



# 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  
Fax : 040 - 2354 1339, E-mail : admin@suryachakra.com website : www.suryachakra.in



SPCL/BSE/029

Dt. February 12, 2016

To  
The General Manager  
Department of Corporate Services  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001.  
Fax No.022-2272 2061

Dear Sir,

Sub: Un- Audited Financial Results for the Quarter ended 31.12.2015  
Ref: Scrip code: 532874.

The Board of Directors of the Company at their meeting held on 12.02.2016 approved the Un-Audited financial results of the Company for the quarter ended 31.12.2015. A copy of the un-audited financial results duly signed by the Managing Director is enclosed herewith.

This is for your information and records.

Thanking you,

Yours faithfully,  
For Suryachakra Power Corporation Ltd.

(Dr. S M Manepalli)  
Managing Director

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

PART I Statement of Unaudited Results for the Quarter and Nine months ended 31/12/2015 OR for the Year ended 31/03/2015							
Sl.No.	Particulars	Standalone					
		Quarter ended	Quarter ended	Quarter ended	Nine Months ended	Nine Months Year ended	Year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income from operations</b>						
	(a) Net Sales / Income from Operations (Net of excise duty)	2,670.70	2,833.34	3,524.24	8,275.33	11,291.70	14,219.51
	(b) Other operating income	-	-	6.40	-	20.96	20.81
	<b>Total Income from Operations (net)</b>	<b>2,670.70</b>	<b>2,833.34</b>	<b>3,530.64</b>	<b>8,275.33</b>	<b>11,312.66</b>	<b>14,240.32</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	2,470.20	2,526.41	3,174.47	7,404.08	10,209.05	12,643.93
	(b) Employee benefit expense	12.88	41.17	40.47	94.15	120.10	163.26
	(c) Depreciation and amortisation expense	69.81	87.96	129.16	260.93	384.02	509.66
	(d) Operation and Maintenance	44.77	50.54	55.85	148.50	132.12	324.86
	(e) Other Expenses	42.88	30.60	162.20	109.14	237.98	273.62
	<b>TOTAL EXPENSES</b>	<b>2,640.54</b>	<b>2,736.69</b>	<b>3,562.15</b>	<b>8,016.80</b>	<b>11,083.27</b>	<b>13,915.33</b>
3	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>30.15</b>	<b>96.64</b>	<b>(31.50)</b>	<b>258.53</b>	<b>229.39</b>	<b>324.99</b>
4	Other income	1.58	-	-	1.57	-	4.66
5	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>31.73</b>	<b>96.64</b>	<b>(31.50)</b>	<b>260.10</b>	<b>229.39</b>	<b>329.65</b>
6	Finance costs	62.50	71.55	73.87	206.32	231.03	312.18
7	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(30.77)</b>	<b>25.09</b>	<b>(105.37)</b>	<b>53.78</b>	<b>(1.64)</b>	<b>17.47</b>
8	Exceptional items - (net) Refer note no.3(b) (i) & 3(f)		(1,359.52)		862.01		9,123.68
9	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>(30.77)</b>	<b>1,384.61</b>	<b>(105.37)</b>	<b>(808.23)</b>	<b>(1.64)</b>	<b>(9,106.21)</b>
10	Tax expense					-	-
11	<b>Net profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>(30.77)</b>	<b>1,384.61</b>	<b>(105.37)</b>	<b>(808.23)</b>	<b>(1.64)</b>	<b>(9,106.21)</b>
12	Extraordinary Items (net of tax expense)					-	-
13	<b>Net profit/(Loss) for the period (11-12)</b>	<b>(30.77)</b>	<b>1,384.61</b>	<b>(105.37)</b>	<b>(808.23)</b>	<b>(1.64)</b>	<b>(9,106.21)</b>
14	Share of profit / (loss) of associates						
15	Minority Interest					-	-
16	<b>Net Profit/(Loss) after taxes, minority interest and share of profit/(Loss) of associates (13+14+15)</b>	<b>(30.77)</b>	<b>1,384.61</b>	<b>(105.37)</b>	<b>(808.23)</b>	<b>(1.64)</b>	<b>(9,106.21)</b>
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
18	Reserves excluding Revaluation Reserves as per balance sheet of Previous accounting year	-	-	-	-	-	(3,378.37)
19.i	<b>Earnings per share (Before Extraordinary items) (of Rs.10/-each) (not annualised)</b>						
	(a) Basic	(0.02)	0.93	(0.07)	(0.54)	(0.00)	(6.09)
	(b) Diluted	(0.02)	0.93	(0.07)	(0.54)	(0.00)	(6.09)
19.ii	<b>Earnings per share (After Extraordinary items) (of Rs.10/-each) *(not annualised)</b>						
	(a) Basic	(0.02)	0.93	(0.07)	(0.54)	(0.00)	(6.09)
	(b) Diluted	(0.02)	0.93	(0.07)	(0.54)	(0.00)	(6.09)

