

SURYACHAKRA POWER CORPORATION LIMITED



**19TH ANNUAL REPORT
2013-14**



Board of Directors	:	Mr. V.S. Murthy Mr. K. Vijay Kumar Mr. P.V. Subba Rao Mr. P. K. Bhattacharjee (upto 10.03.2014) Mr. A. Ramesh Kumar (upto 07.03.2014) Mrs. B.N. Raja Kumari (upto 28.03.2014) Dr. S.M. Manepalli, Managing Director Mrs. M. Mangatayaru (w.e.f. 14.08.2014 Addnl. Director)
Company Secretary	:	Mr. P. Satish Chandra Mouli
Audit Committee	:	Mr. V.S. Murthy Mr. K. Vijay Kumar Mr. P.V. Subba Rao
Statutory Auditors	:	M/s. M Bhaskara Rao & Co Chartered Accountants 6-3-652, 5th Floor, Kautilya, Somajiguda, Hyderabad-500082
Bankers	:	State Bank of India
Regd. Office	:	Suryachakra House, Plot No.304-L-III, Road No.78, Jubilee Hills, Hyderabad -500 096.
Plant	:	Bamboo flat, Near Fire Brigade, South Andaman, Port Blair - 744 107. A & N Islands

**NOTICE**

Notice is hereby given that the 19th Annual General Meeting of the Members of Suryachakra Power Corporation Limited will be held on **Tuesday, the 30th day of September, 2014 at 10.00 A.M** at Hotel Devi Grand, #11-5-152, Bhavani Nagar, Moosapet 'X' Roads, Hyderabad-500018 to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss account for the period ended as on that date and the reports of the Directors and Auditors thereon.**

2. **To appoint a Director in place of Mr. P.V.Subba Rao, who retires by rotation and being eligible offers himself for re-appointment and if thought fit to pass with or without modification the following resolution as an ordinary resolution:**

“RESOLVED THAT Mr. P.V. Subba Rao, be and is hereby appointed as an independent Director for a tenure of 5(Five) years in pursuant to the provisions of sections 149(4), 149(6) and 152 of the Companies Act, 2013.”

3. **To appoint a Director in place of Mr. V.S.Murthy, who retires by rotation and being eligible offers himself for re-appointment and if thought fit to pass with or without modification the following resolution as an ordinary resolution:**

“RESOLVED THAT Mr. V.S. Murthy, be and is hereby appointed as an independent Director for a tenure of 5(Five) years in pursuant to the provisions of sections 149(4), 149(6) and 152 of the Companies Act, 2013.”

4. **To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary resolution:**

“RESOLVED THAT pursuant to the provisions of section 139(2) and 142(1) of the Companies Act, 2013 the retiring Auditors, M/s. M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad (bearing Regn.No.000459S) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be determined by the Board of Directors of the Company from time to time.”

SPECIAL BUSINESS:

5. **To consider the appointment of Mrs. M. Mangatayaru, Additional Director as Director and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.**

“RESOLVED THAT Mrs. M. Mangatayaru (holding DIN: 00297032), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August, 2014, in terms of Section 161(1) of the Companies Act, 2013 and as per the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Non-Independent and Non-Executive Director of the Company.”

6. **To consider appointment of Dr. S. M. Manepalli, Managing Director for the period from 30.09.2014 to 29.09.2019 (5 years) and if thought fit, to pass with or without modification(s) the following resolution as a special resolution:**

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 (corresponding to sections 198, 269, 309, 310, 311, 316, 387, and 388 and Schedule XIII and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and based on the recommendations of the Remuneration Committee, Audit Committee and the Board of Directors, consent of the shareholders be and is hereby accorded for the re-appointment of Dr. S.M. Manepalli (holding DIN:00896147) as Managing Director of the Company for a period of 5 (Five) years w.e.f. 30th September, 2014 on the following terms and conditions:

- i) Salary of Rs.3,00,000/-(Rupees three lacs only) per month.
- ii) Perquisites: The value of which shall not exceed Rs.50,000/- Per month

**Category A:**

Housing: Rent free accommodation or House Rent Allowance at 30% of the Basic salary.

Explanation:

- i) The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962 and shall be subject to a ceiling of 10% of the salary of the Managing Director.
- ii) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or five months' salary over a period of five years.
- iii) Leave Travel Concession for self and family once in a year incurred in accordance with any rules specified by the company.
- iv) Club fees subject to a maximum of 2 clubs. This will not include admission and life membership fee.
- v) Personal Accident Insurance, the premium of which shall not exceed Rs.4000 per annum.

Category B:

The following perquisites shall not be included in the computation of the ceiling on remuneration:

- i) The Company's contribution towards Pension scheme or superannuation fund together with Provident Fund not exceeding 25% of the salary wherein contribution towards Provident Fund shall not exceed 12% of the salary. However, for the purpose of calculation of overall ceiling on perquisites, the company's contribution towards Provident Fund, Superannuation fund or annuity fund will not be included to the extent of these either singly or put together are not taxable under the Income Tax Act.
- ii) Gratuity payable should not exceed half a month's salary for each completed year of service.
- iii) One month's leave for 11 months of service on full pay and allowances as per the rules of the company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C:

Provision for Car for use of company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be borne by the Managing Director.

7. To Consider approval of the borrowing limits of the Company and if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the Members of the Company at the 13th Annual General Meeting ("AGM") held on 24th September 2008 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereto from time to time) and other applicable provisions, Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution) to borrow from time to time of such sum(s) of money(ies), secured or unsecured, as it may deem requisite for the purpose of the business of the Company, notwithstanding that money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) would exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount up to which money(ies) may be borrowed shall not exceed the sum of Rs.2500 Crores (Rupees Two Thousand Five Hundred Crores Only) outstanding at any point of time".

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to execute the documents and such other agreements to sign all such forms and returns and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to this resolution"



8. To consider and approve the remuneration payable to cost auditors and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board of Directors

For SURYACHAKRA POWER CORPORATION LIMITED

Sd/-

P. SATISH CHANDRA MOULI
COMPANY SECRETARY

Place: Hyderabad

Date: 14.08.2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form(s) in order to be effective must be received by the company at the registered office of the Company not less than 48 hours before the commencement of the meeting.

2. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of business item nos. 5 to 8 of the notice, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday the 27th September 2014 to Tuesday the 30th September 2014 (both days inclusive).
4. Pursuant to clause 49 of the Listing agreement, the particulars of Directors seeking appointment and re-appointment at the meeting are annexed.
5. Members holding shares in physical form are requested to intimate any change in their address quoting their registered folio number to the Registrars and Share Transfer Agents namely M/s. Karvy Computer share Private Limited, Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad-500081. Phone.No.040-44655181.
6. Members holding shares in electronic form are requested to intimate any change in their address to the depository participant (DP) with whom the de-mat account is maintained.
7. Members are requested to bring admission slip duly filled in along with a copy of Annual Report to the Meeting.
8. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
9. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956.



If any member is interested to receive documents in physical form, a communication in this regard may be made at the Registered office of the Company.

10. Members desiring any information on Accounts are requested to write to CFO or Company secretary at an early date so as to enable the management to reply at the meeting.
11. Annual Report of the company has been uploaded on website of the company www.suryachakra.in
12. The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his/ her vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The procedure and instructions for e-voting are as under:

- i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User - ID	For Members holding shares in Demat Form : a) For NSDL - 8 Character DP ID followed by 8 Digits Client ID b) For CSDL -16 Digits beneficiary ID For Members holding shares in Physical Form : Event No. : Followed by Folio Number registered with the company
Password	Your Unique password is printed on the Postal Ballot Form / Via email forwarded through the electronic notice
Capture	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No. **1-800-34-54-001** for any further clarifications.
- iv) Members can cast their vote online from 9:30 am on Saturday 27thSeptember, 2014 to 5:30 pm on Monday 29thSeptember, 2014.
- v) After entering these details appropriately, click on "LOGIN".
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., '**Suryachakra Power Corporation Limited**'.
- ix) If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting .Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the



total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast, select 'ABSTAIN'.

- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate /FIs/FILs/Trusts/Mutual Funds/Banks, etc) are required to send scanned (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to l.d.reddy@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name Event no.".

Registered Office of the Company:

Suryachakra House,
Plot No.304-L-III,
Road No.78,
Jubilee Hills,
HYDERABAD-500 096

Corporate Identity Number: L40103TG1995PLC019554

E-mail: suryachakra.power@gmail.com

Website: www.suryachakra.in

Registrar and Share Transfer Agents:

Karvy Computer Share Private Limited

Unit: Suryachakra Power Corp. Ltd,

Plot No. 1, Vittalrao Nagar,

Madhapur, Hyderabad-500 081.

Phone No.040-44655181.

**EXPLANATORY STATEMENT:****(Pursuant to Section 102(1) of the Companies Act, 2013)**

The following Explanatory Statement sets out the material facts relating to the special business mentioned in the accompanying Notice:

ITEM NO. 5

The Board of Directors of your Company at its meeting held on 14.08.2014 has appointed Mrs. M. Mangatayaru (DIN: 00297032) as an Additional Director who holds her office only up to the date of this Annual General Meeting. In terms of section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, the company has received a notice in writing from a shareholder along with the requisite deposit, signifying the shareholder's intention to appoint Mrs. M. Mangatayaru as Non-Executive & Non-Independent Director of the Company.

A brief profile of Mrs. M. Mangatayaru.

Mrs. M. Mangatayaru w/o Dr. S.M. Manepalli, hails from a respectable business family and has got vast experience in managing companies' Administration. Earlier she was on the Board for the period from 28.02.1995 to 30.09.1998. Mrs. M. Mangatayaru possesses appropriate skills, experience and knowledge; inter alia, in the field of Administration and companies management

In the opinion of the Board, Mrs. M. Mangatayaru fulfills the conditions for her appointment as Non-Executive & Non-Independent Director as specified in the Act and is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. Keeping in view of her vast experience and knowledge, it will be in the interest of the Company that Mrs. Mangatayaru be appointed as Non-Executive & Non-Independent Director and accordingly, Dr. S M Manepalli is interested in the said resolution and Board recommends her appointment for your approval.

Save and except Mrs. Mangatayaru and Dr. S.M. Manepalli, to the extent of their shareholding interest, if any, in the Company, none of the Directors / Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested financially or otherwise in the resolution as set out at Item No: 5 of the Notice.

ITEM NO. 6

Members are aware that Dr. S.M. Manepalli was initially appointed as Managing Director of the Company for a period of Five years (i.e. from 24.07.1995 to 24.07.2000) and has been re-appointed in the same position from time to time. The Board of Directors of the company at its meeting held on 14.08.2014 considered the re-appointment of Dr. S.M. Manepalli as Managing Director for a further period of five years (i.e. from 30.9.2014 to 29.9.2019)

The Remuneration Committee, Audit Committee and the Board have approved to re-appoint Dr. S.M. Manepalli as Managing Director with the same remuneration and is not disqualified from being appointed as a Director in terms of section 164 of the Act and Dr. S.M. Manepalli has given his consent to act as a Managing Director.

Dr. S.M. Manepalli hails from an agricultural and business family from Bhimavaram, West Godavari District, Andhra Pradesh and is a qualified M.B.B.S graduate. During the period 1974-87 he was engaged in rice mill business and operated 6(six) rice mills belonging to the family and he served as President of Bhimavaram Rice & Oil Merchants Association during 1983-87. He also operated Deep sea foreign fishing vessels on charter basis during 1987-92. Thereafter he was engaged in aqua-culture business, construction & operation of prawn/fish tanks, hatchery, feed mill & processing plants.

Inspired by the liberalization policies of Government of India, during 1995 he diversified his business interests by setting up a power generation plant(s) following privatization of power sector. He promoted this 20MW Power Plant successfully in A&N Islands.

ITEM NO. 7

As the members are aware, the existing borrowing powers of the Board is Rs.2500 crores. Pursuant to Section 180(1)(c) of the Companies Act, 2013 the Board of Directors of the company can borrow money subject to consent of the shareholders by a special resolution where the money to be borrowed, together with the money already borrowed by the company shall not exceed the aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business. The said provision of the Act is similar to the provisions of Section 293(1)(d) of the Companies Act 1956 (Old Act), except that the approval of the shareholders is through a special resolution instead of ordinary resolution specified under the Old Act. The shareholders of the Company, at the 13th Annual General Meeting held on 24th September 2008, had authorized the Board to borrow up to Rs.2500 Crores as an Ordinary Resolution. The Ministry of Corporate Affairs, vide their circular dated 25th March 2014 has clarified that the resolutions passed under the provisions of the Old Act will be valid till 12th September 2014.



Hence the present approval of shareholders is necessary for the Company to pass a Special Resolution under the provisions of Section 180(1)(c) of the Act to ensure continuous compliance pertaining to borrowing of funds up to Rs.2500 Crores of the aggregate of the paid up share capital and free reserves of the Company, to meet the funds requirement of the Company.

None of the Directors / Key Managerial Personnel of the Company/their relatives is/are in any way, concerned or interested, in these resolutions.

The Board commends the Special Resolution set out at Item No. 7 for approval by the shareholders

ITEM NO. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Bharathula & Associates, Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15, at a fee of Rs.25,000/-(Rupees twenty five thousands only) plus applicable taxes as remuneration for cost audit services for the FY 2014-15. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015. The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

ANNEXURE TO THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting

(In Pursuance of Clause 49 of the Listing Agreement)

Name	Mr.P.V.Subba Rao	Mr.VS.Murthy	Mrs.M.Mangatayaru	Dr.S.M.Manepalli
Date of Birth	08.06.1950	15.07.1940	31.07.1956	15.06.1950
Date of Appointment	14.11.2012	29.08.2009	14.08.2014	24.07.1995
Qualification	M.A.LL.B. PG (Dip) in Pub. Admn&PG(Dip) in Personnel Management	Graduate in Engineering	-	MBBS
Nature of Experience in Specific functional areas	30 years in personnel & Administration in various reputed Corporate entitles.	36 years in Heavy Erection Operation and Maintenance of Transformers, power cables etc.	30 years in business operations of companies	40 years in running Acqua Culture, Agro business, rice mill Operations and power generation.
No. of Shares held in the company as on 31.03.2014	300	200	1561368	1964195
Members of the Committee of Board of Directors of the Company	Audit Committee	Audit Committee, Share holders Grievance Committee & Remuneration Committee	Nil	Nil
Directorships held in other Companies Excluding Private Limited and Foreign Companies	Nil	Nil	Nil	Nil
Chairman/Member in Mandatory Committee of the Companies	Nil	Audit Committee	Nil	Nil

In the opinion of the Board, Mr. P.V. Subba Rao & Mr. V.S. Murthy, proposed to be re-appointed as independent Directors who fulfil the conditions specified in the section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made there under and that the proposed Directors are independent persons of the management.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report of the company together with the Audited Accounts for the year ended March 31, 2014.

FINANCIAL PERFORMANCE:

(Rs. in millions)

Particulars	Year ended 31.03.2014 (12 months)	Period ended 31.03.2013 (9 Months)
Income from sale of power	1458.42	1011.56
Other Income	2.05	0.00
	1460.47	1011.56
Profit before interest and depreciation	77.69	35.69
Interest and Finance Charges	38.84	78.06
Depreciation	61.76	50.80
Profit after interest, but before exceptional items	(22.90)	(93.17)
Exceptional Items (net)	--	--
Profit before Tax	(22.90)	(93.17)
Current Tax	--	--
Mat credit entitlement	(9.21)	--
Profit after Tax	(32.11)	(93.17)
Profit / (Loss) for the year	(32.11)	(93.17)

REVIEW OF OPERATIONS:

The Board observed that the company achieved a turnover of Rs.1460.47 Millions for 12 months (Standalone) as against the previous year's 9 months turnover of Rs.1011.56 Million(standalone) and an improvement in turnover by Rs.448.92 Millions i.e. an increase in turnover by 43.37% for 12 months period as against the 9 months turnover of last year, due to improved methods of production at plant level, although there was a shutdown of one of the gen sets at the A&N Plant. The operating net loss for the current year was Rs.(-)32.11 Millions after financial charges when compared to previous year's net loss of Rs.(-)93.17 Millions. The company's 20 MW plant at Bamboo flat, Port Blair has achieved an availability of 67.03%.

Management Discussion and Analysis Report for the year under review, stipulated under Clause 49 of the Listing Agreement entered with Bombay Stock Exchange Ltd forms part of this Annual Report. The Board reviews the progress of the Company from time to time and guide the Company towards its corporate goals.

JOINT ELECTRICITY REGULATORY COMMISSION (JERC) PETITION:

The Hon'ble JERC after hearing several hearings from both the parties on the petition filed by the Company in November 2012 has passed order dated 03.07.2013 in favour of the Company with directions to respondents i.e. A&N Administration fixing project cost of SPCL at Rs.78.2965 Crores and certain other issues viz: waiver of liquidated damages and payment of deemed generation charges and interest on delayed payment etc., and directing both the parties to submit the compliance report in this regard to the commission within a fortnight i.e. by 18.07.2013. The company has submitted invoices for an amount of Rs.84.18 Crores (approx) as on July 2013 to A&N Administration for payment of the arrears as per the JERC Order. However the A&N Administration instead of complying the JERC order, have filed a review petition on 03.08.2013 for review of the JERC order dated 03.07.2013 on the tariff issues. The JERC after hearing both the parties at length has dismissed the review petition filed by the A&N Administration in its order dated 23.09.2013 for not finding any merit therein and issued show cause notice to explain why penalty should not be imposed upon them U/S 142 & 146 read with section 149 of Electricity Act against the A&N Administration for willful and intentional non-compliance / contravention of the order dated 03.07.2013 passed by the Commission and for non-payment of an amount of Rs.84.18 Crores as claimed



by the Petitioner with in a stipulated period of fortnight i.e., 17.07.2013. Had the amount of Rs.84.18 Crores was received at that time, this would have immensely helped the company to reduce its debt and could have restructured all the units for higher performance of SPCL as well as its subsidiaries. The amount of arrears now accrued to Rs.102.24 Crores as on 14.08.2014 as per JERC order.

Meanwhile in order to get resolved certain issues viz., reduction in the quantum of the project cost, part payment of fixed charges before COD etc., which were not fully recommended by the Hon'ble Joint Electricity Regulatory Commission even though it was recommended by the Expert, appointed with mutual consent by JERC, the Company filed an appeal in the Appellate Tribunal for Electricity (APTEL) along with an IA application for directing the A&N Administration for implementation of the JERC order and making the payment and an appeal was also filed in the APTEL on 02.08.2013. Likewise the A&N Administration has also filed petition with APTEL on 08.10.2013 for quashing the order issued by JERC.

Several hearings/arguments took place in the APTEL by both the parties during the period from Sep 2013 to till date and completed the arguments. In the latest hearing which took place on 21.08.2014 the APTEL has directed both the parties to submit their comprehensive written submissions by 19.09.2014 for the hearing dated 25.09.2014 for delivering the judgement.

DISCOUNTING OF LC OF RS.14.80 CRORES ISSUE:

SPCL has filed a petition in Hon'ble High Court, Kolkata on 01.03.2014 for issuing a direction to State Bank, IFB, Kolkata for discounting the L.C. as per the conditions of the L.C. The matter is still pending in the Kolkata High Court. This being a regular procedure / business operation and is within the arrears to be received by the Company from the A & N Administration.

WINDING UP PETITION FILED BY SBI GLOBAL FACTORS LTD. (AN UNSECURED CREDITOR):

SBI Global Factors Ltd., filed a petition before the Hon'ble High Court of Andhra Pradesh for winding up of the Company u/s 443 (1) (c) of the Companies Act, 1956. The Company has appealed against the petition and the matter is pending with the Hon'ble High Court, Hyderabad. The Company is confident of resolving the matter amicably.

EXIT-CUM SHARE PURCHASE AGREEMENT BY CLIMATE CHANGE INVESTMENT I I.S.A.

CCI opted for Exit cum Share Purchase Agreement dt.24.7.2014 for purchase by entire holdings of CCI stake (Equity shares) of SGEPL through SPCL at a price of Re.1/- subject to approval by Reserve Bank of India and others if any. The matter is under active consideration by both the Parties.

MAINTENANCE OF THE POWER PLANT:

The maintenance schedule of the power plant could not be taken up in time due to heavy paucity of funds. However, the partial works which were needed urgently were attended which resulted in improved efficiency of the power plant. However, still there is more scope for further improvement in the efficiency of the power plant.

DIVIDEND:

During the year under review, your Directors are unable to recommend any dividend on the Equity Capital of the Company due to losses.

SUBSIDIARY COMPANIES:

During the year under review, the performance of the subsidiaries viz., Suryachakra Global Enviro Power Limited, South Asian Agro Industries Limited, M.S.M. Energy Limited and Sri Panchajanya Power Private Limited, biomass based power plants located at Chhattisgarh and Maharashtra have not been in operation, due to high interest cost, non-availability of raw material at a competitive price on a continuous basis and to avoid further losses on these un-viable units.

Suryachakra Global Enviro Power Limited (SGEPL):

The plant presently is not operational. M/s. Indiabulls Financial Services Limited (presently known as M/s. Indiabulls Housing Finance Limited) has invoked the SARFAESI Act issuing auction notice for sale of the plant. Several Civil/Criminal petitions were also filed by them against the Company in various Courts including Gurgaon, Hon'ble High Court of Delhi and Hon'ble High Court of Andhra Pradesh etc., The matters are pending in the above Courts. The Company has filed a petition in DRT/ Hyderabad seeking for a stay on the auction proceedings. M/s. Indiabulls Financial Services Limited contested on the jurisdiction grounds that DRT/Hyderabad has no jurisdiction. The matter is pending in the DRT. IDBI Bank also filed an application in DRT for recovery of loan sanctioned under CERs for recovery of their dues.

**South Asian Agro Industries Limited (SAAIL):**

The plant presently is not operational. M/s. Indiabulls Financial Services Limited (presently known as M/s. Indiabulls Housing Finance Limited) has invoked the SARFAESI Act issuing auction notice for sale of the plant. Several Civil/Criminal petitions were also filed by them against the Company in various Courts including Gurgaon, Hon'ble High Court of Delhi and Hon'ble High Court of Andhra Pradesh etc., The matters are pending in the above Courts. The Company has filed a petition in DRT/ Hyderabad seeking for a stay on the auction proceedings. M/s. Indiabulls Financial Services Limited contested on the jurisdiction grounds that DRT/Hyderabad has no jurisdiction. The matter is pending in the DRT. IDBI Bank also filed an application in DRT for recovery of loan sanctioned under CERs for recovery of their dues.

