

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GMR WARORA ENERGY LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **GMR WARORA ENERGY LIMITED** (Formerly EMCO Energy Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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.

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-2-

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 3.36 (a) of the Ind AS financial statement for the year ended March 31, 2017, 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. 923.07 Million relating to the Current year as reduction from transmission expenses as well as for the earlier years, based on the reasons stated therein the note and legal 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 the Supreme Court of India. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:

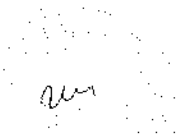
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- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a. the Company has disclosed the impact of pending litigations on its financial position to the extent quantifiable in the Ind AS financial statements – Refer Note 3.41 to the Ind AS financial statements;
 - b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses ;
 - c. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and

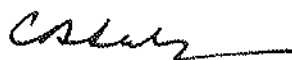
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- d. The Company has provided requisite disclosures in the Ind AS financial statement as to the holdings as well as dealings in Specified Bank Notes(SBN) during the period from November 8, 2016 to December 30, 2016. Reference is drawn to Note no 3.46 to the Ind AS financial statement, wherein permitted receipts in specified bank notes includes an amount of Rs. 1,65,000/- pertaining to advance returned by the employees. Based on our audit procedures and relying on the management representations regarding the holding and nature of cash transactions, including SBNs, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

for CHATURVEDI & SHAH
Chartered Accountants
Firm Registration Number : 101720W


Chandan Lala
Partner
Membership Number: 35671

Place: Mumbai
Date: April 26, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

In terms of the Annexure A referred to in our report to the members of the **GMR WARORA ENERGY LIMITED** (Formerly EMCO Energy Limited) ("the Company") on the Ind AS financial statements for the year ended March 31, 2017, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, considerable amount of fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following :

Amount in Millions				
Total No. of cases	Leasehold / Freehold	Gross Block as at March 31, 2017	Net Block as at March 31, 2017	Remarks, if any
1	Freehold	8.90	8.90	Refer Note (a) below
2	Leasehold	8.02	7.81	Refer Note (b) below

(a) the freehold land admeasuring to 9.78 acres capitalized during the year based on Agreement to sell.

(b) the Leasehold land for railway siding capitalized during the year admeasuring to 33.01 acres wherein lease deed with Maharashtra Industrial Development Corporation is in the name of GMR Energy Limited (the Holding Company)

- ii) The inventory, except for the inventory lying with the third party, has been physically verified by the management at regular intervals and in our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.



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-2-

- iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 189 of the Act. Consequently requirements of Clauses 3(ii)(a) and (b) of the order are not applicable to the Company.
- iv) As per the information and explanation given to us, the Company has not given any loans, investments, guarantees, security to the parties covered under section 185. Further, the Company is an infrastructure Company and accordingly section 186 is not applicable. Consequently requirement of Clauses 3(iv) of the order is not applicable to the Company.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public. Accordingly, provision of Clause 3(v) of the Order is not applicable to the Company. There are no orders from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi) We have broadly reviewed the books of account maintained by the company, pursuant to the Rules made by the Central Government of India, for the maintenance of cost records as prescribed under sub-section (1) of section 148 of the Act and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

According to the information and explanations given to us, no undisputed statutory dues were outstanding for a period of more than six months, as on the last day of the financial year.

- b) According to the information and explanations given to us, there are no dues of service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute except the following:

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Name of the Statute	Nature of Dues	Year to which it pertains	Amount Payable (Rs in Millions)	Remarks
Income tax Act, 1961	Short deduction of TDS.	FY 2013-14	0.03	Appeal filed before CIT (A)
Service Tax	Service tax demand	FY 2009-10	0.45	Response is filed before Assistant Commissioner of Service tax and the same is pending for hearing.

- viii) According to the information and explanation given to us and records of the Company, the Company has defaulted in repayment of loans or borrowing to banks. The lender wise details is as given below :

Particulars	Amount of Default as at Balance sheet date (Rs in Millions)	Period of default
From Banks :		
- Union Bank of India	55.58	January to March 2017
- Bank of Baroda	22.75	--do--
- Andhra Bank	11.25	--do--
- United Bank of India	35.91	--do--
- Oriental bank of commerce	12.57	--do--
- Punjab and Sindh Bank	16.26	--do--
- UCO Bank	30.54	--do--
- State Bank of India	135.00	--do--
- Corporation Bank	30.35	--do--
Total	350.21	

The Company did not have any outstanding dues in respect of a debenture holder during the year. Further, the Company has not taken any loans from Government.

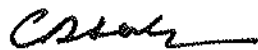
- ix) According to the information and explanation given to us and records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Further, in our opinion and according to the information and explanation given to us, on an overall basis, the term loans taken from banks has been applied for the purpose for which it was obtained.

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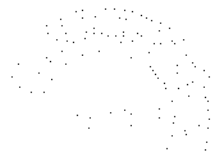
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- x) During the course of examination of books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across with any material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the Management.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the adequate approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the 1st AS financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company, during the year has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

for CHATURVEDI & SHAH
Chartered Accountants
Firm Registration Number : 101720W



Chandan Lala
Partner
Membership Number: 35671



Place: Mumbai
Date: April 26, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **GMR WARORA ENERGY LIMITED** (Formerly EMCO Energy Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

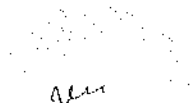
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for CHATURVEDI & SHAH

Chartered Accountants

Firm Registration Number : 101720W



Chandan Lala

Partner

Membership Number: 35671

Place: Mumbai

Date: April 26, 2017

Rs in Millions

Particulars	Notes	March 31, 2017	March 31, 2016	April 01, 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	3.10	33,111.82	34,401.67	35,771.80
Capital work in progress	3.10	982.28	449.59	165.97
Intangible assets	3.11	6.74	1.64	2.73
Financial assets				
Investments	3.12	-	-	-
Loans	3.13	1,041.45	1,306.30	33.13
Other financial assets	3.14	163.11	161.10	11.10
Income tax assets (Net)		24.11	10.59	3.53
Other non-current assets	3.15	229.23	274.15	230.00
		35,558.74	36,605.04	36,218.26
Current assets				
Inventories	3.16	692.59	1,012.49	340.54
Financial assets				
Trade Receivables	3.17	3,109.64	1,176.50	593.24
Cash and Cash Equivalents	3.18	92.15	21.68	154.33
Bank balances other than above	3.18	131.52	159.85	488.28
Loans	3.13	43.16	88.77	52.05
Other financial assets	3.14	1,853.73	1,786.60	986.70
Other current assets	3.15	579.60	547.62	404.37
		6,502.39	4,293.51	3,019.51
TOTAL ASSETS		42,061.13	41,398.55	39,237.77
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	3.19	8,700.00	8,700.00	4,350.00
Other equity	3.20	-7,637.30	-9,064.07	-4,446.93
Total Equity		1,062.70	-364.07	-96.93
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	3.21	31,717.54	33,509.70	30,242.12
Other financial liabilities	3.22	-	323.04	606.29
Provisions	3.23	45.13	66.76	61.93
Deferred tax liability (net)	3.24	-	-	-
		31,762.67	33,899.50	30,910.34
Current liabilities				
Financial Liabilities				
Borrowings	3.25	2,704.80	2,378.87	2,272.81
Trade payables	3.26	1,603.92	2,155.91	2,317.07
Other financial liabilities	3.22	4,557.69	2,717.37	3,323.19
Other current liabilities	3.27	254.82	527.53	437.84
Provisions	3.23	114.53	78.23	68.24
Current tax liability (Net)		-	5.21	5.21
		9,235.76	7,863.12	8,424.36
Total liabilities		40,998.43	41,762.62	39,334.70
TOTAL EQUITY AND LIABILITIES		42,061.13	41,398.55	39,237.77

Significant accounting policies

1

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

As per our report of even date attached
For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.: 101720W

Chandan Lala
Partner
Membership no.: 35671



Place : Mumbai
Date : April 26, 2017

For and on behalf of Board of Directors
GMR Warora Energy Limited

G B S Raju
Managing Director
(DIN: 00061686)

Ashish Deshpande
Chief Financial Officer
MN : 110081

Place : New Delhi
Date : April 26, 2017

Dhananjay Deshpande
Whole time Director
(DIN: 07663196)

Sanjay Kumar Babu
Company Secretary
MN : A-16487



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)
CIN : U40100MH2005PLC155140
Statement of profit and loss for the year ended March 31, 2017

Particulars	Notes	Rs in Millions	
		March 31, 2017	March 31, 2016
INCOME			
Revenue from operations	3.28	16,766.38	13,676.62
Other income	3.29	400.41	161.68
Total income		17,166.79	13,838.30
EXPENSES			
Cost of Material consumed	3.30	7,169.93	7,833.42
Purchase of Stock in Trade	3.31	540.86	17.60
Employee benefit expenses	3.32	437.10	342.70
Depreciation and amortisation expenses	3.33	1,213.32	1,663.44
Finance costs	3.34	4,929.32	4,702.73
Other expenses	3.35	1,445.35	1,474.87
Total Expenses		15,735.88	16,034.76
Profit/(loss) before exceptional items and tax		1,430.91	-2,196.46
Exceptional income	3.36	-	514.19
Profit/(loss) before and tax		1,430.91	-1,682.27
Tax Expense			
Current tax	3.24	-	-
Deferred tax	3.24	1.37	970.27
Income tax expense		1.37	970.27
Profit/(loss) for the year		1,429.54	-2,652.54
OTHER COMPREHENSIVE INCOME			
Items that will be reclassified to profit or loss in subsequent periods:			
		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		-4.14	-0.35
Income tax effect		1.37	0.12
		-2.77	-0.23
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-2.77	-0.23
Total Comprehensive income for the year		1,426.77	-2,652.77
Earnings per Equity Share			
Equity Shares of par value Rs 10/- each			
Basic (Rs)	3.40	1.64	-5.98
Diluted (Rs)	3.40	1.64	-5.98
Weighted average shares used in computing earnings per equity share			
Basic		8700,00,000	4433,19,672
Diluted		8700,00,000	4433,19,672

Significant accounting policies

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

As per our report of even date attached


For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.: 101720W




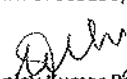
Chandan Lala
Partner
Membership no.: 35671

For and on behalf of Board of Directors
GMR Warora Energy Limited


G B S Raju
Managing Director
(DIN: 00061686)


Dhananjay Deshpande
Whole-time Director
(DIN: 07663196)


Ashish Deshpande
Chief Financial Officer
MN : 110081


Sanjay Kumar Babu
Company Secretary
MN : A-16487

Place : Mumbai
Date : April 26, 2017



Place : New Delhi
Date : April 26, 2017



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)
CIN :U40100MH2005PLC155140
Statement of Cash flows for the year ended March 31, 2017

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
A) Cash Flows from Operating Activities		
Profit /(loss) before tax	1,430.91	-1,682.27
Adjustment for:		
Depreciation and amortization expenses	1,213.32	1,663.44
Finance Cost	4,787.26	4,608.48
Interest income on bank deposits	-19.10	-26.78
Interest income on ICD	-205.16	-59.49
Loss on disposal of asset	-	0.02
Provision for doubtful debts	40.49	6.60
Forex fluctuation on recognition of financial income	0.18	-2.23
Remeasurement of Net defined obligation	-4.14	-0.35
Provision for Prompt payment rebate	-0.75	0.91
profit on sale of asset	-0.05	-
Loss / (Profit) on sale of investment	-	-0.48
Cash Flow before changes in working capital	7,242.96	4,507.85
Adjustments for changes in working capital:		
(Increase) / Decrease in Inventories	319.90	-671.95
(Increase)/ Decrease in Trade and Other Receivables	-2,031.37	-1,746.07
(Decrease) / Increase in trade and other payables	-982.76	-165.93
Cash generated from operations	4,548.73	1,923.90
Direct taxes paid / (refund)	-18.73	-7.06
Net cash used / in from operating activities	4,530.00	1,916.84
B) Cash Flows from / (used in) Investing Activities		
Purchase of Property, Plant and Equipment	-190.15	-260.16
Decrease/ (Increase) in capital work in progress including capital advances	-374.30	-221.57
Increase /(decrease) in balances with banks	28.33	178.43
Increase / (Decrease) in Inter corporate loans to group companies	263.35	-1,280.00
Income from investment	-	0.48
Interest received on Bank deposit	232.63	34.85
Net cash used / in from investing activities	-40.14	-1,547.97
C) Cash Flows from / (used in) Financing Activities		
Non-current liabilities		
Issue from proceeds of preference share	-	750.00
Proceeds / (repayment) of rupee term loan	-1,037.17	3,027.61
Proceeds from short term loan	325.93	893.06
Proceeds / (repayment) of intercorporate deposit related party	-	-787.00
Interest charges paid	-3,708.15	-4,385.19
Net Cash Flow from / (used in) in Financing Activities	-4,419.39	-501.52
D) Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C]	70.47	-132.65
Cash and Cash Equivalents at beginning of the year	21.68	154.33
Cash and Cash Equivalents at end of the year	92.15	21.68

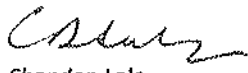
The accompanying notes form an integral part of the standalone financial statements.

Notes:

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.
- 2 The previous year figures have been regrouped, rearranged and reclassified wherever necessary.



As per our report of even date attached
For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.: 101720W



Chandan Lala
Partner
Membership no.: 35671



Place : Mumbai
Date : April 26, 2017

For and on behalf of Board of Directors
GMR Warora Energy Limited

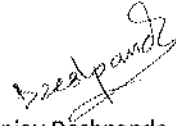


G B S Raju
Managing Director
(DIN: 00061686)



Ashish Deshpande
Chief Financial Officer
MN : 110081

Place : New Delhi
Date : 26th April 2017



Dhananjay Deshpande
Whole time Director
(DIN: 07663196)



Sanjay Kumar Babu
Company Secretary
MN : A-16487

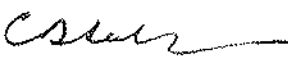


Particulars	Equity Share capital	Other Equity					Total Equity attributable to equity holders of the Company
		Equity component of Related Party Loans	Equity component of Preference shares	Reserves & Surplus		Other Comprehensive Income	
				Retained Earnings	Debenture Redemption Reserve	Other	
Balance as at April 01, 2015	4,350.00	3,252.63	-	-7,699.56	-	-96.93	
Changes in equity for the year ended March 31, 2016							
Issue of Equity shares	4,350.00					4,350.00	
Remeasurement of the net defined benefit liability net of tax effect						-0.23	
Profit/ (Loss) for the year				-2,652.54		-2,652.54	
Equity component of Debenture on early Redemption of Debenture from Holding Company		-2,403.00				-2,403.00	
Equity component of Preference share by Holding company, net of tax effect			438.63			438.63	
Balance as at March 31, 2016	8,700.00	849.63	438.63	-10,352.10	-	-0.23	
Changes in equity for the year ended March 31, 2017							
Transfer to Debenture Redemption Reserve				187.50	-187.50	-	
Remeasurement of the net defined benefit liability net of tax effect						-2.77	
Profit/ (Loss) for the year				1,429.54		1,429.54	
Balance as at March 31, 2017	8,700.00	849.63	438.63	-8,735.06	-187.50	-3.00	

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

As per our report of even date attached


For Chaturvedi & Shah
 Chartered Accountants
 Firm Registration No.: 101720W



 Chandan Lala
 Partner
 Membership no.: 35671



Place : Mumbai
 Date : April 26, 2017

For and on behalf of Board of
 GMR Warora Energy Limited

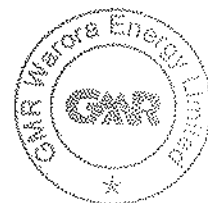

 G B S Raju
 Managing Director
 (DIN: 00061686)


 Ashish Deshpande
 Chief Financial Officer
 MN : 110081

Place : New Delhi
 Date : April 26, 2017


 Dhananjay Deshpande
 Whole time Director
 (DIN: 07663196)


 Sanjay Kumar Babu
 Company Secretary
 MN : A-16487



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN :U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

1.1 Company overview:

GMR Warora Energy Limited ('the Company') (Formerly known as EMCO Energy Limited) is engaged in the business of generation and sale of power. The Company has entered in to power purchase agreement (PPA) with three state utility boards for supply of power from company's 600 MW thermal power plant situated at Warora taluka, Chandrapur district in Maharashtra state.

