefits expense	717.79	1,083.04	971.64	2,664.22	2,636.22	3,699.44
	(d) Finance Costs (Refer Note 11)	1,228.26	1,155.18	2,981.54	5,105.99	8,572.12	11,568.38
	(e) Depreciation and amortisation expense	202.96	135.64	133.11	476.00	402.26	582.66
	(f) Other expenses	694.42	7,599.52	741.98	9,207.25	1,978.04	4,689.27
	Total expenses	12,298.85	14,927.33	14,858.26	37,166.34	37,329.28	49,790.18
3	Profit/(Loss) before exceptional items and tax (1-2)	103.37	(9,309.66)	(6,664.34)	(12,290.99)	(12,835.33)	(15,731.11)
4	Exceptional Items- (income)/expense (Refer Note No 10)	(285.49)	(13,529.64)	-	(13,815.13)	-	6,361.26
5	Profit/(Loss) before tax (3 - 4)	388.86	4,219.98	(6,664.34)	1,524.14	(12,835.33)	(22,092.37)
6	Tax Expense (Refer Note 13)	-	-	-	-	-	4,278.00
7	Profit/(Loss) for the period / year (5 - 6)	388.86	4,219.98	(6,664.34)	1,524.14	(12,835.33)	(26,370.37)
8	Other comprehensive income / (loss) (OCI)						
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
	Re-measurement gains on defined benefit plans (Net of Taxes)	86.94	(82.17)	6.28	8.05	7.99	15.61
	Fair Value of Equity Instruments through OCI (Net of Taxes)	9.47	(2.51)	62.96	(5.41)	66.82	39.01
	Total Other comprehensive income	96.41	(84.68)	69.24	2.64	74.81	54.62
9	Total comprehensive Profit / (Loss) for the period / year (7+8)	485.27	4,135.30	(6,595.10)	1,526.78	(12,760.52)	(26,315.75)
10	Paid-up equity share capital (Face value ₹ 10 each)	1,32,152.90	1,32,152.90	97,152.90	1,32,152.90	97,152.90	97,152.90
11	Other Equity	-	-	-	-	-	(23,352.89)
12	Earnings per share (of Rs 10/- each) (not annualised for the period):						
	(a) Basic	0.03	0.37	(0.68)	0.13	(1.31)	(2.71)
	(b) Diluted	0.03	0.37	(0.68)	0.13	(1.31)	(2.71)
	See accompanying notes to the financial results						



