



Engineering the Future

SEPC Limited							
Regd Office : 4th Floor, Boscon Futura SV, Door No.10/1, Venkatanarayana Road, T Nagar, Chennai -600017 Website: www.sepc.in							
Extract of Consolidated Unaudited Financial Results for the Quarter & Nine Months Ended 31 December 2023							
Rs in lakhs							
Particulars	Quarter Ended			Nine Months Ended		Year Ended	
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1 Total Income from Operations (Net)	16,081.06	13,877.95	12,402.22	44,544.54	24,875.35	39,887.81	
2 Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	553.47	565.15	103.37	1,611.71	(12,290.99)	(11,283.56)	
3 Profit for the period before Tax (after Exceptional and/or Extraordinary items)	553.47	565.15	388.86	1,611.71	1,524.14	2,531.57	
4 Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	553.47	565.15	388.86	1,611.71	1,524.14	(490.38)	
5 Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	564.68	576.97	485.27	1,659.38	1,526.78	(558.55)	
6 Equity Share Capital ( Face value of Rs 10/- each)	1,40,981.36	1,37,142.90	1,32,152.90	1,40,981.36	1,32,152.90	1,32,152.90	
7 Reserves (excluding Revaluation reserve) as shown in the Audited Balance Sheet of the Previous Year.	-	-	-	-	-	-23,503.32	
8 Earnings Per Share (of Rs. 10/- each)							
(a) Basic	0.04	0.04	0.03	0.12	0.13	(0.04)	
(b) Diluted	0.04	0.04	0.03	0.12	0.13	(0.04)	

Note:

- The above unaudited consolidated financial results for the quarter and nine months ended December 31, 2023 were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on February 13, 2024.
- The above is an extract of the detailed results for the quarter and nine months ended December 31, 2023 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed results for the quarter and nine months ended December 31, 2023 are available on the Stock Exchanges Website [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the website of the Company [www.shriramepc.com](http://www.shriramepc.com).
- The Unaudited Standalone Results for the quarter and Nine Months ended December 31, 2023 are hereunder :

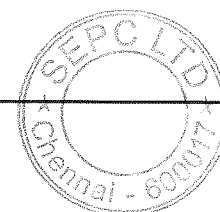
	Rs lakhs					
	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
Total Income from Operations	16,081.08	13,812.51	12,366.57	44,479.12	24,060.42	39,093.96
Profit/ (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	561.08	542.66	87.05	1,622.19	(13,010.82)	(11,925.42)
Profit/ (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	561.08	542.66	372.54	1,622.19	804.31	(1,132.24)
Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	572.29	554.48	468.95	1,669.86	806.95	(1,200.41)

Place :Chennai  
Date : 13th February 2024

For SEPC Limited  
N K Suryanarayanan  
Managing Director & CEO

**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@sepc.in](mailto:info@sepc.in) Website : [www.sepc.in](http://www.sepc.in)  
CIN: L74210TN2000PLC045167



**Independent Auditor's Review Report on Unaudited Consolidated financial results of SEPC Limited for the quarter and year to date ended December 31, 2023 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**To The Board of Directors of SEPC Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of SEPC Limited ('the Holding Company'), its subsidiary, (the Holding Company and its subsidiary together referred to as the 'Group') for the quarter ended December 31, 2023 and the year to-date results for the period from April 01, 2023 to December 31, 2023 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations').
2. This Statement, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.  
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
4. This Statement includes the results of the Holding Company and the following entity

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

**5. Basis for Qualified Conclusion:**

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

- i. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 31,112.13 Lakhs as on December 31, 2023 (December 31, 2022: Rs. 39,675.48 Lakhs), which was recognized on unabsorbed business losses of Rs. 89,034.26 Lakhs (December 31, 2022: Rs.1,22,252.30 Lakhs). Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment that sufficient taxable profits will be available in the future against which such unabsorbed business losses can be utilised as required by Ind AS 12: "Income taxes", we are unable to comment on the consequential impact, if any, on the Statement for the quarter and nine months period ended December 31, 2023. (Refer Note 06 of the Statement).



# MSKA & Associates

Chartered Accountants

- ii. Non-Current Contract Assets include Rs.7,351.90 Lakhs (net of provisions amounting to Rs.926.98 Lakhs) (December 31, 2022: Rs.3,956.02 Lakhs) and Non-Current Trade Receivables include Rs.575.21 Lakhs (net of provisions amounting to Rs. 82.99 Lakhs) as on December 31, 2023, relating to dues on projects which have been stalled due to delays in obtaining approvals from regulatory authorities. We do not have sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the said amounts. Accordingly, we are unable to comment on the carrying value of above-mentioned non-current Contract Asset and non-current Trade Receivables and the consequential impact if any, on account of non-provisioning of the said balances, on the Statement for the quarter and nine months period ended December 31, 2023. (Refer Note 03 of the Statement)

These qualifications have not been addressed by the Management of the Holding Company in the Statement for the period ended December 31, 2023.

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 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. The Statement includes the interim financial results of subsidiary Company (including step down subsidiary) which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. Nil and Rs. 65.41 Lakhs, total net loss after tax of Rs. 7.58 Lakhs and Rs. 10.47 Lakhs and total comprehensive loss of Rs. 7.58 Lakhs and Rs. 10.47 Lakhs for the quarter ended December 31, 2023 and for the period from April 01, 2022 to December 31, 2023, respectively, as considered in the Statement. This interim financial results 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 these subsidiary is based solely on such management prepared unaudited interim financial results. According to the information and explanations given to us by the Management, this interim financial results are not material to the Group.

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: 24029409BKDEEX6031



Place: Chennai

Date: February 13, 2024



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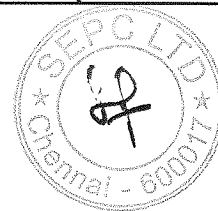
SEPC Limited

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Website: www.sepc.in

Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2023

(Rs in Lakhs)

S No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income</b>						
	(a) Revenue from operations	14,070.35	12,917.81	12,245.33	41,315.87	23,662.00	37,884.66
	(b) Other Income ( Refer Note No 9)	2,010.71	960.14	156.89	3,228.67	1,213.35	2,003.15
	<b>Total Income from operations</b>	<b>16,081.06</b>	<b>13,877.95</b>	<b>12,402.22</b>	<b>44,544.54</b>	<b>24,875.35</b>	<b>39,887.81</b>
2	<b>Expenses</b>						
	(a) Cost of Materials,Erection,Construction & Operation Expenses	12,718.77	10,369.00	9,455.42	34,733.62	19,712.88	31,905.03
	(b) Changes in inventories of finished goods,work-in-progress and stock-in-trade	-	115.73	-	-	-	-
	(c) Employee benefits expense	751.87	813.72	717.79	2,356.56	2,664.22	3,340.15
	(d) Finance Costs (Refer Note No 7)	1,140.19	1,111.38	1,228.26	3,159.99	5,105.99	6,039.75
	(e) Depreciation and amortisation expense	131.61	132.96	202.96	398.39	476.00	614.73
	(f) Other expenses	785.15	770.01	694.42	2,284.27	9,207.25	9,271.71
	<b>Total expenses</b>	<b>15,527.59</b>	<b>13,312.80</b>	<b>12,298.85</b>	<b>42,932.83</b>	<b>37,166.34</b>	<b>51,171.37</b>
3	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>553.47</b>	<b>565.15</b>	<b>103.37</b>	<b>1,611.71</b>	<b>(12,290.99)</b>	<b>(11,283.56)</b>
4	Exceptional Items-(income)/expense (Refer Note No 8)	-	-	(285.49)	-	(13,815.13)	(13,815.13)
5	<b>Profit before tax (3 - 4)</b>	<b>553.47</b>	<b>565.15</b>	<b>388.86</b>	<b>1,611.71</b>	<b>1,524.14</b>	<b>2,531.57</b>
6	<b>Tax Expense</b>						
	Current Tax	-	-	-	-	-	-
	Deferred Tax charge / (benefit)	-	-	-	-	-	3,021.95
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,021.95</b>
7	<b>Profit/(Loss) for the period / year (5 - 6)</b>	<b>553.47</b>	<b>565.15</b>	<b>388.86</b>	<b>1,611.71</b>	<b>1,524.14</b>	<b>(490.38)</b>
8	<b>Other comprehensive income / (loss) (OCI)</b>						
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
	Re-measurement gains/ (loss) on defined benefit plans (Net of Taxes)	(22.97)	5.25	86.94	(1.19)	8.05	(56.38)
	Fair Value of Equity Instruments through OCI (Net of Taxes)	34.18	6.57	9.47	48.86	(5.41)	(11.79)
	<b>Total Other comprehensive income / (Loss)</b>	<b>11.21</b>	<b>11.82</b>	<b>96.41</b>	<b>47.67</b>	<b>2.64</b>	<b>(68.17)</b>
9	<b>Total comprehensive Profit/ (Loss) for the period / year (7+8)</b>	<b>564.68</b>	<b>576.97</b>	<b>485.27</b>	<b>1,659.38</b>	<b>1,526.78</b>	<b>(558.55)</b>
10	Paid-up equity share capital (Face value ₹ 10 each)	1,40,981.36	1,37,142.90	1,32,152.90	1,40,981.36	1,32,152.90	1,32,152.90
11	Other Equity	-	-	-	-	-	(23,503.32)
12	Earnings per share (of Rs 10/- each) (not annualised for the period):						
	(a) Basic	0.04	0.04	0.03	0.12	0.13	(0.04)
	(b) Diluted	0.04	0.04	0.03	0.12	0.13	(0.04)
	See accompanying notes to the financial results						