Information on other related party relationships of the Company is provided in Note no. 3.45.

The Ind AS financial statements of the Company for the year ended March 31, 2017 were authorised for issue in accordance with a resolution of the directors on April 26, 2017.

1.2 Significant Accounting Policies

a) Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values (refer accounting policy regarding financial instruments), the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. These financial statements are called "Ind AS Financial Statements".

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Company has prepared Ind AS financial statements for the first time for the year ended March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies on a going concern basis. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.

The standalone Ind AS financial statements are presented in INR and all values are disclosed to the nearest Millions (INR 000,000.00), except when otherwise indicated.

b) Summary of significant accounting policies

i) Use of estimates

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

QW



GMR Warora Energy Limited
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CIN :U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

iii) Property, Plant & Equipments:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost including government grants and decommissioning costs less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties, levies. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP in terms of paragraphs D7AA & D13AA of Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' and use that carrying value as the deemed cost of the property, plant and equipment after making adjustments for decommissioning liability (paragraph D21 of Ind AS 101), transaction cost of long term borrowings and Government grants as per Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 5 (Revised).

Depreciation and amortisation

In respect of thermal power plant, the Company has estimated 40 years as the useful life of the plant as per technical evaluation and accordingly provided depreciation over the remaining useful life of the asset using Straight Line Method w.e.f April 1, 2016 in terms of the requirement of Schedule II of Companies Act 2013.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Type	Estimated useful life (in years)
Buildings	30
Roads	3
Plant & Machinery - Thermal plant *	40
Plant & Machinery - General	15
Office equipments	5
Furniture & Fixtures	10
Electrical Equipments	10
Computer equipments	3
Motor cycles	8
Motor Cars	8
Railway Siding	25
Locomotive	15
Earthmoving equipment	9

* - Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

Leasehold land from Government Authorities are amortised over the lease period in terms of lease deed.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Machinery spares which are specific to a particular item of Property, Plant & Equipments and whose use is expected to be irregular are capitalized as Property, Plant & Equipments.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

W



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN :U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

iv) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Software licences	Definite (6 years)	Straight-line basis over the license period	Acquired

v) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

vi) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, the cost of the asset shown at gross value and grant there on is treated as capital grant which is recognised as income in the statement of profit and loss over the period and proportion in which depreciation is charged. Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

vii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee :

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

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GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN : U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor :

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, unless either:

- a. another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lands obtained on leases, where there is no reasonable certainty that the Company will obtain ownership by the end of the lease term shall generally be classified as finance leases. The minimum lease payments include upfront premium paid plus any annual recurring lease rental which is amortized over the lease term.

viii) Inventories

inventories are valued as follows:

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes all applicable costs in bringing goods to their present locations and condition

ix) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units' (CGUs) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

AM



GMR Warora Energy Limited
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CIN :U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of twenty to twenty five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the twenty fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives (if available) are tested for impairment annually as at December 31st at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

x) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xi) Decommissioning liability

The Company records a provision for decommissioning costs on power plant projects, where decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax risk free rate. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset

GM



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN :U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

xii) Retirement and other Employee Benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Retirement benefit in the form of provident fund, pension fund, superannuation fund etc. are defined contribution scheme. The Company has no obligation, other than the contribution payable.

The Company recognizes contribution payable as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The company presents the accumulated leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Gratuity is a defined benefit scheme. The cost of providing benefits under the scheme is determined on the basis of actuarial valuation under projected unit credit (PUC) method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a. The date of the plan amendment or curtailment, and
- b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b. Net interest expense or income

xiii) Financial Instruments - Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

WS



GMR Warora Energy Limited
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CIN : U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a. Debt instruments at amortised cost
- b. Debt instruments at fair value through other comprehensive income (FVTOCI)
- c. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- d. Equity instruments measured at fair value through other comprehensive Income (FVTOCI)

Debt instruments at amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After Initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

2/6



GMR Warora Energy Limited
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1 Company Overview and Significant Accounting Policies:

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on;

- a) Trade receivables or contract revenue receivables; and
- b) All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

265



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN : U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

xiv) Financial Instruments - Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

22



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN : U40300MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss : Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings : This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

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GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN : U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

xv) Revenue Recognition

- a) Revenue from energy units sold is recognised on accrual basis as per the terms of the Power Purchase Agreement (PPA) and Letter of Intent (LOI) [collectively hereinafter referred to as 'the PPAs'] . Revenue includes unbilled revenue accrued up to the end of the accounting year.

Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to the customers based on the units of energy delivered and rates agreed with customers.

- b) Revenue from sale of infirm power are recognised as per the guidelines of Central Electricity Regulatory Commission. Revenue prior to date of commercial operation are reduced from Project cost.
- c) Revenue/charges from Unscheduled Interchange for the deviation in generation with respect to scheduled units are recognized/ charged at rate notified by CERC from time to time, are adjusted to revenue from sale of energy.
- d) Revenue earned in excess of billings has been included under "other assets" as unbilled revenue and billings in excess of revenue have been disclosed under "other liabilities" as unearned revenue.
- e) Revenue from sale of power is net of prompt payment rebate eligible to the customers.
- f) Claims for delayed payment charges and any other claims, which the Company is entitled to under the PPAs, are accounted for in the year of acceptance by the customers. Similarly Commission, liquidated damages and any other charges are accounted for in the year of acceptance.
- g) Interest is recognized using the time proportion method based on rates implicit in the transaction. Dividend income is accounted for in the year in which the right to receive the same is established by the reporting date.

24



GMR Warora Energy Limited
{Formerly known as EMCO Energy Limited}

CIN :U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

xvi) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

xvii) Foreign currencies

The financial statements are presented in INR, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

xviii) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

WS



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN :U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management after discussion. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every five years. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- a) Disclosures for valuation methods, significant estimates and assumptions
- b) Contingent consideration
- c) Quantitative disclosures of fair value measurement hierarchy
- d) Investment in unquoted equity shares (discontinued operations)
- e) Property, plant and equipment under revaluation model
- f) Investment properties
- g) Financial instruments (including those carried at amortised cost)
- h) Non-cash distribution

xix) Taxes on income

Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

WS



1 Company Overview and Significant Accounting Policies:

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

xx) Sales Tax

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

MS



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN :U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

xxi) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

xxii) Key accounting estimates and judgments

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Critical Accounting Estimates and Assumptions :

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below :

a) Income Taxes

The Company's operates only in India and accordingly its tax jurisdiction is India. Significant judgments are involved in determining the provision for Income Taxes. Also Refer Note No. 3.24.

b) Property Plant and Equipment and Other intangible Assets :

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired/ constructed and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence and Government Policies impacting the assets use.

c) Impairment Testing :

The Company tests its property plant and equipment on an annual basis and whenever there is an indication that the recoverable amount of the Property Plant and Equipment is less than its carrying amount based on number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of the Property Plant and Equipment is determined based on higher of value-in-use fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include long term growth rates, weighted average cost of capital and estimated operating margins. Cash Flow Projections take into account past experience and represent management's best estimate about future developments.



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)

CIN : U40100MH2005PLC155140

1 Company Overview and Significant Accounting Policies:

d) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post - employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India being the country in which Company operates. Those mortality tables tend to change only at the interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India.

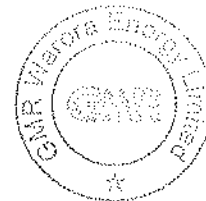
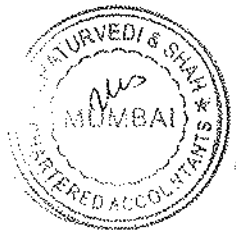
Further details about gratuity obligations are given in note no. 3.42 (b)

e) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

f) Fair Value Measurement of financial instruments :

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. See Note 3.38 & 3.39.



2 First Time Adoption of Ind AS 101

The Company has prepared these financial statements in accordance with Ind AS for the first time, for the year ended March 31, 2017 with comparative figures of the previous year. For periods up to and including the year ended March 31, 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company, accordingly has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at April 1, 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016 and March 31, 2017.

Exemptions applied:-

I Mandatory exceptions:

Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS, as of March 31, 2016.

Derecognition of financial assets and financial liabilities

The company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

II Classification and measurement of financial assets

Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind ASs, the Company has determined that there significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognized a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized (unless that financial instrument is low credit risk at a reporting date).

Optional ex . mptions:

Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets)

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PPE and intangible assets as recognized in its Indian GAAP financial as deemed cost at the transition date after making necessary adjustments for de-commissioning liabilities.

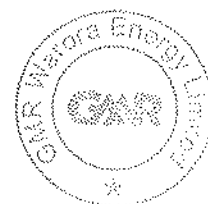
Provision for decommissioning liability

The company while computing the decommissioning liability as at the date of transition to Ind AS has assumed that the same liability (adjusted only for the time value of money) existed when the asset was first constructed. The company has not estimated what provision would have been calculated at earlier reporting dates.

Long Term Foreign Currency Monetary Items: (Long term foreign currency borrowings)

The Company has elected to continue policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in financial statements for period ending immediately before beginning of first Ind AS financial reporting period as per previous GAAP.

9/15



Balance sheet as at April 1, 2015 - Ind AS

2.01 Reconciliation of equity as previously reported under IGAAP to IND AS

Particulars	Rs in Millions					
	Balance sheet as at April 01, 2015			Balance sheet as at March 31, 2016		
	IGAAP	Effect of Transition to IND AS	Ind AS	IGAAP	Effect of Transition to IND AS	Ind AS
ASSETS						
Non-current assets						
Property, Plant and Equipment	35,676.72	95.08	35,771.80	34,096.10	305.57	34,401.67
Capital work in progress	14.31	151.66	165.97	29.93	419.66	449.59
Intangible assets	2.73	-	2.73	1.64	-	1.64
Financial assets:						
Loans	99.36	-66.23	33.13	1,381.30	-75.00	1,306.30
Other financial assets	11.10	-	11.10	161.10	-	161.10
Income tax assets (Net)	-	3.53	3.53	5.38	5.21	10.59
Other non-current assets	315.43	-85.43	230.00	618.81	-344.66	274.15
Total Non Current Assets	36,119.65	98.61	36,218.26	36,294.26	310.78	36,605.04
Current assets						
Inventories	381.25	-40.71	340.54	1,276.34	-263.85	1,012.49
Financial assets :						
Investments						
Trade Receivables	593.24	-	593.24	1,176.50	-	1,176.50
Cash and Cash Equivalents	154.33	-	154.33	21.68	-	21.68
Bank balances other than above	488.28	-	488.28	159.85	-	159.85
Loans	52.05	-	52.05	88.77	-	88.77
Other current financial assets	986.70	-	986.70	1,786.60	-	1,786.60
Other current assets	363.75	40.61	404.37	543.72	3.90	547.62
Total Current Assets	3,019.61	-0.10	3,019.51	5,053.46	-259.95	4,793.51
TOTAL ASSETS	39,139.26	98.51	39,237.77	41,347.72	50.83	41,398.55
EQUITY AND LIABILITIES						
Equity						
Equity share capital	4,350.00	-	4,350.00	8,700.00	-	8,700.00
Preference share capital	-	-	-	750.00	-750.00	-
Other equity	-9,261.13	4,814.20	-4,446.93	-10,841.62	1,777.55	-9,064.07
Total equity	-4,911.13	4,814.20	-96.93	-1,391.62	1,027.55	-364.07
Non-current liabilities						
Financial Liabilities :						
Borrowings	34,983.49	-4,741.37	30,242.12	34,544.81	-1,035.11	33,509.70
Other financial liabilities	656.68	-50.39	606.29	342.68	-19.64	323.04
Provisions	-	61.93	61.93	-	66.76	66.76
Total Non Current Liabilities	35,640.17	-4,729.83	30,910.34	34,887.49	-987.99	33,899.50
Current liabilities						
Financial Liabilities:						
Borrowings	2,272.81	-	2,272.81	2,378.87	-	2,378.87
Trade payables	2,317.07	-	2,317.07	2,155.91	-	2,155.91
Other financial liabilities	3,324.27	-1.08	3,323.19	2,723.92	-6.55	2,717.37
Other current liabilities	437.84	-	437.84	527.53	-	527.53
Provisions	56.55	11.69	68.24	65.62	12.61	78.23
Current tax liability (Net)	1.68	3.53	5.21	-	5.21	5.21
Total Current Liabilities	8,410.22	14.14	8,424.36	7,851.85	11.27	7,863.12
TOTAL EQUITY AND LIABILITIES	39,139.26	98.51	39,237.77	41,347.72	50.83	41,398.55

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Statement of profit and loss for the year ended March 31, 2016