SEPC Limited

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

CIN: L74210TN2000PLC045167



S. No	Notes:
1	The above unaudited consolidated financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 09, 2023 and has been subjected to review by the Statutory Auditors of the Company. These unaudited Consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on Interim Financial Reporting, the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.
2	The Resolution Plan (RP) was implemented by the Company and Lenders, upon completion of compliance of all conditions precedent to the satisfaction of the consortium lenders and RP was effective from September 30, 2022, with change in Management as per the RP formulated under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 vide its circular dated June 07, 2019 ("the RBI Circular" / "Regulatory Framework"). Subsequent to the implementation of resolution plan, Mark AB Capital Investment LLC, Dubai acquired 26.48% in equity of the Company. The stock exchanges vide their letters dated February 02, 2023 has approved the application made by the Company for reclassification of promoters from SVL Limited to Mark AB Capital Investment LLC, Dubai. SVL Limited has been reclassified under Public holding with effect from February 3, 2023.
3	i) During the Nine months period ended December 31, 2022, pursuant to the Resolution Plan, Company has received Rs 35,000 Lakhs of equity and has allotted 35,00,00,000 equity shares of Rs. 10 each on preferential basis to Mark AB Capital Investment LLC, Dubai and shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations. As at September 30, 2022 the Company has utilized the entire proceeds towards the intended purpose. The paid-up equity capital of the Company as on date is Rs. 1,32,152.90 Lakhs - divided into 1,32,15,29,025 equity shares of Rs.10/- each. ii) During the Nine Months period ended December 31, 2022, pursuant to the Resolution Plan, Company has issued 1,75,00,000 Compulsorily Convertible Debentures(CCD) of Rs 100/- each and 1,75,00,000 Non-Convertible Debenture(NCD) of Rs 100/- each aggregating to Rs. 35,000 Lakhs by way of conversion of existing loans of lenders.
4	During the quarter, the Company proposed to raise equity share capital for amount not exceeding Rs. 5,000 lakhs through rights issue. The issue proceeds are proposed to be utilized for meeting out the existing and incremental working capital requirements and general corporate purposes. The Rights Issues committee of the board of directors constituted to oversee the issue has approved the filing of Draft Letter of Offer with the Securities and Exchange Board of India (SEBI) and stock exchanges. The Company is in the process of obtaining necessary regulatory approvals
5	The Company entered into a contract in earlier years to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL). The project is stalled due to delays in statutory approvals. The total outstanding amount in respect of this project recorded under Unbilled Revenue is Rs. 3,956.02 Lakhs (Net of provision amounting to Rs. 926.98 Lakhs). Further, based on a reference to Honable National Company Law Tribunal ("NCLT") by a creditor of BCCL, IRP was appointed. Since there was no viable solution, liquidation of BCCL was ordered and liquidator has been appointed. The liquidator and BCCL are in process of evaluating the realisable value of the assets held by BCCL to settle the liabilities. Considering that BCCL is under liquidation and do not have any financial creditor, management is of the view that BCCL will be in a position to settle Company's dues in full. The auditors have qualified this matter in their report for the quarter and nine months ended December 31, 2022.
6	The Company (SEPC) is one of the Respondent along with Twant Consultancy Private Limited (TCPL) in respect of an Arbitration by The Singapore International Arbitration Centre (SIAC) filed by GPE (INDIA) Ltd, GPE JV1Ltd, Gaja Trustee Company Private Ltd (the Complainant) in connection with the complainants' investments in an associate company of the Company. SIAC filed their Order dated January 07, 2021 awarded damages jointly and severally on the Respondents to the tune of Rs.1,98,54,10 lakhs and a sum of SGD 372,754.79 towards Arbitration expenses. These are to be paid along with simple interest @ 7.25% pa from July 21, 2017 until the date of payment. The Respondents have already preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is held in favour of the complainants. 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.
7	Mokul Shriram EPC JV (JV Company) have won the complaint against Export Credit Guarantee Corporation of India Limited (ECGC) before the National Consumer Disputes Redressal Commission (NCDRC) New Delhi, in connection with the project executed in Basra, Iraq, NCDRC, vide their order dated January 27, 2021, allowed the claims and directed ECGC to pay a sum of Rs. 26,501 lakhs along with simple interest @ 10% pa, with effect from September 19, 2016 till the date of realisation to the JV Company within a period of three months from the date of order, failing which ECGC will be liable to pay compensation in the form of simple interest @ 12% pa. ECGC had filed an appeal against the order of NCDRC New Delhi, before Supreme Court, and the case is pending for disposal.
8	The Company has business losses which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss amounting to Rs. 1,49,693.67 lakhs, the Company has recognised Deferred Tax Asset (DTA) on a carry forward loss of Rs. 1,22,252.30 lakhs resulting in DTA of Rs. 39,675.48 lakhs (December 31, 2021 - Rs. 43,930 Lakhs). Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the quarter ended December 31, 2022.



