PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2019

20th May, 2019

| | | | |
|---|---|---|---|
| 1 | **BSE Limited**<br>25th Floor, P J Towers<br>Dalal Street<br>MUMBAI - 400 001.<br>**Scrip Code : 509631** | 2 | **National Stock Exchange of India Limited**<br>Exchange Plaza, 5th Floor<br>Plot No.C/1, G Block, Bandra - Kurla Complex<br>Bandra (E),<br>MUMBAI - 400 051.<br>**Scrip Code : HEG** |

**Sub: Outcome of Board Meeting held on 20th May, 2019 and Audited Financial Results for the quarter & financial year ended 31st March, 2019.**

Dear Sirs,

Pursuant to Regulation 30 & 33 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors have inter-alia approved and taken on record the following at its meeting held today i.e. 20th May, 2019.

1. Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31st March, 2019 alongwith Auditors Report (Standalone and Consolidated) thereon and Declaration in respect of Audit report (Standalone & Consolidated) with unmodified opinion under Regulation 33(3)(d) of the Listing Regulations are enclosed herewith as Annexure - I.

2. The Board of Directors have recommended a final dividend on Equity Shares at the rate of Rs.50 per Equity Share of the face value of Rs. 10/- each, for the financial year 2018-19 (exclusive of dividend distribution tax) subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

3. Approved the re-appointment of following Independent Directors upon the recommendation of Nomination and Remuneration Committee, for a second term, subject to approval of shareholders at the ensuing Annual General Meeting:

| S.no | Name of Independent Director | Tenure for second term |
|---|---|---|
| 1 | Shri Dharmendar Nath Davar (DIN: 00002008) | For a period of 2 years w.e.f. 30th August, 2019 to 29th August, 2021. |
| 2 | Dr. Om Parkash Bahl (DIN: 02643557) | For a period of 2 years w.e.f. 30th August, 2019 to 29th August, 2021. |
| 3 | Dr. Kamal Gupta (DIN: 00038490) | For a period of 5 years w.e.f. 30th August, 2019 to 29th August, 2024. |

Contd.. 2/-

A brief profile of Shri Dharmendar Nath Davar, Dr. Kamal Gupta and Dr. Om Parkash Bahl are enclosed as Annexure – II. Please note that the term of above Independent Directors are expiring on 29th August, 2019.

4. Approved the re-appointment of Shri Shekhar Agarwal (DIN: 00066113) and Shri Riju Jhunjhunwala (DIN: 00061060), Directors, liable to retire by rotation, upon the recommendation of Nomination and Remuneration Committee , subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. A brief profile of Shri Shekhar Agarwal and Shri Riju Jhunjhunwala are enclosed as Annexure – II.

The date of the ensuing Annual General Meeting will be intimated to the Stock Exchanges in due course of time.

The above said Board Meeting commenced at 1:15 P.M. and concluded at 5.55 P.M.

This is for your information and record.

Thanking you,

Yours faithfully,
For **HEG LIMITED**

HEG LIMITED LNJ NOIDA

**(VIVEK CHAUDHARY)**
**COMPANY SECRETARY**

heg.investor@lnjbhilwara.com

Encl : as above.

# HEG LIMITED

Corporate Office : Bhilwara Towers, A-12, Sector -1, NOIDA - 201301.
Registered Office : Mandideep (Near Bhopal ), Distt. Raisen, Madhya Pradesh-462046.
Phone : 0120-4390300; Fax : 0120-4277841
CIN: L23109MP1972PLC008290 Website: www.hegltd.com Email: heg.investor@lnjbhilwara.com