2.02 Reconciliation statement of Profit & loss as previously reported under IGAAP to Ind AS

Particulars	Note	Rs in Millions		
		Year ended March 31, 2016		Ind AS
		IGAAP	Effects of transition to Ind AS	
INCOME				
Revenue from operations	3.28	13,825.92	-149.30	13,676.62
Other income	3.29	159.44	2.24	161.68
Total income		13,985.36	-147.06	13,838.30
EXPENSES				
Cost of Material consumed	3.30	7,833.42	-	7,833.42
Purchase of Stock in Trade	3.31	17.60	-	17.60
Employee benefit expenses	3.32	343.05	-0.35	342.70
Depreciation and amortization expenses	3.33	1,650.80	12.64	1,663.44
Finance costs	3.34	4,611.93	90.80	4,702.73
Other expenses	3.35	1,623.24	-148.37	1,474.87
Total Expenses		16,080.04	-45.28	16,034.76
Profit/(loss) before exceptional items and tax		-2,094.68	-101.78	-2,196.46
Exceptional income	3.36	514.19	-	514.19
Profit/(loss) before tax		-1,580.49	-101.78	-1,682.27
Tax Expense				
Current tax		-	-	-
Deferred tax		-	970.27	970.27
Profit/(loss) for the year		-1,580.49	-1,072.05	-2,652.54
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified to profit or loss in subsequent periods:				
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Re-measurement gains (losses) on defined benefit plans	3.24	-	-0.35	-0.35
Income tax effect	3.24	-	0.12	0.12
		-	-0.23	-0.23
Total Other Comprehensive Income for the year (net of tax)		-	-0.23	-0.23
Total Comprehensive Income for the year		-1,580.49	-1,072.28	-2,652.77

2/3



Statement of retained earnings as at April 1, 2015 and March 31, 2016 - Ind AS

2.03 Reconciliation of retained earnings as previously reported under IGAAP to IND AS

Particulars	Rs in Millions	
Opening Retained earnings as on March 31, 2015 (as per Previous GAAP)		(9,261.13)
Ind AS Adjustments as on April 1, 2015 (transition date):		
Provision for prompt payment rebate		(11.69)
Accumulated depreciation on decommissioning cost		(10.22)
Accumulated depreciation on capital spares		(2.08)
Notional interest on Non convertible debenture , Subordinate debt		(178.77)
Reversal of excess depreciation on Leasehold Land		4.75
Adjustment to upfront fees on Borrowings using EIR Method net of amortization		102.25
Notional interest on fair valuation financial liability		50.94
Deferred tax adjustment on equity component of Subordinate debt, Non convertible bond on Ind AS transition		1,606.39
		1,561.57
Retained Earnings as on April 1, 2015 as per Ind AS		(7,699.56)
Opening Retained Earnings as on April 1, 2015 as per Ind AS		(7,699.56)
Loss for the year ended March 31, 2016 (as per Previous GAAP)		(1,580.49)
Ind AS adjustments for the year ended March 31, 2016		
Adjustment to upfront fees on Borrowings using EIR Method net of amortization	68.52	
Notional Interest Income on Security Deposits		(4.83)
Notional Interest on decommissioning liabilities		(127.49)
Notional Interest on Subordinate debt, NCD and preference shares		(2.09)
Depreciation on decommissioning liability		(16.14)
Depreciation on capital spares		5.59
Depreciation on Leasehold Land		0.23
Transfer of remeasurement differences on Defined benefit plan to OCI		(27.00)
Notional expense on fair valuation financial liability		2.23
Forex fluctuation loss on recognition of income		(0.92)
Amortization of Prepaid Rent		(101.90)
Provision for prompt payment rebate		(1,682.39)
Loss before tax as per Ind AS		(1,682.39)
Tax expense		
Current Tax		-
Deferred Tax	(970.15)	(970.15)
Loss after tax as per Ind AS		(2,652.54)
Retained Earnings as on March 31, 2016 as per Ind AS		(10,352.10)

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2.04 Notes on First-time Adoption of Indian Accounting Standards ('Ind AS')

Notes:

1 Property, plant and equipment

In accordance with paragraph D7AA of Ind AS 101, where there is no change in the functional currency on the date of transition to Ind AS, a first time adopter may elect to continue with the carrying value of all its property, plant and equipment as at the date of transition measured as per the previous GAAP and use that as its deemed cost at the date of transition after making necessary adjustments with respect to decommissioning liabilities. The company has accordingly continued to measure the all the property plant and equipment's at carrying value as its deemed cost at the transition date after making adjustment for decommissioning liability, capital spares, except for treatment of leasehold land held by company. Refer below for treatment of leasehold land.

As per paragraph D21 of Ind AS 101, the first time adopter will not need to estimate what provision would have been calculated at earlier reporting dates. Instead, the decommissioning liability is calculated at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first constructed. Accordingly, the company has made provision for decommissioning liability as at April 01, 2015 at Rs. 61.93 Million and value of plant and machinery has increased by Rs.51.71 Million as at April 01, 2015 on account of capitalization of asset retirement obligation with corresponding decrease of Rs.10.22 Million in the Retained earnings by as at April 01, 2015. The profit for the year and total equity as at March 31, 2016 decreased by Rs. 2.09 Million due to additional depreciation on asset retirement obligation capitalized and Rs. 4.83 Million for notional interest on account of time value of money on provision for decommissioning liability.

2 Leasehold land treatment

Under Indian GAAP, Initial cost of leasehold land taken from Government Authorities are amortized over the life of the plant from the date of capitalization of plant. In Ind AS, based on the terms of the lease, such lease is classified as finance lease. Land held under finance lease is depreciated from the inception date during the lease term. Such change in useful life has lead to increase in net block of land by Rs. 4.75 Million upto March 31, 2015 with a corresponding impact on other equity. Additionally there is reduction in depreciation charge for the financial year ended March 31, 2016 by Rs. 5.59 Million.

3 Capital Spares:

The Company has recognized the capital spares as PPE which meet the definition of Property, Plant and Equipment and satisfies the recognition criteria as per paragraph 7 of Ind AS 16 as on the date of transition, in addition to the continuing carrying value of PPE as per Paragraph D7AA of Ind AS 101. Accordingly the value of plant and machinery has been increased by Rs. 40.71 Million and Rs. 223.14 Million as at April 01, 2015 and as at March 31, 2016 respectively. Total equity decreased by Rs. 2.08 Million as on April 1, 2015. The profit for the year and total equity as at March 31, 2016 decreased by Rs. 16.14 Million due to additional depreciation on capital spares capitalized.

4 Borrowings from banks and financial institutions

Under Indian GAAP, transaction costs incurred in connection with borrowings are charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. Accordingly, the loan processing charges which has been charged to Statement of profit or loss has been reversed to retained earnings. Accordingly, the value of borrowing from banks and financial institutions, including current maturities have reduced by Rs. 57.09 Million and Rs. 162.66 Million as at April 1, 2015 and March 31, 2016 respectively, with corresponding increase in retained earnings by Rs. 97.70 Million as on April 1, 2015 and profit for the year ended March 31, 2016 increased by Rs.68.86 Million after considering the amortization of transaction cost at EIR method.

Upfront cost paid for borrowing which are not yet drawn by the company are treated as prepaid assets in Ind AS. This has resulted in increase in balance of prepaid assets as at March 31, 2016 by Rs. 3.90 Million (April 1, 2015 by Rs. 40.61 Million). Since the loan is not yet drawn in the year ended March 31, 2016, there is no change in the balance of prepaid asset and no further impact on shareholder's equity as at March 31, 2016.

2/13



2.04 Notes on First-time Adoption of Indian Accounting Standards ('Ind AS')

5 Transaction with related parties

The Company has taken subordinated debt (sub debt) of Rs. 1180 million from GMR Energy Limited - parent company. This sub-debt does not carry any interest of whatsoever nature and is unsecured. Under Ind AS, all financial liabilities are required to be recognized at fair value. Accordingly, the company has fair valued these sub debt under Ind AS. Difference between fair value and transaction value of the sub debt liability has been recognized as "Equity contribution from GMR Energy Limited". Such financial liabilities are classified and subsequently measured at amortized cost. Consequent to this change, the amount of sub debt liability decreased by Rs.1026.09 Million as on April 01, 2015 and accordingly equity contribution has been recognized for Rs. 1026.09 Million (net of tax Rs 686.86 Million). With the unwinding of such loans, retained earnings balance have reduced by Rs. 27.09 Million upto April 1, 2015. The profit for the year as at March 31, 2016 have also decreased by Rs. 25.03 Million.

The Company has issued non convertible debenture of Rs. 4350 million to GMR Energy Limited - parent company, which carries interest rate of 0.01%. Under Ind AS, all financial liabilities are required to be recognized at fair value. Accordingly, the company has fair valued these loans under Ind AS. Difference between fair value and transaction value of the loan has been recognized as "Equity contribution from GMR Energy Limited". Such financial liabilities are classified and subsequently measured at amortized cost. Consequent to this change, the amount of loans decreased by Rs. 3832.93 Million as on April 01, 2015 and accordingly, equity contribution has been recognized for the same amount (net of tax of Rs.2565.77 Million). With the unwinding of such loans, retained earnings balance have reduced by Rs. 151.33 Million upto April 1, 2015. The profit for the year as at March 31, 2016 have also decreased by Rs. 90.52 Million.

During 2015-16, on early redemption of Non convertible debenture, the Company derecognized equity contribution from GMR Energy Limited amounting to Rs. 3589.79 Million (net of tax Rs.2403 Million)

The Company has issued redeemable non convertible preference shares of Rs. 750 million to GMR Energy Limited - parent company, which carries 0% interest rate in 2015-16. Under Ind AS, all financial liabilities are required to be recognized at fair value. Accordingly, the company has fair valued these loans under Ind AS. Difference between fair value and transaction value of the loan has been recognized as "Equity contribution from GMR Energy Limited". Such financial liabilities are classified and subsequently measured at amortized cost. Consequent to this change, the amount of loans increased by Rs. 94.74 Million as on March 31, 2016 and accordingly, equity contribution has been recognized for the Rs. 655.26 Million (net of tax Rs.438.63 Million). With the unwinding of such loans, profit for the year as at March 31, 2016 have also decreased by Rs. 10.99 Million.

6 Taxes

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities on equity components is Rs.1,606.39 Million an its corresponding impact given to retained earnings. The company during the year ended March 31, 2016 has recognized deferred tax asset in the profit and loss of Rs.970.15 Million and under OCI of Rs.0.12 Million to the extent deferred tax liability recognized on equity.

7 Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by Rs. 0.23 Million (net of taxes) and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

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2.04 Notes on First-time Adoption of Indian Accounting Standards ('Ind AS')

8 Provision for rebate

Under Ind AS, the revenue is to be recorded at fair value. Accordingly, the Company has made provision for rebate given on prompt payments made by the customers of the company. This has led to decrease in retained earnings as on April 1, 2015 by 11.69 Million with a corresponding impact on provisions and the effect on loss for the year ended March 31, 2016 is Rs.12.60 Million with a corresponding increase in provision by Rs.12.60 Million. Under previous GAAP, rebate was accounted as expenditure, which has been netted off with revenue under Ind AS resulting in reduction of revenue for the year ended March 31, 2016 amounting to Rs. 149.30 Million, with corresponding reduction in other expenses.

9 Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

2.05 Statement of cash flow:

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

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GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)
CIN :U40100MHZ005PLC155140
Notes to the financial statements

3.10 Property, Plant and Equipment

Rs in Millions

Details	Freehold Land	Leasehold land held under Finance lease	Building	Plant and Equipments	Computer equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total	Capital Work in Progress
Gross block (at cost)										
Deemed Cost as at April 1, 2015	77.26	231.91	3,745.21	31,670.99	0.81	17.12	28.11	0.39	35,771.80	165.97
Additions	-	-	20.34	249.77	1.17	2.79	10.12	-	284.19	283.62
Disposals / Adjustments	-	-	-	-7.82	-	-	0.17	-	-7.65	-
As at March 31, 2016	77.26	231.91	3,765.55	31,928.58	1.98	19.91	38.06	0.39	36,063.64	449.59
Additions	8.90	129.09	15.91	34.46	7.02	0.37	18.47	0.37	214.59	532.69
Disposals / Adjustments	-	-	-32.89	-259.32	-	-	-	-	-292.21	-
As at March 31, 2017	86.16	361.00	3,748.57	31,703.72	9.00	20.28	56.53	0.76	35,986.02	982.28
Accumulated Depreciation										
Charge for the year	-	2.58	197.48	1,445.26	0.52	2.69	13.51	0.09	1,662.13	-
Disposals / Adjustments	-	-	-	-	-	-	0.16	-	0.16	-
As at March 31, 2016	-	2.58	197.48	1,445.26	0.52	2.69	13.35	0.09	1,661.97	-
Charge for the year	-	3.31	201.01	995.40	1.45	2.57	8.45	0.10	1,212.29	-
Disposals / Adjustments	-	-	-	-0.06	-	-	-	-	-0.06	-
As at March 31, 2017	-	5.89	398.49	2,440.60	1.97	5.26	21.80	0.19	2,874.20	-
Net block:										
As at March 31, 2016	77.26	229.33	3,568.07	30,483.32	1.46	17.22	24.71	0.30	34,401.67	449.59
As at March 31, 2017	86.16	355.11	3,350.08	29,263.12	7.03	15.02	34.73	0.57	33,111.82	982.28



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)
CIN :U40109MH2005PLC155140

Notes -

a) The Company has elected to continue with the carrying value of Property Plant and Equipment as at the date of transition in its first Ind AS Financial Statements after making necessary adjustments as per Ind AS 101, "First Time Adoption of Indian Accounting Standards" as there is no change in the functional currency on the date of transition.

Disclosure of carrying value of Property Plant and Equipment as per previous GAAP (Indian GAAP) considered as deemed cost in Ind AS financial statements on transition date :

Particulars	Rs in Millions			
	Gross Block as at April 1, 2015	Accumulated Depreciation as at April 1, 2015	Accumulated Impairment loss as at April 1, 2015	Net Block Value as per IGAAP
Freehold Land	77.26	-	-	77.26
Leasehold Land held under finance lease	244.42	17.25	-	227.17
Buildings	4,125.26	380.05	-	3,745.21
Plant and Equipments	34,435.78	2,855.13	-	31,580.65
Computers	8.23	7.42	-	0.81
Furniture and Fixtures	23.56	6.44	-	17.12
Office Equipments	47.63	19.52	-	28.11
Vehicles	0.67	0.28	-	0.39
Capital work in progress	14.31	-	-	14.31
Total	38,977.12	3,286.09	-	35,691.03
				246.74
				35,937.77

Refer footnotes to Equity reconciliation as detailed in Note 2.04

- b) **Change in estimate of useful life:** The Company during the year has undertaken technical evaluation of its plant and machinery from a technical expert and based on the same has assessed that useful life of the plant and machinery of the Company can be extended up to 40 years from the existing 25 years with effect from April 01, 2016, which is also in accordance with the provisions of Schedule II to the Companies Act, 2013. This being a change in accounting estimate, the Company has accordingly charged depreciation on net book value of plant & machinery as at April 01, 2016 on a prospective basis over the revised remaining useful life. Had there been no change in accounting estimate the Company would have charged depreciation expenses to the statement of profit and loss to the extent of Rs.1698.12 Millions as against the amount accounted of Rs. 1213.32 Millions for the year ended March 31, 2017 resulting in decrease in depreciation for the year by Rs. 484.80 Million and Rs.484.24 millions per year thereafter.
- c) Other adjustment represents decapitalisation amount on settlement with capital vendor, VAT refund and adjustment on account of Exchange differences as per AS 11 in respect of Plant & Machinery. Adjustment to Plant & Equipment includes Foreign exchange gain of Rs.11.78 Million (March 31, 2016 : Exchange loss of Rs.40.56 Million, April 01, 2015 : Exchange loss of Rs. 33.38 Million) (Refer Note no e below)
- d) Assets are owned and are used for own use, unless otherwise mentioned.
- e) Entire Fixed Asset has been offered as a security to term loan with pari passu charge to working capital and secured debenture holders as referred to in Note No. 3.21(b)
- f) Leasehold land includes amount paid as compensation to the land owners.



