



LNJ Bhilwara Group Company



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2024

22nd May, 2024

1	BSE Limited P J Towers Dalal Street MUMBAI - 400 001. Scrip Code : 509631	2	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No.C/1, G Block, Bandra - Kurla Complex Bandra (E), MUMBAI - 400 051. Scrip Code : HEG
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Sub: Investors Presentation - Composite Scheme of Arrangement.

Dear Sir/Madam,

Please find attached copy of Investors Presentation - Composite Scheme of Arrangement is attached herewith.

Please take the same on record.

Thanking you,

Yours faithfully,
For HEG Limited

(Vivek Chaudhary)
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Encl. as above

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**PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL**



**HEG LIMITED
Meeting
22nd May 2024**

Composite Scheme of Arrangement

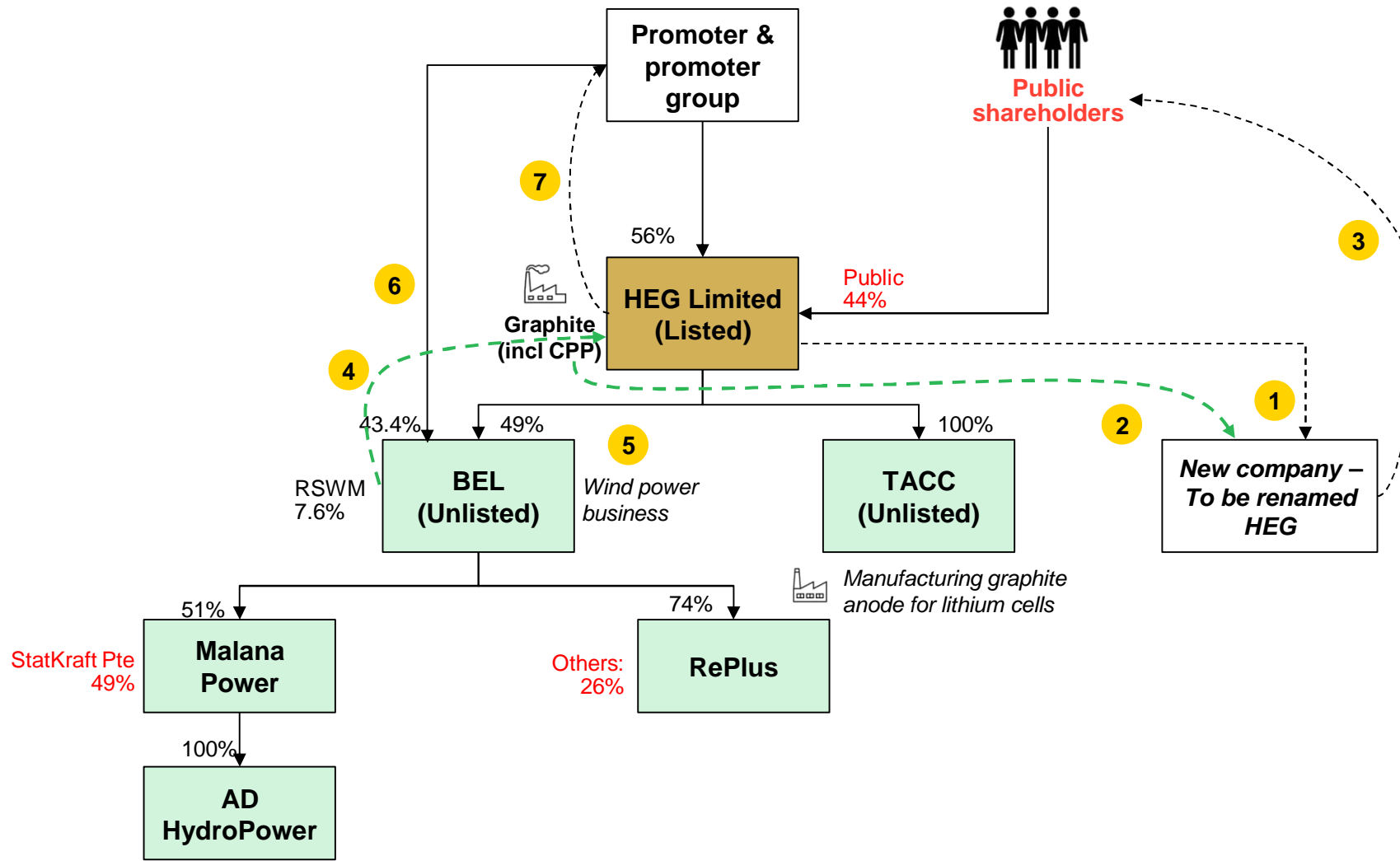
- 1 » **Creation of a structure amenable for future growth keeping in view different growth trajectory for each business segment**
 - Segregating different businesses having different risk and return profiles and providing investors with flexibility to select investments which best suit their investment strategies
 - Graphite Business has matured over the years; well poised to chart its own growth path as a separate entity
 - Two listed entities (HEG Graphite & HEG Greentech) with independent cash flows