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

₹ in Crores

| Sl. No. | Particulars | Standalone | | | | | Consolidated | |
|---|---|---|---|---|---|---|---|---|
| | | Quarter Ended | | | Financial Year Ended | | Financial Year Ended | |
| | | Audited | Unaudited | Audited | Audited | Audited | Audited | Audited |
| | | 31-03-2019 | 31-12-2018 | 31-03-2018 | 31-03-2019 | 31-03-2018 | 31/03/2019 | 31-03-2018 |
| I | Revenue from Operation(Refer Note 3) | **1346.65** | **1864.99** | **1292.45** | **6592.83** | **2758.40** | 6,592.83 | **2,758.40** |
| II | Other Income | **42.28** | **37.20** | **3.79** | **109.19** | **12.37** | 109.18 | **12.37** |
| **III** | **Total Revenue (I+II)** | **1388.93** | **1902.19** | **1296.24** | **6702.02** | **2770.77** | **6,702.01** | **2,770.77** |
| IV | **Expenses** | | | | | | | |
| | Cost of materials consumed | 463.96 | 456.70 | 200.21 | 1611.84 | 575.81 | 1,611.84 | 575.81 |
| | Purchase of stock -in-trade | - | - | - | - | - | - | - |
| | Changes in inventories of finished goods, work-in- progress and stock-in-trade | (117.31) | (112.04) | (54.24) | (497.06) | (97.82) | (497.06) | (97.82) |
| | Employee benefits expense | 43.17 | 56.58 | 48.49 | 197.57 | 112.44 | 197.57 | 112.44 |
| | Finance cost | 5.86 | 3.57 | 17.64 | 17.97 | 56.42 | 17.97 | 56.42 |
| | Depreciation and amortisation expense | 18.20 | 18.52 | 17.69 | 72.39 | 72.56 | 72.39 | 72.56 |
| | Power and Fuel (Net of Interdivisional Purchases) | 46.58 | 49.75 | 53.97 | 183.21 | 164.36 | 183.21 | 164.36 |
| | Excise Duty (Refer Note 2) | 0.00 | 0.00 | 0.00 | 0.00 | 8.34 | - | 8.34 |
| | Other Expenses | 122.25 | 100.52 | 93.32 | 439.02 | 273.96 | 439.01 | 273.96 |
| | **Total expenses (IV)** | **582.71** | **573.60** | **377.07** | **2024.94** | **1166.06** | **2,024.93** | **1,166.06** |
| V | **Profit/(Loss) before exceptional items and tax (III-IV)** | **806.22** | **1328.59** | **919.17** | **4677.08** | **1604.71** | **4,677.08** | **1,604.71** |
| VI | Exceptional Items | - | - | - | - | - | - | - |
| VII | **Profit/(Loss) before Tax (V-VI)** | **806.22** | **1328.59** | **919.17** | **4677.08** | **1604.71** | **4,677.08** | **1,604.71** |
| VIII | Tax expense | | | | | | | |
| | (1) Current Tax | **278.98** | **458.78** | **284.55** | **1619.35** | **513.56** | **1,619.35** | **513.56** |
| | (2) Deferred Tax | 2.82 | 2.99 | 0.61 | 7.30 | 9.81 | 7.30 | 9.81 |
| IX | **Share of Profit/ (loss) of associates** | **0** | **0** | **0** | **0** | **0** | **(24.27)** | **18.09** |
| X | **Net Profit/(Loss) for the period (VII-VIII+IX)** | **524.42** | **866.82** | **634.01** | **3050.43** | **1081.34** | **3,026.16** | **1,099.43** |
| XI | **Other Comprehensive Income (Net of Taxes)** | | | | | | | |
| | **A (i) Items that will not be reclassified to profit or loss** | 0.18 | 0.00 | 0.38 | (0.98) | (0.36) | (0.98) | (0.36) |
| | **(ii) Income tax relating to items that will not be reclassified to profit or loss** | (0.06) | 0.00 | (0.13) | 0.34 | 0.12 | 0.34 | 0.12 |
| | **B (i) Items that will be reclassified to profit or loss** | - | - | - | - | | - | - |
| | **(ii) Income tax relating to items that will be reclassified to profit or loss** | - | - | - | - | | - | - |
| | **C. Share of Other comprehensive Income of Associates** | | | | | - | 0.05 | 0.05 |
| XII | **Total Comprehensive Income for the period** | 524.54 | 866.82 | 634.26 | 3049.79 | 1081.10 | 3,025.57 | 1,099.24 |
| XIII | **Paid -Up Equity Share Capital ( Face Value ₹ 10/- per share)** | 38.60 | 39.96 | 39.96 | 38.60 | 39.96 | 38.60 | 39.96 |
| XIV | **Reserves (Excluding Revaluation Reserves)** | | | | 3680.40 | 1768.66 | 3,755.09 | 1,867.56 |
| XV | **Earnings Per Share (₹) - Basic** | 131.39 | 216.92 | 158.66 | 763.60 | 270.61 | 757.53 | 275.13 |
| | **- Diluted** | 131.39 | 216.92 | 158.66 | 763.60 | 270.61 | 757.53 | 275.13 |

## SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

₹ in Crores

| Sl. No. | Particulars | Standalone | | | | | Consolidated | |
|---|---|---|---|---|---|---|---|---|
| | | Quarter Ended | | | Financial Year Ended | | Financial Year Ended | |
| | | Audited | Unaudited | Audited | Audited | Audited | Audited | Audited |
| | | 31-03-2019 | 31-12-2018 | 31-03-2018 | 31-03-2019 | 31-03-2018 | 31/03/2019 | 31-03-2018 |
| A | **Segment Revenue** | | | | | | | |
| | Graphite | 1343.81 | 1858.24 | 1288.10 | 6582.28 | 2738.83 | 6582.28 | 2738.83 |
| | Power | 29.37 | 35.37 | 40.66 | 121.47 | 213.80 | 121.47 | 213.80 |
| | Others | 0.00 | 0.00 | 0.00 | 0.01 | 0.01 | 0.01 | 0.01 |
| | **Total** | **1373.18** | **1893.61** | **1328.76** | **6703.76** | **2952.64** | **6703.76** | **2952.64** |
| | Less: Inter segment sales | 26.53 | 28.62 | 36.31 | 110.93 | 194.24 | 110.93 | 194.24 |
| | **Net Sales / Income from Operations** | **1346.65** | **1864.99** | **1292.45** | **6592.83** | **2758.40** | **6592.83** | **2758.40** |
| | | | | | | | | |
| B | **Segment Results** | | | | | | | |
| | Profit before tax and interest from each segment | | | | | | | |
| | Graphite | 763.11 | 1300.34 | 935.72 | 4605.34 | 1613.03 | 4605.34 | 1613.03 |
| | Power | (2.21) | (2.99) | 1.52 | (17.62) | 48.59 | (17.62) | 48.59 |
| | **Total** | **760.90** | **1297.35** | **937.25** | **4587.72** | **1661.62** | **4587.72** | **1661.62** |
| | Add/Less: | | | | | | | |
| | Interest Income | 23.05 | 13.74 | - | 49.75 | - | 49.75 | - |
| | Gain on sale of Investments( Including gain/(loss) on its Fair Valuation) | 22.64 | 20.60 | 0.05 | 51.49 | (0.05) | 51.49 | (0.05) |
| | Other Unallocable Income net of expenses | 5.49 | 0.47 | (0.50) | 6.09 | (0.17) | 6.09 | (0.17) |
| | Finance cost | (5.86) | (3.57) | (17.64) | (17.97) | (56.68) | -17.97 | (56.68) |
| | **Total Profit Before Tax** | **806.22** | **1,328.59** | **919.17** | **4,677.08** | **1,604.71** | **4,677.08** | **1,604.71** |
| | | | | | | | | |
| C | **Segment Assets** | | | | | | | |
| | Graphite | 3519.04 | 3348.17 | 2315.92 | 3519.04 | 2315.92 | 3519.04 | 2315.92 |
| | Power | 143.15 | 160.87 | 166.07 | 143.15 | 166.07 | 143.15 | 166.07 |
| | Unallocated / Others | 1407.48 | 1670.37 | 158.21 | 1407.48 | 158.21 | 1482.17 | 257.11 |
| | **Total Segment Assets** | **5069.67** | **5179.41** | **2640.20** | **5069.67** | **2640.20** | **5144.36** | **2739.11** |
| | | | | | | | | |
| D | **Segment Liabilities** | | | | | | | |
| | Graphite | 1126.05 | 1106.60 | 742.21 | 1,126.05 | 742.21 | 1126.05 | 742.21 |
| | Power | 9.62 | 35.51 | 33.71 | 9.62 | 33.71 | 9.62 | 33.71 |
| | Unallocated / Others | 215.01 | 88.81 | 55.66 | 215.01 | 55.66 | 215.01 | 55.66 |
| | **Total Segment Liabilities** | **1350.67** | **1230.92** | **831.58** | **1350.67** | **831.58** | **1350.67** | **831.58** |

