

GMR Warora Energy Limited

(Formerly Emco Energy Limited)



Corporate Office:
Airport Building 302, 1st Floor
New Shakti Bhawan
New Udaan Bhawan Complex
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October 16, 2018

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

Dear Sir/ Madam,

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

Ref: Scrip code 951013; Company: GMR Warora Energy Limited (formerly Emco Energy Limited)

Please find enclosed the half yearly financial results of the Company for the half year ended September 30, 2018 along with limited review report.

This is for your records.

Thanking you.

Yours faithfully,

For GMR Warora Energy Limited


Sanjay Kumar Babu
Company Secretary



Registered Office:
701/704, 7th Floor, Naman Centre,
A-Wing, BKC (Bandra Kurla Complex),
Bandra, Mumbai 400 051
Site Office:
Plot No. B-1 & B7, Mohabala MIDC Growth Centre,
Post and Tehsil-Warora, Dist. Chandrapur,
Maharashtra 442907

GMR Warora Energy Limited
CIN : U40100MH2005PLC155140

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

Unaudited Financial results for the half year ended September 30, 2018

Particulars	Standalone Results (Rs. in Million, except share data)		
	Half Year Ended		Year Ended
	30.09.2018	30.09.2017	March 31,2018
	Un-audited (Refer Note 1 below)	Un-audited (Refer Note 1 below)	Audited
Income:			
Revenue from operations (Refer Note 4 below)	8,393.35	7,567.07	17,706.70
Other income	211.27	142.85	180.13
Total Income	8,604.62	7,709.92	17,886.83
Expenses			
(a) Consumption of Raw Materials	4,290.07	3,576.24	7,567.72
(b) Purchase of traded goods	412.58	332.26	1,110.79
(c) Employee benefits expenses	243.63	249.31	533.07
(d) Finance Cost	2,088.52	2,059.21	4,192.86
(e) Depreciation and amortization expenses	583.34	620.05	1,219.15
(f) Other Expenditure (Refer note 3)	873.65	633.73	1,336.57
Total Expenses	8,491.79	7,470.80	15,960.16
(Loss)/profit before tax	112.83	239.12	1,926.67
Tax Expenses			
Current Tax			
Deferred Tax	-0.42	0.24	-0.74
Net (loss)/profit from ordinary activities after tax	113.25	238.88	1,927.41
Other Comprehensive Income/(expenses) Net of tax	0.84	-0.46	1.49
Total Comprehensive Income for the period	114.09	238.42	1,928.90
Earnings per Equity Shares of face value of RS. 10 each - not annualized			
Basic earning per share (EPS)	0.13	0.27	2.22
Diluted earning per share (EPS)	0.13	0.27	2.22
Paid-up equity share capital (Face value of the Rs.10 each)	8,700.00	8,700.00	8,700.00
Paid up debt capital (Refer note 7)	746.830	746.38	746.60
Reserve excluding revaluation reserves and including Other Equity as per balance sheet	-5,594.31	-7,398.93	-5,708.40
Networth as per balance sheet	3,105.69	1,301.07	2,991.60
Debenture redemption reserve (Refer Note 8)	187.50	187.50	187.50
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	870,000,000
Debt equity ratio (Refer note 6)	10.02	25.29	10.66
Debt service coverage ratio (DSCR)(Refer note 6)	0.91	0.57	1.46
Interest service coverage ratio (ISCR)(Refer note 6)	1.36	1.12	1.79
Asset coverage ratio (Refer note 6)	1.22	1.04	1.20



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Notes to unaudited financial results for the half year ended September 30, 2018:

- 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 financial results have been reviewed by Audit Committee at their meeting on October 16, 2018 and approved by the Board of Directors at their meeting concluded on October 16, 2018.
- 3 The Company has entered into Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Company Limited (MSEDCL) on March 17, 2010 for sale of aggregate contracted capacity of 200 MW wherein power was required to be scheduled from power plant's bus bar. MSEDCL has raised dispute with respect to 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 Company's bus bar and bear transmission charges of inter state transmission system for supplying the 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 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, 2018 , the Company has raised claim of Rs. 3,535.99 million towards reimbursement of transmission charges from March 17, 2014 till September 30, 2018 including Rs. 425.61 million for the half year ended September 30, 2018 (Rs. 442.32 million for corresponding previous period). MSEDCL in the interim had preferred an appeal with Supreme Court and also applied for stay proceedings for the above Order, with respect to which Supreme Court has not granted stay on the APTEL order. In view of the favorable Order from APTEL, rejection of stay petition of MSEDCL by the Supreme Court of India , receipt of substantial amount towards reimbursement of transmission charges and also considering legal opinion received from legal counsel that the Company has good tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Supreme Court of India , the Company has recognized the reimbursement of transmission charges borne by the company of Rs. 425.61 million for the period ended September 30, 2018 (Rs. 442.32 million for corresponding previous period) aggregating to Rs. 3,535.99 Million as at September 30, 2018 as reduction from transmission expenses

- 4 The Company, subsequent to favorable Order from Central Electricity Regulatory Commission (CERC) on determination of change in law events in case of power purchase agreement (PPA) with Maharashtra State Electricity Distribution Company Limited (MSEDCL) ,Union territory of Dadar Nagar Haveli (DNH) and Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) , has started claiming and accounting for claims towards Change In law events which are approved by CERC on the above said PPA customers. Accordingly, the Company, during the half year accounted claims of Rs.205.77 million from DNH, Rs. 585.40 million from MSEDCL and Rs.119.46 million from TANGEDCO towards change in law event (claims for the corresponding previous period Rs.144.41 million from DNH and Rs.202.87 million from MSEDCL and Rs.Nil from TANGEDCO) aggregating to Rs.1,137.78 Million from DNH, Rs. 2284.97 million from MSEDCL and Rs. 748.39 million from TANGEDCO as at September 30, 2018. In respect of the said claims,DNH and TANGEDCO has not released any payments against such claims and MSEDCL has made partial payments. Further with regard to appeal filed by DNH on the said CERC Order APTEL vide its order dated 14th Aug 2018 has upheld the validity of the claims receivable by the company. The management is of the opinion that the CERC Order on change in law event is binding on the customers for tariff fixation and disputes from the customers are not tenable under fact & law and is confident of recovering the same in the due course.

- 5 The Company had claimed compensation for various "change in law" events including compensation for additional fuel cost on account of shortage of linkage coal in the case of power supplied to Maharashtra State Electricity Distribution Company Limited (MSEDCL) , Union territory of Dadar Nagar Haveli (DNH) and Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) in terms of power purchase agreements and filed Petition with Central Electricity Regulatory Commission (CERC). The claim for compensation for various change in law events includes compensation for additional Coal cost pass through on account of shortage of linkage coal.

CERC in its Order dated 01.02.2017 for MSEDCL and DNH disallowed the Company's claim on coal cost pass through stating that changes in fuel supply agreement and deviation in New Coal Distribution Policy was not change in law event. The Company had filed appeal with Appellate Tribunal for Electricity (APTEL) against the CERC Order

Hon'ble Supreme Court on April 11, 2017 in Energy watchdog vs CERC and Ors , concluded in its Order that deviation in NCDP policy would constitute to change in law event.

Subsequent to the same on 16th March 2018 CERC in the Case of TANGEDCO , respectfully following the Supreme Court judgment held deviation in NCDP as change in law event and allowed the Company's claim of Coal Cost Pass through along with the methodology for computation of the revenue



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The Company during the quarter on August 14, 2018 has received a favorable Order from APTEL directing CERC to allow the company's claim on CPT

The Company in view of the Supreme court Order and CERC order in its own case has sought legal opinion from the legal counsel on certainty of the claim in MSEDCL and DNH matter considering the CERC judgment for TANGEDCO. Considering opinion received from legal counsels that the Company has good tenable case with virtual certainty with respect to coal cost pass through and favorable Order from APTEL dated August 14, 2018 and CERC judgment in Company's own case for TANGEDCO where the computation methodology of Coal cost Pass Through was decided, the management of the Company is virtually certain of the receipt of the Company's claim of revenue on coal cost pass through and is of the opinion that no contingency involved in this regard. In view of the same and as per the expert opinion received, the Company during the half year ended September 30, 2018 has continued to recognize the revenue related to coal cost pass through claim amounting to Rs.106.02 Million (Rs. Nil for the corresponding previous period) aggregating to Rs.1,083.92 million up to September 30, 2018 relating to scheduling of power to DNH and MSEDCL under respective PPA

6 Ratios given above are based on the financials drawn as per Indian Accounting Standard (Ind AS) and adjustment thereon in terms of recognition and measurement principles.