- 2 » **Unlocking the value of each of the businesses for the shareholders**
 - Value unlock for the existing HEG shareholders through segregation of Greentech businesses – shares of respective entities with shareholders
 - Different set of investors and valuation multiples

- 3 » **Independent identity and focussed management**
 - Separate growth path and focussed management for each of the businesses

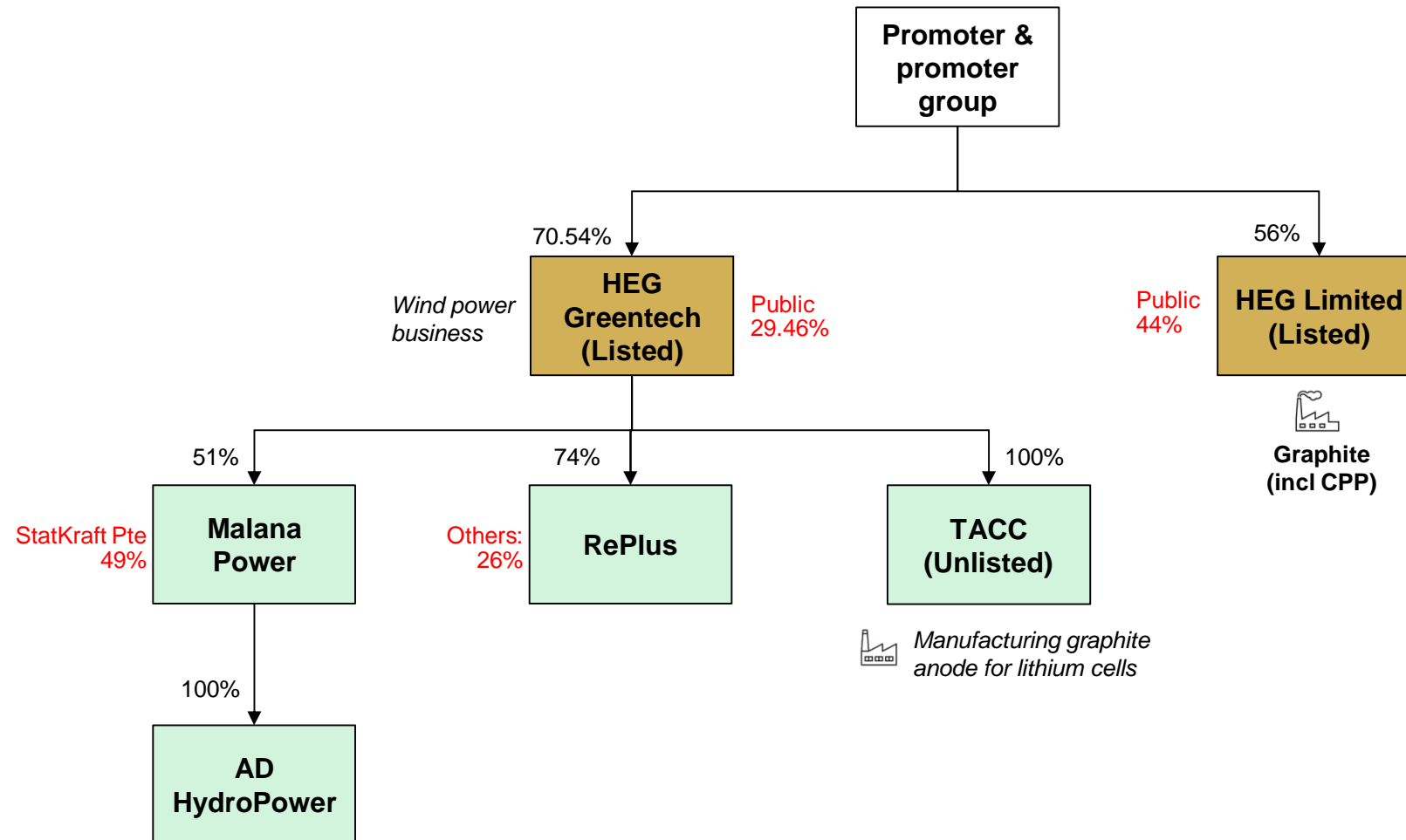
- 4 » **Efficiency in operations, processes**
 - Streamline the corporate structure by consolidating multiple entities, legal and regulatory compliances and reduction of administrative costs