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9	<p>The Company has incurred net loss before exceptional items during the Nine Months ended December 31, 2022 amounting to Rs. 13,010.82 Lakhs and as of that date has accumulated losses aggregating Rs. 2,13,712.70 Lakhs which has resulted in erosion of its net worth. Resolution Plan submitted in accordance with the requirement set out in the circular issued by the Reserve Bank of India No RBI/2019/2030BR.No-BP.BC.45/21.04.048./2018-19 dated June 07, 2019 has been approved and implemented by Company and Lenders on September 30, 2022. Considering the positive developments of implementing the resolution plan, infusion of equity by the investor and the change in management, additional funding by investor for working capital together with plans to meet financial obligations in future out of the cash flows from execution of the pipeline of orders in hand, business plans, sanctioned non-fund based facilities etc, these financial results are prepared on a going concern basis.</p>
10	<p>Exceptional items:</p> <p>(i) (a) During the quarter ended December 31, 2022 an amount of Rs. 1,059.25 Lakhs has been accounted as exceptional item resulting from implementation of Resolution Plan entered into with a lender dated June 22, 2022 on account of the difference between the carrying amounts of the facilities before restructuring and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments.</p> <p>(b) Exceptional item for the quarter ended September 30, 2022 includes an amount of Rs. 18,575.57 Lakhs resulting from implementation of Resolution Plan entered into with the lenders dated June 22, 2022, on account of reduction in interest cost with effective from October 01, 2020 till June, 30, 2022, the difference between the carrying amounts of the facilities before restructuring as at September 30, 2022 and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments.</p> <p>(ii) (a) During the quarter ended December 31, 2022, an amount of Rs 774.15 lakhs towards provision made for the contract assets, in respect of a project stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project.</p> <p>(b) During the quarter ended September 30, 2022 an amount of Rs. 5,045.93 Lakhs towards provision made for the receivables, on account of termination of a contract and consequent legal disputes / arbitration proceedings initiated during the quarter in respect of a project with the customer.</p> <p>(iii) Exceptional item for five previous year ended March 31, 2022 represents provisions for trade, other receivables and contract assets amounting to Rs. 6,361.26 lakhs, based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.</p>
11	<p>Consequent to implementation of resolution plan, interest waiver (July 22 - September 22) of Rs. 2,176 Lakhs have been adjusted against Finance cost for the quarter ended September 30, 2022.</p>
12	<p>Revenue includes Rs. NIL and Rs 8,624.00 lakhs for the nine months ended December 31, 2022 and December 31, 2021 respectively. Nil and Rs. 3210 lakhs for the quarter ended December 31, 2022 and December 31, 2021 respectively, being share of revenue relating to the Basra project, billed from Molkul Shriram EPC JV (MSJV), a jointly controlled operation, wherein the Company owns 50% interest.</p>
13	<p>Tax expense represents deferred tax asset on unabsorbed business loss written off during the previous year ended March 2022.</p>
14	<p>There is no provision for tax in view of the brought forward losses/unabsorbed depreciation relating to earlier years, available for set off, while computing income, both under the provisions of 115 JB and those other than section 115 JB of the Income Tax act 1961.</p>
15	<p>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.</p>
16	<p>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</p>
17	<p>Previous year/period figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.</p>

For SEPC Limited

N. K. Sujanathan
Managing Director & CEO

Place: Chennai
Date : February 09, 2023



SEPC Limited

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

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of SEPC Limited (Formerly known as Shriram EPC Limited) ('the Company') for the quarter ended December 31, 2022 and the year to-date results for the period April 01, 2022 to December 31, 2022 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Basis for Qualified Conclusion:
 - a) Our audit report on the financial statements for the year ended March 31, 2022 & our limited review report on the Statement of the Company for the quarter ended June 30, 2022 & September 30, 2022 and the year to date results for the period April 01, 2022 to September 30, 2022 was qualified in respect of the matters stated below:
 - i. The carrying value of Deferred Tax Asset (DTA) include an amount of 39,675.48 lakhs (December 31, 2021: Rs. 43,930 Lakhs) which is recognized on unabsorbed business losses. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment that sufficient taxable profit will be available against which such losses can be utilised, as required by Ind AS 12 on Income taxes, we are unable to ascertain the extent to which the deferred tax asset can be utilized. (Refer Note 8 of the Statement).
 - ii. Contract Asset (Non-Current) include Rs. 3,956.02 Lakhs (Net of provision amounting to Rs. 926.98 Lakhs) relating to project dues which is not progressing on account of statutory delays faced by the Customer. In the absence of positive development in this matter till date, there is uncertainty on the amount that would be recoverable by the Company. Further, sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amount is not available. Accordingly, we are unable to comment on the carrying value of above-mentioned Contract Asset (Non-Current) and the impact if any, on account of non-provisioning of the said balance on the Statement. (Refer Note 5 of the Statement).



