

GMR Warora Energy Limited



Corporate Office:
Airport Building 302, 1st Floor,
New Shakti Bhawan
New Udaan Bhawan Complex,
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New Delhi-110037
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October 25, 2019

To
Bombay Stock Exchange
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai- 400001

Dear Sir/ Madam,

Sub: Financial Results under Clause 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Company Code: 10776; Company: GMR Warora Energy Limited (formerly Emco Energy Limited)

Please find enclosed the half-year unaudited financial results of the Company along with Limited Review Report for the half-year ended September 30, 2019.

This is for your records.

Thanking you,

Yours Faithfully,
For GMR Warora Energy Limited



Company Secretary
M. No. F8649

Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
GMR Warora Energy Limited**

1. We have reviewed the accompanying statement of unaudited financial results of GMR Warora Energy Limited (the "Company") for the half year ended September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters in the notes to the accompanying unaudited Ind AS financial results for the half year ended September 30, 2019:
 - a. Note 3 in connection with petitions with regulatory authorities towards change in law events including claims for increased coal cost claimed and accounted by the Company and realisation of such receivables from its customers as at September 30, 2019 and the consequent impact thereof on the future cash flows of the Company. Based on its internal assessment, legal expert advice and certain interim favourable regulatory orders the management is confident of settlement of such claims in favour of the Company and realisation of receivables thereof and consequent timely repayment of its debt obligations and accordingly no adjustments have been made in the accompanying unaudited Ind AS financial results for the half year ended September 30, 2019.



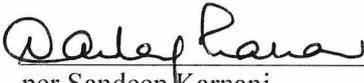
S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- b. Note 4, regarding recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by the Company. Based on the order from the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated May 8, 2015, the Company has raised invoices towards reimbursement of transmission charges from the initial date of scheduling the power which has been appealed by MSEDCL before the Hon'ble Supreme Court of India. Pursuant to the favourable Order from APTEL and legal opinion stating that the Company has a good tenable case, the Company has accounted for the reimbursement of transmission charges of Rs. 4,687.43 million till September 30, 2019 (including Rs 546.57 million for the half year ended September 30, 2019).
- c. Note 7 relating to amounts due to certain vendors which are outstanding beyond permissible time period of 3 years under the Foreign Exchange Management Act ('FEMA'). As more fully discussed in the aforementioned note, the Company is confident that such delays will not require any adjustments to the accompanying unaudited Ind AS financial results.

Our conclusion is not modified in respect of these matter.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004


per Sandeep Karnani

Partner

Membership No.: 061207

UDIN: 19061207AAAACX5816



Place: Bengaluru

Date: October 25, 2019

GMR Warora Energy Limited

Corporate Identification Number (CIN): U40100MH2005PLC155140

Registered Office: 701/704, 7th Floor, Naman Centre, A-Wing, BKC, Bandra, Mumbai - 400 051

Statement of unaudited Ind AS financial results for the half year ended September 30, 2019

(in Rs. millions)