SCV & CO. LLP Chartered Accountants

HEG LIMITED LNJ NOIDA

## STATEMENT OF ASSETS AND LIABILITIES

₹ in Crores

| | Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|---|
| | | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 |
| | | Audited | Audited | Audited | Audited |
| A | **ASSETS** | | | | |
| (1) | **Non-current assets** | | | | |
| | a) Property, Plant and Equipment | 784.48 | 829.30 | 784.48 | 829.30 |
| | b) Capital work-in-progress | 18.58 | 1.61 | 18.58 | 1.61 |
| | c) Investment Property | 3.54 | 3.72 | 3.54 | 3.72 |
| | d) Goodwill | - | - | - | - |
| | e) Other Intangible assets | 0.35 | 0.35 | 0.35 | 0.35 |
| | f) Intangible assets under development | - | - | - | - |
| | g) Biological Assets other than bearer plants | - | - | - | - |
| | h) Financial assets | - | - | - | - |
| | (i) Investments | 758.80 | 149.26 | 833.49 | 248.17 |
| | (ii) Trade receivables | - | - | - | - |
| | (iii) Loans | 11.19 | 7.43 | 11.19 | 7.43 |
| | (iv) Others Financial Assets | - | - | - | - |
| | i) Deferred tax assets(net) | - | - | - | - |
| | j) Income Tax Assets(Net) | 39.95 | 28.11 | 39.95 | 28.11 |
| | k) Other non-current assets | 17.27 | 5.68 | 17.27 | 5.68 |
| | **Total Non Current Assets** | **1,634.16** | **1,025.46** | **1,708.85** | **1,124.37** |
| (2) | **Current assets** | | | - | - |
| | (a) Inventories | 1,308.39 | 511.44 | 1,308.39 | 511.44 |
| | (b) Financial assets | - | - | - | - |
| | (i) Investments | 108.24 | - | 108.24 | - |
| | (ii) Trade receivables | 1,186.88 | 972.69 | 1,186.88 | 972.69 |
| | (iii) Cash & Cash equivalents | 29.16 | 5.17 | 29.16 | 5.17 |
| | (iv) Bank balances other than (iii) above | 528.17 | 2.45 | 528.17 | 2.45 |
| | (v) Loans | 0.62 | 0.65 | 0.62 | 0.65 |
| | (vi) Others Financial Assets | 5.38 | 1.09 | 5.38 | 1.09 |
| | (c) Other current assets | 268.66 | 121.24 | 268.66 | 121.24 |
| | **Total Current Assets** | **3,435.49** | **1,614.73** | **3,435.49** | **1,614.73** |
| | **Total Assets** | **5,069.67** | **2,640.20** | **5,144.36** | **2,739.11** |

