



# Suryachakra Power Corporation Limited

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  
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SPCL/BSE/ 123

Dt. 11<sup>th</sup> August, 2016

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

Dear Sir,

Sub: Standalone Financial Results for the quarter ended 30.06.2016

Ref: 1. Scrip code: 532874.

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

In pursuance of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, we enclose herewith Standalone Financial Results of the Company for the quarter ended 30.06.2016 as reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on today.

The Board meeting commenced at 1.00 p.m. and concluded at 3.45 p.m.

This is for your information and record.

Thanking you,

Yours faithfully,  
For Suryachakra Power Corporation Ltd.

(D. Suresh Babu)  
Company Secretary

Encl : As above

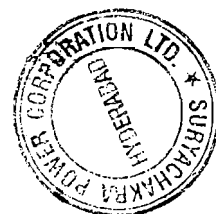
**SURYACHAKRA POWER CORPORATION LIMITED**

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

All amounts in Indian Rupees lakhs

<b>PART I Statement of Standalone financial Results for the Quarter ended 30th June'2016</b>						
Sl.No.	Particulars	Quarter ended		Quarter ended		Quarter ended
		30.06.2016		31.03.2016		30.06.2015
		Refer Note :6		Refer Note :6		Refer Note :6
						Year ended (12 months)
						31.03.2016
						Audited
<b>1</b>	<b>Income from operations</b>					
	(a) Net Sales / Income from Operations (Net of excise duty)	3,000.62		2,421.31		2,771.29
	(b) Other operating income			-		-
	<b>Total Income from Operations (net)</b>	<b>3,000.62</b>		<b>2,421.31</b>		<b>2,771.29</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	2,793.90		2,281.03		2,407.47
	(b) Employee benefit expense	38.28		65.98		40.10
	(c) Depreciation and amortisation expense	55.90		58.50		103.15
	(d) Operation and Maintenance	87.94		57.80		53.19
	(e) Other Expenses	53.86		84.40		35.65
	<b>TOTAL EXPENSES</b>	<b>3,029.87</b>		<b>2,547.71</b>		<b>2,639.56</b>
<b>3</b>	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(29.26)</b>		<b>(126.40)</b>		<b>131.73</b>
<b>4</b>	<b>Other income</b>	<b>-</b>		<b>-</b>		<b>-</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(29.26)</b>		<b>(126.40)</b>		<b>131.73</b>
<b>6</b>	<b>Finance costs</b>	<b>57.63</b>		<b>46.79</b>		<b>72.32</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(86.88)</b>		<b>(173.19)</b>		<b>59.41</b>
<b>8</b>	<b>Exceptional items - (net) Refer note no.3(b) (i) &amp; 3(f)</b>					<b>2,221.52</b>
<b>9</b>	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>(86.88)</b>		<b>(173.19)</b>		<b>(2,162.11)</b>
<b>10</b>	<b>Tax expense</b>					
<b>11</b>	<b>Net profit /(Loss) from ordinary activities after tax (9-10)</b>	<b>(86.88)</b>		<b>(173.19)</b>		<b>(2,162.11)</b>
<b>12</b>	<b>Extraordinary Items (net of tax expense)</b>					
<b>13</b>	<b>Net profit/(Loss) for the period (11-12)</b>	<b>(86.88)</b>		<b>(173.19)</b>		<b>(2,162.11)</b>
<b>14</b>	<b>Share of profit / (loss) of associates</b>					
<b>15</b>	<b>Minority Interest</b>					
<b>16</b>	<b>Net Profit/(Loss) after taxes, minority interest and share of profit/(Loss) of associates (13+14+15)</b>	<b>(86.88)</b>		<b>(173.19)</b>		<b>(2,162.11)</b>
<b>17</b>	<b>Paid-up equity share capital (Face value Rs.10/- each)</b>	<b>14,963.30</b>		<b>14,963.30</b>		<b>14,963.30</b>
<b>18</b>	<b>Reserves excluding Revaluation Reserves as per balance sheet of Previous accounting year</b>	<b>-</b>		<b>-</b>		<b>-</b>
<b>19.i</b>	<b>Earnings per share (Before Extraordinary items) (of Rs.10/-each) (not annualised)</b>					
	(a) Basic	(0.06) *		(0.12) *		(1.44) *
	(b) Diluted	(0.06) *		(0.12) *		(1.44) *
<b>19.ii</b>	<b>Earnings per share (After Extraordinary items) (of Rs.10/-each) *(not annualised)</b>					
	(a) Basic	(0.06)		(0.12)		(1.44)
	(b) Diluted	(0.06)		(0.12)		(1.44)

See accompanying Notes to the Financial results

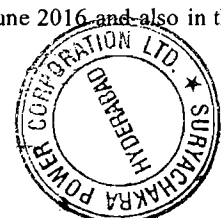


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**All amounts are in Indian Rupees lakhs, except share data**

- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11th Aug 2016.
- 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 pre-defined 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 etc.
- (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 ended 30th June 2016 include an amount of Rs.70.61 Lakhs (Quarter ended 31st March, 2016 Rs.48.87 Lakhs, Quarter ended 30th June, 2015 Rs. 159.22 Lakhs; Year ended 31st March, 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 30th June 2016 on account of withheld amounts works out to Rs. 1,496.62 Lakhs (As at 31st March, 2016: Rs. 1426.01 Lakhs). Further, as at 30th June 2016 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 30th June 2016, 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 has approached the Division Bench of High Court at Kolkata for stay. But division bench ordered statusquo, till APTEL stay is vacated. Now the company filed petition to enable the company to utilise the funds. Dues from A & N Administration stated in Para (iii) above were net of the said LC encashment
- (b) **Disinvestment of stake in subsidiary Suryachakra Global Enviro Power Limited**
- Suryachakra Global Enviro Power Limited (SGEPL), wholly owned subsidiary of the Company along with its subsidiaries engaged in the generation and sale of power have incurred substantial losses and the net worth of all these subsidiaries has been fully eroded. In view of high input cost, operations of all the subsidiary companies were suspended from the financial year 2011-12 onwards.
- As a measure of prudence, the company, during 2014 - 15 has made a provision of Rs. 6,683.37 lakhs towards diminution in the value of investments and during 2011-12 and 2014-15 made a provision aggregating to Rs. 3,831.28 lakhs towards advances given to the subsidiaries as doubtful.
- Further, in the financial year 2015-16, pursuant to the Board resolution dated 3rd June, 2015 the Company sold its stake in SGEPL for a sale consideration of Rs. 6.27 lakhs. This has resulted in a total loss of Rs. 8,904.89 lakhs. The loss for the year 2015-16 (net of provisions made in 2014-15 aggregating to Rs. 6,683.37 lakhs towards diminution in value of investments) amounting to Rs. 2,221.52 lakhs had been charged off to Statement of Profit and loss as an exceptional Item during the quarter ended 30th June 2016 and also in the financial year 2015-16.



- (c) The Company as at 30th June, 2016 has the following investments (including advances) in its subsidiaries:

Name of the Subsidiary	Investment in Equity (Rs. in Lakhs)	Advances (Rs. in Lakhs)
(i) Suryachakra Global Ventures Limited (SGVL) *	-	7,059.96
(ii) Suryachakra Energy(Chhattisgarh) Private Limited (SECPL)	3,570.00	81.38

\*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. 8,501.25 lakhs (USD 190.00 lakhs) 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 190.00 lakhs 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 certain 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 2012-13, management had intensified the efforts for recovery; commenced the negotiations and was in the process of initiating legal remedies. Pursuant to the said efforts, the Company could recover an amount of Rs. 1,441.29 lakhs (USD 25.90 lakhs) during the year 2013-14 and pursuing the recovery of the balance amount.

Management is confident of recovery of the advance. Shortfall if any, in recovery will be adjusted in the year of final settlement. Hence no provision towards doubtful advances, if any, has been made.

- (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.

Management is confident of mobilizing the requisite funds either on its own or through strategic investors to execute the project and recover the investment made in the project. Hence, no provision in the value of investment and advance extended is considered necessary at this stage.

- (d) Advance to related parties (other than to subsidiaries) - Suryachakra Thermal Energy (Andhra) Private Limited Rs. 288.79 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 earlier year had given the above advances to acquire land / to incur preliminary expenses in connection with seting up the power projects. Due to financials difficulties the company could not make further progress with regard to these projects. The land acquired is yet to be registered in the name of the respective companies. Company had entered into a written agreements with the vendors and the agreements are live. The Company is making efforts to bring in the strategic investors and realise the advances given. Hence, no provision in the doubtful advances is considered at this stage.

- (e) **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 30th June 2016, given aggregate to Rs. 884.28 Lakhs (Previous year: Rs. 884.28 lakhs). Due to financial difficulties, 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.



- (f) (a) Certain lenders of the Company has initiated legal proceedings against the Company for recovery of their dues. The Company is negotiating with those lenders for settling the dues amicably. The Company stopped providing for the interest and other charges on loans from these lenders. Accordingly, no interest on these loans have been provided in the financial statements for the years ended on 31st March 2014, 31st March 2015 and 31st March 2016. The liability if any will be recognised in the year of settlement of dispute.

(b) During the financial year 2015-16, the management based on the discussions it had with the lenders, has written back the interest aggregating to Rs. 1,359.51 lakhs recognised prior to financial year 2012-13. The management is of the opinion that there need not be any liability in this regard. Hence, the same had been written back and grouped under exceptional item in financial year 2015-16.

- (g) 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 given by the Company as at June 30, 2016. In the absence of confirmation of balances from these parties, provision for adverse variations, if any, in the carrying amount of these balances are not quantifiable. However, management is confident that the settlement with the said parties will be made at the carrying amounts and no provision is required at present for adverse variations. Adjustments for variances, if any will be made in the year of settlement.

Statutory Auditors in their Limited Review Report for the quarter ended June 30, 2016 qualified their Report and expressed their inability to comment on the recoverability of the amounts stated at para 3 (a); 3(c), 3 (d), 3 (e) and the impact of the matters stated at para 3 (f) (a) and 3 (g) above and consequential impact on the loss for the quarter ended June 30, 2016 and on the Reserves and Surplus at June 30, 2016.

- 4 During the period ended 30th June 2012, M/s. SBI Global Factors Limited an unsecured creditor has 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. 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.
- 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 The figures for the quarter ended 30th June 2016 and year ended 31st March 2016 .

Date : 11.08.2016  
Place : Hyderabad

  
Dr.S.M.Manepalli  
Managing Director