M. S. M ENERGY LIMITED

There is no change in the status of the plants located at Parbhani and Amravathi. All the three consortium Banks i.e. IDBI Bank, SBI and SBH, State Bank Of India have issued demand notices u/s. 13(2) of SARFAESI Act for recovery of their share of dues. IDBI Bank has issued possession notice of plants at Parbhani and Amravathi on 02.04.2014.

Sri Panchajanya Power Private Limited

Syndicate Bank has issued notice u/s. 13(2) of SARFAESI Act and they have taken action u/s. 13(4) of SARFAESI Act during the year 2012. We have filed petition in Debt Recovery Tribunal (DRT) Hyderabad and the case is pending before DRT.

FIXED DEPOSITS:

During the year under review, your Company has neither invited nor accepted any deposits from the public.

INSURANCE:

The properties of the SPCL including its buildings, plant and machinery and stocks have been adequately insured as required.

CORPORATE GOVERNANCE:

A report on Corporate Governance, Management Discussion and Analysis along with additional information for shareholders as prescribed under Listing Agreement with the Stock Exchange, Mumbai is annexed as a part of this report along with Practicing Company Secretary's Certificate confirming the compliance of Corporate Governance. As per SEBI requirement, Secretarial audit is carried out at regular intervals. The findings of the audit have been found to be satisfactory.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013, the Directors confirm that:

- i] in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii] the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii] the Directors have ensured that proper and sufficient care is taken in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv] the Annual Accounts are prepared on a going concern basis.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956/2013 and Articles of Association of the Company, Mr. P.V. Subba Rao, and Mr. V.S. Murthy Directors will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment as Directors of the Company. Mrs. M. Mangatayaru has been appointed as Additional Director on 14.08.2014 and a notice has been received from a member for regularization of her appointment as Director and the same is included as Item No.5 of the Notice. Similarly Dr. S.M. Manepalli is getting re-appointed as Managing Director for a term of 5 years as indicated under Item No.6 of the Notice.

During the year, Mr. A. Ramesh Kumar, Mr. P.K. Bhattacharjee and Mrs. B.N. Raja Kumari, Directors have resigned from the Board w.e.f. 7.03.2014, 10.03.2014 and 28.03.2014 respectively.



ADEQUACY OF INTERNAL CONTROLS:

The Company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against losses from unauthorized use or disposition and that transactions are authorized, recorded, and reported correctly. The internal control system is supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures.

The internal control system is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets. The Audit Committee reviews the internal control system on a regular basis.

STATUTORY AUDITORS:

The Statutory Auditors of the Company viz., M/s M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment, if appointed at the Annual General Meeting by members.

EXPLANATIONS FOR THE QUALIFICATIONS MADE BY THE AUDITORS IN THEIR REPORT

Auditors Qualification	Board's explanation
Regarding revenue from Andaman & Nicobar Administration (A&N Administration) - pending final agreement with A&N Administration, we are unable to comment on the extent of ultimate recoverability of Rs.5,32,99,282/- withheld by A&N Administration during the year ended March 31, 2014 (year ended 31.03.2013: Rs.5,25,87,325) and the total receivables including interest accrued thereon as at March 31, 2014 of Rs.30,87,37,714/- (31.03.2013: Rs.25,40,07,355) on account of amounts withheld which are subject to confirmation by the A&N Administration.	The PPA with A&N Government is initially for a period of 15 years with further extension of three further periods of five years each and contains a set of pre-determined formulae for calculation of revenue on monthly billings etc., pending final confirmation of actual capital expenditure no adjustment has been made in the revenues. Revenues for the year ended 31 st March, 2014 includes an amount of Rs.5,32,99,282/- (for the year ended 31.03.2013 as against Rs.5,25,87,325/-) billed by the company has variable charge payment under the PPA has been rejected/withheld by A&N Administration on the grounds of technical interpretation of the formulae for computation of such charges. The total receivables on account of such rejections /interest thereon as at 31.03.2014 amounted to Rs.30,87,37,714/-
Regarding the company's assessment that no provisioning is required against the carrying amounts of its long term investments and loans extended to its subsidiary Suryachakra Global Enviro Power Limited – Rs. 113,18,60,401, for the reasons stated in the said note. We are unable to comment on the recoverability of the carrying amounts of the said investment or advances.	Due to liquidity crunch the re-commissioning process could not be completed. However the management allowed M/s. India bulls Financial Services Ltd (Now changed as IndiaBulls Housing Finance Ltd) to run the unit, but they could not run due to high cost of raw material and probable losses. The matter is under litigation with M/s. India bulls Financial Services Ltd (Now changed as IndiaBulls Housing Finance Ltd) before the Hon'ble High Court of Punjab and Chandigarh. The matter is also pending before DRT and Hon'ble High Court of Andhra Pradesh. Since the matter is sub-judice the Board is unable to give its opinion on the same. However efforts are being made to contest against M/s. India bulls and to stop them from further proceedings.
Regarding its investment in Suryachakra Energy (Chhattisgarh) Private Limited, a wholly owned subsidiary of the company - Rs. 36,48,00,725. Completion and implementation of the power project of Suryachakra Energy (Chhattisgarh) Private Limited depends on the ability of the management to infuse the requisite funds. Hence, we are unable to comment on the recoverability of the carrying amounts of the said investment	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



	<p>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.</p>
<p>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 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>	<p>SGVL is a wholly owned subsidiary of the company incorporated in Hongkong under Companies Ordinance. The Company has decided to acquire coal mines through SGVL for captive use by other subsidiaries. SGVL has entered into an MOU with Symphony Trading and Investments Limited (STIL) having offices in Singapore, Hong Kong etc., for acquiring interests in coal mines in Indonesia. STIL is having experience in identifying and acquiring suitable coal mines for its clients. 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 is making all efforts to recover the advance. During the year, management has intensified the efforts and recovered partial amount and efforts are being made for recovery of balance amount and commenced the negotiations with the STIL Shortfall if any, in recovery will be adjusted in the year of final settlement. Hence no provision towards doubtful advance has been made.</p>
<p>Regarding non-provision of interest on loans from certain lenders on account of legal cases filed by them for recovery of their dues. We are unable to comment on the extent of interest expense for the year ended March 31, 2014 and the cumulative liability up to March 31, 2014.</p>	<p>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; hence no provision of interest has been made.</p>
<p>Regarding the non-availability of confirmation of balances for secured loans, trade payables, creditors for capital goods and loans and advances. In the absence of confirmation of balances, we are unable to comment on the impact of adverse variances, if any, as at March 31, 2014.</p>	<p>The Board 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>The scope and coverage of the internal audit system needs to be strengthened to make it commensurate with the size and the nature of its business</p>	<p>The company is strengthening the Internal Audit wing to oversee the internal audit mechanism and to suggest management the deviations if any from time to time and all the internal audit reports for every quarter are being placed before the Board for its consideration. The Board did not find any deviations from the Act except on non-payment of some statutory dues.</p>
<p>The company is not regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.</p>	<p>The following amounts were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable (1)TDS amount Rs.56,42,391/- (2) VAT Rs.5,46,250/- and (3) Service Tax Rs.4,28,397/-. Efforts are being made to deposit the above dues at the earliest. During the year PF dues of Rs.1,68,936/- were paid to the concerned Authorities.</p>



Default in repayment of dues to banks.	The company's bankers viz: State Bank of India has been co-ordinating with the company to the satisfaction of the Management and the bank is recovering all the dues from the receivables received from A&N Govt and the same is credited to the company's SBI Account from time to time. Apart from this the LC matter of Rs.14.80 Crores is pending with Hon'ble High Court of Kolkata, once the amount is received the Board is confident that the company will be in a position to discharge its liabilities to the satisfaction of SBI and others if any.
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COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 M/s. Bharathula & Associates (Fellow Membership No.13760) Practicing Cost Accountant, has been appointed to conduct audit of cost records of power (electricity) for the year 2014-15.

Cost Audit Report will be submitted to the Central Government within the prescribed time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

The statement giving the particulars with respect to Conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgoings as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is annexed hereto and forms part of the Report.

PARTICULARS OF EMPLOYEES:

The information as required in accordance with Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is furnished here under:

None of the employees of the Company has drawn salary exceeding Rs.60.00 Lakhs per annum or Rs.5.00 Lakhs per month during the period in terms of section 217 (2A) of the Companies Act, 1956.

PERSONNEL & INDUSTRIAL RELATIONS:

Relations between employees and the management continued to be cordial during the year. The Human Resource Department is committed in its quest to improve and maintain employee morale and satisfaction at all levels.

ACKNOWLEDGMENTS:

Your Directors would like to express their grateful thanks for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the excellent services of the executives, staff and workers of the company.

For and on behalf of the Board of Directors

Sd/-
Dr. S.M. Manepalli
Managing Director

Sd/-
Mr. K. Vijay Kumar
Executive Director

Place: Hyderabad.

Date: 14.08.2014.



Annexure:

A) CONSERVATION OF ENERGY:

(a) Energy conservation measures taken.

Your Company continues to implement various programmes taken up in the previous years such as (1) power factor improvement (2) recycling of effluent water, etc.

(b) To revive renewable business, successful trial runs were conducted with the energy plantation as backward integration for the renewable energy i.e., cultivation of Napier grass and other species.

(c) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: NIL

B) TECHNOLOGY ABSORPTION:

Your Company uses state of art technology for improving the productivity and quality of services. To create adequate infrastructure, the Company continues to invest in the latest technology and innovations.

These efforts helped the company to remain in business on a competitive basis, with continuous improvement.

The technologies have been fully absorbed and the Company's production rate has exceeded the design criteria of the plant. The quality and yields are comparable to the World Leaders in the Industry. The Indian Technicians are fully trained in all operations.

C) FOREIGN EXCHANGE EARNED AND OUTGO / USED:

Foreign exchange outgo for the year 2013-14 (for year ended 31.03.2014) was NIL as against the previous year 2012-13 (for 9 months period ended) outgo of NIL.

CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

The Board of Directors of the company believes in and fully supports the principles of Corporate Governance. While striving to achieve the financial targets, the company seeks to follow the business principles and ethics and in all its dealings. The company has been regularly implementing the best practices of corporate governance in order to attain total transparency, accountability and integrity.

In accordance with the requirement of Stock Exchange Regulations and the provisions of the Listing Agreement, the compliance report on the corporate governance is reproduced here under:

1. Board of Directors:

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition:

The Board comprises of 2 Executive Director and 2 Non-Executive Independent Directors and one Additional Director as woman Director. The following is the Composition of the Board;

1.	Mr. V.S.Murthy	Non-Executive & Independent Director
2.	Mr. P.V. Subba Rao	Non-Executive & Independent Director
3.	Mr. K. Vijay Kumar	Executive Director - (Technical)- (Non-Independent Director)
4.	Dr. S.M. Manepalli	Managing Director
5.	*Mr. P.K. Bhattacharjee	Non-Executive & Independent Director
6.	**Mr. A. Ramesh Kumar	Non-Executive & Independent Director
7.	***Mrs. B.N. Raja Kumari	Executive Director
8.	@Mrs. M.Mangatayaru	Non-Executive & Non-Independent Director



* Resigned on 10.03.2014

**Resigned on 07.03.2014

*** Resigned on 28.03.2014

@ appointed as Additional Director wef-14.08.2014

Disclosures regarding Directors seeking reappointment / appointment :

Mr.P.V.Subba Rao and Mr.V.S.Murthy are seeking re-appointment in the ensuing AGM.

Mrs. M. Mangatayaru, Additional Director is getting regularized in the next AGM. Similarly Dr.S.M.Manepalli is seeking re-appointment as Managing Director in the next ensuing AGM.

3. Board Meetings

During the year the Board met 6 (Six) times under review on the following dates i.e., on 24.05.2013, 12.08.2013, 14.11.2013, 14.02.2014, 25.03.2014 & 26.03.2014.

The gap between the two Board Meetings does not exceed four months for every Board Meeting.

The Attendance of Directors at these Board Meetings and at the previous Annual General Meeting is as follows:

Attendance of each Director at the Board meetings from last AGM and Committee meetings and chairmanships in other companies is as follows:

Name of the Director & Category	Attendance Particulars		*Directorships in other Companies	# Committee Positions held in other companies
	Board Meetings	Last AGM		
Mr/Mrs.			-	-
V.S. Murthy	5	Yes	Nil	Nil
P.V. Subba Rao	6	Yes	Nil	Nil
K. Vijay Kumar	5	Yes	1	Nil
Dr. S.M. Manepalli	4	Yes	Nil	Nil
**P.K. Bhattacharjee	3	No	Nil	Nil
**Mahesh Chand	1	No	Nil	Nil
** A. Ramesh Kumar	1	No	Nil	Nil
**B.N. Raja Kumari	6	Yes	Nil	Nil

*Excludes Directorships held in foreign companies, private companies and alternate Directorships.

#only Audit Committee and Shareholders Grievance Committee are considered for its purpose.

** Mr. Mahesh Chand, Mr. Ramesh Kumar, Mr. P.K. Bhattacharjee and Mrs. B.N. Raja Kumari, Directors resigned on 12.08.2013, 7.03.2014, 10.03.2014 & 28.03.2014 respectively.

4. Audit Committee

The Audit Committee was formed by the Board of Directors. The terms of reference of this committee cover the matters specified under clause 49 of the Listing Agreement and as may be referred to the committee by the Board of Directors of the company.



Statutory Auditors are invitees to the meeting. The Audit Committee met four times during the financial year 2013-14 i.e., 24th May, 2013, 12th August, 2013, 14th November, 2013 and 14th February, 2014.

Composition, meetings and attendance particulars of the Audit Committee during the year is as follows:

S.No.	Name of the Director	Category	No. of Meetings held	No. of Meetings attended
1.	Mr. P.K. Bhattacharjee	Chairman	4	3
2.	Mr. V.S. Murthy	Member	4	3
3.	Mr. K. Vijay Kumar	Member	4	3
4.	Mrs. B.N. Raja Kumari	Member	4	4
5.	Mr. P.V. Subba Rao	Member	4	3

B. SHAREHOLDERS/ INVESTORS' GRIEVANCES' COMMITTEE

The Shareholders Grievances Committee is empowered to perform all the functions of the Board in relation to handling of Shareholders Grievances. It primarily focuses on:

- Review of investor complaints and their redressal;
- Review of the queries received from investors;
- Review of the work done by share transfer agent; and
- Review of corporate actions related work.

The Shareholders' Grievances' Committee consists of three Directors viz. Mr. V.S. Murthy, Chairman, Mr. K. Vijay Kumar and Mr. P.V. Subba Rao as Members of the committee. During the year no Shareholder's Grievances' Committee meetings were held as there were no complaints to be decided at committee's level except one compliant from a shareholder and the same was resolved at office/registrars level.

C. REMUNERATION COMMITTEE:

The Remuneration Committee is responsible to determine on behalf of the Board and on behalf of the Shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

Composition:

Remuneration Committee consists of the following Directors viz. Mr. V.S. Murthy, Mr. K. Vijay Kumar and Mr. P.V. Subba Rao.

Mr. V.S. Murthy is the Chairman of the Remuneration Committee and he is a Non-Executive and Independent Director. During the year under review one meeting was held to consider the salary and perquisites of Managing Director.

Remuneration policy:

Whole-time Directors and Key Managerial personnel are referred to remuneration committee; which will decide and recommend the remuneration payable to the Board for approval.



The Non-Executive and Independent Directors receive sitting fee for attending the Board and Audit Committee meetings. The remuneration paid to the Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 1956 duly considered and approved by the Board and the Shareholders.

Details of Remuneration paid to Directors for the year ended 31st March, 2014:

Name of the Director	Board	Audit Committee	Salary	perquisites / Commission	Total
	Sitting Fees	Sitting Fees			
Mr. P. K. Bhattacharjee	15,000	6,000	-	-	21,000
Mr. V.S. Murthy	15,000	6,000	-	-	21,000
Mr. Mahesh Chand	5,000	-	-	-	5,000
Mr. A. Ramesh Kumar	5,000	-	-	-	5,000
Dr. S.M. Manepalli	-	-	36,00,000	-	36,00,000
Mr. K. Vijay Kumar	-	-	11,88,000	-	11,88,000
Mrs. B.N. Raja Kumari	-	-	5,09,207	-	5,09,207
Mr. P.V. Subba Rao	20,000	4,000	-	-	24,000
Total	60,000	16,000	52,97,207	-	53,73,207

D. MANAGEMENT COMMITTEE :

This Committee shall consider all such urgent matters which are being considered by Board and pass such matters which are otherwise referred to Board.

The Committee consists of the following members:

1. Dr. S.M. Manepalli- Chairman
2. Mr. V.S. Murthy
3. Mr. K. Vijay Kumar

During the year the company met 13 (Thirteen) times to decide and resolve matters of urgent nature.

4. GENERAL BODY MEETINGS:

Details of Annual General Meetings held for the last three years and details of special resolutions passed in the previous three AGMS are as under:

Financial Year	Date and time of AGM	Location	Details of special resolutions passed
2013	Monday, the 30th September 2013 at 10.00 AM	Adda Function Hall, IV Floor, Padmavathi Plaza, Bhagyanagar Colony, Opp. KPHB, Kukatpally, Hyderabad-72.	3
2012	Saturday, the 29th September 2012 at 10.00 AM	Adda Function Hall, IV Floor, Padmavathi Plaza, Bhagyanagar Colony, Opp. KPHB, Kukatpally, Hyderabad-72.	Nil
2011	Friday, the 30th September 2011 at 10.00AM	Adda Function Hall, IV Floor, Padmavathi Plaza, Bhagyanagar Colony, Opp. KPHB, Kukatpally, Hyderabad-72.	1



5. DISCLOSURES

- 1 There were no materially significant related party transactions that may have potential conflict with the interests of the company at large. The related party transactions if any will be reported/ disclosed in notes to accounts in the Annual Report.
- 1 There was no incidence of non-compliance during the last three years by the company on any matter related to capital market. There were no penalties imposed nor strictures passed on the company by Stock Exchange, SEBI or any statutory authority.
- 1 The Board has not yet deliberated the matter relating to whistle blower policy. No personnel have been denied access to the Audit Committee.
- 1 The company has complied with all the mandatory requirements of Clause 49 of Listing Agreement.

6. MEANS OF COMMUNICATION

The quarterly results are normally published in National News Papers and Regional News Papers. Further the quarterly financial results/ shareholding pattern, official news releases are posted on Company's website: www.Suryachakra.in.

7. GENERAL SHAREHOLDERS' INFORMATION

- (a) Annual General Meeting Date and time : Tuesday, the 30th Sep.2014 at 10.00 A.M.
Venue : Hotel Devi Grand, #11-5-152,
Bhavani Nagar, Moosapet 'X' Roads,
Hyderabad-500 018.
- (b) Financial Year Calendar (Tentative) :
- Results for the quarter ending 30th September, 2014 : Second week of November, 2014
Results for the quarter ending 31st December, 2014 : Second week of February, 2015
Results for the quarter ending 31st March, 2015 : Second week of May, 2015
Results for the quarter ending 30th June, 2015 : Second week of August, 2015
- (c) Book Closure dates : 27.09.2014 to 30.09.2014 (Both days Inclusive)
- (d) Listing on Stock Exchange with Stock code

Name and Address of Stock Exchange	Scrip code / Trading Symbol
Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	532874/ Suryachakra

Listing fee for the Year 2014-15 has been paid to the Bombay Stock Exchange Ltd where the Company's shares are listed.

ISIN Code for Demat: The ISIN allotted to the Company is INE274101016

(e) Market Information:

Market Price Data: High, low during each month and trading volumes of the company's shares during the last financial year at BSE are given below :



Month	High	Low	Volumes
April, 2013	1.35	1.07	20,71,972
May, 2013	1.29	1.05	23,72,516
June, 2013	1.22	1.00	23,28,133
July, 2013	2.05	1.15	37,55,907
August, 2013	1.35	1.04	16,28,630
September, 2013	1.40	1.09	14,16,965
October, 2013	1.68	1.17	22,55,015
November, 2013	1.70	1.35	22,90,244
December 2013	1.51	1.19	16,55,813
January, 2014	1.64	1.28	34,32,156
February, 2014	1.49	1.19	13,57,887
March, 2014	1.60	1.17	25,21,760

- (f) Registrars and Transfer Agent : Karvy Computer share Pvt Ltd.
Unit : Suryachakra Power Corporation Ltd.
Plot No. 17-24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081.
Ph : 040-44655181
- Contact Person : Mr. Kishore
- (g) Share Transfer System : The Company has appointed M/s. Karvy Computer Share Pvt. Ltd. as its Registrar and share transfer Agent, Who are fully equipped to carry out share transfer activities and redress investor complaints .

(h) Distribution of Shares & Share Holding Pattern :

Distribution schedule as on 31st March, 2014

S.No.	Category	No.of Cases	% of Cases	Amount in Rupees	% of Amount
1.	1-5000	31093	64.01	71463220.00	4.78
2.	5001 - 10000	7027	14.47	61929230.00	4.14
3.	10001 - 20000	3943	8.12	63598440.00	4.25
4.	20001 - 30000	1763	3.63	46344520.00	3.10
5.	30001 - 40000	744	1.53	27449530.00	1.83
6.	40001 - 50000	1046	2.15	50945000.00	3.40
7.	50001 - 100000	1479	3.04	115521650.00	7.72
8.	100001 & Above	1477	3.04	1059078010.00	70.78
	Total	48572	100.00	1,496,329,600.00	100.00

b) Shareholding Pattern as on 31st March, 2014

Category of Share holder	No. of shares held	Percentage of holding
Promoters	37598438	25.13
Banks / Mutual Funds / FI / FIIS	0	0
Private Corporate Bodies	14036871	9.38
NRIs / OCBs	1394436	0.93
Indian Public	96603215	64.56
Total	149632960	100.00

(i) **Dematerialization of Shares and Liquidity**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both Depositories Viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shares of the company are actively traded in the Bombay Stock Exchange Limited (BSE).