| | | | | | |
|---|---|---|---|---|---|
| B | **EQUITY & LIABILITIES** | | | | |
| | **Equity** | | | | |
| | (a) Equity share capital | 38.60 | 39.96 | 38.60 | 39.96 |
| | (b) Other equity | 3,680.40 | 1,768.66 | 3,755.09 | 1,867.56 |
| | **LIABILITIES** | | | | |
| (1) | **Non-current liabilities** | | | | |
| | (a) Financial liabilities | | | | |
| | (i) Borrowings | - | - | - | - |
| | (ii) Trade Payables | - | - | - | - |
| | (iii) Other financial liabilities | 0.41 | 0.43 | 0.41 | 0.43 |
| | (b) Provisions | 3.87 | 3.42 | 3.87 | 3.42 |
| | (c ) Deferred tax liabilities (Net) | 126.13 | 119.17 | 126.13 | 119.17 |
| | (d) Other non-current liabilities | 2.40 | 2.08 | 2.40 | 2.08 |
| | **Total Non Current Liabilities** | **132.81** | **125.08** | **132.81** | **125.08** |
| **(2)** | **Current liabilities** | | | | |
| | (a) Financial liabilities | | | | |
| | (i) Borrowings | 666.36 | 297.45 | 666.36 | 297.45 |
| | (ii) Trade Payables | | | - | |
| | (A) Total Outstanding dues of micro enterprises and small enterprises | 3.99 | 2.46 | 3.99 | 2.46 |
| | (B) Total Outstanding dues of creditors other than micro enterprises and small enterprises | 376.08 | 243.98 | 376.08 | 243.98 |
| | (iii) Other financial liabilities | 130.17 | 72.52 | 130.17 | 72.52 |
| | (b) Other current liabilities | 16.05 | 48.48 | 16.05 | 48.48 |
| | (c ) Provisions | 19.78 | 6.17 | 19.78 | 6.16 |
| | (d) Current Tax Liabilities (Net) | 5.43 | 35.43 | 5.43 | 35.43 |
| | **Total Current Liabilities** | **1,217.87** | **706.50** | **1,217.87** | **706.49** |
| | **Total Equity and Liabilities** | **5,069.67** | **2,640.20** | **5,144.36** | **2,739.11** |

SCV & CO. LLP Chartered Accountants

HEG LIMITED LNJ NOIDA

Notes:

1. Operations at our Hydro Power Plant at Tawa are seasonal in nature. The plant generally remains closed in the 1st quarter, starts operating in the 2nd quarter, peaks in the 3rd quarter before tapering down in the last quarter.

2. Consequent to the introduction of Goods and Service Tax Act w.e.f. 1st July 2017, revenue from operations is required to be shown net of Goods and Serivce Tax. Revenue from operations for the period prior to 1st July 2017 was reported inclusive of excise duty. Accordingly, the revenue for the year ended 31st March 2019 is not comparable with the amounts reported in the corresponding previous year.

3. These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the companies (Indian Accounting Standards) Rules, 2015, as amended, as specified in section 133 of the Companies Act, 2013.

4. Financial results have been reviewed by Audit Committee and approved by Board of Directors at their meetings held on 20 May, 2019. The Statutary auditors have expressed an unmodified opinion on the aforesaid results.

5. The company has adopted IND AS 115 "Revenue form Contracts with customers" which is mandatory for reporting period beginning on or after 1st April, 2018. Adoption of such standard did not have any impact on the results of the company.

6. The Figures of the quarter ended 31st March, 2019 and 31st March,2018 are the balancing figures between the audited figures in respect to the full financial year and the published unaudited figures upto nine months ended 31st December, 2018 and 31st, December,2017 respectively, which have been subject to limited review by the Statutory Auditors.

7. The figures of the corresponding previous period / year have been regrouped / recast / reclassified wherever considered necessary to correspond to current period / year classification/ disclosures.

8. During the financial year ended 31st March, 2019, the Company after obtaining Shareholder approval had bought back 13,63,636 equity shares of Rs. 10/- each at a price of Rs. 5,500/- per share, from all the eligible shareholder as on the Record Date i.e 9th February, 2019. The shares bought back had been extinguished on 29th March, 2019 and the paid up capital of the Company was reduced from Rs. 39,95,91,420/- (3,99,59,142 Equity Shares) to Rs. 38,59,55,060/- (3,85,95,506 Equity Shares).

9. As on 31st March, 2019, the Company presently holds 29.48% in Bhilwara Energy Ltd (BEL) an Associate Company of HEG Ltd. The Board of Directors in their meeting held on 2nd April, 2019, had decided to purchase additional 3,23,51,004 shares in Bhilwara Energy Limited (BEL), Associate company for an aggregating cash consideration of Rs 162.05 Crores. The fair valuation of shares of BEL is Rs. 50.09 per share, which was determined by M/s Walker Chandiok & Co. LLP, an Independent Valuer. Post the above acquisition of shares, the holding of Company in BEL, is increased from 29.48% to 49%.

10. During the quarter ended 31st December 2018, the company has paid interim dividend of Rs. 30/- per equity share of Rs.10/- each and also the Board of Directors has recommended a final dividend of Rs. 50/- per Equity Share of Rs. 10/- each for the financial year 2018-19 subject to approval of shareholders at Annual General Meeting.

For HEG Limited

HEG LIMITED LNJ NOIDA

Place : Noida(U.P)

Dated : 20th May,2019

Ravi Jhunjhunwala

Chairman, Managing Director & CEO

DIN: 00060972

**SCV & Co. LLP**
CHARTERED ACCOUNTANTS

Annexure-1

B-XIX-220, Rani Jhansi Road,
Ghumar Mandi, Ludhiana-141 001
E : ludhiana@scvindia.com
T : +91-161-2774527
M : +91-98154-20555

**Independent Auditor's Report**
To the Board of Directors of
HEG limited

1. We have audited the accompanying Statement of Consolidated financial results of HEG limited ('the company') and its share of the total comprehensive income of its associates for the year ended March 31, 2019 ('the statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

   This statement which is the responsibility of company's management and approved by the Board of Directors , has been compiled from the related statements which have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such consolidated financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of the Chartered Accountants of India, Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, 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 statement 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 statement.

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

3. In our opinion and to best of our information and according to the explanations given to us, the statement:
   (i) includes the results of the two associates viz. Bhilwara Energy Limited and Bhilwara Infotechnology Limited;

   (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016; and

   (iii) gives a true and fair view in conformity with the Indian Accounting Standards and other principles generally accepted in India of the total comprehensive income and other information of the company for the year ended March 31, 2019.

SCV & CO. LLP Chartered Accountants

4. **Material uncertainty related to going concern of a subsidiary of an associate**

The material uncertainty related to going concern of a subsidiary of Bhilwara Energy Limited, an associate of the Company, reported in the Auditor's Report on Consolidated financial statements of the associate is being reproduced hereunder:

**In case of Chango Yangthang Hydro Power Limited, a subsidiary of the associate**

The Board of directors of Chango Yangthang Hydro Power Limited has decided to surrender the Chango Yangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in project execution and long delay in Government approvals and licences lapse. Further, the Company has written off capital work in progress during the previous year amounting to Rs. 27.14 crores. These events or conditions indicate that there exists material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern since the Company was incorporated as a Special Purpose Vehicle for this particular project. Our opinion is not modified in respect of this matter.

5. **Emphasis of Matter**

The Emphasis of matter reported in the Auditor's Report on Consolidated financial statements of Bhilwara Energy Limited, an associate of the Company, is being reproduced hereunder:

**In case of Chango Yangthang Hydro Power Limited, a subsidiary of the associate**

The company has asked for refund of upfront premium of Rs. 37.89 crores and security deposit of Rs.1.80 crores with interest, the Government of Himachal Pradesh has not considered the Company's contention for surrender of project. The company on 16th February, 2018 has reaffirmed its intention and asked the authorities for their decision on application of surrender of the project since the project is not to be executed purely on account of various social-legal issues neither in the control of the company nor in the control of local administration/authorities.

GoHP vide Notification dated 03rd Nov 2018 has formed a committee to deal with the issues of various projects which includes Chango Yangthang Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was conveyed on 14th November 2018 which was attended by various villagers of the project affected area, officials of DoE, District administration and CYHPL. During the meeting, the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW Chango Yangthang HEP and refused to co-operate on the issue of development of any project. The said committee discussed the Sutlej Valley projects on 18th Feb 2019 which included CYHPL. During the meeting CYHPL categorically refused to execute the project in view of severe local issue and lapse of clearances for the project. Committee has noted the same.

**In NJC Hydro Power Limited, a subsidiary of the associate**

The viability of the Nyamjang Ch-hu HEP power project is dependent on the outcome of the report of Wildlife Institute of India, Dehradun. We are unable to comment on the financial implications and the future operations of the company till outcome of report of Wildlife Institute of India, Dehradun.

**In Malana Power Company Limited, a subsidiary of the associate**

There is uncertainty relating to the effects of outcome of litigation with Himachal Pradesh State Electricity Board (HPSEBL).

SCV & CO LLP Chartered Accountants

Our opinion is not modified in respect of the above matters.

**6. Other Matters**

The consolidated financial statements include the company's share of total comprehensive income/(loss) of Rs. (24.22 crores) for the year ended 31st March, 2019, as considered in the Consolidated financial statements, in respect of two associates, whose financial statement/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, insofar as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and reports of other auditors.

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No. 000235N/N500089

SCV & CO. LLP Chartered Accountants

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 20th May, 2019

**SCV & Co. LLP**
CHARTERED ACCOUNTANTS

B-XIX-220, Rani Jhansi Road,
Ghumar Mandi, Ludhiana-141 001
E : ludhiana@scvindia.com
T : +91-161-2774527
M : +91-98154-20555

**INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL RESULTS OF HEG LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015**

To the Board of Directors of,
HEG Limited

We have audited the standalone annual financial results of HEG Limited ("the Company") for the year ended March 31, 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("the Regulations") read with SEBI circular No CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the circular"). Attention is drawn to the fact that figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these standalone annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These standalone annual financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these standalone annual financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rule, 2015 as per section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

We conducted our audit in accordance with the standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone annual financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to best of our information and according to the explanations given to us these financial results:

(i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016; and

SCV & CO. LLP Chartered Accountants

(ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other principles generally accepted in India of the profit, total comprehensive income and other financial information of the Company for the year ended March 31, 2019.

**For SCV & Co. LLP**
**Chartered Accountants**
**FRN 00235N/N500089**

SCV & Co. LLP Chartered Accountants

**(Sanjiv Mohan)**
**Partner**
**M. No. 086066**

**Dated: 20th May, 2019**
**Place: Noida**

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2019

20th May, 2019

| | | | |
|---|---|---|---|
| 1 | **BSE Limited**<br>25th Floor, P J Towers<br>Dalal Street<br>MUMBAI - 400 001.<br>**Scrip Code : 509631** | 2 | **National Stock Exchange of India Limited**<br>Exchange Plaza, 5th Floor<br>Plot No.C/1, G Block, Bandra - Kurla Complex<br>Bandra (E),<br>MUMBAI - 400 051.<br>**Scrip Code : HEG** |

**Sub: Declaration pursuant to Regulation 33 (3) (d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016.**

Dear Sirs,

I, Gulshan Kumar Sakhuja, Chief Financial Officer of HEG Limited (CIN L23109MP1972PLC008290) having its Registered Office at Mandideep, Distt. Raisen, Madhaya Pradesh – 462 046 and its Corporate Office at Bhilwara Towers, A-12, Sector -1, Noida – 201 301, hereby declare that, the Statutory Auditor M/s. SCV & Co. LLP., Chartered Accountants (Firm Registration No.00235N / N500089) have issued an Audit Report (Standalone & consolidated) with unmodified opinion on Audited Financial Results of the Company for the financial year ended 31st March, 2019.

This declaration is given in compliance to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **HEG Limited**

HEG LIMITED LNJ NOIDA

**(Gulshan Kumar Sakhuja)**
**Chief Financial Officer**
heg.investor@lnjbhilwara.com

Annexure-II

| Name of Director | Riju Jhunjhunwala | Dharmendar Nath Davar | Kamal Gupta | Om Parkash Bahl | Shekhar Agarwal |
|---|---|---|---|---|---|
| Category of Directorship | Promoter Non-Executive | Independent | Independent | Independent | Non-Executive |
| Date of Birth | 13.01.1979 | 08.08.1934 | 12.02.1946 | 5.10.1939 | 09.10.1952 |
| Age | 40 years | 84 years | 73 years | 79 years | 66 years |
| Date of Appointment on the Board | 30.04.2009 | 10.11.1994 | 10.11.1994 | 30.04.2009 | 15.07.1996 |
| Tenure | Liable to retire by rotation. | For a second term of 2 years w.e.f. 30th August, 2019 to 29th August, 2021. | For a second term of five years w.e.f. 30th August, 2019 to 29th August, 2024. | For a second term of 2 years w.e.f. 30th August, 2019 to 29th August, 2021. | Liable to retire by rotation. |
| Qualification | Degree in Business Management studies | B.COM (Hons.), M.A. (Eco), CAIIB and Fellow of the Economic Development Institute of the World Bank. | FCA, FICWA, Ph.D. in Business Management. | M.Sc. and Ph.D. | B.Tech (Mech), IIT Kanpur, Master of Science Degree in Industrial & Systems Engineering from Illinois Institute of Technology, Chicago, USA. |
| Experience | He is an Industrialist with diversified business experience. He is the Managing Director of RSWM Ltd and Bhilwara Energy Ltd. He is also active in | Shri Davar, a distinguished professional development banker with innate expertise in corporate management, has the degree of B. Com | He was earlier Technical Director of Institute of Chartered Accountants of India, and was instrumental in introducing accounting and auditing standards in | After finishing Post graduation and PhD (in the area of CARBON) from Gujarat in the year 1966, Dr. O.P. Bahl undertook Post Doctoral studies in the area of Carbon under a | Mr. Shekhar Agarwal is the Group Vice Chairman of LNJ Bhilwara Group, industrial conglomerate with 70 per cent concentrated in textiles. The textiles operations are very diversified with spinning, weaving, knitting |

LNJ BHILWARA LIMITED NOIDA

| | | | | | |
|---|---|---|---|---|---|
| | industry and social associations. He has been the past president of the Entrepreneurs Organization (Delhi Chapter) among some others.<br>He is an avid reader of history and biographies and has a keen interest In general affairs and politics. | (Hons.), M.A. (Economics), Certified Associate of the Indian Institute of Bankers, and is a Fellow of the Economic Development Institute of the World Bank. After serving the Punjab National Bank (PNB) in senior management position(s) upto 1968, he joined Industrial Finance Corporation of India (IFCI), a well known national level premier financial institution, and retired on completion of two terms spreading over eight years as its Executive Chairman in 1992. He had also been on the Boards and Executive Committees of IDBI and IRBI for nearly 8 years and also on the Board of LIC Housing Finance Co. He had | India. He has also represented India on various international professional bodies. He has expertise in the areas of Finance, Accounting and Corporate Laws and is at present a free lance consultant in these areas. He is also the renowned author of various books on Auditing and other subjects. | fellowship from Ministry Of Aviation U.K, in North Wales.<br>Dr Bahl began his distinguished career from the National Physical Lab; New Delhi where he took up the challenge of developing Technologies required desperately by the Ministry of Defense in particular and the Society in general. Dr Bahl's outstanding work in the development of Advanced/ Strategic Carbon Products namely, NOSE TIP FOR AGNI MISSILE, CARBON FIBRES, CARBON/CARBON COMPOSITES, FLEXIBLE GRAPHITE, ILLAZAROV FIXATOR, GLASSY CARBONS, ACTIVATED CARBON FIBRES,IMPREGNATING PITCH, ETC has | processing and garments manufacturing in different fabrics. More than 50% of the manufactured goods are exported to more than 40 countries.<br>He worked as a Senior Industrial & System Engineer with Rego Co., Chicago from December 1976 to May 1980, having trained & practiced MOST, the Maynard Operations Sequencing Technique for manufacturing high quality valves & regulators for the LPG & Compressed gas industries.<br>Formerly, he was the President of the Northern India Textile Mills Association. Presently he is on the National Committee on Textiles of the Confederation of Indian Industry (CII), and past Chairman of the Confederation of Indian Textile Industry (formerly ICMF). |

HEG LIMITED NOIDA

| | | | | | |
|---|---|---|---|---|---|
| | | been, for several years, a part time Consultant to the World Bank, UNIDO and KFW. Presently he is on the Boards of several reputed companies, training institutions and non-governmental (social) organizations. | | been instrumental in making India self reliant in the defense sector particularly.<br>Superannuated as Director Grade Scientist from NPL in the year 1999 and thereafter worked as EMIRATUS SCIENTIST of CSIR till 2004. In between, Dr. Bahl worked as U.N. Chief Technical Adviser *( for Carbon Fibre Project)* in Brazil in addition to being UNIDO Consultant to Poland, Romania<br>Dr. Bahl is an established Carbon Expert in the country, having published more than 150 original Research papers in International journals of repute in addition to 12 Patents, Developed and transferred to Industry 10 Carbon related Technologies etc. Rightly, