

### Suryachakra Power Corporation Limited

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ISO 9001 : 2008 ISO 14001 : 2004

Regd. Off: SURYACHAKRA HOUSE, Plot No. 304-L-III, Road No. 78, Jubilee Hills, Hyderabad-500 096.CIN: L40103TG1995PLC019554 Ph: +91-40-3082 3000, 2355 0597 / 98 Fax: 040 - 2354 1339, E-mail: admin@suryachakra.com website: www.suryachakra.in

SPCL/BSE/99

Dt. May 29, 2017

To
The General Manager
Department of Corporate Services
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001.

Dear Sir,

Sub: Audited Financial Results for the year ended 31.03.2017

Ref: 1. Scrip code: 532874.

2. Regulation 33 & 52 of the SEBI (LODR) Regulations, 2015

In pursuance of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, we enclose herewith Audited Standalone & Consolidated Financial Results of the Company for the year ended 31.03.2017 as reviewed and recommended by the Audit Committee at its meeting held on today.

Further, in accordance with the above SEBI (LODR) Regulations, 2015, we enclose herewith the following for your information and record.

- A) Audited Financial Statements of the Company (Standalone & Consolidated) for the year ended 31st March, 2017 along with Auditor's Report thereon.
- B) Opinion on the said financial statements duly signed by the concerned officers in the prescribed Form A & B.

The Board meeting commenced at 1.00 p.m. and concluded at 530 p.m.

Please acknowledge receipt of the above. Thanking you,

Yours faithfully,

For Suryachakra Power Corporation Ltd.

(D. Suresh Babu)

VP & Company Secretary

Encl: As above

SURYACHAKRA POWER CORPORATION LIMITED

Regd Office: Plot No: 304-L-111, Suryachakra House, Road No 78, Jubilee Hills, Hyderabad 500 096