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)
CIN :U40300MH2005PLC155140

g) Exchange differences are capitalized as per Para D13AA of Ind AS 101 - 'First Time Adoption' availing the optional exemption that allows first time adopter to continue capitalization of exchange differences in respect of long term foreign currency monetary items recognized in the financial statement for the period ending immediately beginning of the first Ind AS financial reporting period.

h) The Company has declared commercial operation of First Phase of the project constituting the unit of 300MW on March 19,2013 and 2nd phase of the project on September 01,2013 . Accordingly the Buildings, Plant and machinery have been capitalized on that date based on the completion certificate as certified by the Technical team of the Company. Claims/ Counter claims arising out of the project related contracts including Engineering, Procurement and Construction (EPC) Contract and Non EPC contracts , on account of delays in commissioning of the project or any other reason is pending settlement / negotiations with few parties. Any adjustment on account of these parties has been / would be adjusted to the cost of fixed asset.

i) The Company during the year has capitalized free hold land based on agreement to sell pending registered sale deed.

j) The Company has capitalised borrowing cost incurred during the year in relation to construction of weir and township amounting to Rs. 83.44 Million (March 31, 2016: Rs. Nil and April 01, 2015 : Nil) at capitalisation rate of 12.23%(March 31, 2016 and April 01, 2015 : Nil)

k) **Leasehold land held under finance lease:** The Company has been allotted lands under lease with a term of 95 years with a initial payment equivalent to the fair value of the land. The Company further has to pay fixed nominal amount of annual ground rent during the lease tenure. The lease can be further renewed for a further period of 15 years. The Company as per Ind AS 17, "Leases" r.w Para D9 of Ind AS 101, "First time Adoption of Indian Accounting Standards" and in terms of Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin No. 7 has assessed whether the terms of the lease in substance are finance in nature considering that the present value of minimum lease payments amounts to substantially all of the fair value of the land and the transfer of risk and rewards incidental to ownership and accordingly disclosed.



3.11 Intangible Asset

Particulars	Rs in Millions	
	Software	Total
Gross block (at cost)		
Deemed Cost as at April 1, 2015	2.73	2.73
Additions	0.22	0.22
Disposals	-	-
As at March 31, 2016	2.95	2.95
Additions	6.13	6.13
Disposals	-	-
As at March 31, 2017	9.08	9.08
Depreciation		
Charge for the year	1.31	1.31
Disposals	-	-
As at March 31, 2016	1.31	1.31
Charge for the year	1.03	1.03
Disposals	-	-
As at March 31, 2017	2.34	2.34
Net block		
As at March 31, 2016	1.64	1.64
As at March 31, 2017	6.74	6.74

Note:

- The Company has elected to continue with the carrying value of Intangible Assets as at the date of transition in its first Ind AS Financial Statements after making necessary adjustments as per Ind AS 101, "First Time Adoption of Indian Accounting Standards" as there is no change in the functional currency on the date of transition.

Disclosure of carrying value of Property Plant and Equipment as per previous GAAP (Indian GAAP) considered as deemed cost in Ind AS financial statements on transition date :

Particulars	Rs in Millions
	April 01, 2015
Computer Software	
Gross Block at April 1, 2015	6.89
Accumulated Depreciation as at April 1, 2015	(4.16)
Accumulated impairment loss as at April 1, 2015	-
Net Block Value as per iGAAP as at April 1, 2015	2.73
Ind AS Adjustment	-
Deemed Cost as at April 01, 2015	2.73

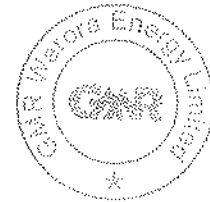


GMR Warora Energy Limited
 (Formerly known as EMCO Energy Limited)
 CIN :U40100MH2005PLC155140
 Notes to the financial statements

3.12 Investments

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Non Current Investments			
Unquoted Investments in Government securities at FVTPL			
Investments in Government securities			
National Savings Certificate	0.00	0.00	0.00
Total	0.00	0.00	0.00
Aggregate Value of unquoted investment	0.00	0.00	0.00

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Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
3.13 Loans			
Non Current			
Unsecured , considered good			
<i>Carried at amortised cost</i>			
Security Deposit			
Deposit with Governments	4.72	15.09	15.09
Deposit with Others	13.96	5.09	5.94
	<u>18.68</u>	<u>20.18</u>	<u>21.03</u>
Loans to related party			
Inter corporate deposit with Related Parties	1,016.65	1,280.00	-
Deposit with Related Parties	6.12	6.12	12.10
	<u>1,022.77</u>	<u>1,286.12</u>	<u>12.10</u>
Total (A)	<u>1,041.45</u>	<u>1,306.30</u>	<u>33.13</u>
Current :			
Unsecured , considered good			
<i>Carried at amortised cost</i>			
Security Deposit			
Deposit with related party	32.86	32.86	32.86
Deposit with Others	10.30	13.71	8.14
Other Loans			
Loans to employees	-	42.20	11.05
	<u>43.16</u>	<u>88.77</u>	<u>52.05</u>
Unsecured , considered doubtful			
Other Loans			
Loans to employees	-	34.46	27.86
	<u>-</u>	<u>34.46</u>	<u>27.86</u>
Less: Allowances for doubtful advances to employees	-	-34.46	-27.86
Total (B)	<u>43.16</u>	<u>88.77</u>	<u>52.05</u>
Total loans (A+B)	<u>1,084.61</u>	<u>1,395.07</u>	<u>85.18</u>

243



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)
CIN :U40100MH2005PLC155140
Notes to the financial statements

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
3.14 Other financial assets			
Non Current			
Unsecured, considered good			
<i>Carried at amortised cost</i>			
Bank deposit with maturity more than 12 months	161.10	161.10	11.10
Interest accrued on deposit	2.01	-	-
Total	163.11	161.10	11.10
Current			
Unsecured, considered good			
<i>Carried at amortised cost</i>			
Unbilled Revenue	1,445.49	1,407.63	975.09
Interest accrued on bank deposits	4.01	4.05	6.17
Interest accrued on ICD	43.20	53.54	-
Other Recoveries - Unbilled	147.15	187.93	-
Other Recoveries from group companies	4.79	0.25	5.44
Other Charges Recoverable	209.09	133.20	-
Total	1,853.73	1,786.60	986.70
Total other financial assets	2,016.84	1,947.70	997.80

9/15



3.15 Other assets	Rs in Millions			
	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Non Current				
Unsecured, considered good				
Capital advances		72.50	108.42	163.77
	(A)	<u>72.50</u>	<u>108.42</u>	<u>163.77</u>
Others				
Value Added tax - refund Receivable		81.73	90.73	-
Payment to vendor for supply of goods		75.00	75.00	66.23
	(B)	<u>156.73</u>	<u>165.73</u>	<u>66.23</u>
Total other Non current assets (A+B)		<u>229.23</u>	<u>274.15</u>	<u>230.00</u>
Current				
Unsecured, considered good				
Advances other than capital advances:				
Payment to vendor for supply of goods*		235.31	206.01	264.91
Payment to vendor for supply of goods - Related party		312.30	312.14	-
	(C)	<u>547.61</u>	<u>518.15</u>	<u>264.91</u>
Others				
Ancillary cost of arranging the borrowings		2.85	3.90	40.61
Prepaid Gratuity		-	-	0.77
Prepaid expenses		24.08	25.55	98.08
Government Deposit		5.06	0.02	-
	(D)	<u>31.99</u>	<u>29.47</u>	<u>139.46</u>
Total other current assets (C+D)		<u>579.60</u>	<u>547.62</u>	<u>404.37</u>
Total other assets (A+B+C+D)		<u>808.83</u>	<u>821.77</u>	<u>634.37</u>

* amount includes Rs 10.11 Millions (March 31,2016 : Rs 7.91 Millions ; April 01, 2015 : Nil) recoverable from one of the directors .

211



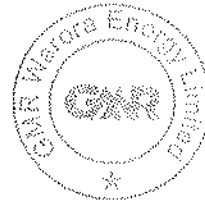
GMR Warora Energy Limited
 (Formerly known as EMCO Energy Limited)
 CIN :U40100MH2005PLC155140
 Notes to the financial statements

3.16 Inventories:	Rs in Millions		
	Particulars	March 31, 2017	March 31, 2016
Inventories (valued at lower of cost and net realizable value)			
Raw materials	312.64	752.57	190.46
Goods in Transit	78.05	62.91	10.52
Stores and spares	301.90	197.01	139.56
	692.59	1,012.49	340.54

Note:

a) Includes stock at vendor location, amounting Rs.1.06 Million (March 31,2016: 56.36 Million: April 01, 2015 : Rs. 20.57 Million)

b) Inventories are valued at lower of Cost or Net realizable value.



2110

GMR Warora Energy Limited
 (Formerly known as EMCO Energy Limited)
 CIN :U40100MH2005PLC155140
 Notes to the financial statements

3.17 Trade Receivables:	Rs in Millions			
	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Current				
Unsecured				
Considered good	3,109.64	1,176.50	593.24	
Considered doubtful	40.49	-	-	
Less: Allowances for doubtful debts	-40.49	-	-	
Total	3,109.64	1,176.50	593.24	

Note:

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

22/3



3.18 Cash and Bank balances	Rs in Millions		
	Particulars	March 31, 2017	March 31, 2016
Cash and cash equivalents			
Balances with banks:			
– On current accounts	91.77	21.43	154.15
Cash on hand	0.38	0.25	0.18
	92.15	21.68	154.33
Other bank balances			
– Deposits with original maturity for more than 3 months but less than or equal to 12 months.	-	-	67.47
– Margin money deposit	131.52	159.85	420.81
	131.52	159.85	488.28
	223.67	181.53	642.61

Break up of financial assets	Rs in Millions		
	Particulars	March 31, 2017	March 31, 2016
Financial assets carried at cost			
Investment in Government bonds - NSC	-	-	-
Financial assets carried at amortized cost			
Trade Receivables	3,109.64	1,176.50	593.24
Cash and cash equivalents	92.15	21.68	154.33
Other bank balances	131.52	159.85	488.28
Loans	1,084.61	1,395.07	85.18
Other financial assets	2,016.84	1,947.70	997.80
Financial assets carried at fair value through other comprehensive income			
	-	-	-
Financial assets carried at fair value through profit or loss			
	-	-	-
Total	6,434.76	4,700.80	2,318.83

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3.19 Share Capital

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Authorised :			
900,000,000 (March 31, 2016: 900,000,000 ; April 01, 2015 : 5,60,000,000) Equity Shares of Rs 10/- each	9,000.00	9,000.00	5,600.00
200,000,000 (March 31, 2016: 200,000,000 ; April 01, 2015: Nil) preference shares of Rs. 10/- each	2,000.00	2,000.00	0.00
	<u>11,000.00</u>	<u>11,000.00</u>	<u>5,600.00</u>
Issued :			
870,000,000 (March 31, 2016: 870,000,000 April 01, 2015 : 435,000,000) equity shares of RS.10/- each	8,700.00	8,700.00	4,350.00
75,000,000 (March 31, 2016: 75,000,000 ; April 01, 2015: NIL) Redeemable Non convertible non participating Preference shares of Rs.10/- each	750.00	750.00	0.00
	<u>9,450.00</u>	<u>9,450.00</u>	<u>4,350.00</u>
Subscribed and Paid-up			
870,000,000 (March 31, 2016: 870,000,000: April 01, 2015 : 435,000,000) equity shares of RS.10/- each	8,700.00	8,700.00	4,350.00
Total	<u>8,700.00</u>	<u>8,700.00</u>	<u>4,350.00</u>

a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year

i) Equity Shares:

Particulars	March 31, 2017		March 31, 2016	
	In Numbers	Rs in Millions	In Numbers	Rs in Millions
Balance at the beginning of the year	870,000,000	8,700.00	435,000,000	4,350.00
Shares issued during the year	-	-	435,000,000	4,350.00
Outstanding at the end of the year	<u>870,000,000</u>	<u>8,700.00</u>	<u>870,000,000</u>	<u>8,700.00</u>

ii) Preference shares:

Particulars	March 31, 2017		March 31, 2016	
	In Numbers	Rs in Millions	In Numbers	Rs in Millions
Balance at the beginning of the year	75,000,000	750.00	-	-
Shares issued during the year	-	-	75,000,000	750.00
Outstanding at the end of the year	<u>75,000,000</u>	<u>750.00</u>	<u>75,000,000</u>	<u>750.00</u>

75,00,000 0% Non Convertible Non Participating preference shares of Rs.10/- each (total face value of Rs.750 Million) have been issued during 2015-16 and are classified as financial liability (refer note no 3.21 (e)).

b. Terms/Rights Attached to equity Shares

The Company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity share 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 any of the remaining assets of the Company after satisfying all the dues to banks and financial institutions and after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Restrictions on the distribution of dividends :

The Board shall, subject to restrictions imposed by the project finance lenders, in terms of financing agreement, propose to the equity shareholders the maximum possible dividend payable under applicable law. Upon such recommendation equity shareholders shall declare dividend as follows -

(i) All such dividends & profits shall be paid to shareholders in their existing shareholding pattern.

(ii) Any such dividend or other distribution shall be based on profit generated by the Company or on appropriate basis permitted by the applicable laws.

22/7



d. Terms/Rights Attached to Preference shares:

The Company on May 26, 2015 has issued 750,00,000 Non Convertible Non Participating preference shares of Rs.10/- each at par to GMR Energy Limited (total face value of Rs.750 Million). These preference shares are redeemable at par at the end of 16 years from date of allotment and carry zero percent dividend. The said preference shares are classified as financial liability (Refer note no 3.21 (e).

e. Number of shares held by holding /ultimate holding company and/or their subsidiaries/associates.

