



# 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/037

Dt. 13<sup>th</sup> February, 2017

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

Dear Sir,

Sub: Un-Audited (Standalone) Financial Results for the quarter ended  
31.12.2016 & Limited Review Report for 31.12.2016  
Ref: 1. Regulation 33 & 52 of SEBI (LODR) Regulations, 2015  
2. Scrip code: 532874.

In pursuance of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, we enclose herewith the Un-Audited (Standalone) Financial Results of the Company for the quarter ended 31.12.2016 as reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on today.

We also enclose herewith the Limited Review Report of the Statutory Auditors of the Company on the Un-Audited Financial Results for the Quarter ended 31.12.2016.

The Board meeting commenced at 1.00 p.m. and concluded at 4.55 p.m.

This is for your information and record.

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

<b>PART I Statement of Unaudited Results for the Quarter and Nine months year ended 31/12/2016</b>							
Sl.No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Nine month ended	Nine month ended	Year ended (12 months)
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
		Refer Note :6	Refer Note :6	Refer Note :6	Refer Note 6	Refer Note 6	Audited
<b>1</b>	<b>Income from operations</b>						
	(a) Net Sales / Income from Operations	2,512.27	2,553.45	2,670.70	8,066.33	8,275.33	10,696.64
	(b) Other operating income	-	-	-	-	-	-
	<b>Total Income from Operations (net)</b>	<b>2,512.27</b>	<b>2,553.45</b>	<b>2,670.70</b>	<b>8,066.33</b>	<b>8,275.33</b>	<b>10,696.64</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	2,376.84	2,302.22	2,470.20	7,472.96	7,404.08	9,685.12
	(b) Employee benefit expense	12.48	39.28	12.88	90.04	94.15	160.13
	(c) Depreciation and amortisation expense	51.65	53.97	69.81	161.52	260.93	319.43
	(d) Operation and Maintenance	57.69	64.60	44.77	210.22	148.50	206.30
	(e) Other Expenses	56.84	69.58	42.88	180.27	109.14	193.54
	<b>TOTAL EXPENSES</b>	<b>2,555.50</b>	<b>2,529.63</b>	<b>2,640.54</b>	<b>8,115.01</b>	<b>8,016.80</b>	<b>10,564.51</b>
<b>3</b>	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(43.23)</b>	<b>23.81</b>	<b>30.15</b>	<b>(48.68)</b>	<b>258.53</b>	<b>132.13</b>
<b>4</b>	<b>Other income</b>		57.59	1.58	57.59	1.57	
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(43.23)</b>	<b>81.40</b>	<b>31.73</b>	<b>8.91</b>	<b>260.10</b>	<b>132.13</b>
<b>6</b>	<b>Finance costs (Refer Note: 3 (e) (i) &amp; 3 (e) (ii))</b>		0.71	62.50	58.34	206.32	253.11
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(43.23)</b>	<b>80.70</b>	<b>(30.77)</b>	<b>(49.43)</b>	<b>53.78</b>	<b>(120.98)</b>
<b>8</b>	<b>Exceptional items - (net) Refer note no.3(b) (i) &amp; 3(f)</b>					862.01	862.01
<b>9</b>	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>(43.23)</b>	<b>80.70</b>	<b>(30.77)</b>	<b>(49.43)</b>	<b>(808.23)</b>	<b>(982.99)</b>
<b>10</b>	<b>Tax expense</b>						
<b>11</b>	<b>Net profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>(43.23)</b>	<b>80.70</b>	<b>(30.77)</b>	<b>(49.43)</b>	<b>(808.23)</b>	<b>(982.99)</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>(43.23)</b>	<b>80.70</b>	<b>(30.77)</b>	<b>(49.43)</b>	<b>(808.23)</b>	<b>(982.99)</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>(43.23)</b>	<b>80.70</b>	<b>(30.77)</b>	<b>(49.43)</b>	<b>(808.23)</b>	<b>(982.99)</b>
<b>17</b>	<b>Paid-up equity share capital (Face value Rs.10/- each)</b>	14,963.30	14,963.30	14,963.30	14,963.30	14,963.30	14,963.30
<b>18</b>	<b>Reserves excluding Revaluation Reserves as per balance sheet of Previous accounting year</b>						(4,361.36)
<b>19.i</b>	<b>Earnings per share (Before Extraordinary items) (of Rs.10/-each) (not annualised)</b>						
	(a) Basic	(0.03) *	0.05 *	(0.02) *	(0.03) *	(0.54) *	(0.66)
	(b) Diluted	(0.03) *	0.05 *	(0.02) *	(0.03) *	(0.54) *	(0.66)
<b>19.ii</b>	<b>Earnings per share (After Extraordinary items) (of Rs.10/-each) *(not annualised)</b>						
	(a) Basic	(0.03) *	0.05 *	(0.02) *	(0.03) *	(0.54) *	(0.66)
	(b) Diluted	(0.03) *	0.05 *	(0.02) *	(0.03) *	(0.54) *	(0.66)

See accompanying Notes to the Financial results

*[Signature]*

Suryachakra Power Corporation  
Hyderabad

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2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13th Feb'2017.