Demerger of Graphite Business and Merger of BEL - Key mechanics on relevant structure



Key steps

1. Incorporation of a 100% subsidiary with nominal capital – To be renamed to HEG Limited as a part of the Scheme. Current HEG to be renamed as HEG Greentech
2. Demerger of the Graphite Business through a NCLT approved Composite Scheme of Arrangement ('Scheme')
3. Cancellation of original nominal capital and Issue of shares by New HEG to shareholders of current HEG Limited in 1:1 ratio – Mirror shareholding
4. As a part of the Composite Scheme, BEL shall merge with HEG Greentech
5. HEG Greentech to issue shares to the shareholders of BEL (Promoter Group and RSWM) basis swap ratio given by the valuers and commented upon by Merchant Bankers
6. Cancellation of 49% of BEL stake held by HEG Greentech pursuant to the merger.
7. Additional shares issued on the stock exchanges





Proposed Transaction

- Segregation of Graphite Business into a separate listed entity
- New entity to be renamed HEG Limited and current HEG to be renamed to 'HEG Greentech'
- BEL to merge with HEG Greentech to simplify holding structure of operating investments.
- No change in economic interest held by HEG shareholders in Graphite Business.
- Additional shares of Greentech business



Transaction Highlights

- 2 shares with the shareholders - Graphite entity and Greentech business
- Strong foundation for accelerating growth and sustained value creation by providing long-term stability & strategic support to Greentech Business.
- Establishes independent growth path and focussed management to the 2 businesses



Transaction Perimeter*

- The assets, liabilities, contracts, and employees related to the Graphite business to be transferred to a New Entity (to be renamed 'HEG Limited') as a going concern pursuant to NCLT approved demerger.
- Simplified holding entity structure – Merger of BEL with HEG Greentech

