



LNJ Bhilwara Group Company



PROUD TO BE INDIAN
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HEG / SECTT / 2025

10 March 2025

<p>BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001 Scrip Code: 509631</p>	<p>National Stock Exchange of India Limited Exchange plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 Scrip Code: HEG</p>
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Dear Sir/ Madam,

Sub: Intimation of the outcome of the meeting of the Board of Directors of HEG Limited held on March 10, 2025 and disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations")

Ref: Approval of modified Composite Scheme of Arrangement amongst HEG Limited and HEG Graphite Limited and Bhilwara Energy Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013

This is in furtherance to our intimation dated May 22, 2024, wherein we had informed that the Board of Directors of HEG Limited ("**Board**") had approved the draft Composite Scheme of Arrangement amongst HEG Limited ("**Company**" or "**Demerged Company**" or "**Transferee Company**") and HEG Graphite Limited ("**Resulting Company**") and Bhilwara Energy Limited ("**Transferor Company**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Scheme**").

In view of the observations of SEBI as communicated to the Company by BSE Limited on the proposed infusion of funds in the Transferor Company, the Board, at its meeting, held on March 10, 2025 had considered and approved the modified draft Composite Scheme of Arrangement amongst the Company and HEG Graphite Limited and Bhilwara Energy Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") ("**Modified Scheme**").

HEG LIMITED

Corporate Office :

Bhilwara Towers, A-12, Sector-1
Noida - 201 301 (NCR-Delhi), India
Tel.: +91-120-4390300 (EPABX)
Fax: +91-120-4277841
GSTN No.: 09AAACH6184K2Z6
Website: www.lnjbhilwara.com

Regd. Office :

Mandideep (Near Bhopal) Distt. Raisen - 462046
(Madhya Pradesh), India
Tel.: +91-7480-405500, 233524 to 233527
Fax: +91-7480-233522
GSTN No.: 23AAACH6184K1ZH
Website: www.hegltd.com

E-mail: heg.investor@lnjbhilwara.com

Corporate Identification No.: L23109MP1972PLC008290





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The Modified Scheme inter alia provides for: (i) demerger of the Demerged Undertaking from the Company into the Resulting Company on a *going concern basis*; and (ii) amalgamation of the Transferor Company with the Company.

The Modified Scheme is, *inter alia*, subject to receipt of approval from the statutory, regulatory and customary authorities, including approvals from the BSE Limited, the National Stock Exchange of India Limited (collectively referred to as “**Stock Exchanges**”), jurisdictional National Company Law Tribunal and the shareholders and creditors (as applicable) of the companies involved in the Modified Scheme.

The Modified Scheme as approved by the Board would be available on the website of the Company at <https://hegltd.com/> after submission of the same with the Stock Exchanges.

In terms of the Listing Regulations read with SEBI Circular No SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, we are furnishing herewith the details of the Modified Scheme in **Annexure I and Annexure II**.

The Board Meeting commenced at 01:00 PM and concluded at 4:00 PM. This is for your information and record.

Yours faithfully,
For **HEG Limited**

Vivek Chaudhary
Company Secretary
Membership No. A-13263

Encl: a/a

HEG LIMITED

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Annexure I - Brief details of Demerger

a)	Brief details of the division to be demerged	<u>Graphite Business of the Company</u> The entire business of manufacturing graphite electrode together with all associated activities, assets, liabilities including 76.5 MW captive power generating capacity (comprising of two thermal power plants and a hydroelectric power facility).
b)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	The turnover of the Demerged Undertaking i.e. Graphite Business of the Company, as on 31 st March, 2024 was INR 2,394.90 crore. The turnover of the Graphite Business is 94.41% to the total turnover of the Company in the financial year ending 31 st March, 2024.
c)	Rationale for demerger	<ol style="list-style-type: none">1. Over the course of time, core businesses of the Demerged Company viz., manufacturing graphite electrodes (including other carbon products) and generation of thermal and hydel power have acquired critical mass. Each of the said businesses require flexibility and independence to grow faster in the fast-changing technology and innovation driven environment.2. Each of the core business mentioned above has a differentiated strategy, different industry specific risks and operate inter alia under different market dynamics and growth trajectory. The nature and competition involved in each of the businesses is distinct from others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. Further, it is important to create a structure which is amenable for future growth keeping in view different growth trajectory for each business segment.3. In view thereof, it is proposed to segregate the core businesses of the Demerged Company pursuant to