All amounts in Indian Rupees lakhs

		A	ll a	mounts in India	ın R	upees lakhs						
PART	I Stater	nent of Standalo	one	and Consolidat	ed f	inancial Results	for	r the Yea <u>r</u> ended	1 3	1st March'2017	-	
						Standalone					Consolidated	
Sl.No.	Particulars	Quarter ended		Quarter ended		Quarter ended		Year ended (12 months)		Year ended (12 months)	Year ended (12 mouths)	Year ended (12 months)
_		31.03.2017		31.12.2016		31.03.2016		31.03.2017		31.03.2016	31.03.2017	31.03.2016
		Refer Note :6		Refer Note :6		Refer Note :6		*Audited		Audited	Audited	Audited
1	Income from operations (a) Net Sales / Income from Operations (Net of excise duty)	1,778.68		2,512.27		2,421.31		9,845.01		10,696.64	9,845.01	10,696.64
	(b) Other operating income	1 779 (9		2 512 27		2 421 21		0.045.01		10 606 64	0.045.01	10 606 64
2	Total Income from Operations (net) Expenses	1,778.68		2,512.27		2,421.31		9,845.01		10,696.64	9,845.01	10,696.64
	(a) Cost of materials consumed	1,939.36		2,376.84		2,281.03		9,412.32		9,685.12	9,412.32	9,685.12
	(b) Employee benefit expense	29.47		12.48		65.98		119.51		160.13	119.51	160.13
	(c) Depreciation and amortisation expense	42.20		51.65		58.50		203.72		319.43	203.72	319.43
	(d) Operation and Maintenance	52.77		57.69		57.80		262.99		206.30	262.99	206.30
	(e) Other Expenses	64.46		56.84		84.40		244.73		193.54	244.98	193.82
	TOTAL EXPENSES	2,128.27		2,555.50		2,547.71		10,243.27	_	10,564.51	10,243.52	10,564.80
3	Profit/(Loss) from operations before other	-			$\vdash$		$\dashv$		_			
l .	income, finance costs and exceptional items (1-2)	(349.59)		(43.24)		(126.40)		(398.27)		132.13	(398.52)	131.84
4	Other income					-					-	1
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(349.59)		(43.24)		(126.40)		(398.27)		132.13	(398.52)	131.84
6	Finance costs	0.37		0.01		46.79		1.12		253.11	1.45	253.11
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(349.96)		(43.25)		(173.19)		(399.39)		(120.98)	(399.97)	(121.27)
8	Exceptional items - (net) Refer note no.3(b) (i) & 3(f)	11,394.87						11,394.87		862.00	2,317.79	862.00
9	Profit/(Loss) from ordinary activities before tax (7-8)	(11,744.83)		(43,25)		(173.19)		(11,794.26)		(982.99)	(2,717.76)	(983.27)
10	Tax expense					(2.70.70)		(24 204 26)	H	-	(0.010.00)	(0.00 0.00)
11	Net profit /(Loss) from ordinary activities after tax (9-10)	(11,744.83)		(43.25)	<u> </u>	(173.19)		(11,794.26)	_	(982.99)	(2,717.76)	(983.27)
12	Extraordinary Items (net of tax expense)	(11 844 02)		(42.25)	┝	(172.10)	_	(11.704.20)	_	(0.02.00)	(2.717.76)	(0.02.27)
13	Net profit/(Loss) for the period (11-12) Share of profit / (loss) of associates	(11,744.83)		(43.25)		(173.19)		(11,794.26)	-	(982.99)	(2,717.76)	(983.27)
15	Minority Interest				-		$\neg$					
16	Net Profit/(Loss) after taxes, minority interest and share of profit/(Loss) of associates (13+14+15)	(11,744.83)		(43.25)		(173.19)		(11,794.26)		(982.99)	(2,717.76)	(983.27)
17	Paid-up equity share capital (Face value Rs.10/ - each)	14,963.30		14,963.30		14,963.30		14,963.30		14,963.30	14,963.30	14,963.30
18	Reserves excluding Revaluation Reserves as per balance sheet of Previous accounting year	-		-		-		(16,155.61)		(4,361.36)	(4,900.49)	(2,182.85)
19.i	Earnings per share (Before Extraordinary items) (of Rs.10/-each) (not annualised)  (a) Basic	(7.85) (7.85)	*	(0.03) (0.03)		(0.12) (0.12)	*	(7.88) (7.88)		(0.66) (0.66)	(1.82)	(0.66) (0.66)
19.ii	(b) Diluted  Earnings per share (After Extraordinary items) (of Rs.10/-each) *(not annualised)	(7.83)		(0.03)		(0.12)	-	(7.68)		(0.00)	(1.82)	(0.00)
	(a) Basic (b) Diluted companying Notes to the Financial results	(7.85) (7.85)		(0.03) (0.0 <u>3</u> )		(0.12) (0.12)		(7.88) (7.88)		(0.66) (0.66)	(1.82) (1.82)	(0.66) (0.66)

See accompanying Notes to the Financial results



#### SURYACHAKRA POWER CORPORATION LIMITED

Regd Office: Plot No: 304-L-111, Suryachakra House, Road No 78, Jubilee Hills, Hyderabad 500 096
All amounts are in Indian Rupees lakhs, except share data