(J) **Address for Investors' Correspondence :**

- 1) Registrars and share Transfer Agents : Karvy Computer Share Private Limited
Unit : Suryachakra Power Corp. Ltd.,
Plot No.17-24, Vittalrao Nagar,
Madhapur, Hyderabad -500081.
- 2) Company's address : The Company Secretary
Suryachakra Power Corporation Ltd
Suryachakra House, Plot No. 304-L-III,
Road No.78, Jubilee Hills,
Hyderabad - 500 096.
- 3) Email address exclusively designated for investors : suryachakra.power@gmail.com
- 4) Company's Website : www.suryachakra.in
- 5) Plant's Location : Bamboo flat, Near Fire Brigade,
South Andaman, Port Blair - 744 107.

(k) **Reconciliation of Share Capital Audit:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out reconciliation of Share Capital Audit to the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit is carried out at every quarter and the report thereon is submitted to the Bombay Stock Exchange as well as placed before the Board of Directors. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in electronic form held with NSDL and CDSL.


CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

The Board of Directors
Suryachakra Power Corporation Limited

C E R T I F I C A T E

We, Dr. S.M. Manepalli, Managing Director and Mr. V.L. NarasimhaRao, CFO of Suryachakra Power Corporation Limited to the best of our knowledge and belief hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
V.L. NarasimhaRao
CFO

Sd/-
Dr. S.M. Manepalli
Managing Director

Place: Hyderabad
Date: 14.08.2014

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

Sd/-
Dr. S.M. Manepalli
Managing Director

Place: Hyderabad
Date: 14.08.2014

**CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

To
The Members
Suryachakra Power Corporation Limited

I have examined the compliance of conditions of Corporate Governance by Suryachakra Power Corporation Limited, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For L.D. Reddy & Co.,
Company Secretaries

Sd/-
L. Dhananjaya Reddy
(Proprietor)
C.P. No.3752

Date: 14.08.2014
Place: Hyderabad

MANAGEMENT DISCUSSION AND ANALYSIS

An Annexure to this Report contains a detailed Management Discussion and Analysis, which inter alia, covers the following:

- A) Economic Overview
- B) Power Sector Scenario
- C) Review of company's business
- D) Internal Control System
- E) Human Resources
- F) Opportunities and Threats
- G) Risks and Concerns
- H) Cautionary Statement

A. Economic Overview

The growth outlook is more robust for India and forecast GDP growth of around 2.1% in 2013, rising around 5.5-6 per cent in 2015, as per Moody's report 'Global Macro Outlook 2014-15. The higher growth projection for India comes against the backdrop of a new government coming to power with single majority for the first time in three decades. However, the rating agency said India's growth estimates are still way lower than the levels seen before global crisis. "For India in particular, the projected growth rates are still significantly below pre-crisis and well short of the new government's target to raise growth rate to 7-8% by 2017-18,". Moody's report also said that India would see "more resilient GDP growth". Global slowdown along with sluggish domestic economic activities, high interest rates and stubborn inflation pulled down India's growth to sub 5% in the last two years. Indian economy is likely to expand in the range of 5.4 to 5.9% this fiscal, as per government estimates. After recovering in 2009-10 and 2010-11, GDP growth slowed down to decade's low of



4.5% in 2012-13. It picked up marginally to 4.7% in 2013-14. The new government, which took charge in May, has initiated various measures to attract more investments and remove bottlenecks and to boost growth. The Indian economy is seeing growth momentum. According to the report, improvement in global growth is likely to be visible in 2015, with 2014 expected to be another below-average year.

B. POWER SECTOR SCENARIO:

The anticipated power supply position for the year 2014-15 is based on All India generation targets for the year as finalized by CEA after discussions with the concerned States/ Utilities/ Corporations and approved by Ministry of Power. Assessment of unrestricted peak demand and unrestricted energy requirement and peak and energy availability of constituent states of each Region has been done by the respective Regional Power Committees (RPCs) after review of the projections made by the constituent states, past data and the trend analysis. The inputs provided by the RPCs are analysed and the anticipated month-wise power supply position for each State, Region and the Country are prepared by Grid Management Division of CEA. As per this LGBR, most states would face both peak and energy shortages during 2014-15. However, the actual shortage in a state would depend on the extent to which the state is able to get additional power from the surplus states.

C. REVIEW OF COMPANY'S BUSINESS

The requisite information is already furnished in the financial review under directors report. Hence the review of company's business is not reproduced once again here.

D. INTERNAL CONTROL SYSTEM:

The Company has adequate Internal Control system commensurate with the size and nature of business of the company. The Internal Control system is constantly assessed and strengthened with tighter control procedures. The Internal Control system ensure effectively of operations compliance with internal policies and applicable laws and regulations, protection of resources and assets, and accurate reporting of financial transactions.

E. HUMAN RESOURCES

The company currently has adequate man power and personnel to conduct the business without any complication or hindrances. The company recognises the importance and contribution of the employees. Human resource is viewed to be as one of the most important factor in the growth process with a view to cross further frontiers in business performance, the Company strives to organize training modules for understanding and improving the core skills of the employees. The overall human and industrial relations have remained peaceful and composed during the year. The Company is currently working on providing much better and comfortable working environment and training regimes to the employed personnel.

F. OPPORTUNITIES AND THREATS

Opportunities

A resurgence in corporate investment will improve demand for power supply in the near future. The demand for power supply is expected to grow 8-9% at a faster pace in 2014 and 2015, compared with the earlier periods. There is a considerable long term scope for players in the power generation business. Your company is also geared to make use of this opportunity.

Threats:

The power industry in India is significantly affected by the economic slowdown and increase of cost of raw material. Apart from this the following threats are being faced by the power industry:

- 1 Lack of political willingness and support on promoting new action plans and strategy new and existing projects.
- 1 A tightening of the credit market.

G. RISKS AND CONCERNS

The Company is exposed to certain financial risks, principally interest rate risk, liquidity risk and credit risk, risks associated with the economy, regulations, competition etc. These risks are managed through risk management policies that are designed to minimize the potential adverse effects of these risks on financial performance of the Company. The Risk Management framework of the Company ensures, that the compliance with the requirements of Clause 49 of the Listing Agreement. The framework establishes risk management across all service areas and functions of the Company, and has in place, the procedures to inform the Board Members about the risk assessment and minimization



process. These processes are periodically reviewed to ensure that the management of the Company controls risks through a defined frame work.

H. CAUTIONERY STATEMENT

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



INDEPENDENT AUDITOR'S REPORT

The Member of
Suryachakra Power Corporation Limited

Report on the Financial Statement :

We have audited the accompanying financial statements of Suryachakra Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's Judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Attention is invited to:

- (a) *Note - 32 to the financial statements regarding revenue from Andaman & Nicobar Administration (A&N Administration) - pending final agreement with A&N Administration, we are unable to comment on the extent of ultimate recoverability of Rs. 5,32,99,282/- withheld by A&N Administration during the year ended March 31, March 2014 (year ended 31.03.2013 : Rs. 5,25,87,325) and the total receivables including interest accrued thereon as at March 31, 2014 of Rs. 30,87,37,714/- (31.03.2013 : Rs. 25,40,07,355) on account of amounts withheld which are subject to confirmation by the A&N Administration.*
- (b) *Note 33(a) to the financial statements regarding the company's assessment that no provisioning is required against the carrying amounts of its long term investments and loans extended to its subsidiary Suryachakra Global Enviro Power Limited - Rs.113,18,60,401, for the reasons stated in the said note. We are unable to comment on the recoverability of the carrying amounts of the said investment or advances.*
- (c) *Note 33(b) to the financial statements regarding its investment in Suryachakra Energy (Chhattisgarh) Private Limited, a wholly owned subsidiary of the company -Rs.36,48,00,725. Completion and implementation of the power project of Suryachakra Energy (Chhattisgarh) Private Limited depends on the ability of the management to infuse the requisite funds. Hence, we are unable to comment on the recoverability of the carrying amounts of the said investment.*
- (d) *Note 33(c) to the financial statements 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 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.

- (e) Note 35 to the financial statements regarding non-provision of interest on loans from certain lenders on account of legal cases filed by them for recovery of their dues. We are unable to comment on the extent of interest expense for the year ended March 31, 2014 and the cumulative liability up to March 31, 2014.
- (f) Note 36 to the financial statement regarding the non-availability of confirmation of balances for secured loans, trade payables, creditors for capital goods and loans and advances. In the absence of confirmation of balances, we are unable to comment on the impact of adverse variances, if any, as at March 31, 2014.

The consequential impact of the above matters on the loss for the year and the retained earnings as at March 31, 2014 is indeterminable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion paragraph*, the financial statement give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii) in the case of the statement of Profit and Loss, of the loss for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note - 34 to the financial statement regarding the winding up petition filed by one of the unsecured creditors of the Company, which is pending for hearing before the Honourable High Court of Andhra Pradesh.

Our opinion is not qualified in respect of the above matter.

Report Other Legal and Regulatory Requirements:

1. As required by the companies (Auditor's Report) order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.
 - v) On the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

for M BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 000459 S

V.K. MURALIDHAR
PARTNER
Membership No.201570

Hyderabad, May 30, 2014



SURYACHAKRA POWER CORPORATION LIMITED
ANNEXURE TO THE AUDITORS' REPORT
(STATEMENT REFERRED TO IN OUR REPORT OF EVEN DATE)

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) According to the information and explanations given to us, the management has conducted physical verification of major fixed assets during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, the Company, during the year, has not disposed off substantial part of fixed assets. Hence, the provisions of clause 4 (i) (c) of the Order is not applicable to the company.
- (ii) a) The inventories consisting of raw materials, stores, spares and consumables have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, and on the basis of our examinations of the inventory records, the Company is maintaining proper records. The discrepancies noticed on physical verification of inventory as compared to book records were not material to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) a) According to the information and explanations given to us, the company has granted secured / unsecured loans and advances to six parties covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.134,75,54,880 and the year-end balance of the loan granted to such parties was Rs. 102,46,35,363.
- b) In our opinion and according to the information and explanations given to us, the terms and conditions on which the loans and advances have been granted are not prima facie prejudicial to the interests of the Company.
- c) According to the information and explanations given to us, the terms of the arrangement do not stipulate any repayment schedule for principal and interest.
- d) There is no overdue amount in respect of the above loans.
- e) According to the information and explanations given to us, the Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 3 (e), (f) and (g) of the Order are not applicable to the company.
- (iv) In our opinion and, according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control system.
- (v) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements (except secured/unsecured loans and advances granted to the parties stated in para (iii) above), referred to under section 301 of the Act, that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from public. Accordingly, the provisions of clause 4(vi) of the Order is not applicable to the company.
- (vii) *In our opinion and according to the information and explanations given to us, the scope and coverage of the internal audit system needs to be strengthened to make it commensurate with the size and the nature of its business.*
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records prescribed under Section 209(1)(d) of the Act and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.
- (ix) a) *The company is not regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. According*



to the information and explanations given to us, the following undisputed amounts were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable:

	Rupees
Tax Deduction at Source	56,42,391
Service Tax	4,28,397
Provident Fund	1,68,936
VAT	5,46,250

- b) According to the information and explanations given to us, there were no dues of Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess which have not been deposited on account of any dispute.
- (x) *Subject to the effects of the matters described in the Basis for Qualified Opinion paragraph of our report of even date, the accumulated losses at the end of the year does not exceed 50% of its net worth at the end of the year.* The company has incurred cash losses in the financial year under report; however, the company has incurred cash losses in the immediately preceding financial year.
- (xi) *In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to banks. Details of the same are stated in the Appendix to this report.*
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv) In our opinion and according to information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the company for loans taken by one of its subsidiaries from banks or financial institutions are prima facie not prejudicial to the interests of the Company.
- (xvi) To the best of our knowledge and belief and according to information and explanations given to us, in our opinion, the term loans availed during the earlier years by the Company were, prima facie, applied by the Company for the purposes for which the loans were obtained.
- (xvii) According to information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes.
- (xviii) During the year under report, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company. Hence, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) In our opinion and according to the information and explanations given to us, the Company has not raised any money by public issue during the year. Hence, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) During the course of our examinations of the books and records of the Company carried out in accordance with the generally accepted practices in India and according to the information and explanations given to us, no instance of fraud on or by the Company was reported during the year, nor have we been informed of such case by the management.

For **M.BHASKARA RAO & CO;**
 CHARTERED ACCOUNTANTS
 Firm Registration No. 000459 S

V.K. MURALIDHAR
 PARTNER
 Membership No. 201570

Hyderabad, May 30, 2014



APPENDIX

Details of defaults in repayment of principal and interest on term loans to banks and financial institutions:

(A) SBI Working Capital Term Loan - I

Principal :

Month	Amount Due	Amount Paid	Difference	Due Date	Actual payment date	Delay days
March' 2013	19,32,800	19,32,800	-	31.03.2013	28.06.2013	89
April' 2013	19,32,800	19,32,800	-	30.04.2013	27.09.2013	150
May' 2013	19,32,800	18,62,356	70,444	31.05.2013	27.09.2013	119
June' 2013	19,32,800	-	19,32,800	30.06.2013	-	-
July' 2013	19,32,800	-	19,32,800	31.07.2013	-	-
August' 2013	19,32,800	-	19,32,800	31.08.2013	-	-
September' 2013	19,32,800	-	19,32,800	30.09.2013	-	-
October' 2013	19,32,800	-	19,32,800	31.10.2013	-	-
November' 2013	19,32,800	-	19,32,800	30.11.2013	-	-
December' 2013	19,32,800	-	19,32,800	31.12.2013	-	-
January' 2014	19,32,800	-	19,32,800	31.01.2014	-	-
February' 2013	19,32,800	-	19,32,800	28.02.2014	-	-
March' 2014	19,32,800	-	19,32,800	31.03.2014	-	-

Interest on SBI Working Capital Term Loan -I :

Month	Amount Due	Amount Paid	Difference	Due Date	Actual payment date	Delay days
March' 2013	15,04,016	15,04,016	-	31.03.2013	11.06.2013	72
April' 2013	16,36,181	16,36,181	-	30.04.2013	28.06.2013	59
May' 2013	12,51,929	12,51,929	-	31.05.2013	28.06.2013	28
June' 2013	11,92,868	11,92,868	-	30.06.2013	11.09.2013	73
July' 2013	11,90,862	11,90,862	-	31.07.2013	11.09.2013	42
August' 2013	12,03,454	12,03,454	-	31.08.2013	27.09.2013	27
September' 2013	11,54,191	11,54,191	-	30.09.2013	08.02.2014	131
October' 2013	11,67,163	11,67,163	-	31.10.2013	08.02.2014	100
November' 2013	11,56,106	11,56,106	-	30.11.2013	08.02.2014	70
December' 2013	12,50,406	12,50,406	-	31.12.2013	08.02.2014	39
January' 2014	12,24,034	12,24,034	-	31.01.2014	16.05.2014	105
February' 2014	10,59,054	10,59,054	-	28.02.2014	16.05.2014	77
March' 2014	11,59,724	11,59,724	-	31.03.2014	16.05.2014	46

**(A) SBI Working Capital Term Loan - II**

Principal :

Month	Amount Due	Amount Paid	Difference	Due Date	Actual payment date	Delay days
February' 2013	16,07,200	16,07,200	-	28.02.2013	28.06.2013	120
March' 2013	16,07,200	16,07,200	-	31.03.2013	28.06.2013	89
April' 2013	16,07,200	16,07,200	-	30.04.2013	11.09.2013	134
May' 2013	16,07,200	16,07,200	-	31.05.2013	27.09.2013	119
June' 2013	16,07,200	13,10,213	2,96,987	30.06.2013	08.02.2014	223
July' 2013	16,07,200	-	16,07,200	31.07.2013	-	-
August' 2013	16,07,200	-	16,07,200	31.08.2013	-	-
September' 2013	16,07,200	-	16,07,200	30.09.2013	-	-
October' 2013	16,07,200	-	16,07,200	31.10.2013	-	-
November' 2013	16,07,200	-	16,07,200	30.11.2013	-	-
December' 2013	16,07,200	-	16,07,200	31.12.2013	-	-
January' 2014	16,07,200	-	16,07,200	31.01.2014	-	-
February' 2014	16,07,200	-	16,07,200	28.02.2014	-	-
March' 2014	16,07,200	-	16,07,200	31.03.2014	-	-

Interest on SBI Working Capital Term Loan - II:

Month	Amount Due	Amount Paid	Difference	Due Date	Actual payment date	Delay days
March' 2013	12,49,596	12,49,596	-	31.03.2013	28.06.2013	89
April' 2013	13,57,611	13,57,611	-	30.04.2013	04.05.2013	4
May' 2013	10,38,778	10,38,778	-	31.05.2013	11.09.2013	103
June' 2013	9,89,665	9,89,665	-	30.06.2013	11.09.2013	73
July' 2013	9,88,944	9,88,944	-	31.07.2013	11.09.2013	42
August, 2013	9,99,200	9,99,200	-	31.08.2013	11.09.2013	11
September' 2013	9,47,294	9,47,294	-	30.09.2013	08.02.2014	131
October' 2013	9,67,834	9,67,834	-	31.10.2013	08.02.2014	100
November' 2013	9,58,665	9,58,665	-	30.11.2013	08.02.2014	70
December' 2013	10,36,861	10,36,861	-	31.12.2013	17.04.2014	107
January' 2014	10,15,347	10,15,347	-	31.01.2014	17.04.2014	76
February' 2014	8,80,009	8,80,009	-	28.02.2014	17.04.2014	48
March' 2014	9,64,335	9,64,335	-	31.03.2014	17.04.2014	17

**(B). SREI Loan amount :****Principal**

Date	Amount	Delay days
30.04.2011	42,58,257	1066
31.05.2011	1,13,108	1035
30.06.2011	1,09,460	1005
31.07.2011	51,69,467	974
31.08.2011	1,03,343	943
30.09.2011	1,00,009	913
31.10.2011	57,43,578	882
30.11.2011	1,00,009	852
31.12.2011	1,79,297	821
01.01.2012	1,17,90,461	820
01.04.2012	12,19,315	729

Interest on SREI Loan

Date	Amount	Delay days
Up to June'2012	12,72,665	639
July, 2012	509,778	608
August' 2012	509,778	577
September' 2012	493,333	547
October' 2012	535,182	516
November' 2012	517,918	486
December' 2012	535,182	455
January' 2013	561,851	424
February' 2013	507,479	396
March' 2013	5,61,851	365



SURYACHAKRA POWER CORPORATION LIMITED

Balance Sheet as at March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars		Note No.	AsAt March 31, 2014	AsAt March 31, 2013
I.	EQUITY AND LIABILITIES			
1	Share holders' funds			
	(a) Share Capital	3	1,496,329,600	1,496,329,600
	(b) Reserves and surplus	4	572,784,301	604,895,079
2.	Non-current liabilities			
	(a) Long-term borrowings	5	118,907,481	162,840,000
	(b) Long-term provisions	6	1,921,956	1,725,968
3.	Current liabilities			
	(a) Short-term borrowings	7	425,664,666	440,514,297
	(b) Trade payables	8	180,962,897	161,425,980
	(c) Other current liabilities	9	304,471,907	269,153,339
	Total		3,101,042,808	3,136,884,263
II.	ASSETS			
1.	Non-current assets			
	(a) Fixed assets			
	Tangible assets	10	152,597,969	214,332,210
	(b) Non current investment	11	1,247,876,290	1,247,876,290
	(c) Long-term loans and advances	12	1,173,013,656	1,150,047,205
	(d) Other non-current assets	13	127,574,329	127,574,329
2.	Current assets			
	(a) Inventories	14	60,195,962	56,626,174
	(b) Trade receivables	15	329,059,023	303,236,655
	(c) Cash and cash equivalents	16	267,174	713,545
	(d) Short-term loans and advances	17	10,458,405	36,477,855
	Total		3,101,042,808	3,136,884,263
	Corporate information and Significant accounting policies	1&2		

See accompanying notes forming part of the financial statements

As per our report of event date attached

For M. Bhaskara Rao & Co.,
Chartered Accountants

For Suryachakra Power Corporation Limited

V.K. Muralidhar
PartnerDr. S.M. Manepalli
Managing DirectorK. Vijay Kumar
DirectorP. Satish Chandra Mouli
Company SecretaryV.L. Narasimha Rao
Chief Financial officer

Hyderabad, May 30, 2014



SURYACHAKRA POWER CORPORATION LIMITED
Statement of Profit and Loss for the year ended March 31, 2014
 (All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Note No.	Year ended March 31, 2014 (12 Months)	Period ended March 31, 2013 (9 Months)
1. Revenue from operations	18	1,458,424,179	1,010,442,294
2. Other income	19	2,059,237	1,124,749
3. Total Revenue (1+2)		1,460,483,416	1,011,567,043
4. Expenses:			
Cost of materials consumed	20	1,310,740,809	882,464,170
Operation and maintenance expense	21	34,344,903	70,339,851
Employee benefits expense	22	16,194,763	9,752,932
Finances costs	23	38,836,688	78,057,406
Depreciation and amortization expense	10	61,760,889	50,796,843
Other expenses	24	21,510,483	13,321,875
Total expenses		1,483,388,535	1,104,733,077
5. Profit before tax (3-4)		(22,905,119)	(93,166,034)
6. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		9,205,659	-
(3) Mat Credit availed in earlier years written off			
7. Profit / (Loss) from continuing operations (5-6)		(32,110,778)	(93,166,034)
12. Earnings per equity share of Rs.10/- each Basic and Diluted	40	(0.21)	(0.62)
Corporate information and Significant accounting policies	1&2		

See accompanying notes forming part of the financial statements
 As per our report of event date attached

For M. Bhaskara Rao & Co.,
 Chartered Accountants

For Suryachakra Power Corporation Limited

V.K. Muralidhar
 Partner

Dr. S.M. Manepalli
 Managing Director

K. Vijay Kumar
 Director

P. Satish Chandra Mouli
 Company Secretary

V.L. Narasimha Rao
 Chief Financial officer

Hyderabad, May 30, 2014



SURYACHAKRA POWER CORPORATION LIMITED

Cash flow statement for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2014 (12 Months)	For the year ended March 31, 2013 (9 Months)
A. Cash flows from operating activities		
Net profit before tax	(22,905,119)	(93,166,034)
Adjustments:		
Interest Income		
Finance Charges	38,836,688	78,057,406
Depreciation	61,760,889	50,796,843
Operating profit before working capital changes	77,692,458	35,688,215
(Increase)/Decrease in inventory	(3,569,788)	902,655
(Increase)/Decrease in sundry debtors	(25,822,368)	109,482,818
(Increase)/Decrease in loans and advances	(7,284,506)	(106,938,447)
(Increase)/Decrease in current liabilities and provisions	27,307,414	51,791,292
Cash generated from Operations	68,323,210	90,926,533
Income tax paid refund	4,176,718	8,289,267
Net Cash generated from operating activities	64,146,492	82,637,266
Cash flows from investing activities:		
Interest received	5,289	0
Purchase of fixed assets	(26,652)	(934,300)
Net Cash used in investing activities	(21,363)	(934,300)
	For the year ended March 31, 2014 (12 Months)	For the year ended March 31, 2013 (9 Months)
Cash flows from financing activities:		
Proceeds/(Repayment) of borrowings, net	(32,870,097)	(48,650,004)
Net cash and in financing activities	(31,701,403)	(32,741,932)
	(64,571,500)	(81,391,936)
Net increase in cash and equivalents	(446,371)	311,030
Cash and Cash equivalents at beginning of the year	713,545	402,516
Cash and Cash equivalents at end of the year	267,174	713,545
Notes:		
1. Components of cash and cash equivalents as at (Refer Note 16)		
Cash in hand		
Balance with scheduled banks	10,258	428,815
- in current accounts	106,536	134,350
- in deposit accounts		
- Share application money received for allotment of securities and due for refund	150,380	150,380
	267,174	713,545

See accompanying notes forming part of financial statements

As per our report of event date attached

For M. Bhaskara Rao & Co.,
Chartered Accountants

For Suryachakra Power Corporation Limited

V.K. Muralidhar
PartnerDr. S.M. Manepalli
Managing DirectorK. Vijay Kumar
DirectorP. Satish Chandra Mouli
Company SecretaryV.L. Narasimha Rao
Chief Financial officer

Hyderabad, May 30, 2014

**SURYA CHAKRA POWER CORPORATION LIMITED**

(Notes to the financial statements for the year ended March 31,2014)

Note 1: Corporate Information

Suryachakra Power Corporation Limited (“the Company”) was incorporated on 28 February 1995, as a Public Limited Company. The Company was converted into a Private Limited Company with effect from 9 August 2000. Pursuant to this, the name of the Company was changed to “Suryachakra Power Corporation Private Limited”. The Company was re-converted into a public limited company with effect from 8 September 2005. Pursuant to this, the name of the Company was changed to Suryachakra Power Corporation Limited.