Particulars	March 31, 2017		March 31, 2016	
	No. of Shares held	Rs in Millions	No. of Shares held	Rs in Millions
Equity Shares				
GMR Energy Limited (The Holding Company holding 100% shares along with Nominee)	870,000,000	8,700.00	870,000,000	8,700.00
Preference shares:				
GMR Energy Limited (The Holding Company holding 100% shares)	75,000,000	750.00	75,000,000	750.00

f. Details of Shareholders holding more than 5% of shares in the Company

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% Holding in Class	No. of Shares held	% Holding in Class
Equity Shares				
GMR Energy Limited	870,000,000	100%	870,000,000	100%
Preference shares:				
GMR Energy Limited	75,000,000	100%	75,000,000	100%

As per records of the Company including its register of share holders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

g. No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

Q115



		Rs in Millions		
3.20 Other Equity		March 31, 2017	March 31, 2016	April 01, 2015
Particulars				
a)	Debenture Redemption Reserve			
	Opening balance	-	-	-
	Add: Transferred during the year	187.50	-	-
	Closing balance	187.50	-	-
b)	Surplus in the statement of profit and loss			
	Opening balance	-10,352.10	-7,699.56	-5,555.02
	Add: Profit / (loss) for the year	1,429.54	-2,652.54	-2,144.54
	Less: Transfer to Debenture Redemption Reserve	-187.50	-	-
	Closing balance	-9,110.06	-10,352.10	-7,699.56
c)	Equity component of related party transaction *			
	Opening balance	1,288.26	3,252.63	-
	Add: Transaction during the year			-
	Equity component of NCD (net of tax)	-	-2,403.00	2,565.77
	Equity component of Preference shares (Net of tax)	-	438.63	-
	Equity component of ICD (Net of tax)	-	-	686.86
	Closing balance	1,288.26	1,288.26	3,252.63
d)	Others (including items of other Comprehensive income)			
	Opening balance	-0.23	-	-
	Add: Transaction during the year			
	Remeasurements gains/(loss) on defined benefit plans, net of tax effect	-2.77	-0.23	-
	Closing balance	-3.00	-0.23	-
Total		-7,637.30	-9,064.07	-4,446.93

* These amounts relate to initial recognition of related party transactions at fair value. These represent the amount of difference between the fair value at inception and transaction amount of such transactions (net of tax). Refer Note no. 2.04 (5) and 3.21(e) to 3.21 (g) for further details.



3.21	Borrowings: Particulars	Rs in Millions		
		March 31, 2017	March 31, 2016	April 01, 2015
	Non Current:			
	Secured			
	Non convertible debenture:			
	750 {March 31, 2016: 750} 12.15% Non Convertible Debenture of Rs.10,00,000 each {Refer note (a) below}	746.17	745.79	745.45
	Rupee Term loan			
	- from banks {Refer Note b below}	29,816.61	31,452.15	26,874.60
	- from Financial Institution {Refer Note (b) below}	800.00	1,000.00	1,771.80
	Unsecured			
	Liability Component of related party transaction:			
	Non convertible non participating preference shares {Refer Note (e) below}	120.31	105.73	-
	Non convertible debenture {Refer Note (f) below}	-	-	669.27
	Subordinate Loan from Holding Company			
	- from Holding Company {Refer Note (g) below}	234.45	206.03	181.00
		31,717.54	33,509.70	30,242.12
	Current:			
	Secured			
	Rupee Term loan			
	Current portion of bank loan	2,184.31	1,568.35	2,289.06
	Current portion of term loan from Financial Institution	200.00	-	163.00
		2,384.31	1,568.35	2,452.06
	Less: Amount included under Other Financial Liabilities	2,384.31	1,568.35	2,452.06
	Total Current borrowings:	-	-	-

Notes:

a. Secured Non convertible Debenture:	Rs in Millions		
Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Opening balance	750.00	750.00	-
Add: Issued during the year	-	-	750.00
Closing balance	750.00	750.00	750.00
Less: Transaction cost of issue of debenture	4.71	4.71	4.71
Add: Notional Interest at EIR recognized up to date	0.88	0.50	0.16
Fair valued secured non convertible debenture	746.17	745.79	745.45

The Company has issued 750 secured, rated, listed, redeemable, non convertible debentures (NCD) of the face value of Rs. 10,00,000/- each on September 25, 2014 which are listed on Bombay Stock Exchange. The secured NCD carries interest rate of 12.15% per annum and interest is payable half yearly. Further additional coupon rate would be payable to the extent of 0.25% per annum for every notch below agreed rating of the NCD.

The NCD is secured by way of first Pari-passu charge by way of mortgage on all the immovable properties and hypothecation of movable assets including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets. NCD's are further secured by first charge /hypothecation on books debts, operating cash flows, receivables, other current assets, revenues whatsoever in nature present and future, assignment on all project related documents, all benefits incidental to the Project as well as rights under Letter of Credit or such other security to be provided by the procurer of power under the terms of PPA and are pledge of shares representing 51% of the total paid up equity share capital. The beneficial interest in the Security shall rank pari passu among all the Rupee Lenders, the lenders participating in the bank borrowings for the working capital requirements/bank guarantee facility to the extent as approved by the Rupee Lenders and secured bond holders.

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The secured NCD will be repaid in equal installment of 1/3rd on September 25, 2022, September 25, 2023 and November 25, 2023.

b. Nature of Security to Rupee Term Loan

The rupee term loan from banks and financial institution except for the term loan covered under subservient charges are secured by way of a first charge by registered mortgage of all the immovable properties (present & future) and by hypothecation of movable assets including plant and machinery, machinery spares, tools and accessories, stock of raw materials, semi finished goods and consumable goods. First charge on book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future, retention account, escrow account, Debt Service Reserve account and any other bank accounts. First charge by way of assignment / hypothecation on all rights, titles, interest, profit, benefits, claims, demand whatsoever of the borrower in the project documents/ Clearances pertaining to the project/ Letter of credit/ guarantee/ performance bond/ corporate guarantee/ bank guarantee/ provided by any party to the Project Documents as amended from time to time. Further it is secured by pledge of shares representing 51% of the total paid up equity share capital. The registered mortgage deed is executed for an amount of Rs. 32,130 Million.

The beneficial interest in the Security shall rank pari passu among all the Rupee Lenders, the lenders participating in the bank borrowings for the working capital requirements/bank guarantee facility to the extent as approved by the Rupee Lenders and secured bond holders.

Rupee term loan of Rs. 2000 Million from ICICI bank Limited is secured by way of subservient charge with existing lenders on all the movable properties including but not limited to Plant and Machinery spares, tools, spares and accessories of the Project and other movables both present and future. Further this loan facility along with Rs. 1000 Million availed from ICICI bank Limited is further secured by way of pledge of 23% of the equity shares of GMR Warora Energy Limited held by GMR Energy Limited, pledge of 26% of the equity shares of GMR Venagiri Power Generation Limited (GVPGL) held by GMR Energy Limited and first ranking pari passu charge on the immovable properties of GVPGL and charge on excess cash flow of GVPGL.

c. Terms of repayment of Rupee Term Loan

i) Rupee term loan availed from consortium bankers led by State Bank of India has a moratorium period of 18 months with first installment becoming due on June 30, 2016. 72% of the loan amount shall be repaid in 54 unequal structured quarterly installments and balance 28% on September 30, 2029 by way of refinancing and carries an interest rate of SBI Base Rate plus 215 bps which is currently 11.45% p.a.

ii) The rupee term loan availed from ICICI Bank Limited amounting to Rs. 1050 Million is repayable over 20 equal quarterly installments commencing from July 31, 2016 and carry the interest rate of 15.35%

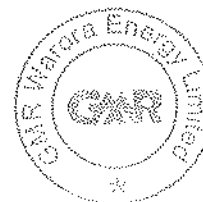
iii) The rupee term loan availed from ICICI Bank Limited in different tranches amounting to Rs. 1950 Million out of which Rs. 1000 Million is repayable over 72 unequal quarterly installments commencing from June 30, 2016 and Rs. 950 Million is repayable over 31 unequal quarterly installments commencing from September 30, 2017 and carries interest rate of 11.65% p.a to 13.50% p.a respectively.

iv) Rupee term loan availed from financial institution of Rs. 1000 Million is repayable in 20 equal quarterly installments with first installment commencing from June 30, 2017 and carry the interest rate of 13% p.a .

d. In respect of loan from banks/ financial institution, the Company has the following amounts that are due for payment to such lenders as at March 31, 2017 :

Particulars	Period of default	Rs in Millions
Principal repayment to banks	Up to 30 days	350.21
Interest repayment bank/ financial institution	Upto 30 days	311.39
	31 to 60 days	269.53
	Above 60 days	341.34

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56

e. Non convertible Non Participating Preference shares:

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Opening balance	750.00	-	-
Add: Issued during the year	-	750.00	-
Closing balance	750.00	750.00	-
Equity component transferred to Other Equity	655.26	655.26	-
	94.74	94.74	-
Add: Notional Interest recognized up to date	25.57	10.99	-
Fair valued non convertible preference shares	120.31	105.73	-

The Company in the year 2015-16, on May 26, 2015 has issued 7,50,00,000 Non Convertible Non Participating preference shares of Rs.10/- each at par to GMR Energy Limited, which are redeemable at par at the end of 16 year from the date of allotment. The preference shares carry zero percent dividend. The Preference Shareholders shall not carry voting rights.

f. Unsecured Non marketable non convertible debenture:

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Opening balance	-	4,350.00	4,350.00
Issued during the year	-	-	-
Redeemed during the year	-	4,350.00	-
Closing balance	-	-	4,350.00
Equity component transferred to Other Equity	-	3,832.93	3,832.93
Equity component transferred from Other Equity	-	3,589.79	-
	-	-243.14	517.07
Add: Notional Interest recognized up to date	-	243.14	152.20
Fair valued unsecured non convertible debenture	-	-	669.27

The Company has issued 435,000 Non-marketable unsecured Non convertible debentures (NMNCD) of the face value of Rs. 10,000 each to GMR Energy Limited. The term of NMNCD is 12 years from the date of allotment. (i.e March 04, 2025). The debentures will be redeemable at their principal amount (together with interest accrued to the date fixed for redemption) at the end of redemption date and the redemption option will be exercised after the repayment of term loan.

NMNCD carries interest rate of 0.01% per annum or such other coupon rate as may be decided by the parties on the 1st day of each financial year subject to a maximum interest rate not exceeding the cost incurred by the subscriber. Interest shall be accrued till the date of commencement of repayment of the rupee lenders. The interest shall be calculated on simple interest basis. The interest accrued thus far, shall be paid on quarterly basis in immediate 12 quarters. The interest payment shall be subject to terms and condition of facility agreement of the rupee lenders and shall be payable only out of the surplus in the distribution account of Trust and Retention Account (TRA).

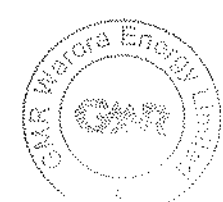
g. Subordinate Debt

In terms of Promoter sub debt agreement between the Company and GMR Energy Limited (promoter) dated October 01, 2014, the promoter has infused Rs.1180 Million in to the Company as sub debt and sub-debt does not carry any interest. The Company shall pay the Sub-Debt amount only after the final settlement date being the date on which all outstanding owed/payable to the consortium banker lead by State Bank of India.

Reconciliation of subordinate debt:

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Opening balance	1,180.00	1,180.00	1,180.00
Issued during the year	-	-	-
Closing balance	1,180.00	1,180.00	1,180.00
Equity component transferred to Other equity	1,026.09	1,026.09	1,026.09
	153.91	153.91	153.91
Add: Notional Interest at EIR up to date	80.54	52.12	27.09
Fair value of subordinate Debt	234.45	206.03	181.00

255



255

h. Terms & Conditions of outstanding borrowings are as follows:

Rs in Millions						
	Currency	Nominal Interest Rate	Year of Maturity	Carrying amount at 31, March 2017	Carrying amount at 31, March 2016	Carrying amount at 1 April, 2015
Secured Loan:						
From Bank	INR	11.45%	31-Mar-34	32,000.92	33,020.50	29,163.66
From Financial institutions	INR	13.00%	31-Mar-22	1,000.00	1,000.00	1,934.80
Unsecured Loan:						
Subordinate Debt	INR		31-Mar-34	234.45	206.03	181.00
Redeemable Preferences Shares	INR		26-May-31	120.31	105.73	-
Secured Non Convertible debentures	INR	12.15%	30-Nov-23	746.17	745.79	745.45
Unsecured Non Convertible debentures	INR	0.01%	31-Mar-16	-	-	669.27
Total Borrowings				34,101.85	35,078.05	32,694.18

260



3.22 Other financial liabilities

Particulars	Rs In Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Non-current other financial liabilities			
Other financial liabilities at amortized cost			
Retention Money	-	323.04	606.29
Interest accrued and due on NCD	-	-	-
Total other financial liabilities at amortized cost	-	323.04	606.29
Total non-current other financial liabilities	-	323.04	606.29
Current financial liabilities			
Other financial liabilities at amortized cost			
Current maturities of long-term borrowings	2,384.31	1,568.35	2,452.06
Interest accrued but not due on borrowings	2.68	3.99	3.57
Interest Accrued and due on borrowings	1,123.55	36.82	-
Interest payable to vendor on delayed payment- Group Company	-	-	3.13
Retention money	1,040.89	1,070.15	858.66
Salaries, Bonus and other payables to employees	6.26	38.06	5.77
Total other financial liabilities at amortized cost	4,557.69	2,717.37	3,323.19
Total current other financial liabilities	4,557.69	2,717.37	3,323.19
Total other financial liabilities	4,557.69	3,040.41	3,929.48
Break up of financial liabilities			
Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Financial liabilities carried at amortized cost			
Borrowings	34,422.34	35,888.57	32,514.93
Trade payables	1,603.92	2,155.91	2,317.07
Other financial liabilities	4,557.69	3,040.41	3,929.48
Financial liabilities carried at fair value through other comprehensive income	-	-	-
Financial liabilities carried at fair value through profit or loss	-	-	-
Total	40,583.95	41,084.89	38,761.48

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GMR Warora Energy Limited
 (Formerly known as EMCO Energy Limited)
 CIN :U40100MH2005PLC155140
 Notes to the financial statements

3.23 Provisions:	Particulars	Rs in Millions		
		March 31, 2017	March 31, 2016	April 01, 2015
Provisions				
Non-current Provisions				
Asset Retirement Obligation (Refer Note a below)				
		45.13	66.76	61.93
		45.13	66.76	61.93
	Total non-current provisions	45.13	66.76	61.93
Current Provisions				
Provision for employee benefits				
Provision for Prompt Rebate				
		11.86	12.61	11.69
Provision for gratuity				
		5.33	0.57	-
Provision for leave benefits				
		51.30	32.51	26.59
Provision for other employee benefits				
		46.04	32.54	29.96
		114.53	78.23	68.24
	Total current provisions	114.53	78.23	68.24
	Total provisions	159.66	144.99	130.17

Note:

a) Movement for provision in Asset Retirement Obligation:

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	66.76	61.93
Add: Notional interest accounted on unwinding of liability	3.27	4.83
Less: Amount reversed on account of revision in useful life of plant	24.90	0.00
Balance at the year end	45.13	66.76