Sr. No.	Particulars	Half year ended		Year Ended
		September 30, 2019	September 30, 2018	March 31, 2019
		Unaudited	Unaudited	Audited
1	Revenue:			
	(a) Revenue from operations (Refer Note 3)	8,613.92	8,393.35	18,942.22
	(b) Other income	89.22	211.27	288.46
	Total Revenue	8,703.14	8,604.62	19,230.68
2	Expenses			
	(a) Consumption of fuel	4,763.51	4,318.20	9,544.94
	(b) Purchase of traded goods	2.62	412.58	937.30
	(c) Employee benefit expenses	231.54	243.63	498.29
	(d) Finance costs	2,065.83	2,088.52	4,121.77
	(e) Depreciation and amortization expenses	601.26	583.34	1,138.41
	(f) Transmission charges (Refer note 4)	479.54	447.17	1,040.34
	(g) Other expenses	476.15	398.35	1,029.72
	Total Expenses	8,620.45	8,491.79	18,310.77
3	Profit / (loss) before tax (1 ± 2)	82.69	112.83	919.91
4	Tax expenses			
	(a) Current tax (net of MAT credit entitlement)	-	-	-
	(b) Deferred tax charge / (credit) (refer note 5)	2,662.85	(0.42)	(1,704.68)
5	Profit / (loss) after tax (3 ± 4)	(2,580.16)	113.25	2,624.59
6	Other Comprehensive Income/(expenses) (net of tax)			
	(A) (i) Items that will not be reclassified to profit or loss	(0.12)	1.26	(0.11)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	(0.42)	0.03
	(B) (i) Items that will be reclassified to profit or loss	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
7	Total Comprehensive Income for the period (Comprising Profit / (loss) and Other Comprehensive Income / (expenses) (net of tax) for the period (5 ± 6)	(2,580.25)	114.09	2,624.51
8	Paid-up equity share capital (Face value of Rs.10 per share)	8,700.00	8,700.00	8,700.00
9	Paid up debt capital (Refer note 10)	747.35	746.83	747.08
10	Other Equity (including debenture redemption reserve)			(3,851.30)
11	Debenture redemption reserve (Refer Note 11)	187.50	187.50	187.50
12	Earning per share (EPS) (of Rs 10 each) (not annualised)			
	(a) Basic EPS	(2.97)	0.13	3.02
	(a) Diluted EPS (refer note 6)	(2.97)	0.13	2.85
13	Weighted average number of equity shares for calculation of:			
	Basic earning per share (EPS)	870,000,000	870,000,000	870,000,000
	Diluted earning per share (EPS)	870,000,000	870,000,000	921,247,768
14	Debt equity ratio (Refer note 8)	8.22	10.95	5.11
15	Debt service coverage ratio (DSCR)(Refer note 8)			
	a) DCSR based on EBIT	0.70	0.66	0.86
	b) DCSR based on EBITDA	0.90	0.85	1.06
16	Interest service coverage ratio (ISCR)(Refer note 8)			
	a) ISCR based on EBIT	1.01	0.96	1.16
	b) ISCR based on EBITDA	1.30	1.23	1.44



Statement of standalone assets and liabilities

		(in Rs. millions)	
Particulars	September 30, 2019	March 31, 2019	
	(Unaudited)	(Audited)	
A ASSETS			
1 Non-current assets			
Property, plant and equipment	32,209.80	33,010.22	
Capital work in progress	37.27	25.59	
Intangible assets	5.96	5.88	
Right of use - assets	412.85	-	
Financial assets			
Investments (Rs. 2,500 (March 31, 2019: Rs. 2,500))	0.00	0.00	
Loans	60.62	60.62	
Other financial assets	147.21	246.30	
Deferred tax assets (net)	-	2,472.44	
Non-current tax assets (net)	15.32	28.28	
Other non-current assets	142.19	177.68	
Total Non-current assets	33,031.22	36,027.01	
2 Current assets			
Inventories	645.98	741.29	
Financial assets			
Loans	0.24	0.24	
Trade receivables	6,159.57	4,645.21	
Cash and cash equivalents	93.68	81.31	
Other financial assets	608.01	2,287.14	
Other current assets	546.75	240.00	
Total current assets	8,054.23	7,995.19	
Total assets	41,085.45	44,022.20	
B EQUITY AND LIABILITIES			
1 EQUITY			
Equity share capital	8,700.00	8,700.00	
Other equity	(4,731.14)	(2,151.22)	
Total Equity	3,968.86	6,548.78	
LIABILITIES			
2 Non-current liabilities			
Financial liabilities			
Borrowings	26,096.12	27,266.14	
Provisions	104.49	98.19	
Lease liabilities	53.60	-	
Deferred tax liabilities (net)	190.38	-	
Total Non-current liabilities	26,444.59	27,364.33	
3 Current liabilities			
Financial Liabilities			
Borrowings	3,087.02	2,977.28	
Trade payables	1,958.87	2,377.66	
Lease liabilities	18.34	-	
Other financial liabilities	5,237.30	4,386.58	
Other current liabilities	31.01	22.96	
Provisions	64.30	69.45	
Current tax liability (net)	275.16	275.16	
Total current liabilities	10,672.00	10,109.09	
Total liabilities	37,116.59	37,473.42	
Total equity and liabilities	41,085.45	44,022.20	

