

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

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

August 13, 2022

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


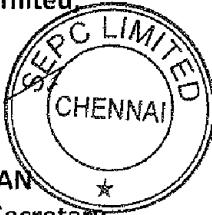
Further to our intimation dated August 5, 2022 and in terms of Regulation 30 & 33 of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"),  
we wish to inform that the Board of Directors of the Company, at its meeting held today, i.e., August  
13, 2022 inter alia, considered and approved the unaudited financial results for the Quarter ended  
30<sup>th</sup> June 2022.

We enclose the Unaudited Financial Results of the Company along with Limited Review Report for  
the quarter ended 30th June 2022.

The Meeting commenced at 03.45 p.m. and concluded at 05.40 p.m.

Thanking you,

Yours faithfully,  
For SEPC Limited

  
  
T. SRIRAMAN  
Company Secretary.

Encl.:a.a.



**SEPC Limited**

(Formerly Shriram EPC Ltd)

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

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

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

CIN: L74210TN2000PLC045167



**Independent Auditor's Review Report on unaudited quarterly standalone financial results of SEPC Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**The Board of Directors  
SEPC Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of SEPC Limited ('the Company') for the quarter ended June 30, 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 Regulation').
2. This Statement, which is the responsibility of 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 Ind AS 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. 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 the Statement is free of material misstatements. 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 was qualified in respect of the matters stated below:
    - i. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 39,610 Lakhs (June 30, 2021 Rs. 43,956 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 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 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 Statement. (Refer Note 03 of the Statement).
5. Based on our review conducted as stated in paragraph 3 above, with the exception of the matters 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 Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.



# MSKA & Associates

Chartered Accountants

## 6. Material Uncertainty relating to Going Concern:

We draw attention to Note 07 to the Statement, which states that the Company has incurred a net loss of Rs. 3,772.77 Lakhs during the quarter ended June 30, 2022 and as of that date has accumulated losses aggregating Rs. 2,18,289.78 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 02 to the Statement, considering the restructuring of borrowings, infusion of additional equity 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 Statement has been prepared on going concern basis.

Our conclusion 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: 22029409AOZBTO1811



Place: Chennai  
Date: August 13, 2022

SEPC Limited (Formerly known as Shriram EPC Limited)

Regd Office : Bascon Futura SV- 4th Floor

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

CIN:L74210TN2000PLC045167

Website: www.shriramepc.com



Statement of Standalone Unaudited Financial Results for the Quarter Ended 30.06.2022

Rs. Lakhs

No	Particulars	Quarter Ended			Year Ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		Unaudited	Audited (Refer Note 13)	Unaudited	Audited
1	<b>Income</b>				
	(a) Revenue from operations	5,924.17	9,239.08	6,588.11	30,278.64
	(b) Other Income	172.12	320.01	192.37	895.41
	<b>Total Income from operations</b>	<b>6,096.29</b>	<b>9,559.09</b>	<b>6,780.48</b>	<b>31,174.05</b>
2	<b>Expenses</b>				
	(a) Cost of Materials, Erection, Construction & Operation Expenses	5,253.71	4,830.03	6,338.82	24,886.53
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-5.67	248.20
	(c) Employee benefits expense	858.97	1,058.21	900.13	3,682.28
	(d) Finance Costs	2,722.33	2,997.65	2,694.85	11,568.38
	(e) Depreciation and amortisation expense	137.34	160.24	132.29	554.82
	(f) Other expenses	896.71	2,684.01	418.21	4,495.60
	<b>Total expenses</b>	<b>9,869.06</b>	<b>11,730.14</b>	<b>10,478.63</b>	<b>45,435.81</b>
3	Loss before exceptional items and tax (1-2)	(3,772.77)	(2,171.05)	(3,698.15)	(14,261.76)
4	Exceptional Items (Refer Note No 8(b))	-	6,361.26	-	6,361.26
5	Loss before tax (3 - 4)	(3,772.77)	(8,532.31)	(3,698.15)	(20,623.02)
6	Tax Expense	-	4,278.00	-	4,278.00
7	Loss for the period / year (5 - 6)	(3,772.77)	(12,810.31)	(3,698.15)	(24,901.02)
8	<b>Other comprehensive income / (loss) (OCI)</b>				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
	Re-measurement gains on defined benefit plans (Net of Taxes)	3.28	7.62	0.86	15.61
	Fair Value of Equity Instruments through OCI (Net of Taxes)	(12.36)	(27.81)	3.48	39.01
	<b>Total Other comprehensive income</b>	<b>(9.08)</b>	<b>(20.18)</b>	<b>4.34</b>	<b>54.62</b>
9	<b>Total comprehensive Loss for the period / year (7+8)</b>	<b>(3,781.85)</b>	<b>(12,830.49)</b>	<b>(3,693.81)</b>	<b>(24,846.39)</b>
0	Paid-up equity share capital (Face value ₹ 10 each)	1,22,452.90	97,152.90	97,152.90	97,152.90
1	Other Equity	-	-	-	(22,548.28)
2	Earnings per share (of Rs 10/- each) (not annualised for the period):				
	(a) Basic	(0.38)	(1.32)	(0.38)	(2.56)
	(b) Diluted	(0.38)	(1.32)	(0.38)	(2.56)