MSKA & Associates

Chartered Accountants


5. Based on our review conducted as stated in paragraph 3 above, with the exception of the matter described in the paragraph 4 and the effects thereon, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 9 in the standalone financial results, which states that the Company has incurred a net loss before exceptional items for the period April 01, 2022 to December 31, 2022 amounting to Rs. 13,010.82 Lakhs and as of that date has accumulated losses aggregating Rs. 2,13,712.70 Lakhs which has resulted in erosion of its net worth. These events or conditions indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, as stated in Note 02, considering the implementation of resolution plan, infusion of equity by the investor and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, the Statement has been prepared on going concern basis.

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

7. We draw attention to the following Note 10 to the financial results:
- A) Note 10(i) to the Statement, which describes the implementation of Resolution Plan entered into with the lenders dated June 22, 2022 wherein Interest waiver, the difference between the carrying amounts of the facilities before restructuring and the fair values of the new facilities has been recognised as income and disclosed under Exceptional items in the statement of profit and loss in accordance with INDAS 109 - Financial Instruments.
- B) Note 10(ii) to the Statement, which states that the management has made a provision of Rs. 5,820.08 Lakhs on account of termination of sale order and consequent legal disputes / arbitration proceedings initiated during the period in respect of projects with the customers.

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

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


Geetha Jeyakumar
Partner
Membership No.: 029409
UDIN: 23029409BGTMKQ6858



Place: Chennai
Date: February 09, 2023

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

Corporate Identity Number :L74210TN2000PLC045167

Extract of Consolidated Unaudited Financial Results for the Nine Months Ended 31 December 2022

		Rs lakhs					
Particulars	Quarter Ended			Nine Months Ended		Year Ended	
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022	
	Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited	
1 Total Income from Operations (Net)	12,402.22	5,617.67	8,193.92	24,875.35	24,493.95	34,059.07	
2 Profit/ (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	103.37	(9,309.66)	(6,664.34)	(12,290.99)	(12,835.33)	(15,731.11)	
3 Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	388.86	4,219.98	(6,664.34)	1,524.14	(12,835.33)	(26,370.37)	
4 Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	485.27	4,135.30	(6,595.10)	1,526.78	(12,760.52)	(26,315.75)	
5 Equity Share Capital (Face value of Rs 10/- each)	1,32,152.90	97,152.90	97,152.90	1,32,152.90	97,152.90	97,152.90	
6 Earnings Per Share (of Rs. 10/- each)							
(a) Basic	0.03	0.37	(0.68)	0.13	(1.31)	(2.71)	
(b) Diluted	0.03	0.37	(0.68)	0.13	(1.31)	(2.71)	

Note:

- The above unaudited consolidated financial results for the quarter and nine months ended December 31, 2022 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on February 09, 2023.
- The above is an extract of the detailed results for the quarter and nine months ended December 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 quarter and nine months ended December 31, 2022 are available on the Stock Exchanges Website www.bseindia.com and www.nseindia.com and on the website of the Company www.shriramepc.com.
- The Unaudited Standalone Results for the Quarter and Nine Months ended December 31, 2022 are hereunder :

	Rs lakhs					
	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
Total Income from Operations	12,366.57	5,597.56	6,573.76	24,060.42	21,614.98	31,174.05
Profit/ (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	87.05	(9,331.12)	(4,789.61)	(13,010.82)	(12,090.70)	(14,261.76)
Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	372.54	4,198.52	(4,789.61)	804.31	(12,090.70)	(24,901.02)
Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	468.95	4,113.84	(4,720.37)	806.95	(12,015.89)	(24,846.40)

For SEPC Limited (Formerly known as Shriram EPC Limited)

Place :Chennai
Date : 9th February 2023

N K Suryanarayanan
Managing Director & CEO



SEPC Limited

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Engineering the Future

SEPC Limited (Formerly known as Shriram EPC Limited)
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 Door No.10/1, Venkatnarayana Road, T Nagar, Chennai -600017
 CIN:L74210TN2000PLC045167
 Website: www.shriramepc.com

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2022.

Rs. Lakhs

S No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	12,245.33	5,492.50	6,412.96	23,662.00	21,039.57	30,278.64
	(b) Other Income	121.24	105.06	160.80	398.42	575.41	895.41
	Total Income from operations	12,366.57	5,597.56	6,573.76	24,060.42	21,614.98	31,174.05
2	Expenses						
	(a) Cost of Materials, Erection, Construction & Operation Expenses	9,453.10	4,960.22	6,680.50	19,660.01	20,056.51	24,886.50
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	248.20	248.20
	(c) Employee benefits expense	717.58	1,082.98	966.04	2,659.53	2,624.07	3,682.27
	(d) Finance Costs (Refer Note 11)	1,227.04	1,154.98	2,980.82	5,105.35	8,570.73	11,568.38
	(e) Depreciation and amortisation expense	202.95	135.61	130.90	475.90	394.58	554.85
	(f) Other expenses	678.85	7,594.89	605.11	9,170.45	1,811.59	4,495.61
	Total expenses	12,279.52	14,928.68	11,363.37	37,071.24	33,705.68	45,435.81
3	Profit/(Loss) before exceptional items and tax (1-2)	87.05	(9,331.12)	(4,789.61)	(13,010.82)	(12,090.70)	(14,261.76)
4	Exceptional Items-(Income)/expense (Refer Note No 10)	(285.49)	(13,529.64)	-	(13,815.13)	-	6,361.26
5	Profit/(Loss) before tax (3 - 4)	372.54	4,198.52	(4,789.61)	804.31	(12,090.70)	(20,623.02)
6	Tax Expense (Refer Note 13)	-	-	-	-	-	4,278.00
7	Profit/(Loss) for the period / year (5 - 6)	372.54	4,198.52	(4,789.61)	804.31	(12,090.70)	(24,901.02)
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)	86.94	(82.17)	6.28	8.05	7.99	15.61
	Fair Value of Equity Instruments through OCI (Net of Taxes)	9.47	(2.51)	62.96	(5.41)	66.82	39.01
	Total Other comprehensive Income	96.41	(84.68)	69.24	2.64	74.81	54.62
9	Total comprehensive Profit/ (Loss) for the period / year (7+8)	468.95	4,113.84	(4,720.37)	806.95	(12,015.89)	(24,846.40)
10	Paid-up equity share capital (Face value ₹ 10 each)	1,32,152.90	1,32,152.90	97,152.90	1,32,152.90	97,152.90	97,152.90
11	Other Equity	-	-	-	-	-	(22,548.28)
12	Earnings per share (of Rs 10/- each) (not annualised for the period):						
	(a) Basic	0.03	0.37	(0.49)	0.07	(1.24)	(2.56)
	(b) Diluted	0.03	0.37	(0.49)	0.07	(1.24)	(2.56)
	See accompanying notes to the financial results						



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S. No	Notes:
1	The above unaudited standalone financial results were reviewed and approved by the Audit Committee and recommended by the Board of Directors at their respective meetings held on February 09, 2023 and has been subjected to review by the Statutory Auditors of the Company. These unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on Interim Financial Reporting, the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 as amended.
2	The Resolution Plan (RP) was implemented by the Company and Lenders, upon completion of compliance of all conditions precedent to the satisfaction of the consortium lenders and RP was effective from September 30, 2022, with change in Management as per the RP formulated under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 vide its circular dated June 07, 2019 ("the RBI Circular" / "Regulatory Framework"). Subsequent to the implementation of resolution plan, Mark AB Capital Investment LLC, Dubai acquired 26.48% in equity of the Company. The stock exchanges vide their letters dated February 02, 2023 has approved the application made by the Company for reclassification of promoters from SVL Limited to Mark AB Capital Investment LLC, Dubai. SVL Limited has been reclassified under Public holding with effect from February 3, 2023.
3	i) During the Nine months period ended December 31, 2022, pursuant to the Resolution Plan, Company has received Rs.35,00,00,000 Lakhs of equity and has allotted 35,00,00,000 equity shares of Rs. 10 each on preferential basis to Mark AB Capital Investment LLC, Dubai and shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations. As at September 30, 2022, the Company has utilized the entire proceeds towards the intended purpose. The paid-up equity capital of the Company as on date is Rs. 1,32,152.90 Lakhs - divided into 1,32,15,29,025 equity shares of Rs.10/- each. ii) During the Nine Months period ended December 31, 2022, pursuant to the Resolution Plan, Company has issued 1,75,00,000 Compulsorily Convertible Debentures(CCD) of Rs 100/- each and 1,75,00,000 Non-Convertible Debenture(NCD) of Rs 100/- each aggregating to Rs. 35,000 Lakhs by way of conversion of existing loans of lenders.
4	During the quarter, the Company proposed to raise equity share capital for amount not exceeding Rs. 5,000 lakhs through rights issue. The issue proceeds are proposed to be utilized for meeting out the existing and incremental working capital requirements and general corporate purposes. The Rights Issues committee of the board of directors constituted to oversee the issue has approved the filing of Draft Letter of Offer with the Securities and Exchange Board of India (SEBI) and stock exchanges. The Company is in the process of obtaining necessary regulatory approvals
5	The Company entered into a contract in earlier years to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL). The project is stalled due to delays in statutory approvals. The total outstanding amount in respect of this project recorded under Unbilled Revenue is Rs. 3,956.02 Lakhs (Net of provision amounting to Rs. 926.98 Lakhs). Further, based on a reference to Honable National Company Law Tribunal ("NCLT") by a creditor of BCCL, IRP was appointed. Since there was no viable solution, liquidation of BCCL was ordered and liquidator has been appointed. The liquidator and BCCL are in process of evaluating the realisable value of the assets held by BCCL to settle the liabilities. Considering that BCCL is under liquidation and do not have any financial creditor, management is of the view that BCCL will be in a position to settle Company's dues in full. The auditors have qualified this matter in their report for the quarter and nine Months ended December 31, 2022.
6	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 JV1LLD, Gaja Trustee Company Private Ltd (the Complainant) in connection with the complainants' investments in an associate company of the Company. SIAC vide their Order dated January 07, 2021 awarded damages jointly and severally on the Respondents to the tune of Rs.1,98,54,10 lakhs and a sum of SGD 372,754.79 towards Arbitration expenses. These are to be paid along with simple interest @ 7.25% pa from July 21, 2017 until the date of payment. The Respondents have already preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is held in favour of the complainants. However, the Company has entered into an Inter-se arrangement dated September 29, 2015 with TCPL and Shri Housing Pvc 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.
7	Mokul Shriram EPC JV (JV Company) have won the complaint against Export Credit Guarantee Corporation of India Limited (ECGC) before the National Consumer Disputes Redressal Commission, (NCDRC) New Delhi, in connection with the project executed in Basra, Iraq. NCDRC, vide their order dated January 27, 2021, allowed the claims and directed ECGC to pay a sum of Rs. 26,501 lakhs along with simple interest @ 10% pa. with effect from September 19, 2016 till the date of realisation to the JV Company within a period of three months from the date of order, failing which ECGC will be liable to pay compensation in the form of simple interest @ 12% pa. ECGC had filed an appeal against the order of NCDRC New Delhi, before Supreme Court, and the case is pending for disposal.
8	The Company has business losses which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss amounting to Rs. 1,49,693.67 lakhs, the Company has recognised Deferred Tax Asset (DTA) on a carry forward loss of Rs. 1,22,252.30 lakhs resulting in DTA of Rs. 39,675.48 lakhs (December 31, 2021 - Rs. 43,930 Lakhs). Considering potential order book as on date, future business prospects in the light of implementation of resolution plan, projects in pipeline etc, the management is confident of adjusting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the quarter ended December 31, 2022.



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9	The Company has incurred net loss before exceptional items during the Nine Months ended December 31, 2022 amounting to Rs. 12,290.99 Lakhs and as of that date has accumulated losses aggregating Rs. 2,14,743.40 Lakhs which has resulted in erosion of its net worth. Resolution Plan submitted in accordance with the requirement set out in the circular issued by the Reserve Bank of India No RBI/20119/203DBR.No>8P.BC.45/21.04.048./2018-19 dated June 07, 2019 has been approved and implemented by Company and Lenders on September 30, 2022. Considering the positive developments of implementing the resolution plan, infusion of equity by the investor and the change in management, additional funding by investor for working capital together with plans to meet financial obligations in future out of the cash flows from execution of the pipeline of orders in hand, business plans, sanctioned non-fund based facilities etc. these financial results are prepared on a going concern basis.
10	<p>Exceptional items:</p> <p>(i) (a) During the quarter ended December 31, 2022 an amount of Rs. 1,059.25 Lakhs has been accounted as exceptional item resulting from implementation of Resolution Plan entered into with a lender dated June 22, 2022 on account of the difference between the carrying amounts of the facilities before restructuring and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments.</p> <p>(b) Exceptional item for the quarter ended September 30, 2022 includes an amount of Rs. 18,575.57 Lakhs resulting from implementation of Resolution Plan entered into with the lenders dated June 22, 2022, on account of reduction in interest cost with effective from October 01, 2020 till June, 30, 2022, the difference between the carrying amounts of the facilities before restructuring as at September 30, 2022 and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments.</p> <p>(ii) (a) During the quarter ended December 31, 2022, an amount of Rs 774.15 lakhs towards provision made for the contract assets, in respect of a project stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project.</p> <p>(b) During the quarter ended September 30, 2022 an amount of Rs. 5,045.93 Lakhs towards provision made for the receivables, on account of termination of a contract and consequent legal disputes / arbitration proceedings initiated during the quarter in respect of a project with the customer.</p> <p>(iii) Exceptional item for the previous year ended March 31, 2022 represents provisions for trade, other receivables and contract assets amounting to Rs. 6,361.26 lakhs, based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.</p> <p>Consequent to implementation of resolution plan, interest waiver (July 22 - September 22) of Rs. 2,176 Lakhs have been adjusted against Finance cost for the quarter ended September 30, 2022.</p> <p>Revenue includes Rs. Nil and Rs 8624.00 lakhs for the nine months ended December 31, 2022 and December 31, 2021 respectively, Nil and Rs. 3210 lakhs for the quarter ended December 31, 2022 and December 31, 2021 respectively, being share of revenue relating to the Basra project, billed from Makul Shriram EPC JV (MSJV), a jointly controlled operation, wherein the Company owns 50% interest.</p> <p>Tax expense represents deferred tax asset on unabsorbed business loss written off during the previous year ended March 2022.</p> <p>There is no provision for tax in view of the brought forward losses/unabsorbed depreciation relating to earlier years, available for set off, while computing income, both under the provisions of 115 JB and those other than section 115 JB of the Income Tax act 1961.</p> <p>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.</p> <p>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 form the period the Code becomes effective</p> <p>Previous period/year figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.</p>

Place: Chennai
Date: February 09, 2023

For SEPC Limited

 N K Suryakumaran
 Managing Director & CEO