DSCR represents profit / loss from operations before finance costs, exceptional items and tax expenses / finance costs plus principal repayment of loan funds during the year.

ISCR represents Earnings before exceptional & extra ordinary items, interest expense, taxes, depreciation and amortization / Interest costs.

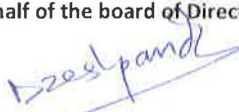
7 Paid up debt capital represents outstanding non convertible debentures issued by the Company.

8 The Company has created Debenture Redemption Reserve of Rs. 187.50 Million as per the provisions of Section 71 of the Companies Act, 2013.

9 The classification / disclosure of items in the statements are in accordance with the Schedule III of the Companies Act, 2013.

10 Figures pertaining to the previous periods/year have been regrouped, reclassified and restated, wherever necessary to conform to classification adopted in the current periods/ year.

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



Dhananjay Deshpande
Whole Time Director
DIN : 07663196



Ashish Deshpande
Chief Financial Officer
Mem no. - 110081



Place: New Delhi

Date : October 16, 2018



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
CARE	January 12, 2018 to January 12, 2019	BB

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
		25-Sep-18


The next repayment date for interest on NCD is March 25, 2019.

3 Outstanding Redeemable Preference Shares as on Sept 30, 2018

Type	Redeemable Non Convertible non participating preference shares
Quantity	75,000,000
Value	750,000,000
Face value of Shares	Rs. 10/-

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


Dhananjay Deshpande
Whole Time Director
DIN : 07663196


Ashish Deshpande
Chief Financial Officer
Mem no. - 110081



Place: New Delhi
Date : October 16, 2018



GMR Warora Energy Limited
CIN :U40100MH2005PLC155140
Balance Sheet as at September 30, 2018

Particulars	Rs in Millions	
	Sept 30, 2018	31-Mar-18
ASSETS		
Non-current assets		
Property, Plant and Equipment	32,966.71	32,974.54
Capital work in progress	351.11	509.32
Intangible assets	6.62	6.16
Financial assets		
Investments	-	-
Loans	19.47	19.41
Other financial assets	-	-
Income tax assets (Net)	27.54	26.04
Other non-current assets	170.98	161.90
	33,542.43	33,697.37
Current assets		
Inventories	393.73	656.72
Financial assets		
Investments	-	-
Trade Receivables	3,211.05	3,943.91
Cash and Cash Equivalents	607.88	62.18
Bank balances other than above	252.61	310.50
Loans	47.69	48.91
Other financial assets	1,764.21	1,808.49
Other current assets	480.17	606.71
	6,757.34	7,437.42
TOTAL ASSETS	40,299.77	41,134.79
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	8,700.00	8,700.00
Other equity	-5,594.31	-5,708.40
Total Equity	3,105.69	2,991.60
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
Borrowings	29,147.44	30,026.49
Other financial liabilities	4.84	4.84
Provisions	50.55	53.42
	29,202.83	30,084.75
Current liabilities		
Financial Liabilities		
Borrowings	2,906.89	2,729.47
Trade payables	1,722.09	2,356.94
Other financial liabilities	2,955.10	2,821.08
Other current liabilities	274.87	42.06
Provisions	132.30	108.89
	7,991.25	8,058.44
Total liabilities	37,194.08	38,143.19
TOTAL EQUITY AND LIABILITIES	40,299.77	41,134.79