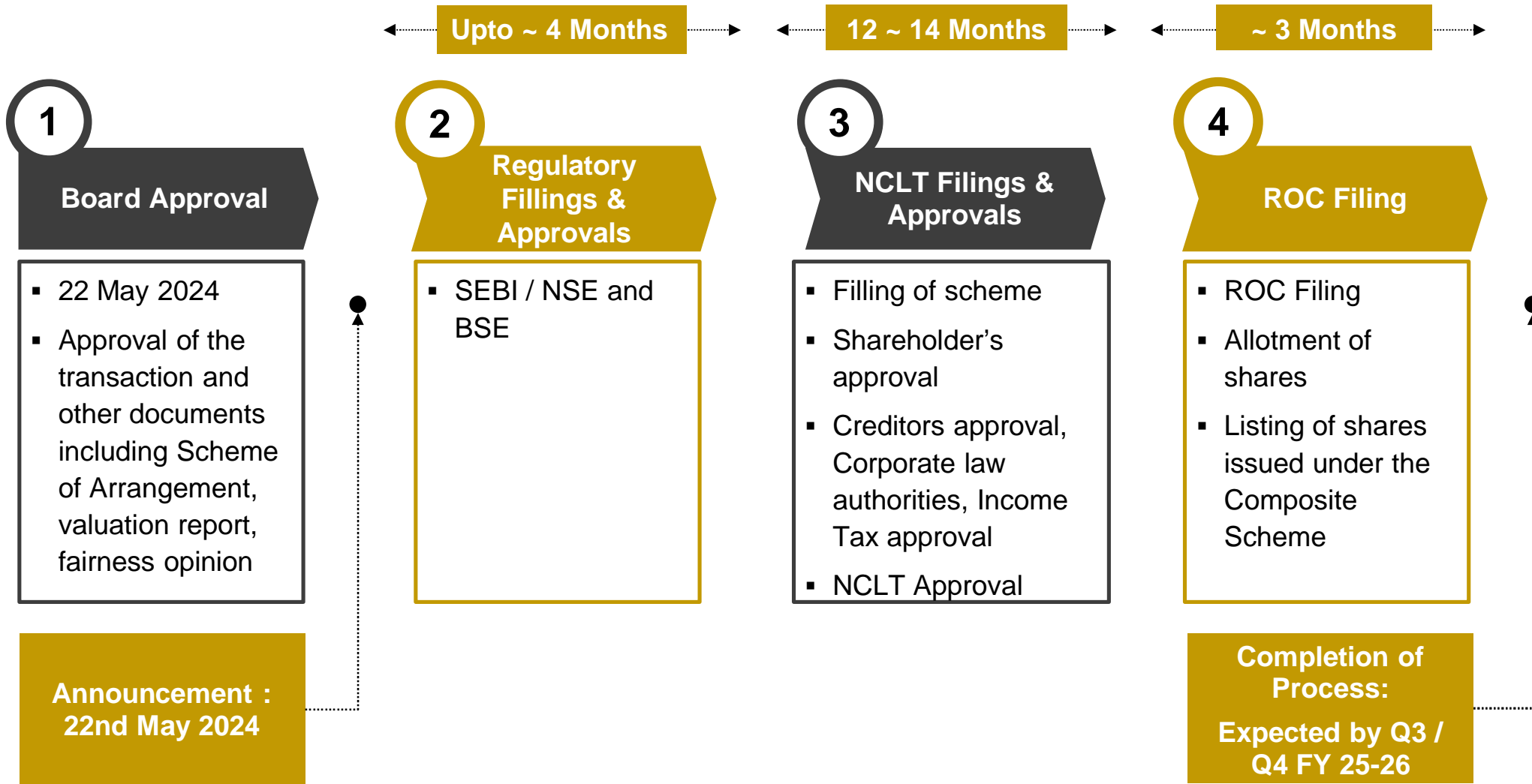


Key Approvals Required

- The proposed Scheme requires final review and approval from the Board of Directors and its Committees
- Upon Board approval, the Scheme will need approvals from:
 - SEBI and stock exchanges
 - Shareholders, Lenders and Creditors
 - Corporate law authorities, tax authorities
 - Jurisdictional NCLT

* Subject to requisite approvals

Indicative timelines and key approvals





EY LLP

Tax and regulatory advisors and overall Project Coordinators



Khaitan & Co

Legal counsel for scheme implementation



PWC Business Consulting Services LLP

Valuation experts



ICICI Securities Limited

Merchant banker for fairness opinion

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Thank You