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

E-mail : info@sepc.in Website : www.sepc.in

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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 13, 2024 and has been subjected to review by the Statutory Auditors of the Company. These unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.
2	Pursuant to the approval of the Board of Directors of the Company, Rights Issue of 8,82,84,615 Equity Shares were issued at a face value of Rs 10 each during nine months ended December 31, 2023. Out of 8,82,84,615 Equity shares, 3,83,84,615 Equity shares were issued at a premium of Rs 3 per Equity Share.
3	Non-Current Contract assets include overdue balances of Rs. 7,351.90 Lakhs as at December 31, 2023 (December 31, 2022, Rs. 3,956.02 lakhs) which is net of provisions of Rs.926.98 lakhs, as at December 31, 2023 (December 31, 2022, Rs. 926.98 lakhs). Non-Current Trade receivable include overdue balances of Rs 575.21 lakhs which is net of provisions of Rs 82.99 lakhs, as at December 31, 2023. Both the above amounts pertain to projects which have been stalled due to delays in obtaining approvals from regulatory authorities. One of the customers in the said projects is undergoing liquidation process, in respect of which the Company is confident of recovering the dues based on the realisability of the assets available with the customer. Further considering the ongoing negotiations with the customers, management of the Company is confident of recovering both of the above balances in full.
4	The Company (SEPC) and Twarit Consultancy Services Private Limited (TCPL) were the Respondents in respect of an International Arbitration before The Singapore International Arbitration Centre (SIAC) filed by GPE (INDIA) Ltd, GPE JV1Ltd, Gaja Trustee Company Private Ltd (the Claimants) in connection with the investments made by the claimants in an associate company of the Company. SIAC vide its award dated January 07, 2021 awarded damages jointly and severally on the Respondents to the tune of Rs.19,854.10 lakhs and a sum of SGD 372,754.79 towards Arbitration expenses. These are to be paid along with simple interest @ 7.25% pa from July 21, 2017 until the date of payment. The Respondents preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is held in favour of the claimants. Recognition and Enforcement petition was filed by the claimants before Madras High Court which recognised the foreign award subject to obtaining of prior approval from the RBI. Aggrieved by this the claimants have moved the Supreme Court for certain directions. Supreme Court vide Order dated 29.01.2024 directed to remit Rs 125 Crores with interest @ 7.25% pa from 07.09.2021 till date of remittance within two months from the date of Order and posted the matter to April 2024. However, the Company has entered into an Inter-se arrangement dated September 29, 2015 with TCPL and Shri Housing Pvt Ltd by which, Company will be fully indemnified, in case of any liability arising out of any Suits, Proceedings, Disputes, Damages payable by the Company on any defaults arising out of the above. Meanwhile, there is an interim order from Madras High Court restraining SEPC from utilizing Margin Money available as Fixed Deposits, subject to lenders lien, whereas all the margin money available as fixed deposits are subject to lenders lien. The management is confident that there would be no liability which would devolve on the Company from the proceedings as the Company is fully indemnified by virtue of the said Inter-se arrangement.
5	Mokul Shriram EPC JV (JV Company) have won the complaint against Export Credit Guarantee Corporation of India Limited (ECGC) before the National Consumer Disputes Redressal Commission, (NCDRC) New Delhi, in connection with the project executed in Basra, Iraq. NCDRC, vide their order dated January 27, 2021, allowed the claims and directed ECGC to pay a sum of Rs. 26,501 lakhs along with simple interest @ 10% pa. with effect from September 19, 2016 till the date of realisation to the JV Company within a period of three months from the date of order, failing which ECGC will be liable to pay compensation in the form of simple interest @ 12% pa. ECGC had filed an appeal against the order of NCDRC New Delhi, before Supreme Court, and the case is pending for disposal.
6	The Company has business losses which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. The Company has recognised Deferred Tax Asset (DTA) of Rs.31,112.13 lakhs as at December 31, 2023 (December 31, 2022 - Rs. 39,675.48 Lakhs) on carry forward loss of Rs. 89,034.26 Lakhs as at December 31, 2023 (December 31, 2022- Rs. 1,22,252.30 Lakhs). Considering potential order book as on date, reduction in future finance cost in the light of implementation of the resolution plan with its lenders, projects in the pipeline and a positive future outlook, the management of the Company is confident of generating sufficient taxable profits and adjusting them against these carry forward losses and accordingly DTA can also be reversed before the expiry of the period in respect of which this benefit is available.
7	Consequent to implementation of Resolution plan during September 2022, interest waiver (July 2022 to September 2022) of Rs 2,176 lakhs have been adjusted against finance cost for the nine months ended December 31, 2022.
8	<b>Exceptional items:</b> (i) Year ended March 31, 2023 includes gain of Rs. 19,634.82 Lakhs resulting from implementation of Resolution Plan with the lenders, on account of reduction in interest cost with effect from October 01, 2020 till June, 30, 2022, the difference between the carrying amounts of the facilities before restructuring as at September 30, 2022 and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments. (ii) During the year ended March 31, 2023, contract assets amounting to Rs 5,819.69 lakhs was written off, in respect of projects stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project and on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the year in respect of projects with the customers. (iii) During the quarter ended December 31, 2022 an amount of Rs.1,059.64 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. (iv) 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.