The Company is engaged in the generation and sale of electricity. The commercial operation started with effect from 1 April 2003. The Company is listed in Bombay Stock Exchange since 23 July 2007. The Company is also engaged in business of trading of coal from the year 31 March 2009.

Note 2: Significant accounting policies**1. Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India (ICAI) and the provisions of Companies Act, 1956. The financial statements are presented in Indian rupees.

2. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Revenue recognition

- a) The Company’s revenue from sale of electricity is based on the Power Purchase Agreement (PPA) entered into with Andaman and Nicobar (A & N) Administration. The PPA is for a period of 15 years initially and shall have an extension of the terms and the effective term for 3 further periods of 5years and contains a set of pre-defined formulae for calculation of revenue to be billed on a monthly basis. Such billings as per the terms of the PPA include a fixed charge payment, a variable charge payment, incentive payment, foreign exchange adjustment and charge in law adjustment. The revenue from sale of power is recognised on the basis of billing to A&N Administration as per the terms and conditions contained in the PPA.
- b) Revenue from trading of goods, where the Company acts as an agent are recognised when the related services are performed.
- c) Income from interest on deposits is recognised on the time proportionate method using the underlying interest rates.

4. Fixed assets and depreciation:*Fixed assets*

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. The cost of fixed assets also includes exchange differences arising in respect of foreign currency loans taken or other liabilities incurred before 1 April 2004 for the purpose of their acquisition and constitution.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital work-in-progress.



(Notes to the financial statements for the year ended March 31,2014)

Depreciation

Depreciation on fixed assets used in generation of electricity is provided using the straight-line method at the rates prescribed by Central Government vide Notification Nos. S.O. 265 (E) and 266 (E) dated 27 March 1994 and 29 March 1994, respectively, issued under the Electricity Supply Act, 1948. Depreciation on fixed assets used in coal trading business is provided using the straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 as in the opinion of the management these rates reflect the estimated useful life of their assets. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than Rs. 5,000 are depreciated in full in the year of acquisition.

5. Investments:

Long term investments are carried at cost less any other-than temporary diminution in value, determined separately for each individual investment.

6. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	First-in-first-out (FIFO)
Stores, spare parts and consumables	First-in-first-out (FIFO)

7. Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit after tax attributable to equity shareholders, for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

8. Employee benefits

Contribution payable to an approved gratuity fund (a defined benefit plan), determined by an independent actuary at the balance sheet date are charged to profit and loss account. Provision for compensated absences is made on the basis of actuarial valuation as at the balance sheet date, carried out by an independent actuary. All actuarial gain and losses arising during the year are recognised in the profit and loss account of the year.

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the profit and loss account.

9. Foreign exchange transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange difference arising on foreign currency transactions settled during the year are recognised in the Profit and Loss Account except that exchange differences arising in respect of any loan taken or other liabilities incurred before 1 April 2004 for the purpose of acquisition or construction of fixed assets are adjusted to the carrying amount of fixed assets.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. Non monetary assets are recorded at the rates prevailing on the date of transaction.

10. Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(Notes to the financial statements for the year ended March 31,2014)**

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

11. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

12. Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset taken on lease or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases that do not transfer substantially the risks and rewards of ownership are classified as operating leases and recorded as expenses in the statement of profit and loss account on a straight line basis over the lease term.

13. Income tax

Income tax expense comprises current tax and deferred tax.

Current tax

The current charge for income taxes is calculated in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax consequences of timing differences which originates during the year and reverse after the tax holiday period are recognised in the year in which the timing differences originates. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realised.

The break-up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit entitlement represents amounts paid in a year under Section 115 JAA of the Income Tax Act 1961 ('IT Act'), in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off against future tax payments for ten succeeding years in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT Credit entitlement", under "Loans and Advances" in balance sheet with a corresponding credit to the profit and loss account, as a separate line item. Such assets are reviewed as at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note: 3 Share Capital	As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs. 10/- each	150,000,000	1,500,000,000	150,000,000	1,500,000,000
Issued, Subscribed and Fully Paid up Equity Shares of Rs. 10/- each	149,632,960	1,496,329,600	149,632,960	1,496,329,600
Total	149,632,960	1,496,329,600	149,632,960	1,496,329,600

3.1 Reconciliation of the shares outstanding at beginning and at the end of the reporting period

	As at 31 March 2014	As at 31 March 2013
Equity Shares of Rs. 10/- each		
At the beginning of the year	149,632,960	1,496,329,600
Add: Issued during the year	-	-
Outstanding at the end of the period	149,632,960	1,496,329,600

3.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive surplus from sale of assets after setting off of the liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of shareholders holding more than 5% shares in the Company

	As at March 31,2014		As at March 31,2013	
	Number	Amount	Number	Amount
Mauktika Energy Private Limited	21,166,397	14.15%	21,166,397	14.15%

Note No: 4 Reserves and Surplus	As at 31 March 2014	As at 31 March 2013
Securities Premium Account		
Opening balance	727,199,288	727,199,288
Add: on shares issued during the year	-	-
Closing Balance	727,199,288	727,199,288
Surplus/(deficit) in the statement of profit and Loss		
Opening balance	(122,304,209)	(29,138,175)
Add: Profit / (Loss) for the year	(32,110,778)	(93,166,034)
Closing balance	(154,414,987)	(122,304,209)
Total Reserves and Surplus	572,784,301	604,895,079



(Notes to the financial statements for the year ended March 31, 2014)
(All amounts in Indian rupees, except share data and where otherwise stated)

Note: 5 Long Term Borrowings	As at 31 March 2014		As at 31 March 2013	
	Non-Current	Current	Non-Current	Current
Secured				
From Bank				
State Bank of India (Kolkata) working capital term loan	118,907,481	77,244,058	162,840,000	49,300,000
From Others				
SREI Equipment Finance Private Limited - Rupee Term Loan	-	28,886,304	-	29,086,304
Total	118,907,481	106,130,362	162,840,000	78,386,304
Less: Amount disclosed under “ Other current liabilities” (Refer Note No.9)	-	106,130,362	-	78,386,304
Total	118,907,481	-	162,840,000	-

5.1 Nature of Security for term loans

A. Working Capital Term loans from State Bank of India (SBI) is secured by:

- (i) First charge on the entire fixed assets of company, present and future on pari passu basis with other term lender, Srei Equipment Finance Private Limited
- (ii) Registered mortgage of lease hold rights of land measuring 4.12 Ha. Bearing Survey Nos. 462, 467,636, 635/2, 625/1, 634/1, 635/3 and 635/4 situated at Bambooflat, Ferragunj Tehsil, Andaman, A & N island, including assignment of Power Purchase Agreement, EPC contract and O&M contract, insurance policy and other project documents.
- (iii) Collateral security by way of :
 - (a) Pledge of 84,37,388 shares of Suryachakra Power Corporation Limited (Face value of Rs.10)
 - (b) Vacant urban residential plot no.74 admeasuring 350 sq.yards, Survey Nos.300P, 302, 309P, in the name of Shri M. Seshavatharam and situated in Krishnaja Hills, Village : Bachupally, Mandal : Quthbullapur, District : Ranga Reddy, Andhra Pradesh.
 - (c) Open vacant plots of land in the name of Shri M. Naveen Babu admeasuring -1.47 acres RS No.368; 0.97 acre RS No.09;0.38 acre RS No.11. All three at village. Thorredu, Rajahmundry Rural Mandal, District East Godavari, Andhra Pradesh. 3.02 acres Rs No. 246/1,village : Madhurapudi, Korukondala Mandal, District East Godavari, Andhra Pradesh.
 - (d) 6 Nos. vacant residential plots in the name of Shri M. Naveen Babu in Western Block No.6-95, 6-95/1, 6-97, 6-97/1 , 6-97/3 and 6-96 admeasuring 2082.88 sq. yards situated in RS 124/4, at village: Thorredu, Rajahmundry Rural Mandal, District East Godavari, Andhra Pradesh.
- (iv) Personal Guarantee of Dr. S.M. Manepalli, Managing Director, Shri M. Seshavatharam and Smt T. Sreelatha relatives of Director and Shri M. Naveen Babu,
- (v) Corporate guarantee by Mauktika Energy Private Limited and Manepalli Investments Private Limited

Details of Shares pledged:	No. of Shares Pledged
Smt. M. Manepalli	956,100
Dr. S.M. Manepalli	966,100
Mauktika Energy Private Limited	5,789,608
Shri M. Seshavatharam	532,680
Manepalli Investment Private Limited	92,900
Smt. T. Sreelatha	100,000
Total	8,437,388



(Notes to the financial statements for the year ended March 31,2014)
(All amounts in Indian rupees, except share data and where otherwise stated)

B. Term loans from SREI Equipment Finance Private Limited is secured by :

- (i) First charge on all movable and immovable assets, present and future of the company in favour of SREI on a pari-passu basis with SBI.
- (ii) Assignment in favour of SREI, SBI on a pari-passu basis, of all rights titles and interests of the company in, to and under all assets of the project and all projects documents, insurance policies, permit approval etc, to which the company is a party and all other contracts relating to project.
- (iii) Pari-passu first charges on company's all the accounts including but not limited to Trust and Retention Account and the Debt-Service Letter of Credit / Reserve Account.
- (iv) The Equity Shares held by promoters in the project company (minimum 51%) shall be pledged to SREI and SBI on a pari-passu basis.
- (v) Non-disposal undertaking by Caterpillar and BSES for not disposing off their respective equity shares of SPCL during the currency of the credit facilities sanctioned to SPCL without the written consent of SREI and SBI.

5.2 Terms of repayment of secured term loans

- (i) Working capital term loan from State Bank of India (Kolkata) carries an interest of 12.75% per annum and is repayable in sixty nine monthly unequal installments. First sixty months @ Rs.35,40,000 each and next eight months @ Rs. 39,30,000 each and the last installment @ Rs. 39,60,000.
- (ii) Term loan from SREI Equipment Finance Private Limited carries an interest of 19.5% per annum. The loan outstanding as on the date of the balance sheet has fallen due for repayment.

5.3 The company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at March 31, 2014		As at March 31, 2013	
	Period of Defalut	Amount	Period of Defalut	Amount
Terms Loans from Banks				
Principal	May' 13 to March' 14	34,160,231	Feb.12 to March' 13	6,820,000
Interest	Dec' 13 to March' 14	7,339,384	March' 13	2,753,612
From others				
Principal	April' 2011 to March '14	28,886,304	April' 2011 to March' 13	29,086,304
Interest	April' 2011 March' 14	6,005,017	April' 11 to March' 13	6,005,017

Note: 6 Long Term Provisions	As at 31 March, 2014	As at 31 March 2013
Provison for employee benefits	-	-
provision for compensated absences	334,883	213,295
Provision for Gratuity Liability	15,87,073	1,512,673
Total	1,921,956	1,725,968



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note: 7 Short Term Borrowings	As at 31 March 2014	As at 31 March 2013
(a) Loans repayable on demand		
From Banks (Secured) (Refer Note No.7.1 & 7.2) Cash credit facility from State Bank of India	52,765,287	63,685,128
	52,765,287	63,685,128
(b) Deposits (Unsecured)		
Inter-corporate deposits (Refer Note No. 7.2)	113,600,000	113,600,000
(c) Other loans and advances (Unsecured)		
(i) Working Capital loan		
SBI Global Factors Limited (Formerly Global Trade Finance Limited) (Refer Note No. 7.2 & 34)	256,979,169	256,979,169
(ii) Managing Director	2,320,210	6,250,000
	259,299,379	263,229,169
Total	425,664,666	440,514,297

7.1 Nature of Security for Cash Credit

Cash Credits from State Bank of India is secured by:

- (i) Exclusive first charge on the entire current assets of the company both present and future
- (ii) Assignment of LC from Andaman and Nicobar Administration
- (iii) Collateral security on second charge on all fixed assets of the company

7.2 The company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at		As at	
	31 March 2014		As at 31 March 2013	
	Period of Defalut	Amount	Period of Defalut	Amount
Cash Credit - Principal	-	-	-	-
Cash Credit - Interest	March' 2014	765,847	-	-
Intercorporate deposits	2 Year 3 months	110,000,000	15 months	110,000,000
Principal	2 Year 3 months	3,600,000	1 Year	3,600,000
Working capital loan from SBI Global Factors Limited				
Principal	5 Years	256,979,169	4 Years	256,979,169
Interest	5 Years	94,710,901	4 Years	94,710,901

Note: 8 Trade Payables	As at March 31, 2014	As at March 31, 2013
Other than Acceptances	180,962,897	161,425,980
Total	180,962,897	161,425,980



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note: 9 Other Current Liabilities	As at 31 March, 2014	As at 31 March 2013
Current maturities of long term borrowings	106,130,362	78,386,304
Interest accrued and due on borrowings	145,764,330	138,629,045
Unclaimed share application money#	150,380	150,380
Other Payables		
Statutory remittances (contributions to PF, With holding taxes, VAT, Service tax, etc)	8,555,500	8,116,275
Payables for capital goods	23,871,335	23,871,335
Advance from customers	20,000,000	20,000,000
Total	304,471,907	269,153,339

No amount is due for payment into Investor Education and Protection Fund.

Note : 11 Non-Current Investments	As at 31March, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
(Trade, unquoted - Long term, at cost)				
A. In Subsidiary Companies				
(a) <u>Investment in equity instruments of Rs.10 each fully Paid</u>				
Suryachakra Global Enviro Power Limited ¹	48,905,355	891,116,884	48,905,355	891,116,884
Suryachakra Energy (Chattisgarh) Private Limited	2,000,000	356,600,000	2,000,000	356,600,000
(b) <u>Investment in equity instruments of Hong Kong \$1 each fully paid</u>				
Suryachakra Golbal Venures Limited	1	6	1	6
B. In Other Companies				
(a) <u>Investment in equity instruments of Rs.10 each fully paid</u>				
Suryachakra Power Venture Private Limited	15,940	159,400	15,940	159,400
Aggregate amount of unquoted investments		1,247,876,290		1,247,876,290

Note :

¹ of the above 2,01,35,500 shares have been pledged with Indiabulls Financial Services Limited (31.03.2013: 2,01,35,500 shares) for loans taken by Suryachakra Global Enviro Power Limited.



Notes to the financial statements for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note : 10
Fixed assets

Description	Gross Block		Depreciation		Net Block	
	As at April 1st, 2013	As at April 1st, 2014	For the Year	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Land development	67,291,429	67,291,429	4,486,095	48,705,447	18,585,982	23,072,078
Buildings and roads	253,569,050	253,569,050	31,832,824	191,862,900	61,706,150	93,538,973
Plant & Machinery	539,943,659	539,943,659	24,530,746	471,278,033	68,665,626	93,665,417
Furniture & fittings	5,509,725	5,509,725	86,107	3,778,811	1,730,914	1,817,021
Office equipments	2,102,710	2,129,362	132,056	1,980,615	148,747	254,151
Computer equipments	4,922,931	4,922,931	124,341	4,551,942	370,989	495,330
Vehicles	4,137,936	4,137,936	568,720	2,748,373	1,389,563	1,489,239
Total	877,477,440	877,504,092	61,760,889	724,906,121	152,597,969	214,332,210
Previous Year	878,375,144	877,477,440	50,796,843	663,145,232	214,332,210	266,026,757



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note : 12 Long Term Loans and Advances	As at 31March, 2014	As at 31March,2013
Capital Advance		
Unsecured, considered good	143,096,251	87,117,925
Security Deposits	414,623	210,923
Unsecured, considered good		
MAT Credit Entitlement		
Unsecured, considered good	-	9,205,659
Loans and advances to related parties (Refer Note 29)		
Secured, considered good*	139,098,212	139,098,212
Unsecured, considered good	885,537,151	913,723,785
Doubtful	139,098,212	139,098,212
	1,163,733,575	1,191,920,209
Less: Provision for doubtful loans and advances	139,098,212	139,098,212
	1,024,635,363	1,052,821,997
Advance Income tax (Net of Provision Rs. 98,69,101 (31.03.13 Rs. 98,69,101)	4,867,419	690,701
Total	1,173,013,656	1,150,047,205

* Secured by a second charge by way of hypothecation of the fixed assets of the lonee situated at Madwa Village, Tehsil : Janjgir, Champa, District : Janjgir, Champa - chattisgarh.

Note: 13 Other Non-Current Assets	As at 31 March, 2014	As at 31 March, 2013
Interest accrued on amounts with held by Andaman and Nicobar Administration (Refer Note: 33)	127,574,329	127,574,329
Total	127,574,329	127,574,329

Note: 14 Inventories	As at 31 March, 2014	As at 31 March, 2013
Raw Materials	26,121,417	20,881,542
Stores and spares	34,074,545	35,744,632
Total	60,195,962	56,626,174

Note: 15 Trade Receivables (Refer Note 33 & 34)	As at 31 March, 2014	As at 31 March, 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured , Considered good	181,163,385	172,225,633
Doubtful	37,850,636	37,850,636
	219,014,021	210,076,269
Less: Provision for Doubtful debts	37,850,636	37,850,636
	181,163,385	172,225,633
Other		
Unsecured, Considered good	147,895,638	131,011,022
Total	329,059,023	303,236,655



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note: 16 Cash and cash equivalent	As at 31 March, 2014	As at 31 March, 2013
(a) Cash on hand	10,258	428,815
(b) Balance with banks		
(i) In current account	106,536	134,350
(ii) In earmarked accounts		
- Share application money received for allotment of securities and due for refund ¹	150,380	150,380
Total	267,174	713,545

Note :

¹ represents the portion of oversubscribed share application money, received during the public offer in July 2007, refundable to the applicants

Note: 17 Short-term loans and advances (Unsecured, considered good)	As at 31 March, 2014	As at 31 March, 2013
Prepaid expenses	2,959,068	2,755,830
Loans and advances to employees	26,884	48,939
Other Loans and advances		
Advance to suppliers and others	5,814,823	32,768,169
Advances recoverable in cash or in kind or for value to be received	1,657,630	904,917
Total	10,458,405	36,477,855

Note: 18 Revenue from operations	Year ended March 31, 2014 (12 Months)	Year ended March 31, 2013 (9 Months)
Sale of electricity (Refer Note No. 32)	1,462,434,039	1,013,335,904
Less: Rebate and other deductions	4,009,860	2,893,610
Total	1,458,424,179	1,010,442,294

Note: 19 Other Income		
Interests on Deposits	5,289	-
Miscellaneous income - Sale of Scrap	1,527,688	1,124,749
Provision No longer required written back	526,260	-
Total	2,059,237	1,124,749

Note: 20 Cost of materials consumed		
HSD	1,282,692,507	856,317,436
Lube oil	28,048,302	26,146,734
Total	1,310,740,809	882,464,170



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note: 21 Operation and maintenance expenses	Year ended March 31, 2014 (12 Months)	Year ended March31,2013 (9 Months)
Power & Fuel	1,355,452	309,743
Plant expenses	9,513,372	7,481,568
Consumption of Stores and Spares	23,476,079	62,548,540
Total	34,344,903	70,339,851
Note: 22 Employee Benefits Expense		
Salaries and wages	15,442,988	9,357,326
Contribution to Provident fund	372,592	366,737
Staff welfare expenses	379,183	28,869
Total	16,194,763	9,752,932
Note: 23 Finance Costs		
Interest on tem loan	25,539,452	26,930,414
Interest on working capital loan	10,163,633	7,310,675
Interest on short term borrowings	2,333,817	43,602,725
Bank Charges	799,786	213,592
Total	38,836,688	78,057,406
Note: 24 Other expenses		
Insurance	3,187,676	2,269,832
Rates and taxes	948,997	508,061
Legal and Professional charges	6,039,058	5,329,457
Communication Expenses	857,695	471,262
Travelling Expenses	4,008,185	2,453,052
Rent	1,151,000	180,000
Printing & Stationery	674,172	621,713
Directors Sitting Fees	76,000	50,000
Vehicle Maintenance	207,498	101,125
Miscellaneous Expenses	4,360,202	1,337,373
Total	21,510,483	13,321,875
Note: 25 Contigent Liabilities and commitments (to the extent provided for)		
(i) Contigent liabilities		
(a) Letter of credit outstanding	-	-
(b) Claims against the company not acknowledge as debt - Liquidated damages for delay in coommencement of commercial operations	31,570,000	31,570,000
(c) Corporate guarantee given to Bunge Emissions Fund Limited against the loan provided to Suryachakra Global Enviro Power Limited, a subsidiary of the company	70,908,000	70,908,000
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account not provide for (net of advances)	-	-



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note: 26 Payments to the auditors comprises of (excluding service tax)	As at March 31, 2014	As at March 31, 2013
As auditors - statutory audit	600,000	600,000
For other services	-	-
Total	600,000	600,000

Note: 27**Disclosures under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006**

The Ministry of Micro, Small and Medium Enterprises has issued an office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. However, the Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at year end together with interest paid / Payable as required under the said Act, have not been given. Further in view of the management, the impact of interest if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Note :28**Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges****A. Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties**

Name of the Party	Relationship	Amount outstanding		Maximum balance outstanding at any time during the year	
		As at March 31, 2014	As at March 31,2013	2013-14	2012-13
Suryachakra Global Enviro Power Limited*	Subsidiary	240,743,517	139,098,212	419,465,815	278,196,424
Suryachakra Global Ventures Limited	Subsidiary	705,996,278	850,125,542	850,125,542	850,125,542
Suryachakrag Energy (Chattisgarh) Private Ltd.	Subsidiary	8,200,725	130,725	8,200,725	130,725
Suryachakra Thermal Energy (Andhra) Pvt. Ltd.	Enterprises over which key Management Personnel has significant influence	30,661,484	24,366,204	30,661,484	24,366,204
Suryachakra Thermal (Madhya Pradesh) Pvt. Ltd.		38,101,314	38,101,314	38,101,314	38,101,314
Suryachakra Power Venture Private Limited		932,045	1,000,000	1,000,000	1,000,000

Note :

- (a) Loans and Advances shown above, fall under the category of "Long Term Loans & Advances" in nature of Loans. No repayment schedule has been specified in respect of these loans.
- (b) All the above loans and advances are interest free
- (c) * Secured by a second charge by way of hypothecation of the fixed assets of the lonee situated at Madwa Village, Tehsil: Janjgir, champa, District : Janjgir, Champa - Chattisgarh.