GMR Warora Energy Limited

(Formerly known as EMCO Energy Limited)

CIN :U40100MH2005PLC155140

Notes to the financial statements

3.24 Income Tax

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

a) Income tax expense in the statement of profit and loss comprises:

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
Profit or loss section		
Current Tax	-	-
Deferred Tax	1.37	970.27
Tax expense / (credit) to Statement of Profit and Loss	1.37	970.27
Other comprehensive income section (OCI)		
Deferred tax related to items recognized in OCI during in the year:		
Re-measurement gains (losses) on defined benefit plans	-1.37	-0.12
Tax expense / (credit) to Other Comprehensive Income	-1.37	-0.12
Tax expense / (credit) to Total Comprehensive Income	-	970.15

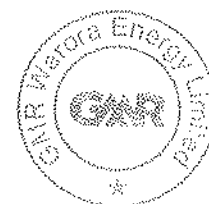
b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016:

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
Profit /(Loss) before tax	1,430.91	-1,682.27
Applicable tax rate	33.06%	33.06%
Tax effect of income / (loss)	473.10	(556.21)
Tax effect on non-deductible expenses	9.58	10.79
	482.68	-545.42
Unused tax allowances and losses on which deferred tax asset not recognized (net of unabsorbed depreciation for the year)	-	545.42
Effect of carry forward loss and excess depreciation under tax	-482.68	-
	-	-
Recognition of deferred tax liability in profit or loss account on redemption of debentures treated as equity (net of current year increase)	1.37	970.27
Tax expense / (credit) to Statement of Profit and Loss	1.37	970.27
Tax expense / (credit) to Other Comprehensive Income	-1.37	-0.12
Tax expense / (credit) to Total Comprehensive Income	-	970.15

c) Non-current tax assets (net)

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
Opening Balance receivable /(Payable)	5.38	(1.68)
Current tax payable for the year	-	0.00
Refund received during the year	(9.26)	(1.75)
Current taxes paid	27.99	8.81
closing balance of Non-current tax assets (net)	24.11	5.38

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- d) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Deferred tax:

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax liability			
Non-Current			
Property, plant and equipments and intangible assets	5,689.47	5,260.99	4,722.32
Borrowings recorded at fair value at inception and subsequently	322.08	342.24	1,567.64
Other	0.00	6.49	16.66
Total Non-Current	6,011.55	5,609.72	6,306.62
Current			
Borrowings recorded at fair value at inception and subsequently	4.70	2.17	0.36
Gratuity assets			
Total Current	4.70	2.17	0.36
Gross deferred tax liability	6,016.25	5,611.89	6,306.98
Deferred tax asset			
Provision for decommissioning liability	14.92	22.07	20.48
Unabsorbed depreciation	6,681.52	6,681.52	5,705.22
Unused losses	1,876.04	1,946.45	1,946.45
Total Non-Current	8,572.48	8,650.04	7,672.15
Current			
Trade receivables	13.39	-	-
Preliminary expenses	-	1.65	3.30
Provisions	22.64	15.11	12.66
Remeasurement of defined benefit plans	1.37	0.12	-
Total Current	37.40	16.88	15.96
Gross deferred tax asset	8,609.88	8,666.92	7,688.11
Net deferred tax (assets) / liability	(2,593.63)	(3,055.03)	(1,381.13)
Less: Unused tax allowances and losses not recognized *	2,593.63	3,055.03	1,381.13
Net deferred tax (assets) / liability	-	-	-

* The Company has tax losses which arose in India of Rs. 5887.09 Million (31 March 2016: Rs. 5887.09 Million, 1 April 2015: Rs. 5887.09 Million) that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire in March 2021.

- e) Reconciliations of deferred tax (liabilities) /assets

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
Opening balance	0.00	0.00
Tax income/(expense) during the period recognized in profit or loss	1.37	970.27
Tax income/(expense) during the period recognized in OCI	(1.37)	(0.12)
Amount recognized directly in equity	0.00	(970.15)
Closing balance	0.00	0.00

- f) Amount recognized directly in equity

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
Opening balance	636.24	1,606.39
Add: Deferred tax recognized directly in equity during the year	0.00	(970.15)
Closing balance of deferred tax netted off with other components of equity	636.24	636.24

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



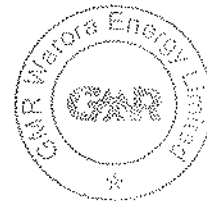
3.25 Borrowings:

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Secured:			
Bank overdraft	-	4.05	-
Cash Credit loan from Bank (refer to note(a))	2,704.80	2,374.82	1,485.81
Unsecured:			
Inter Corporate deposits from related parties repayable on demand	-	-	787.00
	2,704.80	2,378.87	2,272.81
The above amount includes			
Secured borrowings	2,704.80	2,378.87	1,485.81
Unsecured borrowings	-	-	787.00
	2,704.80	2,378.87	2,272.81

Note:

- a. Cash Credit facilities are secured by way of a first charge and registered mortgage of all the immovable properties and movables including plant and machinery, machinery spares, tools and accessories, stock of raw materials, semi finished goods and consumable goods and by book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future. Further it is secured by pledge of shares representing 51% of the total paid up equity share capital. The beneficial interest in the Security shall rank pari passu among all the Rupee Lenders and the lenders participating in the bank borrowings for the working capital requirements/bank guarantee facility to the extent as approved by the Rupee Lenders and secured bond holders. The Cash Credit Overdraft facility is repayable on demand and carrying interest rate ranging between 12.10% to 13.60%.

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3.26 Trade payables

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Non-current trade and other payables			
Trade payable	-	-	-
Total non-current trade and other payables	-	-	-
Current trade and other payables			
Dues to Micro and Small enterprises (Refer Note a below)	9.02	-	-
Due to others	1,005.27	1,186.30	698.79
Acceptances	589.63	969.61	1,618.28
[Represents Letter of Credit accepted by the Company which are discounted by the Company. Acceptances are part of the working capital facility sanctioned by the Banks and are secured as given in Note no 3.25 a]			
Total current trade and other payables	1,603.92	2,155.91	2,317.07
Total trade and other payables	1,603.92	2,155.91	2,317.07

Note:

- a) 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 entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at March 31, 2017 has been made in the financial statements based on the information received and available with the Company. Further, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of the Act do not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 01, 2015
Principal amount due to the enterprises defined under MSMED	9.02	-	-
Interest due thereon to the enterprises defined under MSMED	0.46	-	-
Amount of Interest paid to the enterprises under Section 16 of MSMED	-	-	-
Payment made to the enterprises beyond appointed date under Section 16 of MSMED	-	-	-
Amount of Interest due and payable for the period of delay in making payment, which has been paid beyond the appointed day during the year, but without adding the interest specified under MSMED	-	-	-
The amount of interest accrued (not accounted in the books) and remaining unpaid at the end of each accounting year; and	0.46	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	-	-	-

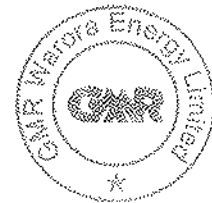
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GMR Warora Energy Limited
 (Formerly known as EMCO Energy Limited)
 CIN :U40100MH2005PLC155140
 Notes to the financial statements

3.27 Other liabilities	Rs in Millions		
	Particulars	March 31, 2017	March 31, 2016
Other current liabilities			
Trade Deposit & Advances	0.32	-	-
Advances from customers	29.22	117.13	28.83
Payables towards capital goods received (pending final settlement)	193.86	383.04	384.83
TDS and Other Statutory Dues	31.42	27.36	24.18
Total other current liabilities	254.82	527.53	437.84
Total other liabilities	254.82	527.53	437.84

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3.28 Revenue from operations	Rs in Millions	
	Particulars	March 31, 2017
Sale of Electrical Energy *	16,766.38	13,657.64
Other Operating Revenues - Sale of Coal	-	18.98
Total	16,766.38	13,676.62

* The Company, under long term Power Purchase Agreements ("the PPAs"), has committed to sell up to 200 MW each to Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Electricity Department, Dadra and Nagar Haveli Vidyuth Bhavan (DNH) under Section 63 of the Electricity Act, 2003 (i.e. competitive bidding). The Company has filed a petition before CERC claiming additional tariff considering the change in law impact on various variable cost components during construction period and operating periods. The CERC has, after considering the submission by both the parties vide its Order dated February 01, 2017 has allowed Company's certain claims during construction and operating period. The Company subsequent to the Order, has submitted such change in law claim through supplementary invoice to MSEDCL and DNH which is amounting to Rs. 1597.11 Million and recognized same as income in the books of account as the invoices are duly acknowledged by the customers.

3.29 Other income	Rs in Millions		
	Particulars	March 31, 2017	March 31, 2016
Interest Income			
- on delayed payment from customer	161.55	-	
- from bank deposits	19.10	26.69	
- from Inter corporate Deposit	205.16	59.49	
- on Income tax refund	0.52	3.02	
Profit on sale of current investments (other than trade)	-	0.48	
Exchange gain (on account of restatement of forex liabilities)	1.26	3.12	
Miscellaneous Income	12.82	68.88	
Total	400.41	161.68	

3.30 Cost of material consumed	Rs in Millions	
	Particulars	March 31, 2017
Inventory at the beginning of the year	815.48	200.98
Add : Purchases	6,745.14	8,447.92
	7,560.62	8,648.90
Less : Inventory at the end of the year	390.69	815.48
Total	7,169.93	7,833.42
Details of cost materials consumed		
Coal	7,154.51	7,782.01
Light Diesel Oil and Heavy Furnace Oil	15.42	51.41
Total	7,169.93	7,833.42

3.31 Purchase of Traded Goods	Rs in Millions	
	Particulars	March 31, 2017
Power	540.86	-
Coal	-	17.60
Total	540.86	17.60

3.32 Employee benefit expenses	Rs in Millions	
	Particulars	March 31, 2017
Salaries, wages and bonus	405.49	305.92
Contribution to provident fund and others [Refer Note 3.42]	24.77	22.89
Recruitment and Placement cost	3.17	4.42
Staff welfare expenses	3.67	9.47
Total	437.10	342.70

3.33 Depreciation and amortization expenses	Rs in Millions	
	Particulars	March 31, 2017
Depreciation of tangible assets	1,212.29	1,662.13
Amortization of intangible assets	1.03	1.31
Total	1,213.32	1,663.44

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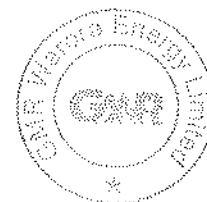
3.34 Finance costs	Rs in Millions	
	March 31, 2017	March 31, 2016
Particulars		
Interest expenses		
- Term loan & Acceptances	4,283.48	4,152.08
- Working capital loan	341.53	199.53
- Debentures	104.19	97.55
- Delayed payment to vendors / tax authorities	9.02	7.29
- Unwinding of financial liabilities at EIR	54.79	154.49
- On unwinding on decommissioning liabilities (net of reversal)	3.27	4.83
Bank and other finance charges	133.04	86.96
Total	4,929.32	4,702.73

Note:

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss:

Notional interest on unwinding of Promoters Subordinate debt, Debenture and Preference share capital - from Holding Company	54.79	154.49
Amortization of Upfront cost paid on rupee term loans	18.64	-68.86
Amortization of transaction cost of secured debenture	0.38	0.34

3.35 Other expenses	Rs in Millions	
	March 31, 2017	March 31, 2016
Particulars		
Transmission and distribution charges (Net of recovery) [Refer Note 3.36 (a)]	463.67	513.44
Prompt payment rebate allowed	-	-
Consumption of stores and Spare parts	103.37	139.81
Water and Electricity charges	33.83	62.40
Rent		
Premises and Others	25.29	26.93
Land lease rental	5.68	5.13
Rates and taxes	20.61	29.95
Insurance	34.81	47.72
Repairs and maintenance	-	-
Plant and Machinery	242.63	258.49
Building	20.82	24.02
Others	60.09	47.52
Housekeeping Expense	13.97	11.95
Travelling and Conveyance	62.61	49.40
Logo Fees	55.74	-
Communication cost	10.52	4.78
Community Development and welfare Expenses	19.40	11.72
Printing and stationery	0.81	1.56
Legal and Professional charges	145.11	164.88
Security Charges	55.34	35.10
Auditors' remuneration:		
Statutory Audit fee	2.88	2.86
Tax Audit fee	0.82	0.57
Certification fee	0.11	-
Board Meeting expenses	0.60	1.07
Donations	0.55	-
Business Promotion Expenses	9.04	3.93
Asset Written off	-	0.02
Provision for doubtful debts and advances	40.49	6.60
Miscellaneous Expenses	16.56	25.02
Total	1,445.35	1,474.87



3.36 Exceptional Income	Rs in Millions	
	Particulars	March 31, 2017
Transmission Charges	-	-514.19
Total	-	-514.19

- a. 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 March 31, 2017, the Company has raised claim of Rs. 2227.63 Million towards reimbursement of transmission charges from March 17, 2014 till March 31, 2017 including Rs.923.07 Million for the financial year 2016-17. 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. 1713.44 Million relating to the period from April 01, 2015 to March 31, 2017 as reduction from transmission expenses and Exceptional income of Rs. 514.19 Million was recognized in the earlier year as the said recovery pertains to the period prior to April 01, 2015.

- 3.37 The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
	Retained Earnings	Retained Earnings
Re-measurement gains (losses) on defined benefit plans	-4.14	-0.35
Income tax effect	1.37	0.12
Total	-2.77	-0.23

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3.38 Financial instruments:

Financial instruments by category

Financial instruments comprise financial assets and financial liabilities.

a) The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows

Particulars	Refer note no.	Amortized cost	Total carrying value	Rs in Millions
				Total fair value
Financial assets:				
Cash and cash equivalents	3.18	92.15	92.15	92.15
Other bank balances	3.18	131.52	131.52	131.52
Investments:				
Trade Receivables	3.17	3,109.64	3,109.64	3,109.64
Loans	3.13	1,084.61	1,084.61	1,084.61
Other financial assets	3.14	2,016.84	2,016.84	2,016.84
Total		6,434.76	6,434.76	6,434.76
Financial liabilities				
Borrowings	3.21 & 3.25	34,422.34	34,422.34	34,422.34
Trade payables	3.26	1,603.92	1,603.92	1,603.92
Other financial liabilities	3.22	4,557.69	4,557.69	4,557.69
Total		40,583.95	40,583.95	40,583.95

b) The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows

Particulars	Refer note no.	Amortized cost	Total carrying value	Rs in Millions
				Total fair value
Financial assets:				
Cash and cash equivalents	3.18	21.68	21.68	21.68
Other bank balances	3.18	159.85	159.85	159.85
Trade Receivables	3.17	1,176.50	1,176.50	1,176.50
Loans	3.13	1,395.07	1,395.07	1,395.07
Other financial assets	3.14	1,947.70	1,947.70	1,947.70
Total		4,700.80	4,700.80	4,700.80
Financial liabilities				
Borrowings	3.21 & 3.25	35,888.57	35,888.57	35,888.57
Trade payables	3.26	2,155.91	2,155.91	2,155.91
Other financial liabilities	3.22	3,040.41	3,040.41	3,040.41
Total		41,084.89	41,084.89	41,084.89

c) The carrying value and fair value of financial instruments by categories as of April 01, 2015 were as follows

Particulars	Refer note no.	Amortized cost	Total carrying value	Rs in Millions
				Total fair value
Financial assets:				
Cash and cash equivalents	3.18	154.33	154.33	154.33
Other bank balances	3.18	488.28	488.28	488.28
Trade Receivables	3.17	593.24	593.24	593.24
Loans	3.13	85.18	85.18	85.18
Other financial assets	3.14	997.80	997.80	997.80
Total		2,318.83	2,318.83	2,318.83



Financial liabilities				
Borrowings	3.21 & 3.25	32,514.93	32,514.93	32,514.93
Trade payables	3.26	2,317.07	2,317.07	2,317.07
Other financial liabilities	3.22	3,929.48	3,929.48	3,929.48
Total		38,761.48	38,761.48	38,761.48

Fair value hierarchy

The Company held the following assets and liabilities measured at fair value. The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

a) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	Rs in Millions	
	Level 2	Level 3
Assets measured at fair value through profit or loss:	-	-
Liabilities measured at fair value through profit or loss:	-	-

b) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016:

Particulars	Rs in Millions	
	Level 2	Level 3
Assets measured at fair value through profit or loss:	-	-
Liabilities measured at fair value through profit or loss:	-	-

c) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2015:

Particulars	Rs in Millions	
	Level 2	Level 3
Assets measured at fair value through profit or loss:	-	-
Liabilities measured at fair value through profit or loss:	-	-

During the year ended March 31, 2017 and March 31, 2016 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The Board of Directors considers the fair value of all other financial assets and liabilities to approximate their carrying value at the balance sheet date.

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3.39 Financial risk management

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(a) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analyses.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

(i) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the amount payable to EPC Contractors (when expense is denominated in a foreign currency). Company's payable balance to EPC contractors are paid at spot rate applicable on date of transaction.

Foreign currency sensitivity

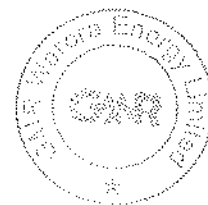
The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Type of major currency	Change in currency rates	Rs. in millions	
			March 31, 2017	March 31, 2016
Effect on loss before tax - (Decrease)/Increase of (Profit)/loss	USD	(+)5%	(35.02)	(48.61)
Effect on loss before tax - (Decrease)/Increase of (Profit)/loss	USD	(-)5%	35.02	48.61

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

(ii) **Interest rate risk**

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Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company analysis its interest rate exposure on a dynamic basis. The Company enters into interest rate swaps to manage its interest rate risk, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact interest rate of borrowings is as follows:

Particulars	Type of currency	Increase/decrease in basis points	Rs. In millions	
			March 31, 2017	March 31, 2016
Effect on loss before tax - Increase of loss	INR	(+)50	-167.55	-162.8
Effect on loss before tax - Decrease of loss	INR	(-)50	167.55	162.80

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

No credit limits were exceeded during the reporting period other than those under litigation, and management does not expect any losses from non-performance by these counterparties.

The maximum exposure of financial assets subject to credit risk was equal to the respective carrying amounts on the balance sheet date. None of the financial assets subject to credit risk were either past due or impaired. The Company's dues under power purchase agreement with Discoms are treated good and recoverable inspite of being past due being dues from government organization.

Ageing analysis of the trade and other receivables from customers has been considered from the date it is due:

Particulars	Rs in Millions		
	March 31, 17	March 31, 16	April 1, 15
Upto 3 months	4,883.44	2,801.37	1,364.35
3 to 6 months	25.86	31.15	209.35
More than 6 months	42.25	40.52	0.80
Total	4,951.55	2,873.03	1,574.50

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units for a specified time period.

The carrying values of the financial assets approximate its fair values. The above financial assets are not impaired as at the reporting date. Other financial assets are neither past due nor impaired at reporting date. The cash and cash equivalents are maintained with reputed banks. Hence the Group believes no impairment is necessary in respect of the above financial instruments.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines

Handwritten mark



Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility, cash and cash equivalents and funding from parent company) on the basis of expected cash flow. This is generally carried out at by the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans. The Company also issues preference shares to the parent company from time to time to ensure a liquidity balance.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation. The Company also issues preference shares from time to time to ensure a liquidity balance.

The following are the contractual maturities of non-derivative financial liabilities, including the estimated interest payment.

Particulars	Rs in Millions				
	Carrying Amount	Repayable on demand	Due within 1 year	Due between 1 to 5 years	Due after 5 years
As at March 31, 2017					
Non-derivative financial liabilities					
Borrowings from banks and other including interest	34,127.15	1,473.76	2,034.10	10,465.10	20,154.19
Promoter sub-ordinate debt from holding company	234.45	-	-	-	234.45
Cash credit	2,704.80	2,704.80	-	-	-
Non Convertible Debenture	746.17	-	-	-	746.17
Non convertible non participating preference shares	120.31	-	-	-	120.31
Trade payable	1,014.29	943.98	70.31	-	-
Acceptances	589.63	-	589.63	-	-
Other financial liabilities	1,047.15	632.19	414.96	-	-
Total	40,583.95	5,754.74	3,108.99	10,465.10	21,255.12
As at March 31, 2016					
Non-derivative financial liabilities					
Borrowings from banks and other including interest	34,061.31	40.81	1,568.35	10,448.90	22,003.26
Promoter sub-ordinate debt from holding company	206.03	-	-	-	206.03
Cash credit	2,378.87	2,378.87	-	-	-
Non Convertible Debenture	745.79	-	-	-	745.79
Non convertible non participating preference shares	105.73	-	-	-	105.73
Trade payable	1,186.30	1,100.69	85.61	-	-
Acceptances	969.61	742.87	226.74	-	-
Other financial liabilities	1,431.25	725.77	357.52	347.96	-
Total	41,084.89	4,989.00	2,238.23	10,796.86	23,060.81

210



As at April 01, 2015

Non-derivative financial liabilities

Borrowings from banks and other Including interest	31,102.03	3.57	2,452.06	7,782.50	20,863.90
Promoter sub-ordinate debt from holding company	181.00	-	-	-	181.00
Cash credit	1,485.81	1,485.81	-	-	-
Non Convertible Debenture	745.45	-	-	-	745.45
Non convertible debenture from Holding company	669.27	-	-	-	669.27
Inter corporate deposit	787.00	787.00	-	-	-
Trade payable	698.79	698.79	-	-	-
Acceptances	1,618.28	975.45	642.83	-	-
Other financial liabilities	1,473.85	791.01	26.67	656.16	-
Total	38,761.48	4,741.63	3,121.57	8,438.66	22,459.62

(d) Capital management

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company to which the company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the Company. The results of the Directors' review of the company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total capital plus debt.

The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt.

Particulars	Rs in Millions		
	March 31, 2017	March 31, 2016	April 1, 2015
Total Debt / borrowings	36,806.65	37,456.92	34,966.99
Capital Components			
Equity Share Capital	8,700.00	8,700.00	4,350.00
Reserves and Surplus	(7,637.30)	(9,064.07)	(4,446.93)
Total Capital	1,062.70	(364.07)	(96.93)
Capital and debt	37,869.35	37,092.85	34,870.06
Gearing ratio (%)	97.19%	100.98%	100.28%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

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3.40 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. There is no dilutive potential ordinary shares as at March 31, 2017, March 31, 2016 and April 1, 2015. Thus, diluted EPS equals basic EPS.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-17	31-Mar-16
a) Nominal value of Equity shares (in Rupees per share)	10.00	10.00
b) Weighted average number of Equity shares at the year end (in Nos)	870,000,000.00	443,319,672.00
c) Profit attributable to equity holders of the Company for basic earnings (Rs in Millions)	1,429.54	-2,652.54
d) Basic/Diluted Earning per share of Rs 10/- each (in Rs.) {(c)/(b)}	1.64	-5.98

3.41 Contingent liabilities and commitments

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
Claim against the Company not acknowledged as debt:		
Service tax demand on foreign payment	0.45	0.45
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	698.92	654.12
Other Commitments	236.13	255.52

3.42 Employee Benefits

a) Defined Contribution Plans :

The Company's Contribution to Provident and Pension Fund and Superannuation Fund is charged to Statement of profit and loss. The details are as follows:

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
Provident and Pension Fund	15.23	12.72
Superannuation Fund	7.82	6.00
Employee State Insurance	0.04	-
Total	23.09	18.72

b) Defined Benefit Plan - Gratuity as per Actuarial Valuation (Funded)

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
<i>Change in Defined Benefit Obligation</i>		
Opening defined benefit obligation	16.86	14.72
Current service cost	3.69	2.70
Interest cost	1.15	1.06
Acquisitions cost / (credit)	4.73	0.18
Actuarial loss / (gains)	3.90	0.38
Benefits paid	-4.32	-2.19
Closing defined benefit obligation	26.01	16.85
<i>Change in Fair Value of Assets</i>		
Opening fair value of plan assets	16.29	15.48
Acquisition adjustment	-	-0.55
Expected return on plan assets	1.40	1.46
Actuarial gain / (loss)	-0.25	-0.21
Actual Contributions by Employer	7.55	2.29
Benefits paid	-4.32	-2.19
Closing fair value of plan assets	20.67	16.28
<i>Amount recognized in the Balance Sheet</i>		
Present value of obligations as at year end	26.01	16.85
Fair value of plan assets as at year end	20.67	16.28

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Particulars	March 31, 2017	March 31, 2016
Net (asset) / liability recognized	5.34	0.57
<i>Expenses recognized during the year</i>		
Current service cost	3.69	2.70
Net interest on net defined benefit liability/ (Asset) of available future refunds and reduction in future contributions)	-0.25	-0.15
Net Gratuity cost	3.44	2.55
Remeasurement of the net defined benefit liability / (asset)		
Actuarial changes arising from changes in financial assumption	1.50	-
Actuarial changes arising from changes in experience adjustments	2.39	0.38
Return on plan assets excluding interest income	0.25	-0.03
Recognized in other comprehensive income	4.14	0.35
Remeasurement of the net defined benefit liability / (asset)		
Net actuarial loss / (gain) recognized in OCI	4.14	0.35
	4.14	0.35
Actual return on plan assets	1.15	1.25
<i>vi) Maturity profile of defined benefit obligation</i>		
Within the next 12 months (next annual reporting period)		
Between 2 and 5 years		
Between 5 and 10 years		
<i>vii) Quantitative sensitivity analysis for significant assumptions is as below:</i>		
Increase / decrease on present value of defined benefit obligation as at year end		
(i) one percentage point increase in discount rate	-2.10	-1.39
(ii) one percentage point decrease in discount rate	2.46	1.63
(i) one percentage point increase in salary escalation rate	2.00	1.38
(ii) one percentage point decrease in salary escalation rate	-1.20	-1.79
(i) one percentage point increase in employee turnover rate	0.26	0.22
(ii) one percentage point decrease in employee turnover rate	0.30	0.26
Sensitivity Analysis Method		
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all the other actuarial assumptions constant.		
The major category of plan assets as a percentage of the fair value of the total plan assets are as follows:		
<i>Investment with Insurer managed funds</i>	100%	100%
<i>Principal actuarial assumptions used</i>		
Discount rate (p.a.)	7.10%	7.80%
Expected rate of return on plan assets (p.a.)	9.40%	9.40%
Rate of increase in compensation levels	6.00%	6.00%
Weighted average duration of defined benefit obligation	10 years	
Attrition Rate	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Modified Ult 60 years	Indian Assured Lives Mortality (2006-08) Modified Ult 60 years
Retirement age		
<i>Expected employer's contribution for the next year</i>	7.55	2.29

The Company contributes all ascertained liabilities towards gratuity to the Life Insurance Corporation of India (LIC). As of March 31, 2017, March 31, 2016 and April 1, 2015, the plan assets have been invested in insurer managed funds.

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Notes:

(i) The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.

(ii) The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

c) Leave Encashment :

Liability towards leave encashment based on actuarial valuation is as on March 31, 2017 Rs.51.29 Million (March 31,2016 : Rs.32.51 Million : April 01, 2015: Rs.26.59 Million).

3.43 Operating lease:

The Company has entered into certain cancellable operating lease agreements mainly for office premise. Under these agreements refundable interest-free deposits have been given. In respect of above arrangements, lease rentals payable are debited to Statement of profit & Loss.

Particulars	Rs in Millions	
	March 31, 2017	March 31, 2016
Lease rentals under cancellable lease	25.29	26.93

3.44 Details of foreign currency exposure which have not been hedged by any derivative instrument or otherwise as on balance sheet date:

Particulars	Currency	Amount in foreign Currency	Rupees in Million
March 31, 2017			
Sundry Creditor	USD	38,649	2.54
Advance received from Customer	CNY	1,823,790	18.14
Advance for spares	USD	117,908	2.36
Advances for raw material	USD	4,760,924	310.28
Retention Money Payable	USD	10,639,445	697.95
March 31, 2016			
Advance received from Customer	CNY	1,823,790	18.80
Acceptances	USD	3,626,981	242.17
Advance for spares	USD	628,910	36.56
Advances for raw material	USD	4,737,370	310.73
Retention Money Payable	USD	10,934,125	730.07
April 01, 2015			
Sundry Creditor	USD	96,271	6.07
Advance received from Customer	CNY	1,823,790	18.60
Acceptances	USD	10,208,166	643.73
Advance for spares	USD	669,011	40.73
Retention Money Payable	USD	10,934,125	689.51

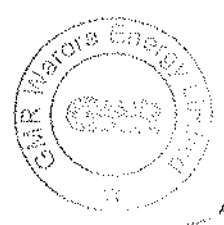
3.45 List of Related Parties with whom transactions have taken place during the year:

[A] Parties where control exists :

- i. Holding Company GMR Energy Limited [GEL]
- ii. Enterprises having control over the Company
 GMR Enterprises Private Limited [GEPL]
 GMR Infrastructure limited [GIL]
 GMR Generation Assets Limited (Formerly GMR Renewable Energy Ltd)
- iii. Enterprises where Key Management Personnel and their relatives exercise significant influence
 GMR Family Fund Trust [GFFT]

[B]. Fellow Subsidiary / Associate where transaction took place

- GMR Consulting Services Private Limited [GCSPL]
 Raxa Securities Services Limited [RSSL]
 GMR Aviation Private Limited [GAPL]
 GMR Corporate Affairs Private Limited [GCAPL]
 GMR Varalakshmi Foundation [GMRVF]
 GMR Enterprises Private Limited [GEPL]
 GMR Hotels & Resorts Limited [GHPL]
 GMR Hyderabad International Airport Limited [GHIAL]
 GMR Energy Trading Limited [GETL]
 SJK Powergen Limited [SJKPL]
 GMR Londa Hydropower Private Limited [GLHPL]



- {B}. Fellow Subsidiary / Associate where transaction took place
- GMR Power Infra Limited [GPIL]
GMR Coal Resources PTE Limited [GCRPL]
GMR Bajoli Hydropower Private Limited [GBHPL]
GMR Badrinath Hydro Power Generation Private Limited [GBHPGPL]
PT Barasentosa Lestari [PTBSL]
GMR Chhattisgarh Energy Limited [GCEL]
GMR Vemagiri Power Generation Limited [GVPGL]
GMR Rajahmundry Energy Ltd [GMRREL]
Delhi International Airport Private Limited [DIAL]
GMR Infrastructure (Singapore) PTE Limited [GISPL]
GMR Ambala Chandigarh Expressways Limited [GACEL]
GMR Bundelkhand Energy Limited [GBEL]
GMR Power Corporation Limited [GPCL]
GMR Kamalanga Energy Limited [GKEL]
Maru Transmission Service Company Limited [MTSCL]
- {C}. Key Management Personnel:
- Mr. G.B.S Raju - Managing Director - appointed with effect from July 30, 2015
Mr. Ashis Basu - Whole Time Director - w.e.f April 15, 2015
Mr. Sanjay Narayan Barde - Whole Time Director - appointed on with effect from January 01, 2017
Mr. Dhananjay Deshpande - Whole Time Director - appointed on with effect from November 23, 2016

{D}. Summary of transactions with the above related parties and the year end balances are as follows :

Sl No	Particulars	Rs in Millions		
		2016-17	2015-16	As at 01.04.2015
a.)	Details of the transactions are as follows:			
i)	Technical Consultancy charges to GMR Infrastructure limited [GIL]	93.94	97.55	N.A
ii)	Logo Fees: GMR Enterprises Private Limited [GEPL]	55.74	0.00	N.A
iii)	Air Time Sharing Cost To: GMR Aviation Private Limited [GAPL]	4.14	7.13	N.A
15	Construction cost to GMR Infrastructure limited [GIL]	39.07	19.71	N.A
v)	Rent and Maintenance charges Delhi International Airport Private Limited [DIAL]	23.43	21.62	N.A
vi)	Coal Purchase from GMR Coal Resources PTE Limited [GCRPL]	-	238.75	N.A
	GMR Infrastructure (Singapore) PTE Limited [GISPL]	-	319.04	N.A
vii)	Security / Technical consultancy Charges Raxa Securities Services Limited [RSSL]	53.74	36.27	N.A
viii)	Unwinding of financial liabilities GMR Energy Limited [GEL]	43.00	126.58	N.A
ix)	Interest on NCD GMR Energy Limited [GEL]	-	0.43	N.A
x)	Purchase of Scrap GMR Infrastructure limited [GIL]	0.40	-	N.A
xi)	Rebate for prompt payment GMR Energy Trading Limited [GETL]	3.64	13.14	N.A
xii)	Purchase of Power from GMR Energy Trading Limited [GETL]	540.86	-	N.A
xiii)	Remuneration to key managerial person			
	Mr. G.B.S Raju	16.86	10.54	N.A
	Mr. Ashis Basu	15.81	13.43	N.A
	Mr. Sanjay Narayan Barde	8.55	-	N.A
	Mr. Dhananjay Deshpande	2.58	-	N.A
xiv)	Sale of power to: GMR Energy Trading Limited [GETL]	5,217.09	2,825.05	N.A



GMR Warora Energy Limited
(Formerly known as EMCO Energy Limited)
CIN :U40100MH2005PLC155140
Notes to the financial statements

SI No	Particulars	2016-17	2015-16	As at 01.04.2015
xv)	Sale of Fixed Asset to			
	GMR Kamalanga Energy Limited [GKEL]	3.10	-	N.A
	GMR Chhattisgarh Energy Limited [GCEL]	1.51	-	N.A
xvi)	Sale of Material to			
	GMR Chhattisgarh Energy Limited [GCEL]	-	18.98	N.A
xvii)	Interest income on Inter Corporate Deposit placed with:			
	SJK Powergen Limited [SJKPL]	83.67	49.05	N.A
	GMR Londa Hydropower Private Limited [GLHPL]	-	5.70	N.A
	GMR Power Infra Limited [GPIL]	13.06	4.75	N.A
	GMR Energy Limited [GEL]	108.43	-	N.A
b)	Details of Balance sheet movement are as follows:			
i)	Inter - Corporate Deposit repaid to			
	GMR Energy Limited [GEL]	-	787.00	N.A
ii)	Debentures converted to Equity Share Capital			
	GMR Energy Limited [GEL]	-	4,350.00	N.A
iii)	Preference Shares allotted to			
	GMR Energy Limited [GEL]	-	750.00	N.A
iv)	Inter - Corporate Deposit placed with			
	SJK Powergen Limited [SJKPL]	-	1,185.00	N.A
	GMR Energy Limited [GEL]	890.00	-	N.A
	GMR Power Infra Limited [GPIL]	-	145.00	N.A
	GMR Londa Hydropower Private Limited [GLHPL]	-	560.00	N.A
v)	Inter - Corporate Deposit refunded by			
	GMR Power Infra Limited [GPIL]	-	50.00	N.A
	GMR Londa Hydropower Private Limited [GLHPL]	-	560.00	N.A
	GMR Energy Limited [GEL]	1,153.35	-	N.A
vi)	Inter - Corporate Deposit - Transfer from			
	SJK Powergen Limited [SJKPL]	1,185.00	-	N.A
vii)	Inter - Corporate Deposit - Transfer to			
	GMR Energy Limited [GEL]	1,185.00	-	N.A
viii)	Interest Income on Inter Corporate Deposit transferred from			
	SJK Powergen Limited [SJKPL]	119.44	-	N.A
ix)	Interest Income on Inter Corporate Deposit transferred to			
	GMR Energy Limited [GEL]	119.44	-	N.A
x)	Accrued interest received from			
	GMR Londa Hydropower Private Limited [GLHPL]	5.13	-	N.A
xi)	Security deposit refunded by			
	Raxa Securities Services Limited [RSSL]	-	5.99	N.A
c)	Details of reimbursement of expenses are as follows:			
i)	Reimbursement of expenses paid to:			
	Community Development Charges to			
	GMR Varalakshmi Foundation [GMRVF]	5.71	4.40	N.A
	Employer's contribution to provident Fund remitted through			
	GMR Enterprises Private Limited [GEPL]	-	13.44	N.A
	Transmission charges reimbursable from			
	GMR Energy Trading Limited [GETL]	63.30	-	N.A



Sr No	Particulars	2016-17	2015-16	As at 01.04.2015
	Other Expenses paid to			
	GMR Infrastructure Limited	0.02	-	N.A
	GMR Ambala Chandigarh Expressways Limited [GACEL]	-	0.01	N.A
	GMR Energy Trading Limited [GETL]	0.23	0.23	N.A
	GMR Hotels & Resorts Limited [GHPL]	0.02	-	N.A
	GMR Hyderabad International Airport Limited [GHIAL]	-	0.02	N.A
	GMR Corporate Affairs Pvt Ltd [GCAPL]	0.50	-	N.A
	Raxa Securities Services Limited [RSSL]	-	0.04	N.A
ii)	Reimbursement of expenses recoverable from			
	Transmission charges reimbursable from			
	GMR Energy Trading Limited [GETL]	320.61	9.95	N.A
	Other Expenses recoverable from			
	GMR Chhattisgarh Energy Limited [GCEL]	0.06	0.03	N.A
	GMR Family Fund Trust [GFFT]	-	0.10	N.A
	GMR Coal Resource Private Limited [GCRPL]	0.97	-	N.A
	GMR Infra Singapore Private Limited [GISPL]	0.60	-	N.A
	Maru Transmission Service Company Limited [MTSCL]	0.25	-	N.A
	SJK Powergen Limited [SJKPL]	-	0.01	N.A
	GMR Bundelkhand Energy Limited [GBEL]	-	0.01	N.A
d)	Details of outstanding balances are as follows:			
i)	Equity Share Capital held by			
	GMR Energy Limited [GEL]	8,700.00	8,700.00	4,350.00
ii)	Debt Component of Preference Share held by			
	GMR Energy Limited [GEL]	120.31	105.73	-
iii)	Debt Component of Subordinate Debt from			
	GMR Energy Limited [GEL]	234.45	206.03	181.00
iv)	Equity component of subordinate debt by			
	GMR Energy Limited [GEL]	1,026.09	1,026.09	1,026.09
v)	Equity component of preference shares by			
	GMR Energy Limited [GEL]	655.26	655.26	-
vi)	Equity component of Non convertible Debenture held by			
	GMR Energy Limited [GEL]	-	-	3832.93
vii)	Debt Component of Non Convertible Debenture held by			
	GMR Energy Limited [GEL]	-	-	669.27
viii)	Inter Corporate Deposit placed with/(availed from)			
	SJK Powergen Limited [SJKPL]	-	1,185.00	-
	GMR Power Infra Limited [GPIL]	95.00	95.00	-
	GMR Energy Limited [GEL]	921.65	-	-787.00
ix)	Balance due to:			
	GMR Infrastructure limited [GIL] - EPC Payable	27.89	122.60	167.98
	GMR Infrastructure limited [GIL] - Creditor	66.94	17.03	9.86
	Raxa Securities Services Limited [RSSL]	7.64	6.26	4.04
	GMR Aviation Private Limited [GAPL]	-	1.64	12.13
	GMR Enterprises Private Limited [GEPL]	50.42	0.00	3.20
	GMR Varalakshmi Foundation [GMRVF]	5.12	2.95	1.42
	GMR Corporate Affairs Private Limited [GCAPL]	3.46	3.46	2.97
	GMR Power Corporation Limited [GPCL]	0.12	0.12	-0.07
	Delhi International Airport Private Limited [DIAL]	2.04	0.71	-
	GMR Energy Limited [GEL]	0.90	0.90	0.90
x)	Advance received from Customer			
	PT Barasentosa Lestari [PTBSL]	17.85	18.80	18.60
	GMR Energy Trading Limited [GETL]	-	86.76	-
	GMR Consulting Services Private Limited [GCSPL]	-	-	-4.34



Sl No	Particulars	2016-17	2015-16	As at 01.04.2015
xi)	Balance due from			
	GMR Energy Trading Limited [GETL]	1,924.71	1,182.38	95.55
	GMR Kamalanga Energy Limited [GKEL]	3.28	-	-
	GMR Chhattisgarh Energy Limited [GCEL]	1.39	0.12	32.74
	GMR Energy Limited [GEL]	0.13	0.13	-
	SJK Powergen Limited [SJKPL]	0.01	0.01	-
	GMR Infrastructure (Singapore) PTE Limited [GISPL]	0.78	0.18	-
	GMR Coal Resources PTE Limited [GCRPL]	311.52	310.55	-6.07
xii)	Security deposit with			
	GMR Corporate Affairs Private Limited [GCAPL]	32.86	32.86	32.86
	Raxa Securities Services Limited [RSSL]	3.39	3.39	9.37
	GMR Energy Trading Limited [GETL]	2.73	2.73	2.73
xiii)	Accrued Interest on Inter Corporate Deposit Receivable from			
	SJK Powergen Limited [SJKPL]	-	44.96	-
	GMR Power Infra Limited [GPIL]	16.03	5.13	-
	GMR Energy Limited [GEL]	27.17	-	-
	GMR Londa Hydropower Private Limited [GLHPL]	-	4.27	-

e) For securing the facilities aggregating to Rs. 3000 Millions availed from ICICI Bank Limited , the fixed assets and excess cash flows of GVPGL has been pledged as security as detailed in note no 3.21 (b).

* - Related Party Transactions given above are as identified by the Management.

Compensation of key management personnel of the company		Rs in Millions	
Sl No	Particulars	March 31, 2017	March 31, 2016
a.	Short-term employee benefits	50.88	23.96
b.	Post-employment benefits (provident fund)	3.71	-
	Total	54.59	23.96

Note: The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel. Generally, the non-executive directors do not receive gratuity entitlements from the Company.

E) Disclosure of loans and advances to holding company pursuant to schedule V under Regulation 53(f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 :

Name of the Holding Company	Rs in Millions			
	Amount Outstanding as at *		Maximum Amount Outstanding	
	31-Mar-17	31-Mar-16	2016-17	2015-16
GMR Energy Limited	921.65	-	2,075.00	-

* aforesaid balance does not include interest receivable

As at the year end , the Company no loans and advances in the nature of loans to firms /companies in which directors are interested.

3.46 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs *	Amount in Rupees	
		Other denomination notes	Total
Opening cash in hand as on November 9, 2016	83,500	30,416	113,916
Add: Withdrawn from Banks	-	330,000	330,000
Add: Permitted receipts **	165,000	2,756	167,756
Less: Amount deposited in Banks	(248,500)	-	(248,500)
Less: Permitted payments	-	(348,970)	(348,970)
Closing cash in hand as on December 30, 2016	-	14,202	14,202

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

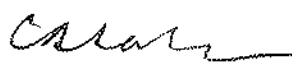
** Amount disclosed under Permitted receipts for SBN includes cash advances given to employees for day to day operation which are returned by the employees. The Company considers the same as permitted receipts as they form the imprest advance which has been returned by the employees.

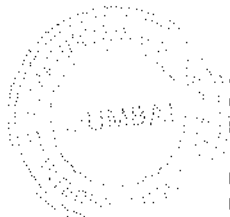


3.47 The Company is engaged primarily in the business of generation and supply of power. As the basic nature of the activities is governed by the same set of risk and returns these have been grouped as a single business segment. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Ind AS 108 on 'Segment Reporting' issued by the ICAI are not applicable to the present activities of the company.

3.48 Figures of the previous year wherever necessary, have been regrouped, reclassified and rearranged to conform with those of the current year.

As per our report of even date attached
For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.: 101720W


Chandan Lala
Partner
Membership no.: 35671



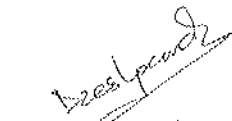
Place : Mumbai
Date : April 26, 2017

For and on behalf of Board of Directors
GMR Warora Energy Limited


G V S Raju
Managing Director
(DIN: 00061686)


Ashish Deshpande
Chief Financial Officer
MN : 110081

Place : New Delhi
Date : April 26, 2017


Dhananjay Deshpande
Whole time Director
(DIN: 07663196)


Sanjay Kumar Babu
Company Secretary
MN : A-16487