See accompanying notes to the financial results

**SEPC Limited**

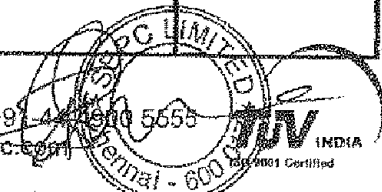
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Notes:

The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 13, 2022 and has been subjected to review by the Statutory Auditors of the Company. These unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.

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 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 features 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 ('CCD') at the end of March 31, 2025.
- Conversion of ₹ 17,500 Lakhs of debt into 4% Non-Convertible Debentures ('NCD') redeemable over a period of 14 years.

During the current quarter ended June 30, 2022, pursuant to the Resolution Plan, Company has issued and allotted an aggregate of 25,30,00,000 equity shares of Rs. 10 each on preferential basis and has received the entire amount aggregating to Rs. 25,300 Lakhs from Mark AB Capital Investment LLC. As at June 30, 2022 the Company has utilized the entire amount towards the intended purpose.

Further, during July 2022, pursuant to the Resolution Plan, Company has issued and allotted an aggregate of 3,14,50,000 equity shares of Rs. 10 each on preferential basis and has received the entire amount aggregating to Rs. 3145 Lakhs from Mark AB Capital Investment LLC, and the same has been utilized towards the intended purpose.

- The equity shares 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 as on date is ₹. 125,597.90 Lakhs - divided into 125,59,79,000 equity shares of ₹.10/- each.

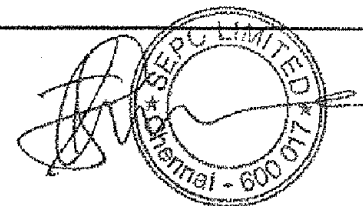
During the current Quarter ended June 30, 2022, pursuant to the Resolution Plan, Company has issued 1,57,66,000 Compulsory Convertible Debentures (CCD) of Rs 100/- each and 57,66,000 Non-Convertible Debenture (NCD) of Rs 100/- each aggregating to Rs. 31,532 Lakhs by way of conversion of existing loans.

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 ₹ 3,956.02 Lakhs (Net of provision amounting to Rs. 926.98 Lakhs). Further, based on a reference to CLT 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 valuating the realisable value of the assets held by BCCL to settle the liabilities. Considering that BCCL is under liquidation and do not have any financial creditor, management is of the view that BCCL will be in a position to settle company's dues in full. The auditors have qualified this matter in their report for the quarter ended June 30, 2022.

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) led 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 ₹. 1,96,54.10 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 Shriram Grouping 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.

Molok 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.

The Company has business losses which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss amounting to ₹. 1,54,118 lakhs, the company has recognised Deferred Tax Asset (DTA) on a carry forward loss of ₹. 1,20,852 lakhs resulting in DTA of ₹. 39,610 lakhs (June 30, 2021 - ₹ 43,956 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 offsetting these carry forward losses and reversal of DTA before the expiry of the period for which this benefit is available. The auditors have qualified this matter in their report for the quarter ended June 30, 2022.



**SEPC Limited**

(Formerly Shriram EPC Ltd)

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CIN: L74210TN2000PLC045167



The Company has incurred net loss of ₹. 3,772.77 Lakhs during the quarter ended June 30, 2022 and as of that date has accumulated losses aggregating ₹. 2,18,289.78 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. 31/20119/203DDBR.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. On June 22, 2022, the Company has entered to Master Restructuring Agreement (MRA) to give effect to the resolution plan. Based on the MRA all over dues are scheduled to be paid. Considering the positive developments of 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, could 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.

(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. 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.

(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, based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.

Revenue includes Rs. NIL for the quarter ended June 30, 2022, 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 (₹ 3,570 lakhs for the quarter ended June 30, 2021)

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

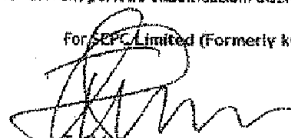
i. The Company is engaged in the sole activity of carrying on the business of "Engineering, Procurement and Construction" (EPC) and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments". Hence no separate segment reporting is applicable to the Company.

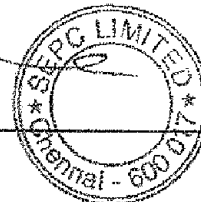
ii. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not yet been 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.

i. The figures of the last quarter ended March 31, 2022 is the balancing figures between audited figures in respect of the full financial year up to March 31, 2022 and the unaudited published year-to-date figures up to December 2021 which were subjected to limited review.

i. 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. Shrinathan  
Managing Director & CEO



Office: Chennai  
Date: August 13, 2022



**SEPC Limited**

(Formerly Shriram EPC Ltd)

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**Independent Auditor's Review Report on unaudited quarterly consolidated financial results of SEPC Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

The Board of Directors  
SEPC Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of SEPC Limited ('the Holding Company'), its subsidiary, (the Holding Company and its subsidiary together referred to as the 'Group') for the quarter ended June 30, 2022 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. 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.

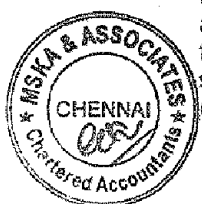
4. This Statement includes the results of the following entity:

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

5. Basis for Qualified Conclusion:

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

- i. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 39,610 Lakhs (June 30, 2021 Rs. 43,956 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 Statement)



# MSKA & Associates

Chartered Accountants

- ii. 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 Statement. (Refer Note 03 of the Statement).
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred to in paragraph 8 below, with the exception of the matter described in the paragraph 5 and the effect thereon, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, 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 Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Material Uncertainty relating to Going Concern:

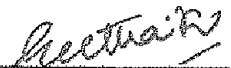
We draw attention to Note 07 to the Statement, which states that the Company has incurred a net loss of Rs. 3,084.70 Lakhs during the quarter ended June 30, 2022 and as of that date has accumulated losses aggregating Rs. 2,18,190.20 Lakhs which has resulted in substantial erosion of its net worth. Further, 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 02 to the Statement, considering the restructuring of borrowings, infusion of additional equity 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. Accordingly, the Statement has been prepared on going concern basis.

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

8. We did not review the interim financial statements of subsidiary Company (including step down subsidiary) included in the Statement, whose interim financial statements reflect total revenues of Rs. 759.16 Lakhs as at June 30, 2022 and total net profit of Rs. 688.08 Lakhs as considered in the Statement. 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 this 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 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: 22029409AOZCCU7050



Place: Chennai  
Date: August 13, 2022





Engineering the Future

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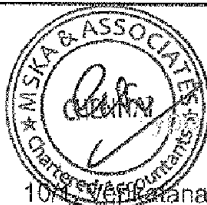
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Website: www.shriramepc.com

Statement of Consolidated Unaudited Financial Results for the Quarter June 30, 2022.

Rs. Lakhs

S No	Particulars	Quarter Ended			Year Ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		Unaudited	Audited (Refer Note 13)	Unaudited	Audited
1	Income				
	(a) Revenue from operations	5,924.17	9,239.08	6,656.07	32,945.65
	(b) Other Income	931.28	205.21	339.64	992.59
	<b>Total Income from operations</b>	<b>6,855.45</b>	<b>9,444.29</b>	<b>6,995.71</b>	<b>33,938.24</b>
2	Expenses				
	(a) Cost of Materials, Erection, Construction & Operation Expenses	5,303.51	5,529.82	6,371.66	29,022.26
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-5.67	248.20
	(c) Employee benefits expense	863.39	1,063.22	902.71	3,699.44
	(d) Finance Costs	2,722.55	2,878.76	2,694.85	11,450.88
	(e) Depreciation and amortisation expense	137.39	160.37	135.05	562.63
	(f) Other expenses	913.31	2,707.90	444.89	4,685.94
	<b>Total expenses</b>	<b>9,940.15</b>	<b>12,340.07</b>	<b>10,543.49</b>	<b>49,669.35</b>
3	Loss before exceptional items and tax (1-2)	(3,084.70)	(2,895.78)	(3,547.78)	(15,731.11)
4	Exceptional Items (Refer Note No 8(b))	-	6,361.26	-	6,361.26
5	Loss before tax (3 - 4)	(3,084.70)	(9,257.04)	(3,547.78)	(22,092.37)
6	Tax Expense	-	4,278.00	-	4,278.00
7	Loss for the period / year (5 - 6)	(3,084.70)	(13,535.04)	(3,547.78)	(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)	3.28	13.90	0.86	15.61
	Fair Value of Equity Instruments through OCI (Net of Taxes)	(12.36)	35.15	3.48	39.01
	<b>Total Other comprehensive income</b>	<b>(9.08)</b>	<b>49.05</b>	<b>4.34</b>	<b>54.62</b>
9	<b>Total comprehensive Loss for the period / year (7+8)</b>	<b>(3,093.78)</b>	<b>(13,485.99)</b>	<b>(3,543.44)</b>	<b>(26,315.75)</b>
10	Paid-up equity share capital (Face value ₹ 10 each)	1,22,452.90	97,152.90	97,152.90	97,152.90
11	Other Equity	-	-	-	(23,352.88)
12	Earnings per share (of Rs 10/- each) (not annualised for the period):				
	(a) Basic	(0.31)	(1.39)	(0.36)	(2.71)
	(b) Diluted	(0.31)	(1.39)	(0.36)	(2.71)
	See accompanying notes to the financial results				



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**SEPC Limited**

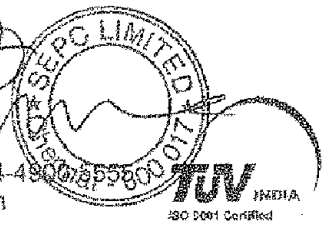
(Formerly Shriram EPC Ltd)

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

CIN: L74210TN2000PLC045167



**Notes:**

1. The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 13, 2022 and has been subjected to review by the Statutory Auditors of the Company. These unaudited Consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.
2. 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:
  - a) 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.
  - b) Conversion of ₹ 17,500 Lakhs of debt into 4% Compulsory Convertible Debentures ("CCD") at the end of March 31, 2035.
  - c) Conversion of ₹ 17,500 Lakhs of debt into 4% Non-Convertible Debentures ("NCD") redeemable over a period of 14 years.
- i) During the current quarter ended June 30, 2022, pursuant to the Resolution Plan, Company has issued and allotted an aggregate of 25,30,00,000 equity shares of Rs. 10 each on preferential basis and has received the entire amount aggregating to Rs. 25,300 Lakhs from Mark AB Capital Investment LLC. As at June 30, 2022 the Company has utilized the entire amount towards the intended purpose.
  - ii) Further, during July 2022, pursuant to the Resolution Plan, Company has issued and allotted an aggregate of 3,14,50,000 equity shares of Rs. 10 each on preferential basis and has received the entire amount aggregating to Rs. 3145 Lakhs from Mark AB Capital Investment LLC, and the same has been utilized towards the intended purpose.
  - iii) The equity shares so allotted on preferential basis shall be subject to lock-in for such period as may be prescribed under the ICDR Regulations.
  - iv) Post allotment of equity shares, the paid-up equity capital of the Company as on date is ₹. 125,597.90 Lakhs - divided into 125,59,79,000 equity shares of ₹.10/- each.
  - v) During the current Quarter ended June 30, 2022, pursuant to the Resolution Plan, Company has issued 1,57,66,000 Compulsory Convertible Debentures(CCD) of Rs 100/- each and 1,57,66,000 Non-Convertible Debenture(NCD) of Rs 100/- each aggregating to Rs. 31,532 Lakhs by way of conversion of existing loans.
3. 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 ₹ 3,956.02 Lakhs (Net of provision amounting to Rs. 926.98 Lakhs). Further, based on a reference to 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 realizable value of the assets held by BCCL to settle the liabilities. Considering that BCCL is under liquidation and do not have any financial creditor, management is of the view that BCCL will be in a position to settle company's dues in full. The auditors have qualified this matter in their report for the quarter ended June 30, 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 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. Mohul 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.
6. The Company has business losses which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. Against the carried forward loss amounting to ₹. 1,54,118 lakhs, the company has recognised Deferred Tax Asset (DTA) on a carry forward loss of ₹.1,70,852 lakhs resulting in DTA of ₹. 39,610 lakhs (June 30, 2021 - ₹ 43,956 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 June 30, 2022.



**SEPC Limited**

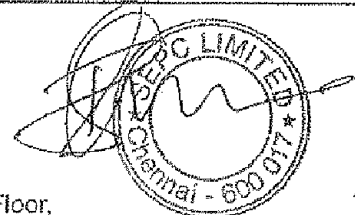
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Engineering the Future

7. The Company has incurred net loss of ₹. 3,084.70 Lakhs during the quarter ended June 30, 2022 and as of that date has accumulated losses aggregating ₹. 2,18,190.19 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. 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. Considering the positive developments of 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. 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, based on estimation of potential stress on project completion and collections, considering the continuing impact of COVID 19 pandemic.

9. Revenue includes Rs. NIL for the quarter ended June 30, 2022, 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 (₹ 3,570 lakhs for the quarter ended June 30, 2021)

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

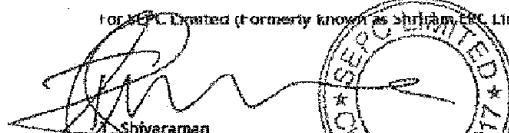
11. The Company is engaged in the sole activity of carrying on the business of "Engineering, Procurement and Construction" (EPC) and therefore, has only one reportable segment in accordance with Ind AS 108 "Operating Segments". Hence no separate segment reporting is applicable to the Company.

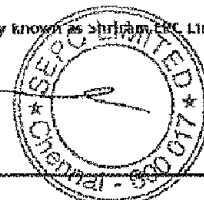
12. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not yet been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

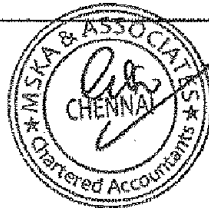
for SEPC Limited (Formerly known as Shriram EPC Limited)

  
Shivaraman  
Managing Director & CEO



Place: Chennai

Date: August 13, 2022



**SEPC Limited**

(Formerly Shriram EPC Ltd)

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CIN: L74210TN2000PLC045167



Corporate Identity Number :L74210TN2000PLC045167  
Extract of Consolidated Unaudited Financial Results for the Quarter Ended 30 June 2022

		Rs lakhs			
Particulars	Quarter Ended			Year Ended	
	30.06.2022	31.03.2022	30.06.2021	31.03.2022	
	Un Audited	Audited	Un Audited	Audited	
1 Total Income from Operations (Net)	6,855.45	9,444.29	6,995.71	33,938.24	
2 Loss for the period (before Tax, Exceptional and/or Extraordinary items)	(3,084.70)	(2,895.78)	(3,547.78)	(15,731.11)	
3 Loss for the period after tax (after Exceptional and/or Extraordinary items)	(3,084.70)	(13,535.04)	(3,547.78)	(26,370.37)	
4 Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(3,093.78)	(13,485.99)	(3,543.44)	(26,315.75)	
5 Equity Share Capital ( Face value of Rs 10/- each)	1,22,452.90	97,152.90	97,152.90	97,152.90	
6 Earnings Per Share (of Rs. 10/- each)					
(a) Basic	(0.31)	(1.39)	(0.36)	(2.71)	
(b) Diluted	(0.31)	(1.39)	(0.36)	(2.71)	

Note:

- The above unaudited consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on August 13, 2022.
- The above is an extract of the detailed results for the quarter ended June 30, 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 ended June 30, 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 Unaudited Standalone Results for the Quarter ended June 30, 2022 are hereunder :

		Rs lakhs			
	Quarter Ended			Year Ended	
	30.06.2022	31.03.2022	30.06.2021	31.03.2022	
Total Income from Operations	6,096.29	9,559.09	6,780.48	31,174.05	
Loss for the period (before Tax, Exceptional and/or Extraordinary items)	(3,772.77)	(2,171.05)	(3,698.15)	(14,261.76)	
Loss for the period after tax (after Exceptional and/or Extraordinary items)	(3,772.77)	(12,810.31)	(3,698.15)	(24,901.02)	
Total Comprehensive Income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	(3,781.85)	(12,830.49)	(3,693.81)	(24,846.39)	

For SEPC Limited (Formerly known as Shriram EPC Limited)

Place :Chennai  
Date : 13th August 2022

**SEPC Limited**

T.Shivaraman  
Managing Director & CEO

(Formerly Shriram EPC Ltd)

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