B. Investment by the loanee in the shares of the Company and subsidiaries

None of the loanees and loanees of subsidiary companies have made investments in shares of the Company.

- (i) Investment by Suryachakra Global Enviro Power Limited in it's subsidiaries, in equity shares:

Name of the Company	No. of Shares 2013-14	No. of Shares 2012-13
South Asian Agro Industries Limited	12,020,500	12,020,500
MSM Energy Limited	34,260,000	34,260,000
Sri Panchajanya Power Private Limited	15,780,000	15,780,000



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note : 29**Details of unhedged foreign currency exposures**

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

	Aas at March 31, 2014 (12 months)		As at March 31, 2013 (9 months)	
	INR Equivalent	US Dollar	INR Equivalent	US Dollar
Amounts receivable in foreign currency on account of: Loans granted	705,996,278	16,409,114	850,125,542	19,000,000

Note : 30**Expenditure in foreign currency**

Particulars	Year ended March 31,2014 (12 months)	Year ended March 31, 2013 (9 months)
Interest on foreign currency Loan	-	99,015
Total	-	99,015

Note : 31 Details of consumption of imported and indigenous items	Year ended March 31, 2014 (12 months)		Year ended March 31, 2013 (9 months)	
	%	Amount	%	Amount
<u>Imported</u>				
Raw material	--	--	--	--
Spare parts	--	--	--	--
<u>Indigenous</u>				
Raw material	100%	1,310,740,809	100%	882,464,170
Spare parts	100%	3,460,944	100%	2,548,540

Note : 32**Revenue from A & N Administration**

- (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 period of 15 years 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 fixed charge monthly billings, invoices the A & N Administration based on the capital cost as envisaged in the PPA. Pending final confirmation of actual capital expenditure, 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 year ended March 31, 2014 include an amount of Rs.5,32,99,282 (Previous year : Rs. 5,25,87,325 (9 months)) billed by the company as variable charge payment under the 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 March 31,2014 on such withheld amounts works out to Rs.18,11,63,385 as at March 31,2014 (Previous year: Rs. 12,64,33,026) on account of such rejections/withheld. Further, during earlier years, the Company has accrued interest on such unpaid invoices. Interest accrued on such diageements and included in the total receivables as at March31, 2014 amounts to Rs. 127,574,329 (Previous year : Rs. 127,574,329).



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

The Company believes that the amounts billed including interest thereon are recoverable based on the interpretation that can be inferred from the formulae contained in the PPA.

Note: 33**Investment in subsidiaries and Advances to Subsidiaries**

The company as at March 31, 2014 is having the following investments (including advances) in its subsidiaries:

Name of the Subsidiary	Equity Shares Amount		Loans and Advance (Net of Provisions) Amount	
	Asat March 31, 2014	Asat March 31, 2013	Asat March 31, 2014	Asat March 31, 2013
(a) Suryachakra Global Enviro Power Limited	891,116,884	891,116,884	240,743,517	139,434,497
(b) Suryachakra Energy (chhattisgarh) Private Limited	356,600,000	356,600,000	8,200,725	130,725
(c) Suryachakra Global Ventures Limited	6	6	705,996,278	850,125,542

Status of the subsidiaries is as follows:**(a) Suryachakra Global Enviro Power Limited (SGEPL):**

SGEPL along with its subsidiaries (wholly owned) is engaged in generation and sale of power. SGEPL and its subsidiaries have incurred substantial losses and the net worth of the respective companies has been fully eroded. In view of high input cost, operations in the power plants of these companies were suspended since the financial year 2011-12. Secured loan lenders have issued notices under section 13(2) of the The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI Act) / Windingup Petitions Under Section 443 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 lenders. Indiabulls Housing Finance Ltd- Secured Lender for SGEPL and South Asian Agro Industries Ltd has initiated criminal proceedings against the Managing Director of the Company and other Directors and guarantees. During March'12 the electricity distribution companies of respective power plants have increased the tariff for the power generated and exported. In view of such upward revision in the tariff, the management is of the view that these power plants are economically viable once settlements have taken place with the respective secured lenders. Management is making efforts to resolve the liquidity crunch; resolve issues with the lenders and commence the operations at the earliest. Management is also of the opinion that there would not be any impairment and all the plants would realize more than the carrying value of the assets as at the reporting period.

Hence, the current diminution in the value of these investment is considered to be of temporary in nature and hence no provision for diminution is considered necessary at present. However as a measure of prudence, the company, during 2011-12, has made a provision of Rs. 13,90,98,212/- towards advances given to the subsidiaries as doubtful.

(b) Suryachakra Energy (Chhattisgarh) Private Limited (SECPL) :

SECPL is a 100% subsidiary of the Company and is 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. 1900,00,00,000..

SECPL has obtained most of the requisite licenses for setting up the project; signed 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, 2014 spent an amount of Rs. 45,59,00,000 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 is considered necessary at this stage.



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

(c) Suryachakra Global Ventures Limited (SGVL):

SGVL is a wholly owned subsidiary of the company incorporated in Hongking under Companies ordinance. The Company through SGVL has decided to acquire coal mine for captive use by other subsidiaries. In the process, the company, out of the proceeds of the GDRs issued during the year, has advanced an amount of Rs. 85,01,25,542/- (USD 1,90,00,000) to SGVL.

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

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, Honking etc., and having experience in identifying and acquiring suitable coal mines for its clients.

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

In view of the prevailing uncertain conditions relating to coal mining activities in Indonesia, the company has called back the advance given to STIL and making efforts to recover the advance. During the 2012 - 13, management has intensified the efforts for recovery; commenced the negotiations and in the process of initiating legal remedies also for recovering the dues and recovered an amount of Rs. 14,41,29,264/- (USD 25,90,886) during current year and pursuing the issue for recovery of the balance amount.

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

Note: 34

Notices from SBI Global Factors Limited:

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. Company has appealed against the said petition which is pending for hearing. Company is confident of resolving the matter amicably.

Note: 35

Interest on Borrowings

Since the certain lenders have filed various cases on the company with regard to recovery of their dues, the company stopped recognizing liability towards various finance charges on loans from such lenders Hence no finance charges have been provided in the financial statements for the year ended Mar 31, 2014. The liability if any will be recognized in the year of settlement of the dispute.

Note: 36

Confirmation of Balances

The management has not obtained confirmation of balances from Secured Loan Lenders, Trade payables, Creditors for Capital goods and Loans & Advances given by the company as at March 31, 2014. In the absence of confirmation of balances from these parties, provision if any to be made for any adverse variations in the carrying amounts are not quantified. 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, if any will be made on settlement.



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note: 37**Employee benefits**

The following table sets out the status of the gratuity plan as required under AS 15 (Revised):

Reconciliation of opening and closing of the present value of the defined benefit obligation

Particulars	Year ended March 31, 2014 (12 months)	Year ended March 31, 2013 (9 Months)
Opening defined benefit obligation	1,359,252	1,455,873
Current service cost	65,715	146,315
Interest cost	108,740	116,470
Actuarial losses / (gains)	96,114	(99,791)
Benefits paid	(1,000,000)	(259,615)
Closing defined benefit obligation	629,821	1,359,252
Changing in the fair value of assets		
Opening fair value of plan assets	594,251	765,877
Expected return on plan assets	42,275	57,480
Contributions by employer	763,171	30,509
Benefits paid	(1,000,000)	(259,615)
Closing fair value of plan assets	399,697	594,251
Amount recognized in Balance Sheet		
Present value of funded obligations	629,821	1,359,252
Fair value of plan assets	(399,697)	(594,251)
Net asset/(liability)	230,124	765,001
Amounts in the balance sheet		
Net asset/(liability)	230,124	765,001
Expense recognised in statement of profit and loss account		
Current services cost	65,715	146,315
Interest on defined benefit obligation	108,740	116,470
Expected return on plan assets	(42,275)	(57,480)
Net actuarial losses /(gains) recognized in the year	96,114	(99,791)
Amount, included in employee benefit expense	-	105,514
Actual return on plan assets	(42,275)	(57,480)
Asset information		
Category of assets		
Insurer managed funds	399,697	594,251
Summary of Actuarial Assumptions		
Financial assumptions at the valuation date:		
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	9.00%	9.00%
Salary escalation rate	4.00%	4.00%



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Note: 38

Segment Reporting

The Company's operations predominantly consists of generation and sale of electricity. The coal trading business of the company has been discontinued. Hence there are no reportable segments under the Accounting Standard - 17. The Company's business operations are primarily concentrated in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

Note: 39

Related party transactions

(a) The related parties where control exists are subsidiaries and step down subsidiaries. There are no other parties over which the company has control.

(b) Related parties where control exists.

(i) Subsidiary

- Suryachakra Global Enviro Power Limited
- Suryachakra Energy (Chhattisgarh) Private Limited
- Suryachakra Global Ventures Limited

(ii) Step down subsidiaries

- South Asian Agro Industries Limited
- MSM Energy Limited
- Sri Panchajanya Power Private Limited

(iii) Key Managerial Personnel (KMP) represented on the Board of Directors

- Dr. S. M. Manepalli, Managing Director
- Mr. K Vijay Kumar, Executive Director
- Mrs. B.N.Raja Kumari

(iv) Enterprises over which Key Managerial Personnel or their relatives have significant influence (Significant interest entities)

- Suryachakra Thermal Energy (Andhra) Private Limited
- Suryachakra Thermal (Madhya Pradesh) Private Limited
- Suryachakra Power venture Private Limited

(v) Non-Executive on the Board of Directors

- Mr. P. K.. Bhattacharjee
- Mr. Mahesh Chand
- Mr. V. S. Murthy
- Mr. M. Seshavatharam (son of Managing Director)
- Mr. A Ramesh Kumar



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

(c) Particulars of related party transactions and balances

A) Following is a summary of related party transactions:

Particulars	Year ended March 31, 2014 (12 Months)	Year ended March 31, 2013 (9 Months)
1. Loans/Advances granted to subsidiary and step down subsidiaries		
a) Suryachakra Global Enviro Power Limited	141,567,435	1,700,204
b) Suryachakra Energy (Chhattisgarh) Private Limited	8,070,000	-
Total	149,637,435	1,700,204
2. Repayment/ transfer of loans by subsidiary and step down subsidiaries		
a) Suryachakra Global Enviro Power Limited	39,922,130	1,363,919
b) Suryachakra Global Ventures Limited	144, 129, 264	-
Total	184,051,394	1,363,919
3. Loans/Advances granted to enterprises Significantly influenced by KMP		
a) Suryachakra Thermal Energy (Andhra) Private Limited	6,400,000	-
Total	6,400,000	-
4. Repayment of loans by enterprises significantly influenced by KMP		
a) Suryachakra Thermal Energy (Andhra) Private Limited	104,720	-
b) Suryachakra Power Venture Private Limited	67,955	-
Total	172,675	-
5. Remuneration to key Management Personnel/ Non Executive Directors		
a) Dr. S.M. Manepalli	3,600,000	2,700,000
b) Mr. K. Vijay Kumar	1,188,000	781,300
c) Ms. B.N. Rajakumari	509,207	344,373
d) Sitting fees to Non-executive directors	76,000	50,000
Total	5,373,207	3,875,673
6. Unsecured loan taken from key Managerial Personnel (net)		
a) Dr. S.M. Manepalli	2,295,710	6,350,000
Total	2,295,710	6,350,000
7. Unsecured loan repaid to Key Managerial Personnel		
a) Dr. S.M. Manepalli	6,088,755	100,000
Total	6,088,755	100,000
8. Asset Purchased		
a) South Asian Agro Industries Limited	-	900,000
Total	-	900,000



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

B) Details of outstanding balances from related parties

Particulars	As at March 31, 2014 (12 Months)	As at March 31, 2013 (9 Months)
1. Remuneration payable to Key Management Payable		
a) Dr. S. M Manepalli	2,383,500	582,200
b) Mr. K Vijay Kumar	505,437	330,100
c) Ms. B N Rajakumari	190,183	140,372
Total	3,079,120	1,052,672
2. Unsecured loan to Subsidiaries and Stepdown Subsidiaries		
a) Suryachakra Global Enviro Power Limited (Gross of provision for doubtful advances Rs.13,90,98,212)	379,841,729	278,196,424
b) Suryachakra Energy (Chhattisgarh) Private Limited	8,200,725	1,30,725
c) Suryachakra Global Ventures Ltd	705,996,278	850,125,542
Total	1,094,038,732	1,128,452,691
3. Unsecured loan to Enterprises significantly influenced by KMP		
a) Suryachakra Thermal Energy (Andhra) Private Limited	30,661,484	24,366,204
b) Suraychakra Thermal (Madhya Pradesh) Private Limited	38,101,314	38,101,314
c) Suryachakra Power Venture Private Limited	932,045	1,000,000
Total	69,694,843	63,467,518

Note: 40

Earnings per share

	Year ended March 31, 2014 (12 Months)	Year ended March 31, 2013 (9 Months)
Net profit / (Loss) for the year attributable to the Equity share holders	(32,110,778)	(93,166,034)
Weighted average number of equity shares considered for computation of basic and diluted earnings per share	149,632,960	149,632,960
Par value per share	10	10
Earning per share from continuing operations - Basic and Diluted	(0.21)	(0.62)

Note: 41

Deferred taxes

The Company had started claiming deduction under Section 80-IA of the Income Tax Act, 1961 from the year ended 31, March, 2011. Based on the assessment of the deferred tax as on March 31, 2014, the timing differences arising in the current year will reverse within the tax holiday period. Accordingly, no deferred tax has been recognised in the books of accounts of the Company as on March 31, 2014.



Notes to the financial statements for the year ended March 31,2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note: 42**Discontinuing operations**

The carrying value of the assets and liabilities of the discontinuing operations are as follows:

Particulars	As at March 31, 2014 (12 Months)	As at March 31, 2013 (9 Months)
Fixed assets (Gross block, less accumulated depreciation)	813,365	1,927,536
Sundry debtors (Net of provision for doubtful advances Rs. 3,78,50,636) (31.03.2013 ; 378,50, 636)	-	45,792,607
Total Assets	813,365	47,720,143
Less:		
Current liabilities	23,248,714	23,248,714
Total liabilities	23,248,714	23,248,714
Net assets	(22,435,349)	24,471,429

Note : 43

The current year figures are for 12 months as compared to 9 months in the previous year, hence the figure are not comparable

Note : 44

Previous year figures have been regrouped / reclassified wherever necessary to the current years' classification / disclosures.

As per our report of even date attached

For M. Bhaskara Rao & Co.,
Chartered Accountants

for Suryachakra Power Corporation Limited

V.K. Muralidhar
Partner

Dr. S.M. Manepalli
Managing Director

K. Vijay Kumar
Director

P. Satish Chandra Mouli
Company Secretary

V.L. Narasimha Rao
Chief Financial officer

Hyderabad, May 30,2014

**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors of
Suryachakra Power Corporation Limited

We have audited the accompanying consolidated financial statements of Suryachakra Power Corporation Limited (“the Company”) and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014 and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Attention is invited to:

- (a) Note - 27 to the consolidated financial statements regarding revenue from Andaman & Nicobar Administration (A&N Administration) -pending final agreement with A&N Administration, we are unable to comment on the extent of ultimate recoverability of Rs. 5,32,99,282/- withheld by A&N Administration during the year ended March 31, 2014 (year ended 31.03.2013 : Rs. 5,25,87,325) and the total receivables including interest accrued thereon as at March 31, 2014 of Rs. 30,87,37,714/- (31.03.2013: Rs. 25,40,07,355) on account of amounts withheld which are subject to confirmation by the A&N Administration.
- (b) Note - 30 to the consolidated financial statements 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 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.
- (c) Note 38 to the consolidated financial statements regarding non-provision of interest on loans from certain lenders on account of legal cases filed by them for recovery of their dues. We are unable to comment on the extent of interest expense for the year ended March 31, 2014 and the cumulative liability up to March 31, 2014.
- (d) Note 37 to the consolidated financial statements regarding the non-availability of confirmation of balances for secured loans, trade payables, creditors for capital goods and loans and advances. In the absence of confirmation of balances, we are unable to comment on the impact of adverse variances, if any, as at March 31, 2014.



The consequential impact of the above matters on the loss for the year and the retained earnings as at March 31, 2014 is indeterminable.

We did not audit the financial statements of one of the subsidiaries, whose financial statement reflect Group's share of total assets of Rs.92,70,27,742/- as at March 31, 2014 (31.03.13: Rs. 1,07,00,56,507/-), Group's share of total revenue Nil (31.03.2013: Nil) for the year ended on that date which has been consolidated on the basis of financial statements prepared by the management.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion paragraph*, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- (a) Note 29 to the consolidated financial statements which set out the details of substantial losses incurred by a subsidiary and three step down subsidiaries and complete erosion of their net worth during the current year. These power plants, remained closed during the year due to high input costs and financial crunch. Pending resolution of financial crunch and re-commissioning of the plants, the Company believes that carrying values of the related fixed assets of the subsidiary and three step down subsidiaries amounting to Rs.181,88,93,258/- is fully recoverable.
- (b) Note - 36 to the consolidated financial statements regarding winding up petition filed by one of the unsecured creditors of the Company, its subsidiary and step down subsidiaries which is pending for hearing before the Honourable High Court of Andhra Pradesh.
- (c) Note 28, 33 and 34 to the consolidated financial statements regarding the Possession Notice 2012 under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 by the Bankers taking over the possession of the properties furnished as security to the bank by a subsidiary and three step down subsidiaries of the Company and the subsidiary's petition before the Debts recovery Tribunal at Hyderabad, Andhra Pradesh.