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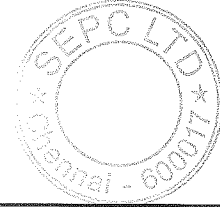


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- 9 During the quarter ended December 31, 2023, the Company has obtained unsecured loan amounting to Rs.29,500 Lakhs. The terms of repayment is bullet repayment of principal on 31-December-2035. The loan carries interest rate at 0.10% per annum payable half yearly from March 2024 till December 2035. The said loan has been recognised at amortised cost and the resultant gain on initial recognition is credited to other income in the statement of profit and loss under INDAS 109-Financial Instruments
- 10 The Company has made net profit during the quarter and nine months ended December 31, 2023 amounting to Rs 553.47 Lakhs and Rs 1611.71 lakhs respectively and as of that date has accumulated losses aggregating Rs. 2,14,034.67 Lakhs. Considering the positive developments of implementing the resolution plan, infusion of equity by the investor, completion of Rights issue and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations in future out of the cash flows from execution of the pipeline of orders in hand, business plans, sanctioned non-fund based facilities etc, these financial results are prepared on a going concern basis.
- 11 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.
- 12 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.
- 13 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.
- 14 Previous year/period figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.

For SEPC Limited

N K Suryanarayanan  
Managing Director & CEO



Place: Chennai  
Date : February 13, 2024



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**Independent Auditor's Review Report on unaudited standalone financial results of SEPC Limited for the quarter and year to date ended December 31, 2023 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**To The Board of Directors of SEPC Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of SEPC Limited ('the Company') for the quarter ended December 31, 2023 and the year to-date results for the period from April 01, 2023 to December 31, 2023 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Basis for Qualified Conclusion:

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

- i. The carrying value of Deferred Tax Asset (DTA) include an amount of Rs. 31,112.13 Lakhs as on December 31, 2023 (December 31, 2022: Rs. 39,675.48 Lakhs), which was recognized on unabsorbed business losses of Rs. 89,034.26 Lakhs (December 31, 2022: Rs.1,22,252.30 Lakhs). Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment that sufficient taxable profits will be available in the future against which such unabsorbed business losses can be utilised as required by Ind AS 12: "Income taxes", we are unable to comment on the consequential impact, if any, on the Statement for the quarter and nine months period ended December 31, 2023. (Refer Note 06 of the Statement).
- ii. Non-Current Contract Assets include Rs.7,351.90 Lakhs (net of provisions amounting to Rs.926.98 Lakhs) (December 31, 2022: Rs.3,956.02 Lakhs) and Non-Current Trade Receivables include Rs.575.21 Lakhs (net of provisions amounting to Rs. 82.99 Lakhs) as on December 31, 2023, relating to dues on projects which have been stalled due to delays in obtaining approvals from regulatory authorities. We do not have sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the said amounts. Accordingly, we are unable to comment on the carrying value of above-mentioned non-current Contract Asset and non-current Trade Receivables and the consequential impact if any, on account of non-provisioning of the said balances, on the Statement for the quarter and nine months period ended December 31, 2023. (Refer Note 03 of the Statement)

These qualifications have not been addressed by the Management of the Company in the Statement for the period ended December 31, 2023.



# MSKA & Associates

Chartered Accountants

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

*Geetha Jeyakumar*



Geetha Jeyakumar

Partner

Membership No.: 029409

UDIN: 24029409BKDEEW7942

Place: Chennai

Date: February 13, 2024





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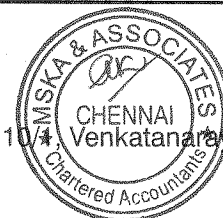
SEPC Limited

Regd Office : 4th Floor, Boscon Futura SV,  
Door No.10/1, Venkatanarayana Road, T Nagar, Chennai -600017  
CIN:L74210TN2000PLC045167  
Website: www.sepc.in

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2023.

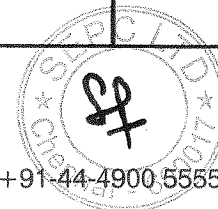
(Rs in Lakhs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income</b>						
(a) Revenue from operations	14,070.36	12,917.80	12,245.33	41,315.87	23,662.00	37,884.66
(b) Other Income( Refer Note No 9)	2,010.72	894.71	121.24	3,163.25	398.42	1,209.30
<b>Total Income from operations</b>	<b>16,081.08</b>	<b>13,812.51</b>	<b>12,366.57</b>	<b>44,479.12</b>	<b>24,060.42</b>	<b>39,093.96</b>
<b>Expenses</b>						
(a) Cost of Materials,Erection,Construction & Operation Expenses	12,718.77	10,369.00	9,453.10	34,733.62	19,660.01	31,852.15
(b) Changes in inventories of finished goods,work-in-progress and stock-in-trade	-	115.73	-	-	-	-
(c) Employee benefits expense	751.87	813.72	717.58	2,356.56	2,659.53	3,335.46
(d) Finance Costs (Refer Note No 7)	1,139.89	1,111.17	1,227.04	3,159.26	5,105.35	6,038.86
(e) Depreciation and amortisation expense	131.61	132.96	202.95	398.39	475.90	614.62
(f) Other expenses	777.86	727.27	678.85	2,209.10	9,170.45	9,178.29
<b>Total expenses</b>	<b>15,520.00</b>	<b>13,269.85</b>	<b>12,279.52</b>	<b>42,856.93</b>	<b>37,071.24</b>	<b>51,019.38</b>
<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>561.08</b>	<b>542.66</b>	<b>87.05</b>	<b>1,622.19</b>	<b>(13,010.82)</b>	<b>(11,925.42)</b>
Exceptional Items-(income)/expense (Refer Note No 8)	-	-	(285.49)	-	(13,815.13)	(13,815.13)
<b>Profit before tax (3 - 4)</b>	<b>561.08</b>	<b>542.66</b>	<b>372.54</b>	<b>1,622.19</b>	<b>804.31</b>	<b>1,889.71</b>
<b>Tax Expense</b>						
Current Tax	-	-	-	-	-	-
Deferred Tax charge / (benefit)	-	-	-	-	-	3,021.95
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,021.95</b>
<b>Profit/(Loss) for the period / year (5 - 6)</b>	<b>561.08</b>	<b>542.66</b>	<b>372.54</b>	<b>1,622.19</b>	<b>804.31</b>	<b>(1,132.24)</b>
<b>Other comprehensive income / (loss) (OCI)</b>						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Re-measurement gains/ (loss) on defined benefit plans (Net of Taxes)	(22.97)	5.25	86.94	(1.19)	8.05	(56.38)
Fair Value of Equity Instruments through OCI (Net of Taxes)	34.18	6.57	9.47	48.86	(5.41)	(11.79)
<b>Total Other comprehensive income / (Loss)</b>	<b>11.21</b>	<b>11.82</b>	<b>96.41</b>	<b>47.67</b>	<b>2.64</b>	<b>(68.17)</b>
<b>Total comprehensive Profit/ (Loss) for the period / year (7+8)</b>	<b>572.29</b>	<b>554.48</b>	<b>468.95</b>	<b>1,669.86</b>	<b>806.95</b>	<b>(1,200.41)</b>
Paid-up equity share capital (Face value ₹ 10 each)	1,40,981.36	1,37,142.90	1,32,152.90	1,40,981.36	1,32,152.90	1,32,152.90
Other Equity	-	-	-	-	-	(23,748.69)
Earnings per share (of Rs 10/- each) (not annualised for the period):						
(a) Basic	0.04	0.04	0.03	0.12	0.07	(0.09)
(b) Diluted	0.04	0.04	0.03	0.12	0.07	(0.09)
See accompanying notes to the financial results						



