



HEG/SECTT/2010/

28<sup>th</sup> October, 2010



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL

Madhya Pradesh Stock Exchange Ltd  
201, Palika Plaza-II, MTH Compound,  
INDORE - 452001

Fax No. # 0731 2432849

Bombay Stock Exchange Ltd,  
25<sup>th</sup> Floor, P J Towers, Dalal Street  
MUMBAI - 400 001.

(Fax No.022-22723121/3719/2039/2041/2061)

National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor, Plot No.C/1,  
G Block, Bandra - Kurla Complex  
Bandra (E), MUMBAI - 400 051

(Fax No. 022-2659 8237/38) / 26598347/48

**Sub: Outcome of Board Meeting held on 28<sup>th</sup> October, 2010 and Unaudited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2010 and other information.**

Dear Sir,

We hereby inform / send herewith the following:-

- (i) Unaudited financial results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2010 as approved and taken on record by the Board of Directors at its meeting held today i.e. 28<sup>th</sup> October, 2010.
- (ii) The Board of Directors has also approved the revised Code of Conduct for prevention of Insider Trading (copy enclosed).

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For HEG Limited

**(ASHISH SABHARWAL)**  
**COMPANY SECRETARY**

Encl: as above.

## HEG LIMITED

### Corporate Office :

Bhilwara Towers, A-12, Sector-1  
Noida - 201 301 (NCR-Delhi), India  
Tel. : +91-120-4390300 (EPABX)  
Fax : +91-120-2531648, 2531745  
Website : www.lnjbhilwara.com

### Regd. Office :

Mandideep (Near Bhopal) Distt. Raissen - 462046  
(Madhya Pradesh), India  
Tel. : +91-7480-233524 to 233527  
Fax : +91-7480-233522  
Website : www.heg ltd.com



**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER, 2010**

₹ in Crores

| Particulars                                                                         | Quarter Ended                              |                         | Half Year Ended           |                         | Year Ended            |
|-------------------------------------------------------------------------------------|--------------------------------------------|-------------------------|---------------------------|-------------------------|-----------------------|
|                                                                                     | Unaudited<br>30.09.2010                    | Unaudited<br>30.09.2009 | Unaudited<br>30.09.2010   | Unaudited<br>30.09.2009 | Audited<br>31.03.2010 |
| <b>1 a) Net Sales / Income from Operations</b>                                      | <b>299.63</b>                              | <b>273.13</b>           | <b>521.75</b>             | <b>505.31</b>           | <b>1131.40</b>        |
| <b>(b) Other Operating Income</b>                                                   |                                            |                         |                           |                         |                       |
| <b>Total Income</b>                                                                 | <b>299.63</b>                              | <b>273.13</b>           | <b>521.75</b>             | <b>505.31</b>           | <b>1131.40</b>        |
| <b>2 Total Expenditure</b>                                                          |                                            |                         |                           |                         |                       |
| a) (Increase) / Decrease in Stocks                                                  | (9.57)                                     | 28.23                   | (69.74)                   | 17.26                   | 7.03                  |
| b) Consumption of Raw Materials                                                     | 142.37                                     | 84.17                   | 290.70                    | 171.56                  | 469.96                |
| c) Purchase of Traded Goods                                                         |                                            |                         |                           |                         |                       |
| d) Power & Fuel (Net of Interdivisional Purchases)                                  | 20.66                                      | 11.97                   | 36.12                     | 26.75                   | 52.39                 |
| e) Staff Cost                                                                       | 10.45                                      | 9.87                    | 20.66                     | 19.50                   | 39.02                 |
| f) Depreciation & Amortisation                                                      | 13.55                                      | 13.17                   | 29.01                     | 25.37                   | 52.41                 |
| g) Other Expenditure including Foreign loss/(gain)                                  | 75.55                                      | 45.04                   | 124.61                    | 91.85                   | 215.58                |
| <b>Total</b>                                                                        | <b>253.01</b>                              | <b>192.45</b>           | <b>431.36</b>             | <b>352.29</b>           | <b>886.39</b>         |
| <b>Profit from Operations before Other Income, Interest &amp; Exceptional Items</b> | <b>46.62</b>                               | <b>80.68</b>            | <b>90.39</b>              | <b>153.02</b>           | <b>295.01</b>         |
| <b>4 Other Income</b>                                                               | <b>4.40</b>                                | <b>0.89</b>             | <b>4.24</b>               | <b>2.45</b>             | <b>10.18</b>          |
| <b>5 Profit before Interest &amp; Exceptional Items</b>                             | <b>51.02</b>                               | <b>81.57</b>            | <b>94.63</b>              | <b>155.47</b>           | <b>305.19</b>         |
| <b>6 Interest &amp; Finance charges</b>                                             | <b>8.55</b>                                | <b>16.20</b>            | <b>17.63</b>              | <b>33.97</b>            | <b>59.26</b>          |
| <b>7 Profit after Interest but before Exceptional Items</b>                         | <b>42.47</b>                               | <b>65.37</b>            | <b>77.00</b>              | <b>121.50</b>           | <b>245.93</b>         |
| <b>8 Exceptional Items - Loss of material</b>                                       |                                            |                         |                           |                         | <b>(3.61)</b>         |
| <b>9 Profit from Ordinary Activities before Tax</b>                                 | <b>42.47</b>                               | <b>65.37</b>            | <b>77.00</b>              | <b>121.50</b>           | <b>242.32</b>         |
| <b>10 Provision for Taxation - Current (Net)</b>                                    | <b>12.73</b>                               | <b>19.89</b>            | <b>20.71</b>              | <b>34.02</b>            | <b>70.38</b>          |
| <b>- Earlier Year(s)</b>                                                            |                                            | <b>1.24</b>             |                           | <b>1.38</b>             | <b>0.88</b>           |
| <b>11 Net Profit from Ordinary Activities after Tax</b>                             | <b>29.74</b>                               | <b>44.24</b>            | <b>56.29</b>              | <b>86.10</b>            | <b>171.06</b>         |
| <b>Particulars</b>                                                                  | <b>Statement of Assets and Liabilities</b> |                         |                           |                         |                       |
|                                                                                     | <b>For half year ended</b>                 |                         | <b>For the year ended</b> |                         |                       |
|                                                                                     | <b>30.09.2010</b>                          | <b>30.09.2009</b>       | <b>30.09.2010</b>         | <b>31.03.2010</b>       |                       |
|                                                                                     | <b>(Unaudited)</b>                         | <b>(Unaudited)</b>      | <b>(Unaudited)</b>        | <b>(Audited)</b>        |                       |
| <b>1 SHAREHOLDERS' FUNDS:</b>                                                       |                                            |                         |                           |                         |                       |
| (a) Capital                                                                         | 42.85                                      | 41.02                   | 42.85                     | 41.02                   | 42.61                 |
| (b) Reserves and Surplus                                                            | 6.94                                       | 10.78                   | 13.14                     | 20.99                   | 688.28                |
| <b>2 LOAN FUNDS</b>                                                                 | <b>6.94</b>                                | <b>10.64</b>            | <b>13.14</b>              | <b>20.72</b>            | <b>40.91</b>          |
| <b>3 DEFERRED TAX LIABILITY</b>                                                     |                                            |                         |                           |                         | <b>4.77</b>           |
| <b>TOTAL</b>                                                                        | <b>50.73</b>                               | <b>52.44</b>            | <b>69.13</b>              | <b>82.73</b>            | <b>488.46</b>         |
| <b>4 FIXED ASSETS</b>                                                               | <b>1631.30</b>                             | <b>1352.87</b>          | <b>1631.30</b>            | <b>1352.87</b>          | <b>1536.58</b>        |
| <b>5 INVESTMENTS</b>                                                                | <b>707.73</b>                              | <b>710.89</b>           | <b>707.73</b>             | <b>710.89</b>           | <b>715.97</b>         |
| <b>6 CURRENT ASSETS, LOANS AND ADVANCES</b>                                         | <b>66.85</b>                               | <b>68.58</b>            | <b>66.85</b>              | <b>68.58</b>            | <b>67.00</b>          |
| (a) Inventories                                                                     | 428.02                                     | 434.73                  | 428.02                    | 434.73                  | 342.82                |
| (b) Sundry Debtors                                                                  | 414.98                                     | 329.91                  | 414.98                    | 329.91                  | 440.24                |
| (c) Cash and Bank balances                                                          | 9.23                                       | 9.42                    | 9.23                      | 9.42                    | 4.49                  |
| (d) Other current assets                                                            |                                            |                         |                           |                         |                       |
| (e) Loans and Advances                                                              | 127.99                                     | 121.16                  | 127.99                    | 121.16                  | 124.48                |
| Less: Current Liabilities and Provisions                                            |                                            |                         |                           |                         |                       |
| (a) Liabilities                                                                     | 123.50                                     | 122.69                  | 123.50                    | 122.69                  | 101.25                |
| (b) Provisions                                                                      |                                            |                         |                           |                         | 57.48                 |
| <b>7 Miscellaneous Expenditure (to the extent not written off or adjusted)</b>      |                                            |                         |                           |                         | 0.35                  |
| <b>8 PROFIT AND LOSS ACCOUNT</b>                                                    |                                            |                         |                           |                         |                       |
| <b>TOTAL</b>                                                                        | <b>1631.30</b>                             | <b>1552.87</b>          | <b>1631.30</b>            | <b>1552.87</b>          | <b>1536.58</b>        |

