

**SURYACHAKRA POWER CORPORATION LIMITED**

**Regd Office : Plot No 1115, Road No 54, Jubilee Hills, Hyderabad 500 033**

**Audited Financial Results for the Year ended 31 March 2010**

All amounts in Indian Rupees lakhs, except share data

Sl.No.	Particulars	STANDALONE		CONSOLIDATED	
		Year ended 31 March		Year ended 31 March	
		2010	2009	2010	2009
		Audited	Audited	Audited	Audited
1	Net Sales/Income from operations	20,690.13	13,432.32	25,145.04	16,858.19
2	Other operating income	15.98	42.73	44.93	77.91
3	<b>Total Income (1+2)</b>	<b>20,706.11</b>	<b>13,475.05</b>	<b>25,189.97</b>	<b>16,936.10</b>
4	Expenditure				
	a. (Increase)/decrease in stock in trade	97.37	(97.37)	97.37	(97.37)
	b. Consumption of raw materials	10,086.70	10,149.63	12,322.51	10,509.11
	c. Purchase of traded goods	8,556.01	1,873.93	8,803.59	4,181.97
	d. Employees cost	107.70	94.62	226.05	103.11
	e. Depreciation	730.92	629.64	1,242.34	809.37
	f. Operation and maintenance	106.51	151.62	538.19	293.78
	g. Preliminary expenditure written off	35.89	143.54	57.96	144.68
	h. Other expenditure	282.64	164.76	491.35	234.34
	<b>i. Total expenditure</b>	<b>20,003.74</b>	<b>13,110.39</b>	<b>23,779.35</b>	<b>16,179.00</b>
5	Profit from operations before other income, interest and exceptional items (3-4)	702.37	364.66	1,410.62	757.10
6	Other income	302.86	383.99	392.25	380.46
7	Profit before interest and exceptional items (5+6)	1,005.23	748.65	1,802.88	1,137.58
8	Interest and finance charges	724.19	565.79	1,463.55	920.79
9	Profit after interest but before exceptional items (7-8)	281.04	182.87	339.32	216.78

10	Exceptional items (Refer note 7 and 10)	245.07	-	(441.85)	-
11	<b>Profit from ordinary activities before tax</b>	<b>526.11</b>	<b>182.87</b>	<b>(102.53)</b>	<b>216.78</b>
12	Tax expenses (net of MAT Credit entitlement)	5.65	22.21	20.57	24.89
13	<b>Net profit from ordinary activities after tax (11-12)</b>	<b>520.46</b>	<b>160.66</b>	<b>(123.10)</b>	<b>191.89</b>
14	Extraordinary/Prior period Items (net of tax expenses )	-	(13.65)	-	(15.40)
15	<b>Net profit for the period before minority interest (13-14)</b>	<b>520.46</b>	<b>147.00</b>	<b>(123.10)</b>	<b>176.49</b>
16	Minority interest	-	-	1.83	
17	<b>Net Profit for the period (15-16)</b>	<b>520.46</b>	<b>147.00</b>	<b>(124.93)</b>	<b>176.49</b>
18	Paid -up equity share capital (Face value Rs.10/- each)	7,663.30	7,663.30	7,663.30	7,663.30
19	Reserves excluding revaluation reserves as per balance sheet of previous Accounting Year	6,200.77	6,075.04	6,589.29	6,104.71
20	Earnings per share for the period (in Rupees) per Rs.10/- share				
	a) Before Extra - ordinary items				
	- Basic	0.68	0.21	(0.16)	0.25
	- Diluted	0.68	0.21	(0.16)	0.25
	b) After Extra - ordinary items				
	- Basic	0.68	0.19	(0.16)	0.23
	- Diluted	0.68	0.19	(0.16)	0.23
21	Public shareholding				
	- Number of shares	37,029,230	37,490,676	37,029,230	37,490,676
	- Percentage of shareholding	48.32%	48.92%	48.32%	48.92%
22	<b>Promoters and promoter group</b>				
	<b>Shareholding</b>				
	<b>a) Pledged/Encumbered</b>				
	- Number of shares	33,242,805	15,687,722	33,242,805	15,687,722
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	83.94%	40.08%	83.94%	40.08%
	- Percentage of shares (as a% of the total share capital of the company)	43.38%	20.47%	43.38%	20.47%

<b>b) Non-encumbered</b>				
- Number of shares	6,360,925	23,454,562	6,360,925	23,454,562
- Percentage of shares (as a% of the total shareholding of promoter and promoter group)	16.06%	59.92%	16.06%	59.92%
- Percentage of shares (as a % of the total share capital of the company)	8.30%	30.61%	8.30%	30.61%

