



Suryachakra Power Corporation Limited

Regd. Off : SURYACHAKRA HOUSE, Plot No. 304-L-III, Road No. 78, Jubilee Hills,
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SPCL/BSE/084

Dt. May 28, 2016

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 31.03.2016
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 31.03.2016 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, 2016 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 5.20 p.m.

Please acknowledge receipt of the above.
Thanking you,

Yours faithfully,
For Suryachakra Power Corporation Ltd.

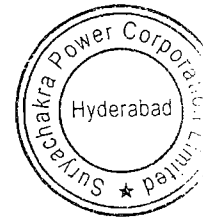
(D. Suresh Babu)
Company Secretary

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

PART I Statement of Standalone and Consolidated financial Results for the Year ended 31st March'2016								
Sl.No.	Particulars	Standalone					Consolidated	
		Quarter ended	Quarter ended	Quarter ended	Year ended (12 months)	Year ended (12 months)	Year ended (12 months)	Year ended (12 months)
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
		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)	2,421.31	2,670.70	2,927.80	10,696.64	14,219.51	10,696.64	14,240.32
	(b) Other operating income	-	-	-	-	20.81	-	4.66
	Total Income from Operations (net)	2,421.31	2,670.70	2,927.80	10,696.64	14,240.32	10,696.64	14,244.98
2	Expenses							
	(a) Cost of materials consumed	2,281.03	2,470.20	2,434.88	9,685.12	12,643.93	9,685.12	12,643.93
	(b) Employee benefit expense	65.98	12.88	43.16	160.13	163.26	160.13	163.26
	(c) Depreciation and amortisation expense	58.50	69.81	125.64	319.43	509.66	319.43	509.66
	(d) Operation and Maintenance	57.80	44.77	192.74	206.30	324.86	206.30	324.86
	(e) Other Expenses	84.40	42.88	35.64	193.54	273.62	193.82	273.87
	TOTAL EXPENSES	2,547.71	2,640.54	2,832.06	10,564.51	13,915.33	10,564.80	13,915.58
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(126.40)	30.15	95.75	132.13	324.99	131.84	329.40
4	Other income	-	1.58	4.51	-	4.66	-	-
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(126.40)	31.73	100.26	132.13	329.65	131.84	329.40
6	Finance costs	46.79	62.50	81.15	253.11	312.18	253.11	312.18
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(173.19)	(30.77)	19.10	(120.98)	17.47	(121.27)	17.22
8	Exceptional items - (net) Refer note no.3(b) (i) & 3(f)	-	-	9,123.68	862.01	9,123.68	862.00	9,123.68
9	Profit/(Loss) from ordinary activities before tax (7-8)	(173.19)	(30.77)	(9,104.58)	(982.99)	(9,106.21)	(983.27)	(9,106.47)
10	Tax expense	-	-	-	-	-	-	-
11	Net profit / (Loss) from ordinary activities after tax (9-10)	(173.19)	(30.77)	(9,104.58)	(982.99)	(9,106.21)	(983.27)	(9,106.47)
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-
13	Net profit/(Loss) for the period (11-12)	(173.19)	(30.77)	(9,104.58)	(982.99)	(9,106.21)	(983.27)	(9,106.47)
14	Share of profit / (loss) of associates	-	-	-	-	-	-	-
15	Minority Interest	-	-	-	-	-	-	-
16	Net Profit/(Loss) after taxes, minority interest and share of profit/(Loss) of associates (13+14+15)	(173.19)	(30.77)	(9,104.58)	(982.99)	(9,106.21)	(983.27)	(9,106.47)
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	-	-	-	(4,361.36)	(3,378.37)	(2,182.85)	(1,195.69)
19.i	Earnings per share (Before Extraordinary items) (of Rs.10/-each) (not annualised)							
	(a) Basic	(0.12) *	(0.02) *	(6.08) *	(0.66) *	(6.09) *	(0.66) *	(6.09)
	(b) Diluted	(0.12) *	(0.02) *	(6.08) *	(0.66) *	(6.09) *	(0.66) *	(6.09)
19.ii	Earnings per share (After Extraordinary items) (of Rs.10/-each) *(not annualised)							
	(a) Basic	(0.12)	(0.02)	(6.08)	(0.66)	(6.09)	(0.66)	(6.09)
	(b) Diluted	(0.12)	(0.02)	(6.08)	(0.66)	(6.09)	(0.66)	(6.09)

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 :