#### Notes:

1 Statement of Assets & Liabilities

		_				
	Davidania	Standalone	Financials	Consolidated Financials		
١.	Particulars Particulars	As at	As at	As at	t As at	
A		31.03.2017	31.03.2016	31.03.2017	31.03.2016	
		(Audited)	(Audited)	(Audited)	(Audited)	
1	Share holders' funds					
	(a) Share capital	14.963.30	14.963.30	14.963.30	14.963.30	
	(b) Reserves and surplus	(16.155.61)	(4.361.36)	(4,900,49)	(2,182,85)	
	Sub total - Shareholder's funds	(1.192.32)	10.601.94	10.062.80	12,780,44	
2	Share application money pending allotment					
3	Non- Current Liabilities					
	(a) Long-term borrowings		354.00	90.28	422.64	
·	(b) Long - term Provisions	20.97	20.73	20.97	20.73	
	(c ) Other Non- Current Liabilities			-		
	Sub total - Non- Current liabilities	20.97	374.73	111,25	443.38	
4	Current Liabilities			_		
	(i) Short- term borrowings	3,946.14	3,982.89	3,882.79	3,941.28	
1	(ii) Trade Pavables	970.74	1.002.62	970.74	1,002.62	
	(iii) Other Current Liabilities	3.112.76	2,694.16	3.196.57	2,778,11	
'	Sub total - Current liabilities	8.029.63	7.679.67	8.050.09	7,722.01	
	EOUITY AND LIABILTIES	6,858,29	18,656.36	18,224,15	20,945,83	
1	Non- Current Assets					
	(a) Fixed Assets	-	_			
	(i) Tangible Assets	489.08	692.81	489.08	692.81	
í	(ii) Capital work - in - progress	-	0>2.01		1.634.27	
	(iii) Goodwill on Consolidation	_	_	_	1,007.27	
2	(b) Non- Current Investments	1.59	3,571.59	72.23	1.59	
	(c) Long Term loans and advances	897.24	8,748.46	898.64	1,608.90	
	(d) Other Non-Current assets	1,275.74	1,275.74	1,275,74	1,275.74	
1	Sub total - Non-Current Assets	2,663,66	14.288.60	2,735.70	5,213,32	
3	Current assets	21000100	17.200.00	2.733.70	JIBIOIDE	
1	(a) Inventories	574.35	595.09	574.35	595.09	
	(b) Trade Receivables	2,059,23	2,228.40	2.059.23	2,228.39	
	(c)Cash and bank balances	1,480.58	1,481.80	1.482.21	1,483.71	
1	(d) Short - Term Loans and Advances	80.47	62,45	9,348.03	9,330.00	
	(e) Other Current assets	"-"	-	2,024.62	2,095.32	
	Sub total - Current Assets	4,194.63	4,367.74	15,488.44	15,732.51	
	ASSETS	6,858.29	18,656.35	18,224.15	20,945.83	

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29th May 2017.
- 3(a) (i) The Company's revenue from sale of electricity is based on the Power Purchase agreement (PPA) entered into with the Andaman and Nicobar (A & N) Administration. The PPA is for a initial period of 15 years and can be extended on mutual terms and conditions for three further periods of five (5) years each. PPA contains a set of predefined formulae for calculation of the revenue to be billed on a monthly basis. Such billings as per terms of the PPA include a fixed charge payment, a variable charge payment, incentive payment, foreign exchange adjustment and change-in-law adjustment.
  - (ii) The Company, for the purpose of determining the monthly billings, invoices the A & N Administration based on the costs and formulae as envisaged in the PPA and as determined by the Order of Joint Electricity Regulatory Commission (JERC), Guregoan dated 29th April, 2015. Pending final confirmation and acceptance of actual cost and the formulae by the A & N Administration, no adjustment is made to the revenue. Such adjustments, if any will be made in the period in which the amount becomes determinable and is confirmed by the A & N Administration.

(iii) Revenues for the Quarter and Year ended 31st March, 2017 include an amount of Rs.13.95 Lakhs and

Lakhs respectively (Quarter ended 31st March, 2016 Rs. 48.87 Lakhs, Quarter ended 31st Dec, 2016 Rs. 145.73 Lakhs; Year ended 31st Mar, 2016 Rs. 600.93 Lakhs) billed by the Company as per applicable provisions of PPA / JERC Order dated 29th April 2015, which has been rejected / withheld by the A & N Administration on the grounds of the technical interpretation of the formulae for computation of such charges. Aggregate receivables as at 31st March, 2017 on account of withheld amounts works out to Rs. 1,606.69 Lakhs (As at 31st March, 2016: Rs. 1426.01 Lakhs). Further, as at 31st March, 2017 the Company also has to receive an amount of Rs.1,275.74 Lakhs from A & N Administration towards interest on the above stated rejections/withheld amounts which have been recognized in earlier years. Management is pursuing the matter and is confident of recovering the amount. The amount so far recognized in the books of accounts upto 31st March 2017, is a part of claim preferred on A & N Administration. In this regard, Honorable Supreme Court of India vide its Order dated 10th May 2016, Ordered A & N Administration to deposit an amount of Rs. 15 Crores with Supreme Court for the purpose of consideration of interim relief

(iv) During the financial year 2015-16, the Company had enforced the Letter of Credit facility extended by the A & N Administration in its favour and encashed an amount of Rs. 14.80 Cr against the amounts withheld by the A & N Administration. State Bank of India which has given Letter of Credit in favour of the Company on behalf of the A & N Administration has credited the said amount to the Company's Working Capital Account without releasing the funds to the Company. Aggreived by the action of the Company and the Bank, the A & N Administration had approached the Division Bench of High Court at Kolkata for stay. But division bench ordered statusquo, till APTEL stay is vacated. The company has filed a petition before the High Court of Kolkata to allow the company to utilise the LC amount encashed.

3 (b) The Company as at 31st March, 2017 has the following investments (including advances) in its subsidiaries:

Name of the Subsidiary	Investment in Equity	Advances
	( Rs. in Lakhs)	(Rs. in Lakhs)
(i) Suryachakra Global Ventures Limited (SGVL) *	-	7,059.96
(ii) Suryachakra Energy(Chhattisgarh) Private Limited (SECPL)	3,570.00	81.39

<sup>\*</sup>Investment in equity is Rs.6

(i) SGVL is a wholly owned subsidiary of the Company incorporated in Honkong under Companies Ordinance. The Company through SGVL has decided to acquire a coal mine for captive use by its earstwhile subsidiary companies. With this intention, the Company out of the proceeds of the GDRs issued during the year 2011-12, has advanced an amount of Rs. 85,01,25,542/- (USD 1,90,00,000) to SGVL.

SGVL has entered an into an MOU with Symphony Trading and Investments Limited (STIL) for acquiring interests in coal mines in Indonesia. STIL is having offices in Singapore, Honkong etc., and having experience in identifying and acquiring suitable coal mines for its clients.

Pursuant to the said MOU, SGVL on 28th April 2011, has paid USD 1,90,00,000 as advance to STIL for acquiring interests in two coal mines from M/s. Surajaya Indelberg in Indonesia. As per the said MOU, STIL has agreed to return the advance if transaction of coal mine acquisition is not successful with in the timelines mutually agreed / extended. Due to change in policies of Indonesia, the transaction could not be completed.

In view of the prevailing uncertain conditions relating to coal mining activities in Indonesia, the Company has called back the advance given to STIL and making efforts to recover the advance. During the year 2013-14 due to efforts made the Company could recover an amount of Rs. 14,41,29,264/- (USD 25,90,886).

Management is confident of recovery of the balance advance, however, as a meassure of prudence a provision for doubtful advances has been made for the balance outstanding as on March 31, 2017.

(ii) SECPL is a 100% subsidiary of the Company and is engaged in setting a coal based power project (with a planned capacity upto 350MW) at Sapos Village, Jangir-Champa District in the State of Chhattisgarh at an estimated project cost of Rs. 1,900 Crores.

SECPL has obtained most of the requisite licenses for setting up the project; signed a Memorandum of Understanding (MOU) with Chhattisgarh State Electricity Board; and entered into an Implementation Agreement with Chhattisgarh State Power Distribution Company Limited, for setting up the said power project.

SECPL upto March 31, 2016, spent an amount of Rs. 45,59,27,070/-towards advances to suppliers of capital equipments and incidental expenses.

Despits best efforts the Company has not been able to mobilize the requisite funds to execute the project, hence, the management has made a provision for diminution in the carrying value of investments.

3 (c) Advance to related parties (other than to subsidiaries) - Suryachakra Thermal Energy (Andhra) Private Limited Rs. 287.79 Lakhs (Previous Year - 288.79 lakhs) and Suryachakra Thermal (Madhya Pradesh) Private Limited Rs. 381.01 Lakhs (Previous Year - 381.01 lakhs)

The Company in the earlier years had given the advances to acquire land/ to incure preliminary expenses in connection with setting up the power projects. Due to financial difficulties the Company could not make further progress with regard to the respective projects. The land acquired is yet to be registered in the name of the respective companies. The Company's efforts to bring in strategic investor did not yield any results and in the opinion of the management the recovery of advances is doubtful, hence a provision for doubtful advances has been made against the entire amount of advance outstanding as at the year end. However, the Company will continue to make efforts to recover the advances given.

#### 3 (d) Capital Advances:

In the earlier years, the Company has given Capital Advances for enhancing the capacities and increasing the efficiencies of the existing plant and machinery. Net advances as at 31st March' 2017, given aggregate to Rs. 852.66 Lakhs (Previous year: Rs. 884.28 lakhs). Due to financial difficulities, the company could not go ahead with the envisaged expansion and modifications. Management is making efforts and expects to recover the balance amount at the earliest. Hence, no provision in the value of advance is considered necessary at this stage.

- 3 (e) Certain lenders of the Company have initiated legal proceedings against the Company for recovery of their dues. The Company is negotiating with these lenders for settling the dues emicably and has stopped providing interest on these loans from the financial year ended March 31, 2014. The interest, if any, paid will be recognised in the year of settlement of dispute.
- 3 (f) The Company has not received confirmation of balances from Lenders (Secured / Unsecured and Long Term /Short Term), Trade payables, Creditors for Capital goods and Loans & Advances including Capital Advances outstanding as at March 31, 2017. In the absence of confirmation of balances provision for impairment, if any, in the carrying amount of these balances are not quantifiable. The management is confident that the settlement of these balances will be made at the carrying amounts and no provision is required at present.

Statutory Auditors in their Audit Report for the Year ended 31st March' 2017 have qualified their Report and expressed their inability to comment on the recoverability of the amounts stated at para 3 (a) and 3 (d), and the impact of the matters stated at para 3 (e) and 3 (f) above and consequential impact on the loss for the quarter ended 31st March' 2017 and on the Reserves and Surplus at 31st March' 2017

- During the period ended 30th June 2012, M/s. SBI Global Factors Limited an unsecured creditor filed a petition before the Honourable High Court of Andhra Pradesh for winding up of the company u/s 443 (1) (c) of the Companies Act, 1956. The Honourable High Court of Andhra Pradesh, had admitted the petition. The State Bank of India, the holding entity of SBI Global Factors Limited and the principle lender of the Company has impleaded opposing the winding up petition. The Company is confident of resolving the matter amicably. Pending the disposal of petition by the Hon'ble High Court of Andhra Pradesh the financial statements have been drawn up on a going concern basis.
- 5 The Company derives revenue from generation and sale of electricity which is its only operating segment.

  Accordingly, no separate segment disclosures have been made under Accounting Standard 17 "Segment Reporting".
- 6 Figures for the Quarter ended March'31, 2017 and March'31, 2016 has been arrived at balancing figure between nine months ended Dec'31, 2016 and Dec'31, 2015.

7 The figures for the previous year/period have been re-grouped/re-classified, wherever necessary, to conform with the current periods classification.

Date: 29-05-2017 Place: Hyderabad

Dr.S.M.Manepalli
Managing Director

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# Compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### FORM A (for audit report with unmodified opinion)

1.	Name of the Company	Suryachakra Power Corporation Limited			
2.	Annual financial statements for the year ended	March 31, 2017			
3.	Type of Audit Observation	Emphasis of Matters on Standalone & Consolidated financial statements.			
4.	Frequency of Observation	As detailed below			
		Standalone and Consolidated	d Financial Results		
		i) Note 3 (b) of the Statement regarding Provision for diminution in value of investments in Suryachakra Energy (Chhattisgarh) Private Limited and Provision for doubtful recovery of Advances to Suryachakra Global Ventures Limited and Suryachakra Energy (Chhattisgarh) Private Limited.			
[		Frequency of observ	vation: First time reported in 2016-17		
		ii) Note 3 (c) of the Statement regarding Provision for doubtful recovery of Advances to related parties (Other than Subsidiaries) - Suryachakra Thermal Energy (Andhra) Private Limited and Suryachakra Thermal (Madhya Pradesh) Private Limited			
	•	Frequency of obser	vation: First time reported in 2016 - 17		
		iii) Note 4 of the Statement regarding petition u/s 433 (1) (c) of the Companies Act, 1956 before the Honourable High Court of Andhra Pradesh.			
	<del></del>	Frequency of obser	vation: First time reported in 2012 - 13		
	be signed by-				
Manag	ing Director		(Dr. \$ M Manepalli)		
			Downinkle		
Chief F	inancial Officer		(V L NarasimhaRao)		
			Qua		
Audit C	committee Chairman		(P V SubbaRao)		
Auditor of the Company			For M. Bhaskara Rao & Co. Chartered Accountants Firm Registration Number. 000459S  V K Muralidhar  V K Muralidhar		
			Partner Membership Number: 201570  ***********************************		

## Compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### FORM B (for audit report with modified opinion)

		-
1.	Name of the Company	Suryachakra Power Corporation Limited
2.	Annual financial statements for the year ended	March 31, 2017
3.	Type of Audit qualification	Qualified opinion on Standalone & Consolidated financial statements.
4.	Frequency of qualification	As detailed below
_		Statement of Standalone and Consolidated financial results
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	i) Qualification: Note 3(a) of the Statement regarding recognition of rejections / withheld amount by Andaman and Nicobar Administration (A&NA) - We are unable to comment on the extent of ultimate recoverability of Rs. 13.95 Lakhs for the quarter ended March 31, 2017 and Rs. 180.68 Lakhs for year ended March 31, 2017 (Quarter ended 31st Dec, 2016 Rs.145.73 Lakhs, Quarter ended March 2016 Rs. 48.87 Lakhs, year ended March 31, 2016 Rs. 600.93 Lakhs) and the total receivables as at March 31, 2017 - Rs. 1606.69 Lakhs (as at March 31, 2016 - Rs.1426.01 Lakhs) which are subject to confirmation by the A&NA. Further, the company, in earlier years, has also recognized interest aggregating to Rs. 1275.74 Lakhs on such rejections / with held amounts which is also subject to confirmation by the A&NA.  Frequency of observation: Repetitive - First time reported in 2003 - 04  Management Response:  Management is pursuing the matter and is confident of recovering the amount. In this regard, Honorable Supreme Court of India vide its Order dated 10th May 2016, Ordered A & N Administration to deposit an amount of Rs. 15 Crores with Supreme Court for the purpose of consideration of interim relief.
		<ul> <li>ii) Qualification: Note 3 (e) of the Statement regarding capital advances aggregating to Rs.852.66 Lakhs (Previous Year - Rs. 884.28 Lakhs) considered good and fully recoverable for the reasons stated therein. We are unable to comment on the extent of ultimate recoverability.  Frequency of observation: Repetitive - First time reported in 2014 - 15 Management Response: The company has advanced for the purpose of refurbishment of DG sets for 20 MW Power Plant situated at Bamboo flat in Andaman &amp; Nicobar Islands. The company is making efforts to carry out the refurbishment of DG sets.</li> <li>iii) Qualification: Note 3 (f) (a) of the Statement regarding non-accounting of interest expense on borrowings availed by the Company. We are unable to comment on the extent of shortfall in interest expense for the quarter and year ended March 31, 2017 and also regarding cumulative liability up to March 31, 2017.  Frequency of observation: Repetitive - First time reported in 2014 - 15 Management Response: The management is in touch with Lenders for OTS without interest and they suggested to give a concrete proposal and the same is under active consideration with the Lenders. Management is confidant of resolving the issues pertaining to Lenders amicably and hence no provision of interest has been made</li> </ul>
AR	A RA	iv) Qualification:  Note 3 (g) of the Statement regarding confirmation of balances from Secured / Unsecured Loan Lenders; Trade Payables; Creditors for Capital works/goods; Loans and Advances given by the Company. We are unable to comment on the extent of adverse variances, if any.  Frequency of observation: Repetitive - First time reported in 2014 - 15

Management Response:
The Management is confident of convincing all secured creditors, trade creditors and to make OTS and settle their accounts as most of the creditors are known to the management and they would listen to the versions of the management. Hence no confirmations have been obtained from all the creditors.

5. To be signed by-	home
Managing Director	(Dr. S M Manepalli)
	NovasihRie
Chief Financial Officer	(V L NarasimhaRao)
Audit Committee Chairman	(P V SubbaRao)
Auditor of the Company	For M. Bhaskara Rao & Co. Chartered Accountants Firm Registration Number. 000459S  V. Muralidhar Partner Membership Number: 201570