See accompanying Notes to the Financial results



**SURYACHAKRA POWER CORPORATION LIMITED**

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All amounts are in Indian Rupees lakhs, except share data

**Notes :**

- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12th February 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 and 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.

(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, Gurgaon dated 29th April, 2015. Pending final confirmation and acceptance of actual costs 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 issues are settled between A & N Administration and the Company.

(iii) Revenues for the Quarter and Nine months ended 31st Dec, 2015 include an amount of Rs.145.73 Lakhs and Rs.552.06 Lakhs respectively (Quarter ended 31st Dec, 2014 Rs.137.47 Lakhs, Quarter ended 30th Sept, 2015 Rs. 247.11 Lakhs; Nine months ended 31st Dec, 2014 Rs.367.05 Lakhs; Year ended 31st Mar, 2015 Rs. 493.43 Lakhs) billed by the Company as per applicable provisions of PPA, 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 Dec, 2015 on account of such rejection / withheld amounts to Rs. 2857.14 Lakhs (As at 31st March, 2015: Rs. 2305.08 Lakhs). Further as at 31st Dec, 2015 the Company also has to receive an amount of Rs.1275.74 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 with A & N Administration and is confident of recovering the amount. The amount so far recognized in the books of accounts upto 31st Dec, 2015, is a part of claim preferred on A & N Administration.

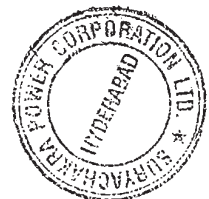
(iv) During the Nine months ended 31st Dec 2015, the Company has enforced the Letter of Credit facility extended by the Administration in it's favour and encashed an amount of Rs. 1480 Lakhs out of the amounts withheld by the Administration. State Bank of India which has given Letter of Credit in favour of the Company on behalf of the Adminsitration, has credited the said amount to Company's working capital account without releasing the funds to the Company. Aggreived by the action of the Company, the Administration has approached the Division Bench of High Court at Calcutta for reversal of encashment. In view of the dispute, dues from A & N Administration stated in para (iii) above were not adjusted with the said LC encashment amount

**(b) Disinvestment of stake in subsidiary Suryachakra Global Enviro Power Limited**

- (i) 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.

Pursuant to the Board Resolution dated 03.06.2015, the Company during the nine months period ended 31st December 2015 sold its stake in SGEPL. The loss on sale of investment including advances given to SGEPL net of provision for permanent diminution in the value of investment and towards such advances made in the earlier year has been recognized as exceptional item. The amount so recognised as loss aggregates to Rs.2221.52 Lakhs.

- (ii) Secured loan lenders of SGEPL and it's subsidiaries have issued notices under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002(SARFAESI Act) and Winding up Petitions Under Section 433 and 434 of Companies Act 1956. Except one Power Plant owned by M/s.Sri Panchajanya Power Private Ltd at Hingoli, Maharashtra all other three plants and one Plant in project stage were taken over by the respective secured loan lenders. The lenders have issued auction notice for sale of the respective plant and called for bids. The respective companies have filed a petition in the Debt Recovery Tribunal (DRT), Hyderabad seeking stay on the auction proceedings. The matter is pending before DRT. Indiabulls Housing Finance Ltd - a secured Lender for Suryachakra Global Enviro Power Limited (SGEPL) and South Asian Agro Industries Ltd (SAAIL) has initiated alleged criminal proceedings against the Managing Director of the Company and other Directors and Guarantors of SGEPL and SAAIL. These criminal proceedings were challenged by the SGEPL and SAAIL and the matter is pending before Courts. Meanwhile, the Honourable High Court of Adjudicature at Hyderabad vide its order dated June 22, 2015 has ordered that SGEPL and SAAIL be wound up under the provisions of the Companies Act, 1956 and appointed the Official Liquidator attached to the Honourable High Court as Liquidator of SGEPL and SAAIL