For and behalf of the board of Directors of GMR Warora Energy Limited

Dhananjay Deshpande
Dhananjay Deshpande
Whole time Director
DIN : 07563196

Ashis Basu
Ashis Basu
Whole time Director
DIN : 01872233

Ashish Vinay Deshpande
Ashish Vinay Deshpande
Chief Financial Officer
Mem no - 110081

Place: New Delhi
Date : October 25, 2019



Notes to unaudited financial results for the half year ended September 30, 2019:

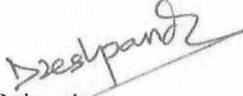
- 1 The unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") 34 on interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016.
- 2 The unaudited Ind AS financial results of the Company for the half year ended September 30, 2019 have been reviewed by the Audit Committee in their meeting on October 25, 2019 and approved by the Board of Directors in their meeting on October 25, 2019.
- 3 The Company had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ("PPA") and filed petitions with the regulatory authorities for settlement of such claims in favour of the Company. Based on certain interim favourable orders by Central Electricity Regulatory Commission ("CERC") the management is confident of settlement of claims made by the Company in its favour and has accordingly accounted Rs. 7,848.66 million till the period ended September 30, 2019 (including Rs. 560.28 million accounted during the half year ended September 30, 2019). The Company has trade receivables and unbilled revenue of Rs. 6,512.66 million as at September 30, 2019, including Rs. 3,865.60 million receivable towards the aforementioned claims.
Further, the Company has accumulated losses of Rs. 6,847.16 million as at September 30, 2019 which has resulted in substantial erosion of the net worth of the Company and its current liabilities exceed current assets. There have been delays in repayment of dues to the lenders on account of the delay in the receipt of the aforementioned claims by the Company from its customers thereby resulting in lowering of credit ratings for the Company's borrowings. However, the Company has made profits before tax during the years ended March 31, 2018, March 31, 2019 and half year ended September 30, 2019 and accordingly based on the business plans, favourable interim orders towards aforementioned claims and valuation assessment carried by an external expert during the year ended March 31, 2019 on forecasted cash flows management is of the opinion that the Company will generate sufficient profits in the future years and will be able to recover the aforesaid receivables and meet its debt obligations and have continued to prepare the unaudited Ind AS financial results on a going concern basis pursuant to the said reasons and support letter from GMR Infrastructure Limited ("GIL").
- 4 The Company has a PPA with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") for sale of power for an aggregate contracted capacity of 200 MW. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ("MERC"), wherein MERC has directed the Company to construct separate lines for evacuation of power through State Transmission Utility ("STU") though the Company was connected to Central Transmission Utility ("CTU"). Aggrieved by the MERC Order, the Company preferred an appeal with Appellate Tribunal For Electricity ("APTEL"). APTEL vide its interim Order dated February 11, 2014 directed the Company to start scheduling the power from the Company's bus bar and bear transmission charges of inter-state transmission system towards supply of power. The Company in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld the Company's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by the Company as per its interim order. Accordingly as at September 30, 2019, the Company has raised claim of Rs. 4,687.43 million towards reimbursement of transmission charges from March 17, 2014 till September 30, 2019. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and also applied for stay proceedings for the above order of APTEL, which was rejected by the Hon'ble Supreme Court of India.
In view of the favourable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that the Company has tenable case with respect to the appeal filed by MSEDCL against the Order of APTEL which is pending before Hon'ble Supreme Court of India, the Company has recognized the reimbursement of transmission charges of Rs. 4,687.43 million relating to the period from March 17, 2014 to September 30, 2019 (including Rs. 546.57 million for the half year ended September 30, 2019) in the Statement of profit and loss.
- 5 On September 20, 2019, the Taxation Laws (Amendment) Ordinance, 2019 ('ordinance') was passed introducing section 115BAA of the Income-tax Act, 1961 which allowed domestic Companies to opt for an alternative tax regime from FY 2019-20. As per the regime, Companies are allowed to pay reduced income tax @ 22% (plus surcharge and cess) subject to foregoing of certain exemptions which were earlier allowed. Central Board of Direct taxes vide circular no 29/2019 clarified that Companies opting for lower rates of taxes will not be allowed to offset brought forward losses on account of additional depreciation and carry forward MAT credit. Pursuant to the aforesaid amendment, the Company has decided to opt for lower rate of tax and accordingly has reversed deferred tax asset on additional depreciation claimed by the Company and MAT credit existing as at March 31, 2019. Further the Company has restated the deferred tax assets and liabilities as on April 1, 2019 at the rate of 25.17%.
- 6 Considering that the Company has incurred losses during the half year ended September 30, 2019, the allotment of conversion option in case of Compulsorily Convertible Preference Shares ("CCPS") would decrease the loss per share for the respective years and accordingly has been ignored for the purpose of calculation of diluted earnings per share.
- 7 As at September 30, 2019, the amount payable in foreign currency to certain vendors of USD 6.22 million is outstanding for more than 3 years. The Company is in the process of filing necessary documents with the Reserve Bank of India and is confident that such delays will not require any adjustments to the accompanying unaudited Ind AS financial results.
- 8 Debt Service Coverage Ratio (DSCR) represents profit and other income before net finance costs (finance costs reduced by interest income) and tax expenses / finance costs plus principal repayment of loan funds during the period. ISCR represents profit and other income before net finance costs and tax expenses / finance costs. Debt-equity ratio represents loan funds (long term borrowings, short term borrowings and current maturity of long term borrowings included in current liabilities) / shareholders' funds (equity shares + other equity).
- 9 Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.
- 10 Paid up debt capital represents outstanding non-convertible debentures issued by the Company (excluding provision for redemption) as at the period end.
- 11 The Company has created Debenture Redemption Reserve of Rs. 187.50 million as per the provisions of Section 71 of the Companies Act, 2013.
- 12 The Statutory auditors of the Company have carried out a limited review of the unaudited Ind AS financial results for the half year ended September 30, 2019.



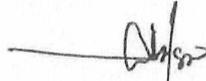
Notes to unaudited financial results for the half year ended September 30, 2019:

- 13 The review of unaudited Ind AS financial results of the Company for the previous period / year was carried out by a firm of Chartered Accountants other than S R Batliboi and Associates LLP
- 14 Previous period / year's figures have been regrouped / reclassified, wherever necessary to confirm to current period's classification

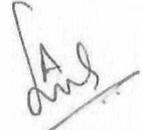
For and behalf of the board of Directors of GMR Warora Energy Limited



Dhnanjay Deshpande
Whole time Director
DIN : 07563196



Ashis Basu
Whole time Director
DIN : 01872213



Ashish Vinay Deshpande
Chief Financial Officer
Mem no - 110081

Place: New Delhi
Date :October 25, 2019



Additional disclosure under regulation 52(4) of SEBI (LODR) Regulations, 2015:

1 **Credit Rating and change in credit rating, if any**

Credit Rating Agency	Period	Rating Given	Change in rating
CARE	September 27,2019	D	Revised from BB to D

2 **Particulars of interest and principal repayment of NCD**

Type of NCD	Principal Repayment	Last Interest Payment Due Date
750 Non Convertible Debentures of Rs.10,00,000 each	Equal installment of 1/3rd on 25th September 2022, 25th September 2023 and 25th November 2023	Status : Paid 24-09-2019 & 26-09-2019

The next repayment date for interest on NCD is March 25, 2020.

For and behalf of the board of Directors of GMR Warora Energy Limited

Deshpande
Dhananjay Deshpande
Whole Time Director
DIN : 07663196

Ashis Basu
Ashis Basu
Whole Time Director
DIN : 01872233

Ashish Deshpande
Ashish Deshpande
Chief Financial Officer
Mem no. - 110081

Place: New Delhi
Date :October 25, 2019