I Statement of Assets & Liabilities

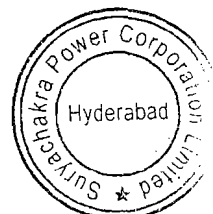
A	Particulars	Standalone Financials		Consolidated Financials	
		As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)	As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)
1	Share holders' funds				
	(a) Share capital	14,963.30	14,963.30	14,963.30	14,963.30
	(b) Reserves and surplus	(4,361.36)	(3,378.37)	(2,182.85)	(1,195.69)
	Sub total - Shareholder's funds	10,601.94	11,584.93	12,780.44	13,767.60
2	Share application money pending allotment				
3	Non- Current Liabilities				
	(a) Long-term borrowings	354.00	778.80	422.64	1,632.34
	(b) Long - term Provisions	20.73	19.62	20.73	19.62
	(c) Other Non- Current Liabilities	-	-	-	160.40
	Sub total - Non- Current liabilities	374.73	798.42	443.38	1,812.36
4	Current Liabilities				
	(i) Short- term borrowings	3,982.89	4,083.29	3,941.28	4,045.78
	(ii) Trade Payables	1,002.62	1,016.68	1,002.62	1,016.68
	(iii) Other Current Liabilities	2,694.16	3,389.65	2,778.11	3,432.32
	Sub total - Current liabilities	7,679.67	8,489.62	7,722.01	8,494.77
	EQUITY AND LIABILITIES	18,656.35	20,872.97	20,945.83	24,074.74
1	Non- Current Assets				
	(a) Fixed Assets				
	(i) Tangible Assets	692.81	1,012.23	692.81	1,012.23
	(ii) Capital work - in - progress	-	-	1,634.27	4,559.27
	(iii) Goodwill on Consolidation	-	-	-	-
2	(b) Non- Current Investments	3,571.59	5,795.39	1.59	2,229.38
	(c) Long Term loans and advances	8,748.46	8,919.91	1,608.90	1,779.35
	(d) Other Non- Current assets	1,275.74	1,275.74	1,275.74	1,275.74
	Sub total - Non-Current Assets	14,288.60	17,003.27	5,213.32	10,855.97
3	Current assets				
	(a) Inventories	595.09	590.69	595.09	590.69
	(b) Trade Receivables	2,228.40	3,226.08	2,228.39	3,226.07
	(c) Cash and bank balances	1,481.80	1.52	1,483.71	4.52
	(d) Short - Term Loans and Advances	62.45	51.40	9,330.00	9,318.96
	(e) Other Current assets	-	-	2,095.32	78.53
	Sub total - Current Assets	4,367.74	3,869.69	15,732.51	13,218.77
	ASSETS	18,656.35	20,872.96	20,945.83	24,074.74

2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28th May 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.

(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, 2016 include an amount of Rs.48.87 Lakhs and Rs.600.93 Lakhs respectively (Quarter ended 31st March, 2015 Rs.126.39 Lakhs, Quarter ended 31st Dec, 2015 Rs. 145.73 Lakhs; Year ended 31st Mar, 2015 Rs. 493.43 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, 2016 on account of withheld amounts works out to Rs. 1,426.01 Lakhs (As at 31st March, 2015: Rs. 2,305.08 Lakhs). Further, as at 31st March, 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 March 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 year ended 31st March 2016, the Company has 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 Port Blair which has given Letter of Credit in favour of the Company on behalf of the A & N Administration, SBI IFB has credited the said amount to the Company's Working Capital Account without releasing the funds to the Company. Aggrieved 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 status quo, 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 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.

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, during the year, 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 (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 has been charged off to Statement of Profit and loss as Exceptional Item.

(ii) Secured loan lenders of SGEPL and its 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 March, 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	81.01

*Investment in equity is Rs.6

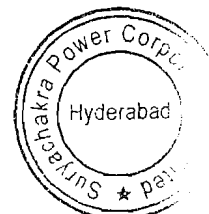
(i) SGVL is a wholly owned subsidiary of the Company incorporated in Honkong under Companies Ordinance. The Company through SGVL has decided to acquire a coal mine for captive use by its erstwhile subsidiary companies. With this intention, the Company out of the proceeds of the GDRs issued during the 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 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 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 - 306.61 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.

- (e) **Capital Advances:**

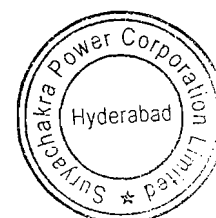
In the earlier years, the Company has given Capital Advances for enhancing the capacities and increasing the efficiencies of the existing plant and machinery. Net advances as at 31st March 2016, given aggregate to Rs. 884.28 Lakhs (Previous year: Rs. 1036.59 lakhs). Due to financial difficulties, the 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 year ended 31st March 2016 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 has been written back and grouped under Exceptional Item.