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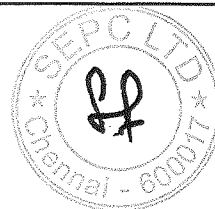
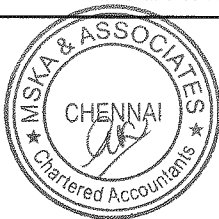
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S. No	Notes:
1	The above unaudited standalone financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 13, 2024 and has been subjected to review by the Statutory Auditors of the Company. These unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.
2	Pursuant to the approval of the Board of Directors of the Company, Rights Issue of 8,82,84,615 Equity Shares were issued at a face value of Rs 10 each during nine months ended December 31, 2023. Out of 8,82,84,615 Equity shares, 3,83,84,615 Equity shares were issued at a premium of Rs 3 per Equity Share.
3	Non-Current Contract assets include overdue balances of Rs. 7,351.90 Lakhs as at December 31, 2023 (December 31, 2022, Rs. 3,956.02 lakhs) which is net of provisions of Rs.926.98 lakhs, as at December 31, 2023 (December 31, 2022, Rs. 926.98 lakhs). Non-Current Trade receivable include overdue balances of Rs 575.21 lakhs which is net of provisions of Rs 82.99 lakhs, as at December 31, 2023. Both the above amounts pertain to projects which have been stalled due to delays in obtaining approvals from regulatory authorities. One of the customers in the said projects is undergoing liquidation process, in respect of which the Company is confident of recovering the dues based on the realisability of the assets available with the customer. Further considering the ongoing negotiations with the customers, management of the Company is confident of recovering both of the above balances in full.
4	The Company (SEPC) and Twarit Consultancy Services Private Limited (TCPL) were the Respondents in respect of an International Arbitration before The Singapore International Arbitration Centre (SIAC) filed by GPE (INDIA) Ltd, GPE JV1Ltd, Gaja Trustee Company Private Ltd (the Claimants) in connection with the investments made by the claimants in an associate company of the Company. SIAC vide its award dated January 07, 2021 awarded damages jointly and severally on the Respondents to the tune of Rs.19,854.10 lakhs and a sum of SGD 372,754.79 towards Arbitration expenses. These are to be paid along with simple interest @ 7.25% pa from July 21, 2017 until the date of payment. The Respondents preferred an appeal before the High Court of Republic of Singapore against the award of SIAC and the same is held in favour of the claimants. Recognition and Enforcement petition was filed by the claimants before Madras High Court which recognised the foreign award subject to obtaining of prior approval from the RBI. Aggrieved by this the claimants have moved the Supreme Court for certain directions. Supreme Court vide Order dated 29.01.2024 directed to remit Rs 125 Crores with Interest @ 7.25% pa from 07.09.2021 till date of remittance within two months from the date of Order and posted the matter to April 2024. However, the Company has entered into an Inter-se arrangement dated September 29, 2015 with TCPL and Shri Housing Pvt Ltd by which, Company will be fully indemnified, in case of any liability arising out of any Suits, Proceedings, Disputes, Damages payable by the Company on any defaults arising out of the above. Meanwhile, there is an interim order from Madras High Court restraining SEPC from utilizing Margin Money available as Fixed Deposits, subject to lenders lien, whereas all the margin money available as fixed deposits are subject to lenders lien. The management is confident that there would be no liability which would devolve on the Company from the proceedings as the Company is fully indemnified by virtue of the said Inter-se arrangement.
5	Mokul Shriram EPC JV (JV Company) have won the complaint against Export Credit Guarantee Corporation of India Limited (ECGC) before the National Consumer Disputes Redressal Commission, (NCDRC) New Delhi, in connection with the project executed in Basra, Iraq. NCDRC, vide their order dated January 27, 2021, allowed the claims and directed ECGC to pay a sum of Rs. 26,501 lakhs along with simple interest @ 10% pa. with effect from September 19, 2016 till the date of realisation to the JV Company within a period of three months from the date of order, failing which ECGC will be liable to pay compensation in the form of simple interest @ 12% pa. ECGC had filed an appeal against the order of NCDRC New Delhi, before Supreme Court, and the case is pending for disposal.
6	The Company has business losses which are allowed to be carried forward and set off against available future taxable income under Income Tax Act, 1961. The Company has recognised Deferred Tax Asset (DTA) of Rs.31,112.13 lakhs as at December 31, 2023 (December 31, 2022 - Rs. 39,675.48 Lakhs) on carry forward loss of Rs. 89,034.26 Lakhs as at December 31, 2023 (December 31, 2022- Rs. 1,22,252.30 Lakhs). Considering potential order book as on date, reduction in future finance cost in the light of implementation of the resolution plan with its lenders, projects in the pipeline and a positive future outlook, the management of the Company is confident of generating sufficient taxable profits and adjusting them against these carry forward losses and accordingly DTA can also be reversed before the expiry of the period in respect of which this benefit is available.
7	Consequent to implementation of Resolution plan during September 2022, interest waiver (July 2022 to September 2022) of Rs 2,176 lakhs have been adjusted against finance cost for the nine months ended December 31, 2022.
8	<b>Exceptional items:</b> (i) Year ended March 31, 2023 includes gain of Rs. 19,634.82 Lakhs resulting from implementation of Resolution Plan with the lenders, on account of reduction in interest cost with effect from October 01, 2020 till June, 30, 2022, the difference between the carrying amounts of the facilities before restructuring as at September 30, 2022 and the fair values of the new facilities recognised as income in accordance with INDAS 109 - Financial Instruments. (ii) During the year ended March 31, 2023, contract assets amounting to Rs 5,819.69 lakhs was written off, in respect of projects stopped by the client consequent to an order of the National Green Tribunal restraining the client from proceeding with the project and on account of wrongful termination of a contract and consequent legal disputes / arbitration proceedings initiated during the year in respect of projects with the customers. (iii) During the quarter ended December 31, 2022 an amount of Rs.1,059.64 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. (iv) 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.