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

Dhananjay Deshpande
Whole Time Director
DIN : 07663196

Ashish Deshpande
Chief Financial Officer
Mem no. - 110081



Place: New Delhi
Date : October 16, 2018

GMR Warora Energy Limited

CIN : U40100MH2005PLC155140

Statement of profit and loss for the year ended Sept 30, 2018

Particulars	Notes	Rs in Millions		
		Sept 30, 2018	Sept 30, 2017	March 31, 2018
INCOME				
Revenue from operations	20	8,393.35	7,567.07	17,706.70
Other income	21	211.27	142.85	180.13
Total income		8,604.62	7,709.92	17,886.83
EXPENSES				
Cost of fuel consumed	22	4,290.07	3,576.24	7,567.72
Purchase of Stock in Trade	23	412.58	332.26	1,110.79
Employee benefit expenses	24	243.63	249.31	533.07
Depreciation and amortization expen:	25	583.34	620.05	1,219.15
Finance costs	26	2,088.52	2,059.21	4,192.86
Other expenses	27	873.65	633.73	1,336.57
Total Expenses		8,491.79	7,470.80	15,960.16
Profit before tax		112.83	239.12	1,926.67
Tax Expense				
Current tax	16	-	-	-
Deferred tax	16	(0.42)	0.24	(0.74)
Income tax expense		(0.42)	0.24	-0.74
Profit for the year		113.25	238.88	1,927.41
Net other comprehensive income to be reclassified to profit or loss in subsequent periods				
Items that will not be reclassified to profit or loss				
Re-measurement gains (losses) on defined benefit		1.26	-0.70	2.23
Income tax effect		(0.42)	0.24	(0.74)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		0.84	-0.46	1.49
Total Other comprehensive income for		0.84	-0.46	1.49
Total Comprehensive income for the		114.09	238.42	1,928.90

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of Board of Directors
GMR Warora Energy LimitedDhananjay Deshpande
Whole Time Director
DIN : 07663196Ashish Deshpande
Chief Financial Officer
MN : 110081Place : New Delhi
Date : October 16, 2018

Limited review report on half yearly unaudited financial Results of GMR Warora Energy Limited pursuant to the Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To the Board of Directors of 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, 2018 ('the Statement)', being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time ("Listing Regulations"). This statement is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on these unaudited financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (Ind AS) and other recognized accounting practice and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015, as amended from time to time, including the manner in which it is to be disclosed or that it contains any material misstatement.
4. We draw attention to
 - a. We draw attention to Note No. 3 to the accompanying statement of unaudited financial results for the half year ended September 30, 2018, regarding recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited (MSEDCL). The Company pursuant to Appellate Tribunal for Electricity (APTEL) Order ("The Order") dated May 08, 2015 has raised invoices towards reimbursement of transmission charges from the initial date of scheduling the power. The Company in terms of the said Order, has accounted for the reimbursement of transmission charges of Rs. 425.61 Million relating to the half year September 30, 2018 (Rs. 442.32 million for corresponding previous year), as reduction from transmission expenses as followed in the earlier years and Rs. 3,535.99 million cumulative till September 30, 2018 , based on the reasons stated therein the note and opinion from legal counsel stating that the Company has good tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Honorable Supreme Court of India.



- b. Note No. 5 to the accompanying statement of unaudited financial results for the half year ended September 30, 2018, regarding recognition of income relating to claims on coal cost pass through which are pending confirmation from Central Electricity Regulatory Commission (CERC) in case of power purchase agreement with Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Union territory of Dadar Nagar Haveli (DNH) [together referred as Customers] in view of favorable Order from APTEL on August 14, 2018, Supreme Court Judgement as referred to in the note and CERC Order in case of TANGDECO. Considering opinion received from legal counsels that the Company has good tenable case with virtual certainty with respect to coal cost pass through and CERC judgment in Company's own case for TANGDECO where the computation methodology of Coal Pass Through was decided, the management of the Company is virtually certain of receipt of revenue on coal cost pass through and has recognized during the half year ended September 30, 2018, the income of Rs. 106.02 million (Rs. Nil for corresponding previous year half year) and Rs.1,083.92 million up to September 30, 2018 from the date of scheduling of power to DNH and MSEDCL under PPA.

Our review report is not modified in respect of the above matters

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W


Chandan Lala
Partner
Membership Number: 035671



Place : Mumbai
Date : October 16, 2018