Our opinion is not qualified in respect of the above matters.

for M BHASKARA RAO & Co.,
CHARTERED ACCOUNTANTS
Firm Registration No. 000459S

V.K. MURALIDHAR
PARTNER
Membership No.201570

Hyderabad, May 30, 2014



Consolidated Balance Sheet as at March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Note No.	As At March 31, 2014	As At March 31, 2013
I. EQUITY AND LIABILITIES			
1. Shareholder's funds			
(a) Share Capital	3	1,496,329,600	1,496,329,600
(b) Reserves and surplus	4	(960,565,323)	(789,051,442)
2. Non-Current liabilities			
(a) Long-term borrowings	5	322,206,956	1,609,754,966
(b) Other Long-term liabilities	6	16,039,830	16,039,830
(c) Long-term provisions	7	4,677,314	4,481,326
3. Current liabilities			
(a) Short-term borrowings	8	1,410,285,914	608,036,302
(b) Trade payables	9	231,432,241	216,309,608
(c) Other current liabilities	10	1,872,667,216	1,496,575,932
Total		4,393,073,746	4,658,476,122
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	1,971,488,230	2,145,632,895
(ii) Capital work-in-progress		656,108,935	658,622,899
(iii) Goodwill on consolidation		6,649,692	6,649,692
(b) Non-current investment	12	159,400	159,400
(c) Long-term loans and advance	13	1,168,258,023	1,256,671,229
(d) Other non-current assets	14	135,427,329	127,574,329
2. Current assets			
(a) Inventories	15	66,946,437	78,772,815
(b) Trade receivables	16	330,817,434	318,481,683
(c) Cash and cash equivalents	17	1,372,727	3,004,678
(d) Short-term loans and advances	18	55,845,538	62,906,502
Total		4,393,073,746	4,658,746,122
Corporate information and Significant accounting policies	1&2		

See accompanying notes forming part of the financial statements
As per our report of even date attached

For M. Bhaskara Rao & Co.,
Chartered Accountants

for Suryachakra Power Corporation Limited

V.K. Muralidhar
Partner

Dr. S.M. Manepalli
Managing Director

K. Vijay Kumar
Director

Hyderabad, May 30, 2014

P. Satish Chandra Mouli
Company Secretary

V.L. Narasimha Rao
Chief Financial officer



Consolidated Statement of Profit and Loss for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
1. Revenue from operations	19	1,475,491,279	1,104,678,127
2. Other income	20	10,816,519	8,880,339
3. Total Revenue (1+2)		1,486,307,798	1,113,558,466
4. Expenses:			
Cost of materials consumed	21	1,325,448,843	979,918,175
Operation and maintenance expense	22	47,634,039	101,060,358
Employee benefits expense	23	18,127,829	16,187,759
Finance costs	24	42,157,578	458,966,524
Depreciation and amortization expense	11	174,171,321	163,679,384
Other expenses	25	41,076,410	42,675,534
Total expenses		1,648,616,020	1,762,487,734
5. Profit before exceptional items and tax (3-4)		(162,308,222)	(648,929,268)
6. Exceptional items	31	-	-
7. Profit/(loss) before tax		(162,308,222)	(648,929,268)
8. Tax expense:			
Current tax		-	-
Mat Credit		9,205,659	-
9. Profit / (Loss) for the year before minority Interest (7-8) Operation (7-8)		(171,513,881)	(648,929,268)
14. Minority Interest		(36,416,414)	(122,225,931)
15. Profit / (Loss) for the year		(135,097,467)	(526,703,336)
16. Earnings per equity share of Rs. 10/- each fully paid Basic and Diluted	44	(1.15)	(4.34)
Corporate information and Significant accounting policies	1&2		

See accompanying notes forming part of the financial statements

As per our report of even date attached

For M. Bhaskara Rao & Co.,
Chartered Accountants

for Suryachakra Power Corporation Limited

V.K. Muralidhar
Partner

Dr. S.M. Manepalli
Managing Director

K. Vijay Kumar
Director

Hyderabad, May 30, 2014

P. Satish Chandra Mouli
Company Secretary

V.L. Narasimha Rao
Chief Financial officer



Consolidated Cash Flow Statement for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Cash flows from operating activities		
Net profit before tax	(171,513,881)	(648,929,268)
Adjustments for:		
Depreciation	174,171,321	163,679,384
Interest income	(209,170)	(213,225)
Interest expense	42,157,578	458,966,524
Profit on sale of fixed assets	-	(75,314)
Provision no longer required written back	(8,553,401)	(8,423,351)
Provision for advances	-	-
CERs written off	-	-
Loss on stock	2,692,500	9,320,365
Loss on sale of assets	-	2,206,110
Operating cash flows before working capital changes	38,744,947	(23,468,775)
Adjustments for:		
(Increase)/decrease inventories	11,826,378	5,630,520
(Increase)/decrease in trade receivables	(20,188,751)	94,448,867
(Increase)/decrease in loans and advances	108,074,239	(110,975,951)
Increase/(decrease) in current liabilities	2,189,708	69,669,749
Cash generate from operations	140,646,521	35,304,410
Income taxes paid	(4,867,419)	(8,289,267)
Net cash flow from operating activities	135,779,102	27,015,143
Cash flows from investing activities		
proceeds from sale of fixed assets	-	2,923,000
Payment of advance for fixed assets	26,652	-
(Increase) / Decrease in capital expenditure -net	(2,951,129)	2,194,179
Interest received	5,289	213,225
Net cash flow from / (used in) investing activities	(2,919,188)	5,330,404



Consolidated Cash Flow Statement for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Proceeds / (repayment) from borrowings, net	(105,944,955)	89,245,550
Interest paid	(28,546,911)	(125,939,316)
Net cash flow (used in) / from financing activities	(134,491,866)	(36,693,766)
Net increase / (decrease) in cash and cash equivalents	(1,631,951)	(4,348,219)
Cash and cash equivalents at the beginning of the year	3,004,678	7,352,898
Cash and cash equivalents at the end of the year	1,372,727	3,004,678
Components of cash and cash equivalents as at (Refer Note 18)	31 March 2014	March 31, 2013
Cash in hand	749,006	1,087,678
Balance with scheduled banks		
- in current accounts	473,342	1,766,620
- in deposit accounts		
- in earmarked accounts		
Share Application money received for allotment of securities and due For refund	150,380	150,380
	1,372,727	3,004,678
Note :		
i) The Cash Flow Statement is prepared in accordance with the indirect Method stated in Accounting standards (As)-3 on Cash Flow Statement and presents the cash flows by operating investing and financing activities.		
ii) Figures in bracket represent cash outflows.		

See accompanying notes forming part of the financial statements

As per our report of even date attached

For M. Bhaskara Rao & Co.,

Chartered Accountants

for Suryachakra Power Corporation Limited

V.K. Muralidhar
Partner

Dr. S.M. Manepalli
Managing Director

K. Vijay Kumar
Director

Hyderabad, May 30, 2014

P. Satish Chandra Mouli
Company Secretary

V.L. Narasimha Rao
Chief Financial officer



Notes to Consolidated financial statements for the year ended March 31, 2014

Note: 1 Description of the Group

Suryachakra Power Corporation Limited (“the Company”/ “SPCL”) together with its subsidiaries (collectively referred to as “the Group”/ “Suryachakra Group”) is headquartered in Hyderabad, India. The Group operates various power plants in India which generates electricity using diesel / biomass. The Company is also in the process of setting up power plants in Maharashtra, Chhattisgarh and Andhra Pradesh which will generate electricity from biomass / coal. The Company’s shares trade on Bombay Stock Exchange since July 2007.

SPCL’s subsidiary and step-down subsidiaries are listed below:

Entity	Percentage of holding (%)	Country of In corporation
Subsidiary		
• Suryachakra Energy (Chhattisgarh) Private Limited	100	India
• Suryachakra Global Ventures Limited	100	Hong Kong
• Suryachakra Global Enviro Power Limited (SGEPL)	77.99	India
Step down subsidiaries of SGEPL		
• South Asian Agro Industries Limited (SAAIL)	100	India
• M.S.M. Energy Limited (MSM)	100	India
• Sri Panchajanya Power Private Limited (SPPPL)	100	India

Note: 2 Significant accounting policies

1. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared and presented in accordance with the Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India. The financial statements are presented in Indian rupees.

2. Use of estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

3. Principles of consolidation

The consolidated financial statements include the financial statements of Suryachakra Power Corporation Limited, the parent company and all of its subsidiaries, in which the Company has more than one-half of the voting power of an enterprise or where the Company controls the composition of the board of directors.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.



Notes to Consolidated financial statements for the year ended March 31, 2014

- The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognised in the financial statements as goodwill / capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.
- Minority interest in the net assets of consolidated subsidiaries consists of:
 - (a) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (b) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

4. Fixed assets and depreciation

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. The cost of fixed assets also includes exchange differences arising in respect of foreign currency loans taken on other liabilities incurred before 1 April 2004 for the purpose of their acquisition and constitution.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital work-in-progress.

Depreciation

Depreciation on fixed assets used in generation of electricity is provided using the straight-line method at the rates prescribed by Central Government vide Notification Nos. S.O. 265 (E) and 266 (E) dated 27 March 1994 and 29 March 1994, respectively, issued under the Electricity Supply Act, 1948. Depreciation on fixed assets used in coal trading business is provided using the straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 as in the opinion of the management these rates reflect the estimated useful life of their assets. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than Rs. 5,000 are depreciated in full in the year of acquisition.

5. Goodwill

Goodwill arising on consolidation is not amortised. It is tested for impairment on a periodic basis and written-off if found impaired.

6. Inventory

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	First-in-first-out (FIFO)
Stores, spare parts and consumables	First-in-first-out (FIFO)

**Notes to Consolidated financial statements for the year ended March 31, 2014****7. Revenue recognition**

- a) The Group's revenue from sale of electricity excluding of revenue from sale of electricity in SPCL is recognized on accrual basis as per the terms and conditions specified in the Power Purchase Agreement (PPA) entered with the respective State Electricity Boards and orders passed by the respective State Electricity Regulatory Commissions. The SPCL's revenue from sale of electricity is based on the Power Purchase Agreement (PPA) entered into with Andaman and Nicobar (A & N) Administration. The PPA is for a period of 15 years initially and shall have an extension of the terms and the effective term for 3 further periods of 5 years and contains a set of pre-defined formulae for calculation of revenue to be billed on a monthly basis. Such billings as per the terms of the PPA include a fixed charge payment, a variable charge payment, incentive payment, foreign exchange adjustment and charge in law adjustment. The revenue from sale of electricity is recognized on the basis of billing to A&N Administration as per the terms and conditions contained in the PPA.
- b) Revenue from sale of traded goods is recognised on dispatch of products (which coincides with the transfer of risks and rewards) to the customers of the Company. Revenue from sale of goods is stated exclusive of returns, sales tax and applicable trade discounts and allowance and volume rebates.
- c) Income from interest on deposits is recognised on the time proportionate method using the underlying interest rates.

8. Foreign currency transactions (continued)

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange difference arising on foreign currency transactions settled during the year are recognised in the Profit and Loss Account except that exchange differences arising in respect of any loan taken or other liabilities incurred before 1 April 2004 for the purpose of acquisition or construction of fixed assets are adjusted to the carrying amount of fixed assets.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. Non monetary assets are recorded at the rates prevailing on the date of transaction.

9. Taxation

Income tax expense comprises current tax and deferred tax.

Current tax

The current charge for income-taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realized.

The break-up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

(MAT) credit entitlement represents amounts paid in a year under Section 115 JAA of the Income Tax Act 1961 ('IT Act'), in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off against future tax payments for ten succeeding years in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would

**Notes to Consolidated financial statements for the year ended March 31, 2014**

be adjusted, the same has been disclosed as “MAT Credit entitlement”, under “Loans and Advances” in balance sheet with a corresponding credit to the profit and loss account, as a separate line item. Such assets are reviewed as at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

10. Investments

Long-term investments are carried at cost less any other-than temporary diminution in value, determined separately for each individual investment.

11. Employee benefits

Contribution payable to an approved gratuity fund (a defined benefit plan), determined by an independent actuary at the balance sheet date are charged to profit and loss account. Provision for compensated absences is made on the basis of actuarial valuation as at the balance sheet date, carried out by an independent actuary. All actuarial gain and losses arising during the year are recognized in the profit and loss account of the year.

Contributions to the recognized provident fund, which is a defined contribution scheme, are charged to the profit and loss account.

12. Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset taken on lease or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases that do not transfer substantially the risks and rewards of ownership are classified as operating leases and recorded as expenses in the statement of profit and loss account on a straight line basis over the lease term.

13. Earnings per share

The basic earnings per share (“EPS”) is computed by dividing the net profit after tax attributable to equity shareholders, for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

14. Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account of that year. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

15. Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.



Notes to Consolidated Financial Statements for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note - 3 Share Capital	As at 31 March, 2014		As at March 31, 2013	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	150,000,000	150,00,000,000	150,000,000	1,500,000,000
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs. 10/- each	149,632,960	1,496,329,600	149,632,960	1,496,329,600
Total	149,632,960	1,496,329,600	149,632,960	1,496,329,600

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares of Rs. 10/- each				
At the beginning of the year	149,632,960	1,496,329,600	149,632,960	1,496,329,600
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	149,632,960	1,496,329,600	149,632,960	1,496,329,600

3.2 Rights, preferences and restrictions attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive surplus from sale of assets after setting off of the liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of shareholders holding more than 5% shares in the company

	As at March 31, 2014		As at March 31, 2013	
	Number	% Holding	Number	% Holding
Mauktika Energy Private Limited	21,166,397	14.15%	21,166,397	14.15%



Notes to Consolidated Financial Statements for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note - 4 Reserves and Surplus	Year ended March 31, 2014	Year ended March 31, 2013
Capital reserve		
Opening balance	100,627,617	100,627,617
Add: Additions during the year	-	-
Closing balance	100,627,617	100,627,617
Securities premium account		
Opening balance	727,199,288	727,199,288
Add: premium on shares issued during the year	-	-
Closing balance	727,199,288	727,199,288
Foreign currency translation reserve		
Opening balance	219,973,465	219,972,214
Add: Effect of foreign exchange reate variations during the year (net)	-	1,251
Closing balances	219,973,465	219,973,465
Surplus/(deficit) in the statement of profit and Loss		
Opening balance	(1,836,851,812)	(1,187,922,545)
Add: Profit / (Loss) for the year	(135,097,467)	(526,703,336)
Closing balance	(1,971,949,279)	(1,714,625,881)
Add: Minority's share of losses in excess of its interest in the subsidiaries equity	(36,416,414)	(122,225,931)
Closing balance	(2,008,365,693)	(1,836,851,812)
Total	(960,565,323)	(789,051,442)



Notes to Consolidated Financial Statements for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note-5	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
Long Term Borrowings				
Secured				
From Bank				
State Bank of India (Kolkata) rupee term loan (Refer Note 5.1)	-	-	-	-
State Bank of India foreign currency loan (Refer Note 5.1)	-	-	-	-
State Bank of India (Kolkata) working capital term loan (Refer Note 5.1)	118,907,481	77,244,058	162,840,000	52,053,612
State Bank of India term loan (Refer Note :5.2)	-	182,318,000	108,150,000	74,168,000
State Bank of Hyderabad term loan (Refer Note 5.2 (b), (c), (d), (e) and 5.3)	-	178,406,792	105,600,000	72,806,792
Syndicate Bank term loan (Refer Note : 5.4 & 29)	-	263,100,000	-	263,100,000
IDBI Bank Limited term loan Refer Note 5.2 (b), (c), (d), (e) and 5.5)	-	181,822,000	109,200,000	72,622,000
IDBI Bank Limited -Carbon Credit term loan (Refer Note 5.6)	-	103,219,779	-	103,219,779
HDFC Bank Vehicle loan	-	-	-	-
From Others				
Indiabulls Housing Finance Limited (formerly Indiabulls Financial Service Limited) (Refer Note 5.7)	-	147,975,348	850,503,410	116,562,350
SREI Equipment Finance Private Limited -rupee term loan (Refer Note 5.8)	-	28,886,304	-	29,086,304
Unsecured Loan				
From others				
Bunge Emissions Fund Limited (Refer Note 5.9)	63,520,000	-	63,520,000	-
Intercorporate loans	22,248,191	-	173,343,934	-
Director	38,348,974	-	36,028,764	-
Others	79,182,310	-	568,858	-
Total	322,206,956	1,162,972,281	1,609,754,966	783,618,837
Less: Amount disclosed under “ Other Current liabilities” (Refer Note 10)	-	1,162,972,281	-	783,618,837
Total	322,206,956	1,162,972,281	1,609,754,966	783, 618, 837



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

- 5.1 (a) Working capital term loan from State Bank of India (Kolkata) carries an interest of 12.75% per annum and is repayable in sixty nine monthly unequal instalments, First sixty months @Rs.35,40,000 each and next eight months @ Rs.39,30,000 each and the last instalments@Rs.39,60,000.
- (b) Working capital term loan from State Bank of India (SBI) and foreign currency term loan are secured by:
First charge on the entire fixed assets of company, present and future on pari passu basis with other term lender, SREI Equipment Finance Private Limited. Registered mortgagage of leasehold rights of land measuring 4.12 Ha. Bearing Survey Nos. 462, 467,636, 635/2, 625/1, 634/1, 635/3 and 635/4 situated at Bambooflat, Ferrargunj Tehsil, Andaman, A& N Islands, including assignment of Power Purchase Agreement, EPC contract and O&M contract, insurance policy and other project documents.
- (c) Collateral security by way of:
Pledge of 84,37,388 shares of Suryachakra Power Corporation Limited (face value of Rs.10). Vacant urban residential plot no. 74 admeasuring 350 sq.yards, Survey Nos.300P, 302, 309P, in the name of Shri M. Seshavatharam and situated in Krishnaja Hills, Village: Bachupally, Mandal: Quthubullapur, District Ranga Reddy, Andhra Pradesh. Open vacant plots of land in the name of Shri M. Naveen Babu admeasuring— 1.47 acres RS No.368; 0.97 acre RS No.09; 0.38 acre RS No.11. All three at village: Thorreddu, Rajahmundry Rural Mandal, District East Godavari, Andhra Pradesh. 3.02 acres RS No.246/1, village: Madhurapudi, Korukondala Mandal, District East Godavari, Andhra Pradesh. Six vacant residential plots in the name of Shri M. Naveen Babu in Western Block No.6-95, 6-95/1, 6-97, 6-97/1, 6-97/3 and 6-96 admeasuring 2082.88 sq. yards situated in RS 124/4, at village: Thorreddu, Rajahmundry Rural Mandal, District East Godavari, Andhra Pradesh.
- (d) Personal Guarantee of Dr. S.M Manepalli, Managing Director, Shri M. Seshavatharam and Smt T. Sreelatha relatives of Director and Shri M. Naveen Babu,
- (e) Corporate guarantee of Mauktika Energy Private Limited and Manepalli Investments Private Limited.
- 5.2 (a) Term Loan from State Bank of India (SBI) carries an interest of 19.36% per annum and is repayable in 59 monthly installments of Rs. 22,50,000/- each - Aggregating to Rs. 13,27,50,000/- and one installment of Rs. 24,00,000/-
- (b) The term loan is secured by first charge on all fixed assets of the company including equitable mortgagage of 24.35 acres of land in Ghat No 88 and 145 at Kolhapur Village, Bhatkuli (Tq), Amaravati District, Maharastra and 20.38 acres of land in Ghat No 128,129,54 and 55 at Borwand Village, Parbhani (Tq), Parbani District, Maharastra. Assignment of all rights under EPA and Escrow of receivables under EPA
- (c) Collateral Security : (1) Residential house property situated on Unit No AH5 in RS Dage No 338, J.L.No.Mouza Shikarpur, P S Rajarhat, Kolkatta standing in the names of Dr. S.M. Manepalli director of the company and Smt. M Mangatayaru relative of the directors of the company. (2) Residential house property at Kishanja Retreat in Sy. No 317/1, RS No 22/1 Udhagamandalam Village, Doddabetta Nilgiris District, Tamilnadu standing in the name of Sri M Seshavatharam, director of MSM Energy Limited, a subsidiary of the Company. (3) Flat No G-4, Ground Floor, Sai Hasthina Residency, in Plot No A - 46 in TS No 174, Ward No 29, Block No 65 at Narasanna Nagar, Kakinada, East Godavari District standing in the name of Smt. M. Suneeta, relative of a director of the Company.



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

- (d) Pledge of 30% of the shares held by the promoters of MSM Energy Limited, a subsidiary of the Company on paripassu basis. Certain properties held by Dr. S M Manepalli, S Mangatayaru, M Seshavatharam and M Sunita on paripassu basis. 2,00,000 Equity shares of the Company (SPCL) held by the Promoters on paripassu basis
- (e) Personal guarantees of Dr. S M Manepalli, S Mangatayaru, M Seshavatharam and M Sunita (IDBI to the extent of Rs.18,18,22,000/-)
- 5.3 Term Loan from State Bank of Hyderabad (SBH) carries an interest of 15.20% per annum and is repayable in 60 monthly installments of Rs. 22,00,000/- each - Aggregating to Rs. 13,20,00,000/-. For security particulars refer Note 5.2 (b), (c), (d) and (e).
- 5.4 (a) Term loan from Syndicate bank carries an interest of 17.5% per annum. Pursuant to a demand notice dated June 7, 2012 from the bank, the loan outstanding as on March 31, 2013 has fallen due for repayment (*Refer Note 29*).
- (b) The loan is secured by (i) Unregistered Equitable Mortgage of lease hold rights on Plot No.. C-9 MIDC Industrial area, Limbala Hingoli Maharashtra state and building , hypothecation of plant and machinery, equipment and other assets. (ii) First charges on all receivable to be routed through escrow account and first charge on DSRA account. (iii) Collateral security as second charge by way of equitable mortgage of lands situated at Beeramguda, Ameenpur Village, Medak District belonging to the directors and their relatives, pledge of 47,34,000 Equity Shares of the company held by holding company and pledge of 29,10,000 Equity Shares of Suryachakra Power corporation Limited.
- 5.5 Term Loan from IDBI Bank Limited to the extent of Rs.18,18,22,000/- carries an interest of 14.50% per annum and is repayable in 60 monthly installments of Rs. 22,75,000/- each - Aggregating to Rs. 13,65,00,000/-. For security particulars refer Note 5.2 (b), (c), (d) and (e).
- 5.6 (a) Carbon Credit Term Loan from IDBI Bank Limited carries an interest of 16.50% per annum, repayable in one bullet installment on July 01, 2013 and is secured by:
- (b) Exclusive first charge on the carbon credits / receivables from sale of carbon credits, escrow account to be opened with IDBI Bank for receipt of proceeds from sale of carbon credits. Undertaking by the subsidiary companies to create a first charge on all fixed and current assets of the subsidiary companies ranking paripassu with other lenders in the event of currency of the loan extending beyond July 01, 2013.
- (c) Collateral security to the extent of Rs.6,67,50,000/- by way of (1) Personal guarantees of Dr. S.M. Manepalli and Mr. M. Seshavatharam, directors of the subsidiary MSM Energy Limited (MSMEL) and Mrs. M. Sunitha and Mrs. M. Mangatayaru relatives of directors. (2) Pledge of 20% of the equity shares of MSMEL held by the promoters of the Company "Suryachakra Global Enviro Power Limited". (3) Extension of pledge of the Equity shares of MSMEL pledged for securing the term loans availed from SBH, SBI and IDBI Bank Limited by MSMEL.
- (d) Collateral security to the extent of Rs.2,29,47,685/- by way of (1) mortgage of 50.425 acres of fish culture ponds situated at Guttinadevi Village, Near Yanam, East Godavari District, Andhra Pradesh belonging to the promoters of SAAIL, a subsidiary of the Company. (2) Pledge of 25% of the equity shares of SAAIL held by the promoter company "Suryachakra Global Enviro Power Limited" (SGEPL) and exclusive pledge of 50,000 equity shares of the Company (SPCL) held by promoters. (3) Personal guarantees of Dr. S.M. Manepalli and Mr. M. Seshavatharam, directors of SAAIL and Mrs. M. Sunitha and Mrs. M. Mangatayaru relatives of directors.