- (c) The company as at 31st Dec, 2015 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	82.01

\*Investment in equity is Rs.6

- (i) SGVL is a wholly owned subsidiary of the company incorporated in Hong Kong under Companies Ordinance. Company through SGVL has decided to acquire a coal mine for captive use by its subsidiaries. Out of the proceeds of GDR raised during the year 2011-12, the Company has advanced an amount of Rs. 8501.26 Lakhs (USD 190.00 Lakhs) to SGVL.

SGVL has entered into MOU with Symphony Trading and Investments Limited(STIL) for acquiring interests in coal mines in Indonesia. STIL is an entity having offices in Singapore, Hongkong 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 MOU, STIL has agreed to return the advance, if transaction of coal mine acquisition is not successful within the time mutually agreed / extended. Due to change in policies of Indonesia, the said transaction could not be completed.

In view of the 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 2012 - 13, management 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. 1441.29 Lakhs (USD 25.91 Lakhs) during the year 2013-14 and pursuing for 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, has been made.

- (ii) SECPL is a 100% subsidiary of the company engaged in setting up to a 350MW coal based power project at Sapos Village, Jangir-Champa District in the State of Chhattisgarh at an estimated project cost of Rs. 1,90,000 Lakhs.

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.

Up to 31st March, 2015, SECPL has spent an amount of Rs. 4,559 Lakhs towards advances to suppliers of capital equipments and incidental expenses.

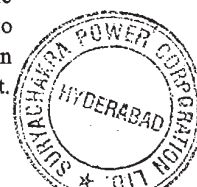
Management is confident of mobilizing the requisite funds to execute the project and recover the investment made in the project. Hence, no provision in the value of investment and advance extended is considered necessary at this stage.

- (d) Advance to related parties -Suryachakra Industries Private Limited Rs.309.97 Lakhs and Suryachakra Thermal (Madhya Pradesh) Private Limited Rs.381.01 Lakhs

The company in earlier year had given the above advances to acquire land / to incur preliminary expenses in connection with setting up the power projects. Due to financial 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 Company. Company had entered into a written agreements with the vendors and the agreements are live. Company is making efforts to bring in the investors and realise the advance given. Hence, no provision for 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 31st March 2015, given aggregate to Rs.980.07 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.



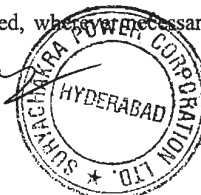
- (f) Certain lenders of the Company have initiated legal proceedings against the company for recovery of their dues. Company is negotiating with the lenders for settling the dues amicably. The company has stopped providing for the interest and other charges on loans from these lenders. Accordingly no interest on these loans have been provided in the financial statements since the accounting periods commenced after 31st March, 2011. The liability if any will be recognized in the year of settlement of dispute. During the nine months period ended 31st Dec, 2015, the management, based on the discussions it had with these lenders, has written back the interest aggregating to Rs.1359.52 Lakhs recognised in the earlier years. The management is of the opinion that there would not be any liability in this regard. Hence the same has been written back and grouped under exceptional items.
- (g) The Company has not received confirmation of balances from Lenders, Trade payables, Suppliers for capital goods, Loans & Advances including capital advances given by the company as at 31st Dec, 2015. In the absence of confirmation of balances from these parties, provision for adverse variations, if any, in the carrying amounts 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. Adjustment for shortfall / excess payment, if any, will be made in the year of settlement.

Statutory Auditors in their Review Report for the quarter and the nine months period ended 31st Dec, 2015 qualified their Review 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) and 3 (g) above and consequential impact on the loss for the quarter and the nine months period ended 31st Dec, 2015 and on the Reserves and Surplus at 31st Dec, 2015.

- 4 During the earlier years 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. SBI the holding entity of SBI Global Factors Ltd and the Principal 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 previous year/period have been re-grouped/re-classified, where necessary, to conform with the current periods classification.

Date : 12.02.2016  
Place : Hyderabad

  
Dr.S.M.Manepalli  
Managing Director







# Suryachakra Power Corporation Limited

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ISO 9001 : 2008  
ISO 14001 : 2004

BSE\LR\31122015\029

12<sup>th</sup> February, 2016

To  
The General Manager,  
Department of Corporate Services,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400001  
Fax No. 022-22722061

Dear Sir,

Sub: Submission of Limited Review Report  
Ref: Scrip Code: 532874

In Compliance of clause 41 of the Listing Agreement, we enclose herewith the Limited Review Report of the Statutory Auditors of the Company on the Un-Audited Financial Results of the Company for the Quarter ended 31<sup>st</sup> December, 2015.

This is for your information and records.

Thanking you,

Yours faithfully,  
For Suryachakra Power Corporation Limited

(Dr. S M Manepalli)  
Managing Director

Encl: As above



## INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE BOARD OF DIRECTORS OF  
SURYACHAKRA POWER CORPORATION LIMITED  
Hyderabad**

1. We have reviewed the accompanying "Statement of Unaudited Results" ("the Statement") of **SURYACHAKRA POWER CORPORATION LIMITED** ("the Company") for the quarter and nine months period ended December 31, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors on February 12, 2016. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (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 financial statements are free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.
3. Basis for Qualified Conclusion:  
*Attention is invited to:*
  - i. 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. 145.73 Lakhs for the quarter ended December 31, 2015 and Rs. 552.06 Lakhs for the nine months period ended December 31, 2015 (Quarter ended 31st Dec, 2014 Rs.137.47 Lakhs, Quarter ended 30th Sept, 2015 Rs. 247.11 Lakhs; Nine months ended 31st Dec, 2014 Rs.367.05 Lakhs; Year ended 31st Mar, 2015 Rs. 493.43 Lakhs) ; and the total receivables as at December 31, 2015 - Rs. 2,857.14 Lakhs (as at March 31, 2015 - Rs.2305.08 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.
  - ii. Note 3 (c) of the Statement regarding recovery of investments and advances to its subsidiaries aggregating to Rs. 10,711.97 Lakhs (Year ended March 31, 2015 - Rs. 12,935.76 Lakhs). We are unable to comment on the extent of ultimate recoverability of these investments and advances.
  - iii. Note 3 (d) of the Statement regarding advances aggregating to 690.98 Lakhs to certain related parties which are considered good and fully recoverable for the reasons stated therein. We are unable to comment on the extent of ultimate recoverability of these advances.



- iv. *Note 3 (e) of the Statement regarding capital advances aggregating to Rs.980.07 Lakhs considered good and fully recoverable for the reasons stated therein. We are unable to comment on the extent of ultimate recoverability.*
- v. *Note 3 (f) of the Statement regarding non-accounting of interest expense on certain loans availed by the Company and writing back of interest recognised in earlier years aggregating to Rs. 1359.52 Lakhs during the nine months ended December 31, 2015. We are unable to comment on the extent of shortfall in interest expense for the Nine months ended December 31, 2015 and also regarding cumulative liability up to December 31, 2015.*
- vi. *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.*

*The consequential impact of the above matters on the unaudited financial results for the nine months ended December 31, 2015 and retained earnings as on December 31, 2015 is indeterminable.*

4. **Qualified Conclusion:**

*Except for the adjustments that are required to be made for the matters stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules 2014 and other applicable provisions of the Act and other accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.*

5. **Emphasis of Matter:**

Without qualifying our opinion, we draw attention to:

- i. *Note 3 (b) of the Statement regarding disinvestment of stake in subsidiary Suryachakra Global Enviro Private Limited.*
- ii. *Note 4 of the Statement regarding petition u/s 433 (1) (e) of the Companies Act, 1956 before the Honourable High Court of Andhra Pradesh.*

**For M. Bhaskara Rao & Co.**

Chartered Accountants

Firm Registration Number. 000459S



*V K Muralidhar*

**V K Muralidhar**

Partner

Membership Number: 201570

Place: Hyderabad

Date: 12.02.2016