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**Stataement of Assets and liabilities as per Annexure IX of listing agreement**

		<b>STANDALONE</b>		<b>CONSOLIDATED</b>	
<b>Sl.No.</b>	<b>Particulars</b>	<b>For the year ended March 31,</b>		<b>For the year ended March 31,</b>	
		<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
		<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
1	Share Holders' Funds				
	(a) Share Capital	7,663.30	7,663.30	7,663.30	7,663.30
	(b) Reserves and Surplus	6,200.77	6,075.04	6,589.29	6,104.71
2	Minority interest	-	-	2,818.53	769.83
3	Loan Funds	6,573.54	7,888.07	20,836.42	18,599.53
	<b>Total (1+2+3)</b>	<b>20,437.61</b>	<b>21,626.41</b>	<b>37,907.54</b>	<b>33,137.36</b>
4	Fixed Assets and intangible assets	7,255.98	8,163.66	34,061.18	22,630.15
5	Investment	8,912.76	6,790.23	1.59	
6	Current Assets,Loans And Advances				
	(a)Inventories	573.58	615.21	1,389.22	1,100.68
	(b) Sundry Debtors	5,098.82	3,274.90	6,110.48	4,203.56
	(c) Cash and Bank balances	208.37	302.57	317.47	1,936.64
	(e) Loans and Advances and other current assets	859.95	4,207.90	1,586.79	6,471.92
	Less : Current liabilities and Provisions				
	(a) Current Liabilities	2,437.64	2,158.26	5,509.40	3,624.53
	(b) Provisions	34.21	0.43	49.79	23.94
7	Miscellaneous Expenditure (not written off or adjusted)	-	430.63	-	442.89
8	Profit and Loss Account	-	-	-	-
	<b>TOTAL</b>	<b>20,437.61</b>	<b>21,626.41</b>	<b>37,907.54</b>	<b>33,137.36</b>

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**Segment Reporting for the Year ended 31 March 2010**

Particulars	STANDALONE		CONSOLIDATED	
	Year ended March 31		Year ended March 31	
	2010	2009	2010	2009
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment wise revenue, results and capital employed:</b>				
<b>1. Segment Revenue (Net Sale/Income from)</b>				
(a) Net earnings from sale of energy	11,798.79	11,560.86	15,998.69	12,619.57
(b) Net earning from trading of goods	8,891.35	1,871.46	9,146.35	4,238.62
<b>TOTAL</b>	<b>20,690.13</b>	<b>13,432.32</b>	<b>25,145.04</b>	<b>16,858.19</b>
Less: Inter Segment Revenue	-	-		
<b>Net sales/Income From Operations</b>	<b>20,690.13</b>	<b>13,432.32</b>	<b>25,145.04</b>	<b>16,858.19</b>
<b>2. Segment Results (Profit+)/Loss(-) before tax and interest from each segment)</b>				
(a) Power Division	1,091.61	626.19	1,577.64	958.66
(b) Trading Division	177.38	92.35	245.40	149.66
<b>TOTAL</b>	<b>1,268.98</b>	<b>718.54</b>	<b>1,823.04</b>	<b>1,108.32</b>

Less (i) Interest and finance charges	724.19	565.79	1,463.55	920.79
(ii) Other un-allocable Expenditure	35.89	143.54	57.96	144.68
Add: Un-allocable Income	17.21	173.67	17.21	173.93
Add/(Less): Extraordinary / Prior Period Items (Net)	-	(13.65)	(441.85)	(15.40)
<b>Total profit Before Tax and minority interest</b>	<b>526.13</b>	<b>169.00</b>	<b>(123.10)</b>	<b>201.39</b>
<b>3. Capital employed</b>				
(a) Power Division	19,181.21	21,302.40	33,673.30	32,457.76
(b) Coal Trading	1,205.99	282.04	1,374.10	(126.19)
(c) Unallocated	(6,523.13)	(7,846.10)	(20,794.81)	(18,563.56)
<b>Capital employed ( Segment assets – Segment Liabilities)</b>	<b>13,864.07</b>	<b>13,738.34</b>	<b>14,252.59</b>	<b>13,768.01</b>

**Notes:**

1 The above results have been reviewed by audit committee and approved by the Board of Directors at its meeting held on 28 May 2010.

2 The Statutory Auditors have carried out audit of the annual results of the Company for the Year ended March 31, 2010.

3 The Company's revenue from sale of power 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 the terms of the PPA include a fixed charge payment, a variable charge payment, incentive payment, foreign exchange adjustment and change-in-law adjustment.

4 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 has been made to the revenue during the period. Such adjustments, if any will be made in the period in which the amount becomes determinable and is confirmed by the A & N Administration.