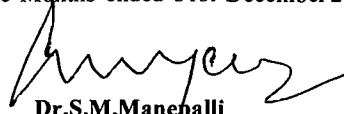
- (g) The Company has not received confirmation of balances from Lenders (Secured / Unsecured and Long Term /Short Term), Trade payables, Creditors for Capital goods and Loans & Advances including Capital Advances given by the Company as at March 31, 2016. In the absence of confirmation of balances from 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.

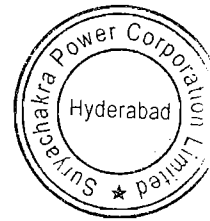
Statutory Auditors in their Audit Report for the Year ended 31st March, 2016 qualified their Audit Report and expressed their inability to comment on the recoverability of the amounts stated at para 3 (a); 3(c), 3 (d), 3 (e) and the impact of the matters stated at para 3 (f) and 3 (g) above and consequential impact on the loss for the Year ended 31st March, 2016 and on the Reserves and Surplus at 31st March, 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 31st March 2016 and 31st March 2015 are the balancing figures between the audited figures of the full financial year ended 31st March 2016 and 31st March 2015 respectively and the published year to date figures upto the Nine Months ended 31st December 2015 and 31st December 2014 respectively.

Date : 28.05.2016
Place : Hyderabad


Dr.S.M.Manepalli
Managing Director



Auditor's Report on Standalone Quarterly and Annual Financial Results and Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
Suryachakra Power Corporation Limited

1. We have audited the accompanying "Statement of Standalone and Consolidated Financial Results for the year ended March 31, 2016" ("the Statement") of Suryachakra Power Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Holding Company's management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on this Statement.
2. We conducted our audit in accordance with the auditing standards issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement(s).
3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by the management, as well evaluating the overall presentation of the Statements.
4. Consolidated annual financial results / financial information include the annual financial results / financial information of the following entities:
 - a) Suryachakra Energy (Chattisgarh) Private Limited (SECPL).
 - b) Suryachakra Global Ventures Limited (SGVL) (Company incorporated in Hong Kong under Companies Ordinance)
5. We did not audit the financial statements / financial information of one subsidiary (SGVL) included in the consolidated financial result, whose financial statements reflect total assets of Rs. Rs. 9270.27 Lakhs as at 31st March 2016, total revenue of Rs. Nil for the year ended 31st March 2016 and total loss after tax of Rs. Nil for the year ended 31st March 2016. The financial statements / financial information of the said subsidiary has been certified by the management of the said entity and our report on this statement, in so far as it relates to the amounts included in respect of the said entity, is based solely on such certified financial statements. Any adjustments to the said financial statements could have consequential effect on the attached Statement.



6. Basis for qualified opinion:

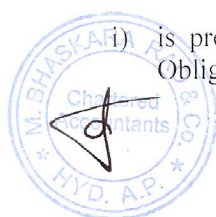
Attention is invited to:

- 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. 48.87 Lakhs for the quarter ended March 31, 2016 and Rs. 600.93 Lakhs for year ended March 31, 2016 (Quarter ended 31st Dec, 2015 Rs.145.73 Lakhs, Quarter ended March 2015 Rs. 126.39 Lakhs, year ended March 31, 2015 Rs. 493.43 Lakhs) and the total receivables as at March 31, 2016 - Rs. 1426.01 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. 10,710.97 Lakhs (Previous Year - 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 to certain related parties aggregating to Rs. 669.80 Lakhs (Previous Year - Rs. 687.62 Lakhs) 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.884.28 Lakhs (Previous Year - Rs. 1036.59 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) (a) of the Statement regarding non-accounting of interest expense on certain loans 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, 2016 and also regarding cumulative liability up to March 31, 2016.
- 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 audited financial results for the quarter and year ended March 31, 2016 and retained earnings as on March 31, 2016 is indeterminable.

7. Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in the paragraphs 5 and 6 above, the Statement



is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

- ii) gives a true and fair view in conformity with the Accounting Standards and other Accounting principles generally accepted in India of the standalone and consolidated Loss and other financial information of the standalone and group for the year ended March 31, 2016.

8. Emphasis of matter:

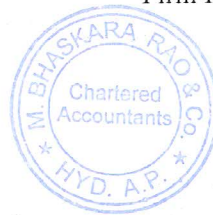
Without qualifying our opinion, we draw attention to:

- i) Note 3 (b) of the Statement regarding disinvestment of stake in subsidiary Suryachakra Global Enviro Private Limited.
- ii) Note 3 (f) (b) of the Statement regarding writing back of the unpaid interest aggregating to Rs. 1359.51 Lakhs recognized prior to financial year 2012-13.
- iii) 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

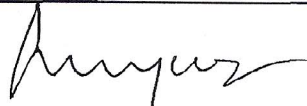
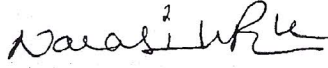
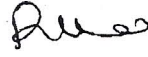


Partner

Membership Number: 201570

Hyderabad, May 28, 2016

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, 2016
3.	Type of Audit Observation	Emphasis of Matters on Standalone & Consolidated financial statements.
4.	Frequency of Observation	As detailed below
		<p>Standalone and Consolidated Financial Results</p> <p>i) Note 3 (b) of the Statement regarding disinvestment of stake in subsidiary Suryachakra Global Enviro Private Limited.</p> <p>Frequency of observation: Repetitive - First time reported in 2011 - 12</p> <p>ii) Note 3 (f) (b) of the Statement regarding writing back of the unpaid interest aggregating to Rs. 1359.51 Lakhs recognized prior to financial year 2012-13.</p> <p>Frequency of observation: First time reported in 2015 - 16</p> <p>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.</p> <p>Frequency of observation: First time reported in 2015 - 16</p>
5. To be signed by-		
	Managing Director	 (Dr. S M Manepalli)
	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 K Muralidhar Partner Membership Number: 201570* 

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

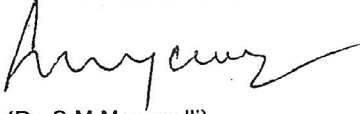

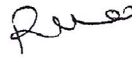

FORM B (for audit report with modified opinion)

1.	Name of the Company	Suryachakra Power Corporation Limited
2.	Annual financial statements for the year ended	March 31, 2016
3.	Type of Audit qualification	Qualified opinion on Standalone & Consolidated financial statements.
4.	Frequency of qualification	As detailed below
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	<p align="center"><u>Statement of Standalone and Consolidated financial results</u></p> <p>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. 48.87 Lakhs for the quarter ended March 31, 2016 and Rs. 600.93 Lakhs for year ended March 31, 2016 (Quarter ended 31st Dec, 2015 Rs.145.73 Lakhs, Quarter ended March 2015 Rs. 126.39 Lakhs, year ended March 31, 2015 Rs. 493.43 Lakhs) and the total receivables as at March 31, 2016 - Rs. 1426.01 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.</p> <p>Frequency of observation: Repetitive - First time reported in 2003 - 04</p> <p>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.</p>
		<p>ii) Qualification: Note 3 (c) of the Statement regarding recovery of investments and advances to its subsidiaries aggregating to Rs. 10,710.97 Lakhs (Previous Year - Rs. 12,935.76 Lakhs). We are unable to comment on the extent of ultimate recoverability of these investments and advances.</p> <p>Frequency of observation: Repetitive - First time reported in 2011 - 12</p> <p>Management Response: a. SECPL is a 100% subsidiary of the company. SECPL has obtained most of the requisite licenses for setting up the 350MW 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. Management is confident of mobilizing the requisite funds to execute the project and recover the investment made in the project. Hence, no provision for diminution in the value of investment is considered necessary in the opinion of the Board. b. Regarding advances to Suryachakra Global Ventures Limited (SGVL), a wholly owned subsidiary of the company incorporated in Hong Kong - Rs. 70,59,96,278 which in turn has advanced the said amount to M/s Symphony Trading and Investment Limited (STIL), Hong Kong for acquiring coal mines for the company/SGVL during the quarter ended June 2011. In the absence of</p>



		information regarding financial worthiness of STIL / securities in favour of the company, we are unable to comment on the extent of recoverability of the advance.
		<p>iii) Qualification: Note 3 (d) of the Statement regarding advances to certain related parties aggregating to Rs. 669.80 Lakhs (Previous Year - Rs. 687.62 Lakhs) 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.</p> <p>Frequency of observation: Repetitive - First time reported in 2014 - 15</p> <p>Management Response: Management is pursuing to induct strategic investors for completing the project executions and to recover the advances.</p>
		<p>iv) Qualification: Note 3 (e) of the Statement regarding capital advances aggregating to Rs.884.28 Lakhs (Previous Year - Rs. 1036.59 Lakhs) considered good and fully recoverable for the reasons stated therein. We are unable to comment on the extent of ultimate recoverability.</p> <p>Frequency of observation: Repetitive - First time reported in 2014 - 15</p> <p>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 & Nicobar Islands. The company is making efforts to carry out the refurbishment of DG sets.</p>
		<p>v) Qualification: Note 3 (f) (a) of the Statement regarding non-accounting of interest expense on certain loans 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, 2016 and also regarding cumulative liability up to March 31, 2016.</p> <p>Frequency of observation: Repetitive - First time reported in 2014 - 15</p> <p>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 confident of resolving the issues pertaining to Lenders amicably and hence no provision of interest has been made</p>
		<p>vi) 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.</p> <p>Frequency of observation: Repetitive - First time reported in 2014 - 15</p>



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