		<p>the Modified Scheme. The said segregation, is expected, inter alia, to result in following benefits:</p> <ul style="list-style-type: none">a) unlocking the value of each of the businesses for the shareholders of the Demerged Company, attracting different sets of investors, strategic partners, lenders and other stakeholders having a specific interest in the respective businesses and providing better flexibility in accessing capital;b) segregating different businesses having different risk and return profiles, and providing investors with better flexibility to select investments which best suit their investment strategies and risk profile;c) enabling focused growth strategy for each of the businesses for opportunities specific to each business;d) creating greater visibility on performance of each of the businesses;e) providing a separate growth path and focussed management for each of the businesses;f) enhancing operational efficiency; and pursuing growth in the respective business verticals with focused management approach and de-risking the businesses from each other.
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d)	Brief details of change in shareholding pattern (if any) of all entities	<p>i. HEG Limited</p> <table border="1" data-bbox="704 237 1365 583"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Pre-Modified Scheme</th> <th colspan="2">Post-Modified Scheme*</th> </tr> <tr> <th>No of equity shares</th> <th>%</th> <th>No of equity shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td>10,76,39,870</td> <td>55.78</td> <td>20,42,41,871</td> <td>60.62</td> </tr> <tr> <td>Public</td> <td>8,53,37,660</td> <td>44.22</td> <td>13,26,97,462*</td> <td>39.38</td> </tr> <tr> <td>TOTAL</td> <td>19,29,77,530</td> <td>100</td> <td>33,69,39,333</td> <td>100</td> </tr> </tbody> </table> <p>*After considering the impact of the infusion of funds in the Transferor Company aggregating to not more than 4,14,39,827 shares i.e. 20% of the fully diluted share capital of the Transferor Company.</p> <p>ii. HEG Graphite Limited</p> <table border="1" data-bbox="704 884 1365 1203"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Pre-Modified Scheme</th> <th colspan="2">Post-Modified Scheme</th> </tr> <tr> <th>No of equity shares</th> <th>%</th> <th>No of equity shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td>50,000</td> <td>100</td> <td>10,76,39,870</td> <td>55.78</td> </tr> <tr> <td>Public</td> <td>0</td> <td>0</td> <td>8,53,37,660</td> <td>44.22</td> </tr> <tr> <td>TOTAL</td> <td>50,000</td> <td>100</td> <td>19,29,77,530</td> <td>100</td> </tr> </tbody> </table> <p>iii. Bhilwara Energy Limited</p> <table border="1" data-bbox="704 1339 1365 1661"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Pre-Modified Scheme</th> <th colspan="2">Post-Modified Scheme</th> </tr> <tr> <th>No of equity shares</th> <th>%</th> <th>No of equity shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td>16,57,59,311</td> <td>100</td> <td rowspan="3">Pursuant to the Modified Scheme, the Transferor Company will be dissolved without being wound up</td> <td></td> </tr> <tr> <td>Public</td> <td>0</td> <td>0</td> </tr> <tr> <td>TOTAL</td> <td>16,57,59,311</td> <td>100</td> </tr> </tbody> </table>	Particulars	Pre-Modified Scheme		Post-Modified Scheme*		No of equity shares	%	No of equity shares	%	Promoters	10,76,39,870	55.78	20,42,41,871	60.62	Public	8,53,37,660	44.22	13,26,97,462*	39.38	TOTAL	19,29,77,530	100	33,69,39,333	100	Particulars	Pre-Modified Scheme		Post-Modified Scheme		No of equity shares	%	No of equity shares	%	Promoters	50,000	100	10,76,39,870	55.78	Public	0	0	8,53,37,660	44.22	TOTAL	50,000	100	19,29,77,530	100	Particulars	Pre-Modified Scheme		Post-Modified Scheme		No of equity shares	%	No of equity shares	%	Promoters	16,57,59,311	100	Pursuant to the Modified Scheme, the Transferor Company will be dissolved without being wound up		Public	0	0	TOTAL	16,57,59,311	100
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e)	In case of cash consideration – amount or otherwise share exchange ratio	No cash consideration is payable under the proposed Modified Scheme. For the demerger of the Demerged Undertaking of the Company into the Resulting Company <i>on a going concern basis</i> , the Resulting Company shall issue and allot on a proportionate basis																																																																				

		<p>to each shareholder of the Company whose name is recorded in the register of members and records of the depository as members of the Company as on the Record Date (as defined in the Modified Scheme), as under:</p> <p>1 (One) fully paid-up equity share of INR 2 (Indian Rupees Two only) each of the Resulting Company, credited as fully paid up, for every 1 (One) equity share of INR 2 (Indian Rupees Two only) each of the Demerged Company.</p> <p>The abovementioned share entitlement ratio has been arrived based on the Share Entitlement Ratio Report of PwC Business Consulting Services LLP, Registered Valuer. Further, a fairness opinion report on the share entitlement ratio is provided by ICICI Securities Limited, Independent SEBI Registered Category – 1 Merchant Banker.</p>
f)	Whether listing would be sought for the resulting entity	Yes. The equity shares to be issued by the Resulting Company shall be listed on BSE Limited and National Stock Exchange of India Limited.