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

- e) Collateral security to the extent of Rs.1,35,22,094 by way of (1) mortgage of 50.425 acres of fish culture ponds situated at Guttinadeevi Village, Near Yanam, East Godavari District, Andhra Pradesh belonging to the promoters of SGEPL. (2) Pledge of 25% of the equity shares of SGEPL held by the promoters of SGEPL and exclusive pledge of 50,000 equity shares of SPCL held by the promoters. (3) Personal guarantees of Dr. S.M. Manepalli director of the company and Mr. M. Seshavatharam, Mrs. M. Sunitha and Mrs. M. Mangatayaru relatives of director. Further, an undertaking by SPCL, the Promoters of the Company that the shares held by it will not be disposed off during the tenure of CER loan.
- 5.7 (a) Term loan from Indiabulls Housing Finance Limited (Formerly known as Indiabulls Financial Services Limited) carries an interest of 17.50% per annum and is repayable in ninety (90) equated monthly instalments.
- (b) Term loan is secured by first charge by way of equitable mortgage on the fixed assets of the 9.8 MW bio mass based power plant located at Khajuri village, Balodo bazar, District Raipur, Chhattisgarh, along with equitable mortgage of the land on which the above plant is situated.
- (c) Hypothecation on (a) the power purchase agreement entered into between the borrower and the Chhattisgarh State Power Distribution Company Limited (CPDCL) (b) the escrow agreement and the designated escrow account opened with the designated bank of the lenders, to which the entire receivables from the sale of power to CPDCL shall be deposited.
- (d) Pledge of 25% share capital of the subsidiaries SAAIL and SGEPL free from encumbrances and charges.
- (e) Personal guarantee of the promoter directors Dr. S.M. Manepalli and Mr. M. Seshavatharam.
- 5.8 (a) Term loan from SREI Equipment Finance Private Limited carries an interest of 19.5% per annum. The loan outstanding as on the date of the balance sheet has fallen due for repayment.
- (b) Term loan from SREI Equipment Finance Private Limited is secured by:
- First charge on all moveable and immovable assets, present and future of the company in favour of SREI on a pari-passu basis with SBI. Assignment in favour of SREI, SBI on a pari-passu basis, of all rights titles and interests of the company in, to and under all assets of the project and all projects documents, insurance policies, permits/approval etc, to which the company is a party and all other contracts relating to project. Pari-passu first charges on company's all the accounts including but not limited to Trust and Retention Account and the Debt-Service Letter of Credit / Reserve Account. The Equity Shares held by promoters in the project company (minimum 51%) shall be pledged to SREI and SBI on a pari-passu basis.
- (c) Non-disposal undertaking by Caterpillar and BSES for not disposing off their respective equity shares of SPCL during the currency of the credit facilities sanctioned to SPCL without the written consent of SREI and SBI.
- 5.9 Loan from Bunge Emissions Fund Limited is secured by corporate guarantee, provided by the Company for a sum of Euro 1.00 million. This loan automatically gets adjusted against sale of CER's by the subsidiary SGEPL to the Lender.



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

5.10 The company has defaulted in repayment of loans and interest to banks as given below:

Bank	Name of Dues	As at March 31, 2014		As At March 31, 2013	
		Period of	Amount	Period of	Amount
State Bank of India (Kolkata) Working Capital term loan	Principal	May' 13 to March' 14	34,160,231	February' 13 to March' 13	6,820,000
	Interest	Dec' 13 to March' 14	7,339,384	March' 13	2,753,612
State Bank of India	Principal	July, 2011 to Mar, 2013	182,318,000	July, 2011 to Mar, 2013	47,168,000
	Interest	July, 2011 to Mar, 2013	74,444,933	July, 2011 to Mar, 2013	74,444,933
State Bank of Hyderabad	Principal	July 2011 to Mar, 2013	178,406,792	July, 2011 to Mar, 2013	46,406,792
	Interest	Sep, 2011 to Mar, 2013	50,078,582	Sep. 2011 to Mar, 2013	50,058,672
SBH- Parbani	Principal	July, 2011 to Mar, 2013	89,227,619	July, 2011 to Mar, 2013	23,203,396
	Interest	Sep, 2011 to Mar, 2013	25,058,672	Sep, 2011 to Mar, 2013	25,058,672
SBI-Parbani	Principal	July, 2011 to Mar, 2013	91,155,000	July, 2011 to Mar, 2013	23,584,000
	Interest	July, 2011 to Mar, 2013	37,516,516	July, 2011 to Mar, 2013	37,538,661
Syndicate Bank	Principal	Dec 11 to Mar, 13	263,100,000	Dec, 11 & Mar, 13	263,100,000
	Interest	Dec 11 to Mar, 13	97,670,378	Dec, 11 & Mar, 13	97,670,378
IDBI - Term Loan	Principal	Aug, 2011 to Mar, 2013	45,284,700	Aug, 2011 to Mar, 13	45,284,700
	Interest	July, 2011 to Mar, 2013	53,369,937	July, 2011 to Mar, 13	53,369,937
IDBI - Carbon Credit	Interest	July, 2011 to Mar, 13	22,357,128	July, 2011 to Mar, 13	22,357,128
		November, 2012	294,072	November, 2012	294,072
		December, 2012	329,276	December, 2012	329,276
		January, 2013	329,546	January, 2013	329,546
		February, 2013	294,829	February, 2013	294,829
		March, 2013	330,911	March, 2013	330,911
		Nov, 2012 to Mar, 13	955,151	Nov, 2012 to Mar, 13	955,151
IDBI - Cash Credit	Principal	Aug, 2011 to Mar, 2013	87,253,005	Aug, 2011 to Mar, 13	87,253,005
	Interest	Nov, 2011 to Mar, 2013	25,140,922	Nov, 2011 to Mar, 2013	25,140,922
Others					
SREI Equipment Finance Private Limited	Principal	April, 11 to Mar, 14	28,886,304	April, 11 to March, 14	29,086,304
		April, 11 to Mar, 14	6,005,017	April, 11 to March, 13	6,005,017
Indiabulls Housing Finance Limited	Principal	-	-	-	-
	Interest	December, 2012	3,629,303	December, 2012	3,629,303
		January, 2013	7,226,462	January, 2013	7,226,462
		February, 2013	7,253,831	February, 2013	7,253,831
		March, 2013	7,253,831	March, 2013	7,253,831



Notes to Consolidated Financial Statements for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note - 6 Other Long Term Liabilities	As at March 31, 2014	As at March 31, 2013
Other Payables	16,039,830	16,039,830
Total	16,039,830	16,039,830
Note -7 Long Term Provisions	As at March 31, 2014	As at March 31, 2013
(a) Provision for employee benefits		
Provision for Leave Encashment	485,826	364,238
Provision for Gratuity Liability	1,878,042	1,803,642
(b) Provision - others	2,313,446	2,313,446
Total	4,677,314	4,481,326
Note -8 Short Term Borrowings	As at March 31, 2014	As at March 31, 2013
<u>Secured</u>		
<u>From Bank</u>		
(a) Loans repayable on demand		
(i) State Bank of India - Cash credit (Refer Note 8.1)	52,765,287	63,685,128
(ii) IDBI Bank - cash credit (Refer Note 8.2)	87,253,005	87,253,005
(iii) Syndicate Bank - overdraft (Refer Note 8.3)	80,429,883	80,000,000
(b) Vehicle Loan		
(i) HDFC Car Loan (Refer Note 8.4)	-	-
<u>Unsecured</u>		
<u>From Others</u>		
(a) Deposits		
(i) Inter - corporate deposits	113,600,000	113,600,000
(b) Other loans and advances		
(i) Working capital loan from SBI Global Falctors Limited (Formerly Global Trade Finance Limited)	256,979,169	256,979,169
(ii) Inter Corporate Loans	819,090,412	-
(iii) Dr. Managing Director	-	6,250,000
(iv) Others	168,158	269,000
Total	1,410,285,914	608,036,302

8.1 Cash credit from State Bank of India is secured by exclusive first charge on the entire current assets of the company both present and future; assignment of LC from Andaman and Nicobar Administration and collateral security on second charge on all fixed assets of the company

8.2 Cash credit from IDBI Bank Limited carries an interest of 14% per annum and is secured by first charge on entire current assets and second charge on the entire fixed assets of step down subsidiary "M.S.M Energy Limited" both present and future located at Borwand village, Parbhani and Kolhapur village and Amaravati district in the State of Maharashtra and personal guarantees of Dr. S M Manepalli and Shri M. Seshavatham, directors of the company and Smt M. Sunita and Smt. M. Mangatayaru, relatives of the directors.

8.3 Overdraft from Syndicated carries an interest of 19% per annum and is secured by hypothecation of stocks and book debts, second charge on the fixed assets of step down subsidiary "Sri Panchajanya Power Private Limited



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

(SPPPL) and collateral security by way of first charge on lands situated at Beeramguda, Ameenpur Village, Medak District belonging to directors of SPPL and their relatives and pledge of 47,34,000 equity shares of SPPPL held by the company and 29,10,000 equity shares of the company. Personal guarantees of Dr. S M Manepalli, director of SPPPL, Sri M. Seshavatharam and Smt. M. Mangatayaru, the relatives of Dr. S. M. Manepalli.

8.4 The company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at March 31, 2014		As At March 31, 2013	
	Period of Default	Amount	Period of Default	Amount
Loans repayable on demand from banks				
Principal	Aug' 11 to Mar' 14	167,253,005	Aug'11 to Mar' 13	167,253,005
Interest	1-5 years	150,345,568	1-4 years	150,345,568
Deposits from others				
Principal	15 months	113,600,000	15 Months	113,600,000
Interest	4 years	28,480,090	4 Years	28,480,090
Other loans and advances				
Principal	4 years	256,979,169	4 years	256,979,169
Interest	4 years	94,710,901	4 years	94,710,901

Note - 9 Trade Payables	Aas at March31,2014	As at March31,2013
Other Acceptances	231,432,241	216,309,608
Total	231,432,241	216,309,608

Note - 10 Other Current Liabilities	Aas at March 31, 2014	As at March31, 2013
Current maturities of long term borrowings (Refer Note 5)	1,162,972,281	783,618,837
Interest accrued and due on term loan	501,389,232	489,357,201
Interest accrued but not due on term loan	1,578,634	3,743,913
Interest accrued and due on overdraft	55,634,667	55,634,667
Unclaimed share applicaion money#	150,380	150,380
Other Payables		
Statutory remittance (contribution to PF, withholding taxes, etc)	12,755,349	12,724,087
Payable for capital goods	96,880,860	107,559,017
Advance from customers	20,000,000	20,000,000
Other payables	21,305,8213	23,787,830
Total	1,872,667,216	1496,575,932



Notes to Consolidated Financial Statements for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note -11 : Fixed assets

Description	Gross Block			Accumulated Depreciation			Net Block			
	Balance As at April 1st, 2013	Additions	Adjustments	As at March 31, 2014	Upto March 31, 2013	for the Year	Adjustments	Upto March 31, 2014	As at March 31, 2014	As t March 31, 2013
Land and site development	97,845,365	-	-	97,845,365	44,438,818	4,559,250	-	48,998,068	48,847,297	53,479,703
Buildings and Roads	644,616,306	-	-	644,616,306	198,501,653	43,796,117	-	242,297,770	402,318,536	450,477,100
Plant and Machinery (Note 1 and 2)	2,363,746,848	-	-	2,363,746,848	749,047,090	120,827,554	-	869,874,645	1,493,872,203	1,667,206,999
Computers&Equipments	8,668,876	-	-	8,668,876	7,938,791	269,639	-	8,208,430	460,446	816,133
Furniture and Fittings	11,114,957	-	-	11,114,957	5,601,896	438,385	-	6,040,281	5,074,676	5,658,069
Office Equipments	20,879,601	26,652	-	20,906,253	9,462,238	1,869,769	-	11,332,008	9,574,245	11,834,573
Vehicles	23,526,227	-	-	23,526,227	9,774,798	2,410,608	-	12,185,406	11,340,821	15,293,771
Total	3,170,398,181	26,652	0	3,170,424,833	1,024,765,287	174,171,321	0	1,198,936,607	1,971,488,230	2,204,766,359
Previous Total	3,179,451,481	1,181,446	10,234,746	3,170,398,181	864,434,849	196,263,835	121,472	1,060,820,156	2,109,578,025	2,500,786,226



Notes to Consolidated Financial Statements for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Note -12 Non Current Investment (Trade, unquoted - Long term, at cost)	As at March' 31, 2014		AsAt March 31, 2013	
	Number	Amount	Number	Amount
Investment in equity instruments of Rs.10/- fully paid				
Suryachakra Power Venture Private Limited	15,940	159,400	15,940	159,400
Total		159,400		159,400
Note - 13 Long Term Loans and Advances		As at March 31, 2014		As at March 31, 2013
Capital Advance				
Unsecured, considered good		163,518,108		108,665,195
Doubtful		540,286,458		540,286,458
		703,804,566		648,951,653
Less: Provision for doubtful advances		-		(540,286,458)
		703,804,566		108,665,195
Less : Written off		(540,286,458)		-
		163,518,108		108,665,195
Security Deposits				
Unsecured, considered good		3,421,742		4,771,156
Mat Credit Entitlement		-		9,205,659
Unsecured, considered good				
Other Loans and advances				
Unsecured, considered good				
Related parties (<i>Refer Note 43</i>)		69,694,843		63,467,518
Others		926,755,910		1,069,871,000
Advance incometax(net of provisions Rs.41,76.718 (30.06.2012:Rs.98,69,101)		4,867,419		690,701
Total		1,168,258,023		1,256,671,229
Note - 14 Other Non Current Assets		As at March 31, 2014		As at March 31, 2013
Interest accrued on amonts withheld by Andaman and Nicobar Administration (<i>Refer Note 28</i>)		135,427,329		127,574,329
Total		135,427,329		127,574,329
Note - 15 Inventories		As at March 31, 2014		As at March31, 2013
Raw Materials and components		26,121,417		33,670,038
Stores and spares		40,825,021		45,102,777
Total		66,946,437		78,772,815



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

Note - 16 Trade Receivables	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment (<i>Refer Note 30</i>)		
Unsecured, considered good	182,921,796	180,009,442
Doubtful	37,850,636	37,850,636
	220,772,432	217,860,078
Less: Provision for doubtful debts	37,850,636	37,850,636
	182,921,796	180,009,442
Other trade receivables	147,895,638	138,472,241
Unsecured, considered good		
Total	330,817,434	318,481,683

Note - 17 Cash and cash equivalents	As at March 31, 2014	As at March 31, 2013
Cash on hand	749,006	1,087,678
Balances with banks in current account in earmarked accounts ¹	473,342	1,766,620
¹ Share application money received for allotment of securities, due for refund	150,380	150,380
Total	1,372,727	3,004,678

¹Represents the portion of oversubscribed share application money, received during the public offer in July 2007, refundable to the applicants

Note - 18 Short-term loans and advances	As at March 31, 2014	As at March 31, 2013
Loans and advances to employees		
Unsecured, considered good	110,384	274,926
Prepaid expenses		
Unsecured, considered good	3,714,018	7,447,816
Other loans and advances		
Advance to suppliers and others		
Unsecured, considered good	6,043,308	32,768,169
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	45,977,828	22,415,591
Doubtful	56,794,092	56,794,092
	102,771,920	79,209,683
Less: Provision for doubtful advances	-	(56,794,092)
	102,771,920	22,415,591
Less: Written off	(56,794,092)	-
	45,977,828	22,415,591
Total	55,845,538	62,906,502



Notes to Consolidated Financial Statements for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars Note - 19	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from operations		
Sale of electricity (<i>Refer Note 28</i>)	1,479,501,139	1,106,348,450
Less: Rebate and other deduction	4,009,860	2,893,610
	1,475,491,279	1,103,454,840
Other operating revenue		
Sale of Raw Material	-	-
Sale of ash	-	101,115
Sale of scrap	-	1,122,172
	-	1,223,287
Total	1,475,491,279	1,104,678,127
Note - 20		
Other Income		
Interest on deposits	209,170	213,225
Interest subsidy received from District Industries Center, Raipur	-	-
Interest received from Chattisgarh State Electricity Board	-	-
Profit on sale of fixed assets	-	75,314
Provisions no longer required written back	8,553,401	8,423,351
Miscellaneous income	2,053,948	168,449
Total	10,816,519	8,880,339
Note - 21		
Cost of materials consumed		
HSD	1,282,692,507	856,317,436
Lube oil	28,048,302	26,146,734
Biomass material	13,038,599	86,952,815
Coal	1,669,435	10,501,190
Total	13,25,44,88,43	979,918,175
Biomass material consumed comprises of:		
Rice Husks	13,038,599	86,952,815
Redgram	-	-
cotton stalk	-	-
Note-22		
Operation and maintenance expense		
Power & Fuel	5,608,542	6,128,850
Plant expenses	13,198,578	30,789,695
Consumption of stores and spares	23,476,079	64,141,813
Refurbishment expenses	5,350,840	-
Total	47,634,039	101,060,358
Note - 23		
Employee Benefits Expense		
Salaries and wages	17,133,541	14,814,555
Contribution to Provident fund and other fund	448,650	626,588
Staff welfare expenses	545,638	746,616
Total	18,127,829	16,187,759



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Note - 24		
Finance costs		
Interest on term loan	25,539,452	369,788,608
Interest on working capital loan	10,163,633	25,645,081
Interest on short term borrowings	2,333,817	62,586,847
Interest on vehicle loan and others	638,930	129,268
Bank Charges	3,481,746	816,720
Total	42,157,578	458,966,524
Note - 25		
Other expenses		
Insurance	5,979,605	4,864,614
Rates & taxes	1,283,438	956,786
Legal & Professional Fees	10,372,331	7,495,403
Loss on Stock (<i>Refer Note 35</i>)	2,692,500	9,320,365
Telephone & Internet Charges	961,987	777,488
Travelling Expenses	5,009,814	3,875,597
Rent	1,151,000	180,000
Printing & Stationery	675,101	688,284
Directors Sitting Fees	78,000	80,990
Vehicle Maintenance	354,162	747,460
Repairs & Maintenance		
- Plant & Machinery	672,084	3,857,677
- Others	232,672	3,544,529
Office Maintenance	327,923	324,656
Auditors Remuneration - Audit Fees	1,026,521	1,754,267
Bad & Doubtful advances written off	600,732,733	-
Less: Provision for doubtful advances (<i>Refer Note 36</i>)	(597,080,550)	-
Loss on sale of assets	-	1,985,119
Miscellaneous Expenses	6,607,088	2,222,299
Total	41,076,410	42,675,534
Note - 26		
Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities		
(a) Claims against the company not acknowledged as debt		
- Liquidated damages for delay in commencement of commercial operations	31,570,000	31,570,000
- Energy charges demanded by Maharashtra State Electricity Distribution Company Limited	11,451,026	11,451,026
(b) Corporate guarantee given to Bunge Emissions Fund Limited against the loan provided to Suryachakra Global Enviro Power Limited, a subsidiary of the company.	70,908,000	70,908,000
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	678,225,521	678,225,521



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

Note - 27 : Revenue from A & N Administration

- (i) The Company's revenue from sale of electricity to Andaman and Nicobar (A&N) Administration is based on the Power Purchase agreement (PPA) entered into with the A&N Administration . The PPA is for a period of 15 years initially shall have an extension of the terms and effective term for 3 further periods of 5 years 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 fixed charge monthly billings, invoices the A & N Administration based on the capital cost as envisaged in the PPA. Pending final confirmation of actual capital expenditure, 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) Revenue for the year ended March,2014 include an amount of Rs. 5,32,99,282 (Previous year: Rs. 5,25,87,325 (9 Months)) billed by the company as variable charge payment under the 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 March 31,2014 on such withheld amounts works out to Rs. 18,11,63,385 as at March 31,2014 (Previous year: Rs. 12,64,33,026) on account of such rejections/withheld. Further, during earlier years, the Company has accrued interest on such unpaid invoices. Interest accrued on such diagrements and included in the total receivables as at March 31,2014 amounts to Rs. 127,574,329 (Previous year : Rs. 127,574,329)
- (iv) The Company believes that the amounts billed including interest thereon are recoverable based on the interpretation that can be inferred from the formulae contained in the PPA.

Note - 28

The Syndicate Bank has issued a Demand Notice dated June 07,2012 to Sri Panchajanya Power Private Limited (SPPL), a stepdown subsidiary of the Company, and its Guarantors under Section 13(2) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) stating that as the SPPL has defaulted in repayment of liabilities, the credit facility granted by the bank has been classified as Non-Performing Asset and has called upon the company and the sureties to repay the entire liability along with interest and costs thereon within a period of sixty (60) days from the date of the notice failing which, the bank will exercise the powers under Section 13 of the SARFAESI Act, 2002 against the secured assets. As the Company did not discharge the liability within the said period bank has issued a possession Notice dated October 10, 2012 under the said act taking over the possession of the following properties furnished as security to the Bank:

- (a) Industrial Plot bearing No. C-9 Maharastra Industrial Development Corporation Hingoli Industrial Area Limbala admeasuring 335612 Sq. Mts.
- (b) Plant and Machinery, Equipment and other Assets
- (c) Other Fixed Assets.

Consequently the term loan outstanding as on the date of the demand notice including interest accrued and due thereon have been classified as "Current" and disclosed under "Other Current Liabilities".

The Company has filed a petition before the Debt Recovery Tribunal, at Hyderabad, Andhra Pradesh against the said demand notice from the bank praying for declaring the Possession Notice dated 10.10.2012 issued by the bank under the SARFAESI Act, 2002 as null and void and to set aside all the measures initiated by the Bank under the SARFAESI Act.

Note - 29 : Suryachakra Global Enviro Power Ltd(SGEPL):

SGEPL along with its subsidiaries (wholly owned) is engaged in generation and sale of power. SGEPL and its subsidiaries have incurred substantial losses and the net worth of the respective companies has been fully eroded. In view of high input cost, operations in the Power plants of these companies were suspended since the financial year 2011-12 Secured loan



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

lenders have issued notices under section 13(2) of the The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002(SARFAESI Act) / Windingup petitions under Section 433 & 434 of Companies Act, 1956. Except one Power plant owned by M/s. Sri Panchajayna Power Pvt Limited at Hingoli, Maharashtra all other Three plants and one Plant in project stage were taken over by the respective lenders. Indiabulls Housing Finance Ltd-Secured Lender for SGEPL and South Asian Agro Industries Ltd has initiated criminal proceedings against the Managing Director of the Company and other Directors and guarantees. During March' 12, the electricity distribution companies of respective power plants have increased the tariff for the power generated and exported. In view of such upward revision in the tariff, the management is of the view that these power plants are economically viable once settlements have taken place with the respective secured lenders. Management is making efforts to resolve the liquidity crunch; resolve issues with the lenders and commence the operations at the earliest. Management is also of the opinion that there would not be any impairment and all the plants would realize more than the carrying value of the assets as at the reporting period.

Hence, the current diminution in the value of these investments is considered to be of temporary in nature and hence no provision for diminution is considered necessary at present. However as a measure of prudence the company, during 2011-12, has made a provision Rs. 13,90,98,212/- towards advances given to the subsidiaries as doubtful.

Note - 30 : Suryachakra Global Venture Ltd (SGVL):

SGVL is a wholly owned subsidiary of the company incorporated in Hong Kong under the Companies Ordinance. During the Financial year ended June 30,2012, the Company, out of the proceeds of the GDRs advanced an amount of Rs. 85,01,25,542/- (USD 1,90,00,000) to SGVL for acquiring coal mines for captive use by its subsidiaries.

SGVL for acquiring interests in coal mines in Indonesia, entered into an MOU with Symphony Trading and Investments Limited (STIL) 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 advanced USD 1,90,00,000 to STIL for acquiring interests in two coal mines from M/s. Surajaya Indelberg in Indonesia. As per the terms of the MOU, STIL had agreed to return the advance, if the transaction of coal mine acquisition was not successful within the timelines or extended timelines as mutually agreed. Due to the change in the Indonesian policy, the acquisition of coal mines could not be completed by the STIL.

In view of the conditions prevailing in Indonesia relating to coal mining activities being uncertain, the company called back the advance given to STIL by SGVL. During the financial year ended March 31,2013, the management intensified the efforts and initiated legal remedies for recovering the advance. During the current financial year ended March 31,2014, the Company has recovered an amount of Rs.14,41,29,264/- (USD25,90,886) and continues to pursue the matter for recovery of the balance amount. Management is confident of recovering the balance amount of advance and the shortfall, if any, will be adjusted in the year of final settlement. Hence no provision towards doubtful advances has been made.

Note - 31 : Loss of Stock:

During the year on physical verification of stock of raw material held by the subsidiary Sri Panchjanya Power Private Limited, raw materials of book value Rs. 26,92,500(31.03.2013 : Rs.93,20,365) being bio-degradable was found deteriorated and unsuitable for power generation. As these stocks do not have any salvage / scrap value, the entire deteriorated stocks have been written off.

Note - 32 : Provision for doubtful advances

- a) During the early years the SAAIL had advanced Rs. 23,24,29,142/- to various vendors as capital advances for setting up of a 20MW Biomass based power project at Baloda Bazar Taluq, Raipur District, Chhattisgarh and Rs.9,04,77,165/- to suppliers of biomass fuels. Due to steep increase in raw material prices these traders suffered losses. Due to financial liquidity problems, SAAIL could not pursue the said project and also could not meet its further commitments. The company at present, is not in a position to complete the said project. The vendors also are facing financial liquidity problems. As these advances were long outstanding and doubtful of recovery a provision



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

towards doubtful advances aggregating to Rs. 32,29,06,307/- was made during the year ended June 30,2012, During the financial year ended March31,2013 the company recovered an amount of Rs. 84,23,351. Company's efforts to recover the balance amount of Rs. 31,44,82,956 has been written off during the current year.

- b) During the year ended June 30, 2012 MSM Energy Limited reviewed the advances made in the earlier years to various suppliers in the ordinary course of business for Capital works/equipments. Due to financial liquidity problems, the company could not meet its further commitments relating to such capital works / equipments. Further, suppliers are also facing financial liquidity problems. As these amounts are long outstanding and their recovery is doubtful in the immediate near future, as a prudent measures the company created a provision aggregating to Rs.22,53,91,752/- towards doubtful advances during the year ended June 30, 2012. Since the efforts to recover the advance has not been successful, the advance has been written off during the year.
- c) During the early years the SGEPL had advanced Rs. 2,39,12,252/- to various vendors as capital advances for major modifications to the plants and Rs. 3,28,81,840/- to suppliers of biomass fuels. Due to steep increase in raw material prices these traders have suffered losses. Due to financial liquidity problems, SGEPL could not pursue the said project and also could not meet its further commitments. The vendors also are facing financial liquidity problems. As these advances are long outstanding and are doubtful of recovery a provision for doubtful advances aggregating to Rs. 5,67,94,092/- was made during the year ended June 30,2012. Since the efforts to recover the advance has not been successful, the advance has been written off during the year.

Note - 33 :

State Bank of Hyderabad (SBH), State Bank of India and IDBI Bank Limited have issued Notices to MSM Energy Limited (MSMEL), a step down subsidiary of the Company, and its guarantors under Section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) stating that as MSMEL has defaulted in repayment of credit facilities granted by the bank which has been classified as a Non-Performing Asset and has called upon MSMEL and its guarantors to repay the entire liability along with interest and costs thereon.

Further the SBI has also issued a winding up notice u/s 433 (e) and sec 434 of Companies Act 1956. IDBI Bank Limited on behalf of the Banks has issued a Possession Notice under Rule 8(1) of Security Interest (Enforcement) Rules 2002 and taken physical possession of the Company's power plant and other assets at Parbhani, Maharashtra and Capital work in progress relating to the company's power plant at Amaravathi, Maharashtra.

Consequently the term loan outstanding as on March 31,2014 has been classified as "Current" and disclosed under "Other Current Liabilities".

Note - 34 : Loans from Indiabulls Housing Finance Limited (IHFL):

IHFL has issued a Notice dated July 7,2013 to South Asian Agro Industries Limited (SAAIL), a step down subsidiary of the Company and its guarantors under Section 13(2) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) stating that as SAAIL had defaulted in repayment of loan installements. Company has challenged the same in Debt Recovery Tribunal (DRT) Hyderabad and the same is pending for disposal.

IHFL also took possession of the power plant and operated during the period March 2012 to 2013.

IHFL has also filed a case before High Court of Delhi on Sep, 19 2013 restraining the company from creating any third party interest on the company's Power Project at Khajuri Vilalge, Chhattisgarh and on the receivables relating to the said power projects.

IHFL filed a winding up case before High Court of Andhra Pradesh on Dec, 11 2013 u/s 433 & 434 of Companies Act 1956.

IHFL also initiated Criminal proceedings against Dr. S.M.Manepalli, Director and other directors of the Company and certain guarantors.

IHFL also initiated auctioning the certain assets of the company offered as security for the loan availed.

The Company and the concerned directors / guarantors have contested the actions initiated by IHFL in respective legal forums. Hence the loan has been classified as "Current".



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

Note - 35 :

Capital Work in Progress includes Rs. 3,11,000/- advance for acquiring land at Kaparathi Village, Chintyal Mandal, Nalgonda District. The land lord has refused to register the land in the name of the SAAIL. The Company had filed a suit in the Court of Second Additional District Judge at Nalgonda for specific performance as per the agreement and deposited the balance of the purchase consideration of Rs.1,08,150/- in the court. The Hon'ble Court has given the judgement directing the vendor to register the land in favor of the Company within six months and draw the balance consideration amount deposited by the company in the Court. However, the land lord went on appeal in the High Court of Andhra Pradesh and obtained stay. The Company has filed a petition for vacation of the stay which is still pending.

Note - 36 : Winding up petitions

a) SBI Global Factors Limited

During the period ended June 30,2012, M/s. SBI Global Factors Limited an unsecured creditors of the Company had filed a petition before the Honourable High Court of Andhra Pradesh for winding up of the company u/s443 (1)(c) of the Companies Act, 1956. The Honourable High Court of Andhra Pradesh, had admitted the petition. Company has appealed against the said petition which is pending for hearing. Company is confident of resolving the matter amicably.

b) MSM Energy Limited

Two creditors of the company have filed a winding up petition before the High Court of Andhra Pradesh / District Court, Ahmednagar. Management is in the process of settling their dues and resolving the litigations in due course.

c) South Asian Agro Industries Limited

IDBI Bank Limited has filed winding up petition before Judicature of Andhra Pradesh at Hyderabad on March 19,2014 u/s 433, 434 & 439 of Companies act 1956, Hence, the loan has been classified as "current".

d) Suryachakra Global Enviro Power Limited

IDBI Bank Limited has filed a winding up petition before Judicature of Andhra Pradesh at Hyderabad on March 19,2014 u/s 433, 434 & 439 of Companies Act 1956. Hence, the loan has classified as "current".

e) Sri Panchajanya Power Private Limited

Two creditors of the company have filed winding up petition before the High Court of Andhra Pradesh / District Court, Ahmednagar, Management is in the process of setting their dues and resolving the litigations in due course.

Note - 37 :

The management has not obtained confirmation of balances from Secured Loan Lenders, Trade payables, Creditors for Capital goods and Loans & Advances given by the group and outstanding as at March 31,2014. In the absence of confirmation of balances from these parties, provision if any to be made for any adverse variations in the carrying amounts are not quantified. However, the group 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, if any will be made on settlement.

Note - 38 : Interest on Borrowings

Since certain lenders have filed various cases on the company with regard to recovery of their dues, the company stopped recognizing liability towards various finance charges on loans from such lenders. Hence no finance charges have been provided in the financial statements for the year ended March 31, 2014. The liability if any will be recognized in the year of settlement of the dispute.

Note - 39 : Capital reserve and goodwill on consolidation

(a) Suryachakra Global Enviro Power Limited

Capital reserve represents the excess of acquisition price over the interest acquired in the net assets of SGEPL by Climate Change Investment (CCI) on dilution of SPCL's equity investment in SGEPL during the financial year ended March 31, 2010. The CCI invested Rs. 40,00,00,000/- and was allotted 22.01 % equity in SGEPL.

**Notes to Consolidated Financial Statements for the year ended March 31, 2014**

(All amounts in Indian rupees, except share data and where otherwise stated)

(b) Sri Panchajanya Power Private limited (SPPPL)

Goodwill represents the difference between the acquisition price of Rs. 8,39,71,692/-, paid during the financial year ended March 31, 2010 for acquiring the entire minority interest of 49%, and the net assets of SPPPL as on the date of acquisition.

Note - 40 : Segment Reporting

The Group's operations predominantly consists of generation and sale of electricity. The coal trading business has been discontinued. Hence there are no reportable segments under the Accounting Standard - 17. The Group's business operations are primarily concentrated in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

Note - 41 : Related party transactions

- (a) There are no related parties over which the Group has control.
- (b) Related parties where significant influence exists and with whom transactions have taken place during the year are as follows:
- (i) **Key Management Personnel (KMP) represented on the Board of Directors (including Executive Directors in subsidiaries and step-down subsidiaries)**
- Dr. S. M. Manepalli, Managing Director
 - Mr. K Vijay Kumar, Executive Director
 - Mrs. B.N.Raja Kumari, Executive Director
- (ii) **Enterprises over which Key Managerial Personnel or their relatives have significant influence**
- Suryachakra Thermal Energy (Andhra) Private Limited
 - Suryachakra Thermal (Madhya Pradesh) Private Limited
 - Suryachakra Power Venture Private Limited
- (iii) **Non-executive Directors on the Board**
- Mr. P. K. Bhattacharjee
 - Mr. Mahesh Chand
 - Mr. K. Satyanarayana (Executive Director in a subsidiary)
 - Mr. V. S. Murthy
 - Mr. A Ramesh Kumar
- (iv) **Relatives of Key Managerial Personnel**
- Mrs. M. Sunita



c) Particulars of related party transactions and balances:

A) Following is a summary of related party transactions:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
1. Loans/Advances granted to enterprise significantly influenced by KMP		
a) Suryachakra Thermal Energy (Andhra) Private Limited	6,400,000	-
Total	6,400,000	-
2. Repayment of loans by enterprises significantly influenced by KMP		
a) Suryachakra Thermal Energy (Andhra) Private Limited	104,720	-
b) Suryachakra Power Venture Private Limited	67,955	-
Total	172,675	-
3. Remuneration to Key Management Personnel/ Non-executive directors		
a) Dr. S. M Manepalli	3,600,000	2,700,000
b) Mr. K Vijay Kumar	1,188,000	781,300
c) Ms. B N Rajakumari	509,207	344,373
d) Mr. K.Satyanrayana	-	500,000
e) Sitting fees to Non-executive directors	78,000	58,496
Total	53,75,207	4,384,169
4. Unsecured loan taken from Key Managerial Personnel (net)		
a) Dr. S. M Manepalli	2,295,710	6,350,000
Total	2,295,710	6,350,000
5. Unsecured loan repaid to Key Managerial Personnel		
a) Dr. S. M Manepalli	6,088,755	195,000
Total	6,088,755	195,000



Notes to Consolidated Financial Statements for the year ended March 31, 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

B) Details of outstanding balances of related parties

Particulars	As at March 31, 2014	As at March 31, 2013
1. Remuneration payable to Key Managerial Personnel / Non-executive directors		
a) Dr. S. M Manepalli	2,383,500	582,200
b) Mr. K Vijay Kumar	505,437	330,100
c) Ms. B N Rajakumari	190,183	140,372
d) Mr. K.Satyanrayana	-	72,400
Total	3,079,120	1,125,072
2. Unsecured loan to Enterprises significantly influenced by		
a) Suryachakra Thermal Energy (Andhra) Private Limited	30,661,484	24,366,204
b) Suraychakra Thermal (Madhya Pradesh) Private Limited	38,101,314	38,101,314
c) Suryachakra Power Venture Private Limited	932,045	1,000,000
Total	69,694,843	63,467,518
3. Unsecured loan from KMP		
(a) Dr. S.M.Manepalli	37,590,210	41,520,000
Total	37,590,210	41,520,000
4. Unsecured loan from relatives of KMP		
(a) Mrs. M. Sunita	100,000	100,000
Total	100,000	100,000
5. Other Payables		
(a) Manepalli Sehavarharam	132,574	60,000
Total	132,574	60,000

Note - 42 Earnings per share	Year ended March 31, 2014	Year ended March 31, 2013
Continuing operations		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(171,513,881)	(648,929,268)
Weighted average number of equity shares considered for computation of basic and diluted earnings per share	149,632,960	149,632,960
Par value per share	10	10
Earnings per share from continuing operations - Basic and Diluted	(1.15)	(4.34)

Note - 43

Deferred taxes

The Company, its subsidiary and step down subsidiaries enjoy the tax holiday under section 80-IA of Income Tax Act, 1961, based on the assessment carried out by the Company of timing differences as on March 31, 2014, the Company believes that such timing differences will reverse within the tax holiday period. Accordingly, no deferred tax has been recognised in the consolidated financial statements of the Group as on March 31, 2014.

Note - 44

Discontinuing operations

The SPCL's Board of Directors at their meeting held on 29 October, 2009 had approved to discontinue the coal trading business. Accordingly the coal trading business was discontinued w.e.f June 30, 2011. The results of discontinued business until the date of discontinuation were as under:



Notes to Consolidated Financial Statements for the year ended March 31, 2014
(All amounts in Indian rupees, except share data and where otherwise stated)

The Carrying value of the assets and liabilities of the discontinuing operations or as follows

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Fixed assets (Gross block, less accumulated depreciation)	813,365	1,927,536
Sundry debtors (Net of provision)	-	45,792,607
Total assets	813,365	47,720,143
Less :		
Current liabilities	23,248,714	23,248,714
Total liabilities	23,248,714	23,248,714
Net assets	(22,435,349)	24,471,429

Note - 45

Previous figures have been recasted/ restated to conform to the current classification

As per our report of even date attached

For **M. Bhaskara Rao & Co.,**
Chartered Accountants

for Suryachakra Power Corporation Limited

V.K. Muralidhar
Partner

Dr. S.M. Manepalli
Managing Director

K. Vijay Kumar
Director

Hyderabad, May 30,2014

P. Satish Chandra Mouli
Company Secretary

V.L. Narasimha Rao
Chief Financial officer



Statement pursuant to the direction of the Ministry of Corporate Affairs u/s 212(8) of the Companies Act, 1956 vide General Circular No. 2 / 2011 dated February 08, 2011 about the financial information of the Subsidiary Companies as at March 31, 2014

(in Rs.)

Name of the Subsidiary	Suryachakra Globla Enviro Power Limited	South Asian Agro Industries Ltd	MSM Energy Ltd.	Sri Panchajanya Power Pvt Ltd	Suryachakra Energy(Chhat tigarh Pvt Ltd)	Suryachakra Global Ventures Ltd., HK*
Issued and subscribed Share capital	627,079,770	120,205,000	342,600,000	157,800,000	20,000,000	7
Reserves	(1,21,34,42,883)	(712,437,073)	(788,924,696)	(310,539,672)	336,679,043	(2,035,012)
Total assets	449,641,481	472,187,606	704,228,462	467,563,167	464,010,722	927,027,742
Total liabilities	449,641,481	472,187,606	704,228,462	467,563,167	464,010,722	927,027,742
Investments (excluding Investments in Subsidiaries)	-----	-----	-----	-----	-----	-----
Turnover	-----	17,067,100	-----	-----	-----	-----
Profit/(Loss) before taxation	(55,157,617)	(41,528,438)	(34,693,575)	(34,149,525)	(28,427)	(1,267,722)
Taxation	-----	-----	-----	-----	-----	-----
Profit/(Loss) after taxation	(55,157,617)	(41,528,438)	(34,693,575)	(34,149,525)	(28,427)	(1,267,722)
Proposed dividend	-----	-----	-----	-----	-----	-----

Note:

The Annual Accounts of the subsidiary companies and the detailed information will be made available to the investors of holding and subsidiary companies on seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be kept for inspection by any investor in its head office and that of the subsidiary companies concerned. The Company shall furnish a hard copy of accounts of subsidiaries to any shareholder on demand.



SURYACHAKRA POWER CORPORATION LIMITED

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

ATTENDANCE SLIP

19TH ANNUAL GENERAL MEETING

30th day of September, 2014 at 10.00 A.M.

- 1. Regd. Folio No. : _____
- 2. Client ID No. : _____
- 3. DP ID No. : _____
- 4. No. Of shares held : _____
- 5. Name of the Member/ Proxy : _____

I am a member/proxy of the Company. I hereby record my presence at the 19th Annual General Meeting of the members of the Company at Devi Grand, # 11-5-152, Bhavani Nagar, Moosapet 'X' Roads, Hyderabad - 500 018.

Signature of the Member / Proxy

Note :Please complete and sign this attendance slip and hand it over at the entrance of the hall.



SURYACHAKRA POWER CORPORATION LIMITED

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

PROXY FORM

Regd. Folio No. _____ Client ID No. _____
 No. of shares held _____ DP ID No. _____
 I/We _____
 of _____ in the District of _____
 _____ being the Member(s) of
 Suryachakra Power Corporation Limited hereby appoint Mr./Ms. _____ of
 _____ in the District of _____
 or failing him/her appoint Mr./Ms. _____ of _____ in the District of _____
 as my/our proxy to attend and vote for me/us and on my/our behalf at the 19th Annual General Meeting of the members of the
 Company to be held on 30th day of September, 2014 at 10.00 A.M. and at any adjournment thereof.
 Signed this _____ day of September, 2014.

Affix
Revenue
Stamp

Notes:

1. The proxy form to be effective should be duly completed in all respects and signed across the revenue stamp.
2. The proxy form must be deposited at the Registered Office not less than 48 hours before the time fixed for holding the meeting.
3. A proxy need not be a member of the Company.



Suryachakra Power Corporation Limited

(CIN: L40103AP1995PLC019554)

Email: cosecretary@suryachakra.com Website: www.suryachakra.in

Phone: 040-30823000 Fax: 040-23541339

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

Dear Member,

Sub: Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Suryachakra Power Corporation Limited ("the Company") is offering e-voting facility to its members in respect of the businesses to be transacted at the 19th Annual General Meeting scheduled to be held on Tuesday, September 30, 2014 at 10:00 AM at Devi Grand, # 11-5-152, Bhavani Nagar, Moosapet "X" Roads, Hyderabad-500 018.

RESOLUTION	DESCRIPTION	Shares	Favour	Against
1	Consideration of Audited Accounts.			
2	Re-appointment of Mr. P. V. Subba Rao - Ind. Director.			
3	Re-appointment of Mr. V. S. Murthy - Ind. Director.			
4	Appointment of M/s. Bhaskara Rao & Co., Statutory Auditors.			
5	Appointment of Mrs. M. Mangatayru, Addl. Director as Director.			
6	Appointment of Dr. S. M. Manepalli Managing Director.			
7	Borrowing Limits Regularisation U/s. 181(1)(C) of Companies Act 2013.			
8	Regularisation of Remuneration Payable to Cost Auditors U/s. 148 of Companies Act 2013.			

The Company has engaged the services of Karvy Computershare Private Limited ("KCPL" or "Karvy") as the Authorised Agency to provide e-voting facilities. The e-voting particulars are set out below:

EVEN (E-Voting Event Number)	User ID	Password/PIN

The e-voting facility will be available during the following voting period:

- Commencement of e-voting : From 09:30 a.m. (IST) on September 27th 2014 (Saturday)
- End of e-voting : Up to 5:00 p.m. (IST) on September 29th 2014 (Monday)

The cut-off date (i.e. the record date) for the purpose of e-voting is 29th August, 2014 (Friday)

Please read the instructions printed overleaf before exercising the vote. This Communication forms an integral part of the Notice dated 14th August, 2014 for the 19th Annual General Meeting scheduled to be held on September 30th 2014 (Tuesday). Attention is invited to the statement on the accompanying Notice that the business of the meeting may be transacted through electronic voting system and that the Company is providing facility for voting by electronic means.

The Notice of the Annual General Meeting and this Communication are also available on the website of the Company www.suryachakra.in.

Yours faithfully,

For Suryachakra Power Corporation Limited,

-Sd/-

P. Satish Chandramouli
Company Secretary

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID c) For Members holding shares in Physical Form:- <ul style="list-style-type: none">• <u>Event no.</u> followed by Folio Number registered with the company
Password	Your Unique password is printed on the E-Voting Form / via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No. **1-800-34-54-001** for any further clarifications.
- iv) Members can cast their vote online
From Saturday, 27th September, 2014 @ 09:30 AM To Monday, 29th September, 2014 @ 5.30 PM
- v) After entering these details appropriately, click on "LOGIN".
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., ('**Company Name**' "**Suryachakra Power Corporation Limited**).
- ix) If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to l.d.reddy@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no....."
- xiv) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date being Friday, August 29th, 2014
- xv) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
- xvi) The results on resolutions shall be declared at or after the Annual General Meeting of the Company and the results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.suryachakra.in) and on Karvy's website (<https://evoting.karvy.com>) within two (2) days of passing of the resolutions and communication of the same to BSE and NSE.

**Book - Post
Printed Matter**



If Undelivered please return to :
Suryachakra Power Corporation Limited
Regd. Office : Suryachakra House,
Plot No. 304-L-III, Road No.78,
Jubilee Hills, Hyderabad - 500 096
Tel No. : 040-3082 3000; Fax No. : 040 - 2354 1339,
Website : www.suryachakra.in;
E-mail : cosecretary@suryachakra.com