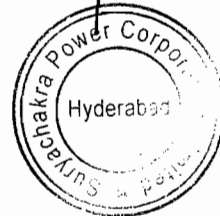
3 (a) (i) The Company's revenue from sale of electricity is based on the Power Purchase agreement (PPA) entered into with the Andaman and Nicobar (A & N) Administration. The PPA is for a initial period of 15 years and can be extended on mutual terms and conditions for three further periods of five (5) years each. PPA contains a set of 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), Gurgaon 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 31st Dec 2016 include an amount of Rs.44.85Lakhs (Quarter ended 30th Sept, 2016 Rs.108.31 Lakhs, Quarter ended 31st Dec'2015 Rs. 145.73 Lakhs; Nine months ended 31st December 2016 - Rs. 166.74 Lakhs; Nine months ended 31st Dec' 2015 - Rs. 552.06 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 31st December' 2016 on account of such withheld amounts works out to Rs.1590.35 Lakhs (As at 31st March, 2016: Rs. 1426.01 Lakhs). Further, as at 31st Dec' 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 31st Dec 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. Further, The Honorable Supreme Court of India vide its Order dated 18th October 2016 has fixed the project cost at Rs.74.96 Crores by disallowing certain items and has directed the Joint Electricity Regulatory Commission to accordingly complete the adjudication proceedings pending before it positively within six weeks from the date of the Order.

The Company has filed a review petition to reconsider the items disallowed items and revise the project cost.

(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.

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- 3 (b)** The Company as at 31st Dec, 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	81.39

\*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 erstwhile 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 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 within 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.

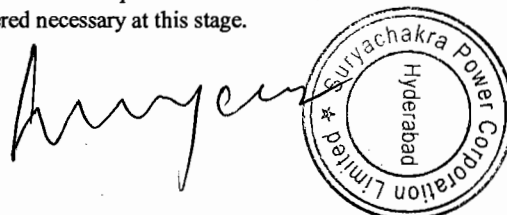
Management is confident of mobilizing the requisite funds either on its own or through strategic investors to execute the project and recover the investment made in the project. Hence, no provision in the value of investment and advance extended is considered necessary at this stage.

- 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 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 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.

**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 Dec' 2016, given aggregate to Rs. 869.40 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.



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**3 (e)** (i) The Company has approached its bankers for one time settlement of dues (OTS). Pending the finalization of OTS, the Company has not recognized interest on the term loan and cash credit facility for the quarter ended 31st Dec' 2016. Further, the interest recognized during the quarter ended 30th June, 2016 Rs.57.59 lakhs has been written back. The liability if any will be recognised on the finalization of OTS.

(ii) 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 and Nine months ended 31st Dec' 2016. The liability if any 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 given by the Company as at Dec 31, 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 and Nine months ended 31st Dec' 2016 have qualified their Review Report and expressed their inability to comment on the recoverability of the amounts stated at para 3 (a); 3(b); 3(c), 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 Dec' 2016 and on the Reserves and Surplus at 31st Dec' 2016.

**4** During the period ended 30th June 2012, M/s. SBI Global Factors Limited an unsecured creditor had 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".

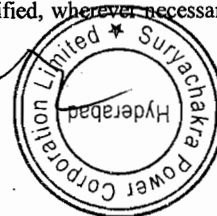
**6** Figures for the Quarter ended Dec'31, 2016 and Dec'31, 2015 has been arrived at balancing figure between nine months ended Dec'31, 2016 and Dec'31, 2015 and the published results of half year ended Sept'30, 2016 and Sept'30, 2015.

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

**Date : 13-02-2017**

**Place : Hyderabad**

**Dr. S. M. Manepalli**  
**Managing Director**



## 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 ended December 31, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors on February 13, 2017. 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. 44.85 Lakhs for the Quarter ended December 31, 2016 (Quarter ended September 30, 2016 - Rs. 108.31 Lakhs, Quarter ended December 31, 2015 - Rs. 145.73 Lakhs; nine months ended December 31 2016 - Rs. 166.74 Lakhs, nine months ended December 31 2015 - Rs. 552.06 lakhs; Year ended 31st March, 2016 - Rs. 600.93 Lakhs); and the total receivables on account of withheld dues as at December 31, 2016 - Rs. 1,590.35 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.
  - ii. Note 3 (b) of the Statement regarding recovery of investments and advances to its subsidiaries aggregating to Rs. 10,711.35 Lakhs (Year ended March 31, 2016 - Rs. 10,710.97 Lakhs). We are unable to comment on the extent of ultimate recoverability of these investments and advances.
  - iii. Note 3 (c) of the Statement regarding advances aggregating to 668.80 Lakhs (Year ended March 31, 2016 - Rs. 669.80 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 (d) of the Statement regarding capital advances aggregating to Rs. 869.40 Lakhs (Year ended March 31, 2016 – 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.
- v. Note 3 (e) of the Statement regarding non-accounting of interest expense on certain loans availed by the Company during the years ended March 31, 2014; 2015; 2016 and for the nine months ended December 31, 2016. We are unable to comment on the extent of shortfall in interest expense and liability thereon.
- vi. Note 3 (f) 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 quarter and nine months ended December 31, 2016 and retained earnings as on December 31, 2016 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:

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: 13.02.2017