Annexure II - Brief details of Amalgamation

a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as size, turnover etc.	<p>1. <u>HEG Limited (as on December 31, 2024)</u></p> <p>Standalone:</p> <ul style="list-style-type: none"> • Total assets – INR 5323.66 Cr • Net worth – INR 4221.90 Cr • Turnover – INR 1616.13 Cr <p>Consolidated:</p> <ul style="list-style-type: none"> • Total assets – INR 5639.61 Cr • Net worth – INR 4528.44 Cr • Turnover – INR 1617.44 Cr <p>2. <u>Bhilwara Energy Limited (as on December 31, 2024)</u></p> <p>Standalone:</p> <ul style="list-style-type: none"> • Total assets – INR 660.41 Cr • Net worth – INR 648.96 Cr • Turnover – INR 10.37 Cr <p>Consolidated:</p> <ul style="list-style-type: none"> • Total assets – INR 2177.79 Cr • Net worth – INR 1155.96 Cr • Turnover – INR 516.34 Cr
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”	<p>Yes, the Company and the Transferor Company are related parties to each other.</p> <p>However, in terms of General Circular No. 30/2014 dated July 17, 2014, issued by Ministry of Corporate Affairs (“MCA Circular”), the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013 (“Act”), will not attract the requirements of Section 188 of the Act.</p> <p>The consideration for the amalgamation will be discharged on “arm’s length” basis.</p>

c)	Area of business of the entity(ies)	<p>1. The Company is in the business of manufacturing and exporting of graphite electrodes in India and operates world's largest single-site integrated graphite electrodes plant. The Company also operates three power generation facilities with a total capacity of about 76.5 MW. Further, the Company has investments in renewable energy assets / hydro and wind power business through its investments in Bhilwara Energy Limited and manufacturing of anode and lithium powder through investment in TACC Limited.</p> <p>2. The Transferor Company is engaged in the business of the establishment, operation and maintenance of power generating stations and tie-lines, substations and main transmission lines connected therewith. Currently, the Transferor Company is engaged in generation of wind power through 14 MW wind power project situated in Maharashtra which had become operational during the financial year 2013-14. Further, the Transferor Company has investments as follows:</p> <ul style="list-style-type: none"> - 51 % in Malana Power Company Limited in joint venture with StatKraft, Norway which owns 86 MW hydroelectric project in Himachal Pradesh. Malana Power Company Limited has further investment in wholly owned subsidiary AD Hydro Power Limited, which owns 192 MW hydroelectric project in Himachal Pradesh; and - 74% in Replus Engitech Private Limited which is into business of battery energy storage solutions.
d)	Rationale for amalgamation/merger	<p>1. The Transferee Company is desirous of consolidating the assets and liabilities of the Transferor Company pursuant to amalgamation. Consolidating the assets and liabilities of the Transferor Company and the Transferee Company would streamline the corporate structure by consolidating multiple entities and</p>

		<p>enable efficiency in operations and processes through reduction in legal and regulatory compliances and related administrative costs.</p> <p>2. The amalgamation will also result in the following benefits:</p> <p>(a) establishing independent brand identity of future oriented and new-age business;</p> <p>(b) combining resources, creating synergies, optimally utilising resources and greater economies of scale and deriving operating efficiencies from adoption of existing technology-enabled processes of the Transferor Company; and</p> <p>(c) eliminating multiple entities, legal and regulatory compliances and reduction of administrative costs.</p>
e)	<p>In case of cash consideration – amount or otherwise share exchange ratio;</p>	<p>For the amalgamation of the Transferor Company with the Company, the Company shall issue and allot, on a proportionate basis to each shareholder of the Transferor Company (except for itself), whose name is recorded in the register of members as member of the Transferor Company as on the Effective Date (as defined in the Modified Scheme), as under:</p> <p>8 (Eight) fully paid-up equity shares of INR 2 (Indian Rupees Two only) each of the Transferee Company, credited as fully paid up, for every 7 (Seven) equity shares of INR 10 (Indian Rupees Ten only) each of the Transferor Company.</p> <p>The abovementioned share exchange ratio has been arrived based on Share Exchange Ratio Report of PwC Business Consulting Services LLP, Registered Valuer. Further, a fairness opinion report on the share exchange ratio is provided by ICICI Securities Limited, Independent SEBI Registered Category-1 Merchant Banker.</p>

f)	Brief details of change in shareholding pattern (if any) of listed entities	<u>HEG Limited</u>				
		Pre-Modified Scheme		Post-Modified Scheme*		
		No of equity shares	%	No of equity shares	%	
		Promoters	10,76,39,870	55.78	20,42,41,871	60.62
		Public	8,53,37,660	44.22	13,26,97,462*	39.38
		TOTAL	19,29,77,530	100	33,69,39,333	100
		*After considering the impact of the infusion of funds in the Transferor Company aggregating to not more than 4,14,39,827 shares i.e. 20% of the fully diluted share capital of the Transferor Company.				