**NOTES:**

- The figures of the corresponding previous period / year have been regrouped / recast wherever considered necessary to correspond to current period / year classification.
- Due to its seasonal nature, the hydro electric plant at Tavanagar operated partially during the quarter under review.
- The Company's Capex programme to increase its Graphite Electrodes Capacity from current 56,000 MT to 80,000 MT p.a. is progressing as per schedule.
- The ratios in item nos 15 to 18 above have been calculated as follows 1) Debt equity ratio=Debt/Equity 2) DSCR=EBIT/(Interest+Principal repayment) 3) ISCR= PBIT/(Interest & Finance charges).
- A total of 11 shareholders' complaints were received during the quarter and all of them have been resolved.
- The above audited financial results have been subjected to a limited review by the auditors of the company and reviewed by the Audit Committee and approved & taken on record by the Board at their respective meetings held on the 28th October, 2010.
- During the Quarter under review Thermal power units under performed due to maintenance issues in CIP-1 and lower merchant power prices.

# HEG LTD

## Code of Conduct for Prevention of Insider Trading

**As revised and approved by the Board of Directors on 28th October, 2010**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, has been amended from time to time (hereinafter referred to as the 'Regulations') in terms of which the Company is required to frame a Code of Conduct for prevention of insider trading by Directors/Employees of the Company, in relation to the securities of the Company.

In line with the said Regulations, a Code of Conduct on Insider Trading (hereinafter referred to as the 'Code') was adopted by the Board of Directors of the Company at its meeting held on 30<sup>th</sup> October, 2002.

The Code, as revised with effect from 28<sup>th</sup> October, 2010, is given below:

This Code shall be applicable to the Directors and Designated Employees of the Company and their dependants.

For the purpose of the Code:

- a. **'Securities'** shall include shares of the Company and related stock market derivatives.
- b. **'Price Sensitive Information'** means any information which relates directly or indirectly to a Company and which if published is likely to materially effect the price of securities of Company and inter-alia includes –
  - (i) periodical financial results of the Company;
  - (ii) intended declaration of dividends (both interim and final);
  - (iii) issue of securities or buy-back of securities;
  - (iv) any major expansion plans or execution of new projects;
  - (v) amalgamation, mergers or takeovers;
  - (vi) disposal of the whole or substantial part of the undertaking;
  - (vii) and significant changes in policies, plans or operations of the company.
- c. **'Compliance Officer'**: The Company Secretary shall be the Compliance Officer who shall report to the Chief Executive Officer of the Company. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, pre clearing of designated employees and their dependents' trades, monitoring of trades and implementation of the code of conduct under the overall supervision of the Board of the Company. The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time and the Company's Code of Conduct.

- d. **'Designated Employees'** shall cover the following:
- Managers and above or its equivalent in all departments;
  - All employees in Secretarial, Finance and Accounts Department;
  - Such other employees as may be determined by the Committee Concerning Shares (committee which will monitor the implementation of the Code) and/or Compliance Officer.
- e. **'Dependant'** mean dependant parents, dependant children, dependant spouse and any other person(s) dependant on the Designated Employee.

## **1) PROHIBITION TO BUY / SELL SECURITIES OF THE COMPANY BY DIRECTORS AND EMPLOYEES**

Directors and Employees, when in possession of any unpublished price sensitive information, as defined in the Regulations, pertaining to the Company, shall not:

- Buy / sell securities of the Company, either on their own behalf or on behalf of any other person.
- Communicate, counsel or procure any unpublished price sensitive information to / from any person.

## **2) RESTRICTION TO BUY / SELL SECURITIES BY DIRECTORS/DESIGNATED EMPLOYEES AND / OR THEIR DEPENDANTS**

**2.1 Directors /Designated Employees shall not** enter into derivative transaction(s) at any time with respect to the securities of the Company.

**2.2 Directors /Designated Employees shall not** buy / sell securities of the Company during Closure of the 'Trading Window', i.e. the period during which trading in the securities of the Company is prohibited.

Trading Window shall be closed during the following periods:

- a) 15 days prior and 48 hours after communication of the financial results to the Stock Exchanges where the Company's securities are listed for the first quarter, second quarter & half year, third quarter and fourth quarter & annual;
- b) From the date of circulation of the agenda for the meeting of the Board of Directors, in which any material, price sensitive and unpublished event, including the following, are proposed:
  - Proposal in respect of interim / final dividend;
  - Proposal in respect of issue of securities by way of public/ rights/ bonus etc.;
  - Proposal in respect of significant expansion plans or execution of new large projects;
  - Proposal in respect of amalgamation, mergers, takeovers;
  - Buy back of shares or other securities;
  - Proposal in respect of disposal of whole or substantially the whole of the undertaking;
  - Any significant changes in policies, plans or operations of the Company.

The Trading Window shall open 48 hours after communication of the decision of the Board of Directors in respect of the above events to the Stock Exchanges where the Company's securities are listed.

The closure of the Trading Window for these events will be advised by the Compliance Officer appointed by the Board of Directors for the purpose of this Code.

**2.3 Directors/Designated Employees** shall require prior clearance from the Compliance Officer in respect of purchase/sale of securities of the Company, where the deal is above a minimum threshold limit of **300 shares** in a month (either in one transaction or in a series of transactions). Such purchase/sale of securities by the Compliance Officer shall require prior clearance from the Chairman. An undertaking in the prescribed format shall also be executed. ( **Annexure-I** )

**2.4 Directors/Designated Employees** who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares within 6 months following a prior transaction.

**2.5** In case of subscription in the primary market (public offers), the **Directors/Designated Employees** shall hold their investments for a minimum period of **30 days**. Holding period would commence when the securities are actually allotted.

**2.6** In case of sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons in this regard. In respect of the Compliance Officer, prior clearance is required to be taken from the Chairman of the Company.

**2.7** Purchase / sale transactions for which prior clearance has been obtained by Directors/Designated Employees shall be executed **within seven days** of such clearance, failing which fresh sanction will be required to be taken.

### **3. DISCLOSURES**

**Directors/Designated Employees** shall make the following disclosures of shares and other securities held in the Company by them and their Dependants, to the Compliance Officer:

**3.1** Annual disclosure of number of shares and other securities held as on 31<sup>st</sup> March each year, including details of purchase / sale of shares and other securities during the financial year. This disclosure shall be made within 30 days from the close of each financial year in the format as per **Annexure II**.

**3.2** Changes in shareholding of Directors/Designated employees and their Dependants, when such change exceeds Rs. 5 lakhs in value or 25,000 shares or 1% of the total shareholding of the Company or voting rights, whichever is lower, or such other limit as may be prescribed under the Regulations from time to time. Such disclosure shall be made within 2 working days of such change to the Company and to the Stock Exchanges where the Company's securities are listed. ( **Annexure III** )

3.3 Disclosure shall be required to be made to the Company by persons upon becoming Directors/Designated Employees within 2 working days in respect of-

- their shareholding in the Company and that of their Dependants
- their own and their Dependants' position in derivatives with respect to the securities of the Company.

The disclosure shall be in format as per Annexure IV.

3.4 The Compliance Officer shall maintain records of all the declarations/undertakings/forms as mentioned in this Code as received from time to time for a period of three years.

3.5 The Compliance Officer shall place before the Chairman and Managing Director, on a monthly basis, all the details of the dealing in the securities by Designated Employees/Directors of the Company and the accompanying documents that such persons had executed under the pre-clearance procedure as envisaged in this Code.

#### 4. PENALTIES FOR CONTRAVENTION

Violation of this Code will invite severe disciplinary action. Such disciplinary action will be irrespective of action that may be taken by SEBI under the Regulations.

#### 5. GENERAL

A copy of the Regulations is enclosed. Employees are advised to peruse the Regulations carefully and acquaint themselves with all the provisions contained therein. Clarification /assistance as necessary may be sought from the Compliance Officer.

Date : 28/10/2010  
Place: Noida

By order of the Board



Ashish Sabharwal  
Compliance Officer

# ANNEXURE-I

## APPLICATION FOR PRE-CLEARANCE OF SALE/PURCHASE OF SECURITIES

The Compliance Officer,  
HEG LIMITED  
Bhilwara Towers, A-12,  
Sector 1, NOIDA-201301.

I am desirous of dealing in the below-mentioned securities of the Company in my own name or on behalf of my dependent family member (write name of family member and relationship) and seek your approval to acquire/ purchase/ sell them.

| No. of Equity Shares | Market Price | Mode of acquisition Purchase / Sale - Physical / Demat | Date by which trade is proposed to be executed | Folio No. / DP ID No. / Client ID No. alongwith the name of depository | Present Holding<br>(No. of Shares) |       |
|----------------------|--------------|--------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------|------------------------------------|-------|
|                      |              |                                                        |                                                |                                                                        | Physical                           | Demat |
|                      |              |                                                        |                                                |                                                                        |                                    |       |

In relation to the above Acquisition/ Purchase/ Sale, I undertake that:

- I have no access to nor do I have any information that could be construed as "Price Sensitive Information" upto the time of signing this undertaking.
- In case, I get access to or receive any "Price Sensitive Information" after signing this application but before the execution of the transaction, I shall inform you of the change in position and shall refrain from dealing in Shares till such information is made public.
- I have not contravened the Company's Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time.
- I have made full and true disclosure in this application.

Date: \_\_\_\_\_ Signature of Applicant \_\_\_\_\_

Place: \_\_\_\_\_ Name of Director/Designated Employee \_\_\_\_\_

Designation in full \_\_\_\_\_

## ANNEXURE-II

The Compliance Officer  
HEG LIMITED  
Bhilwara Towers, A-12,  
Sector 1, NOIDA-201301.

### ANNUAL DISCLOSURE

#### 1. STATEMENT OF SHAREHOLDINGS OF DIRECTORS / DESIGNATED EMPLOYEES IN THE COMPANY

| Name | Designation | Department | No. of Shares held on 01/04/20__ | No. of Shares bought during the year | No. of Shares sold during the year | No. of Shares held on 31/03/20__ | Folio No./DP ID Client ID |
|------|-------------|------------|----------------------------------|--------------------------------------|------------------------------------|----------------------------------|---------------------------|
|      |             |            |                                  |                                      |                                    |                                  |                           |

#### II DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS

| Name | Relation-ship | No. of Shares held on 01/04/20__ | No. of Shares bought during the year | No. of Shares sold during the year | No. of Shares held on 31/03/20__ | Folio No./DP ID Client ID |
|------|---------------|----------------------------------|--------------------------------------|------------------------------------|----------------------------------|---------------------------|
|      |               |                                  |                                      |                                    |                                  |                           |

I/We declare that the above disclosure is true and correct.

I/We declare that during the Financial Year ended 31<sup>st</sup> March, 20\_\_, I have not entered in any opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction.

I/We have complied with the all the clauses of Insider Trading Code of the Company during the year.

Date:

Signature of Applicant \_\_\_\_\_

Place:

Name of Director/Designated Employee \_\_\_\_\_

Designation in full \_\_\_\_\_

# ANNEXURE-III

## FORM D

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992  
Details of change in shareholding by Director or Officer of a listed Company and his dependents

| Name, PAN No. & Address of Director / Officer | No. & % of shares/voting rights held by the Director/Officer | Date of receipt of allotment / advice / acquisition / sale of shares / voting rights | Date of intimation to Company | Mode of acquisition (market purchase / public / rights / preferential offer etc.) | No. & % of shares / post acquisition / voting rights sale | Trading member through whom the trade was executed with SEBI Registration No. of the TM | Exchange on which the trade was executed | Buy quantity | Buy Value | Sell Quantity | Sell Value |
|-----------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------|--------------|-----------|---------------|------------|
|                                               |                                                              |                                                                                      |                               |                                                                                   |                                                           |                                                                                         |                                          |              |           |               |            |

Date:

Signature \_\_\_\_\_

# ANNEXURE-IV

## FORM FOR INITIAL DISCLOSURE OF DETAILS OF SHARES HELD BY DIRECTORS/DESIGNATED EMPLOYEES

The Compliance Officer  
HEG LIMITED  
Bhilwara Towers, A-12,  
Sector 1, NOIDA-201301.

### 1. DETAILS OF SHAREHOLDING OF DIRECTORS/DESIGNATED EMPLOYEES HELD IN THEIR OWN NAME

| Name | Designation | No. of shares held | Folio No./DP ID/Client ID |
|------|-------------|--------------------|---------------------------|
|      |             |                    |                           |
|      |             |                    |                           |
|      |             |                    |                           |

### II. DETAILS OF SHARES HELD BY DEPENDANTS

| Name of Dependant | Relationship | No. of shares held | Folio No./DP ID/Client ID |
|-------------------|--------------|--------------------|---------------------------|
|                   |              |                    |                           |
|                   |              |                    |                           |
|                   |              |                    |                           |

### III. DETAILS OF ANY OUTSTANDING DERIVATIVE CONTRACT IN SCRIP OF THE COMPANY

Date: \_\_\_\_\_ Signature of Applicant \_\_\_\_\_

Place: \_\_\_\_\_ Name of Director/Designated Employee \_\_\_\_\_

Designation in full \_\_\_\_\_