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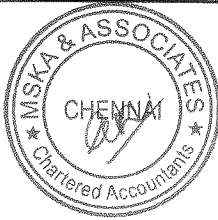
- 9 During the quarter ended December 31, 2023, the Company has obtained unsecured loan amounting to Rs.29,500 Lakhs. The terms of repayment is bullet repayment of principal on 31-December-2035. The loan carries interest rate at 0.10% per annum payable half yearly from March 2024 till December 2035. The said loan has been recognised at amortised cost and the resultant gain on initial recognition is credited to other income in the statement of profit and loss under INDAS 109-Financial Instruments
- 10 The Company has made net profit during the quarter and nine months ended December 31, 2023 amounting to Rs 561.08 Lakhs and Rs 1,622.19 lakhs respectively and as of that date has accumulated losses aggregating Rs. 2,14,027.07 Lakhs. Considering the positive developments of implementing the resolution plan, infusion of equity by the investor, completion of Rights issue and the change in management, additional funding by Investor for working capital together with plans to meet financial obligations in future out of the cash flows from execution of the pipeline of orders in hand, business plans, sanctioned non-fund based facilities etc, these financial results are prepared on a going concern basis.
- 11 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.
- 12 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.
- 13 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.
- 14 Previous year/period figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.

For SEPC Limited

N K Suryanarayanan  
Managing Director & CEO



Place: Chennai  
Date : February 13, 2024



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