5 Revenues for the year ended 31 March 2010 include an amount of Rs. 478.35 lakhs (Previous year: Rs. 56.89 lakhs) 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. The Company also has receivables amounting to Rs. 1,186.40 lakhs as at 31 March 2010 (Previous year: Rs. 708.05 lakhs on account of such rejections/ withheld. Further, the Company has accrued interest on such unpaid invoices amounting to Rs. 285.04 lakhs for the year ended 31 March 2010 (Previous year: Rs. 210.32 lakhs). Total interest accrued on such disagreements as at 31 March 2010 is Rs. 838.52 lakhs (Previous year: Rs. 553.48 lakhs).

6 During the current year, the unamortised expenses related to the Initial Public Offering of the Company amounting to Rs. 394.74 lakhs were adjusted to the Securities Premium account. These were carried forward in earlier years as Miscellaneous Expenditure and was being amortised over a period of 5 years.

7

The Group's profit after interest but before exceptional item on a consolidated basis is Rs. 339.32 lakhs compared to Rs. 216.78 lakhs in the previous year. In March 2006, one of the DG Set with a capacity of 5 MW output had suffered major damages. The Company made a claim of Rs. 991 lakhs (net of allowances of Rs.50 lakhs). Pending final assessment of the claim, the Company had received interim amounts totaling to Rs. 550 lakhs from the Insurance Company including Rs. 118 lakhs during the year ended 31 March 2010. The Insurance Company vide its letter dated 11 May 2010 has confirmed that all the amounts paid till date are final and no further claims would be payable. Accordingly, the balance amount of Rs.441 lakhs has been written off during the year and has been disclosed as an exceptional item.

8

Due to the uncertainty arising out of the disagreements by A & N Administration on the billings and receivables, statutory auditors have in their audit opinion for the year ended 31 March 2010 expressed the inability to comment on the ongoing negotiations and consequently expressed their inability to comment on the recoverability of the receivables and interest accrued thereon. 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 and has filed a petition with the Joint Electricity Regulatory Commission (JERC) in October 2009 claiming their long pending dues for the unresolved issues. On 3 March 2010, the A&N Administration based on a detailed analysis of the case and the unresolved issues determined that as the matter is highly technical and therefore requested the Central Electricity Authority (CEA) to re-examine the complete cost document of the Company to proceed further in the matter.

9

The Company's Board of Directors at their meeting held on 29 October 2009 approved a definitive plan wherein, its coal trading business will be transferred to a separate legal entity to enable to focus on the core business of power generation, subject to the receipt of all regulatory and other approvals. The execution of the above plan is in process and expected to be completed by June 2010. In accordance with AS 24 (Discontinuing operations), the initial event has occurred during the year and coal trading business (representing coal trading segment) would therefore qualify as a discontinuing operation under the above accounting standard. Revenues and profit after tax for the Company for the year ended 31 March 2010 from such operations amount to Rs. 8,891.34 lakhs and Rs. 36.42 lakhs.

10 The Company has restructured its investments in subsidiaries and accordingly transferred its investment in subsidiaries MSM Energy Limited (MSM), South Asia Agro Industries Limited (SAAIL) and Sri Panchajanya Power Private Limited (SPPL) having a total carrying value of Rs. 5,006.83 lakhs to its wholly owned subsidiary Suryachakra Global Enviro Power Limited (formerly Lahari Power and Steels Limited - LPSL) for total consideration of Rs. 5,693.74 lakhs to be settled in the form of additional share to be issued in LSPL resulting in a profit of Rs. 686.91 lakhs which has been disclosed as an exceptional item. Further, the Company has been issued shares in LSPL of Rs. 1,434.03 lakhs, representing the share application money and un-secured loan in all the above mentioned subsidiaries. Climate Change Investment I I S.A. SICAR (CCI) has invested Rs. 4,000.00 lakhs in Suryachakra Global Enviro Power Limited (formerly Lahari Power and Steel Limited - LPSL) and was allotted a 22.01% equity interest in LPSL.

11 The Company has consolidated the financial statements of the following subsidiaries:

1. Suryachakra Global Enviro Power Limited
2. South Asian Agro Industries Limited
3. MSM Energy Limited
4. Sri Panchajanya Power Private Limited

12 Pursuant to clause 41 of the listing agreement, the investor complaints received, disposed off and lying unresolved as on 31 March 2010 are given in the table below:

Pending at the beginning of the year	Nil
Received and Disposed off during the year	2
Unresolved during the year	Nil

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

Date 28 May 2010

Place : Hyderabad

for Suryachakra Power Corporation Limited

Sd/-

Dr. S. M. Manepalli

Managing Director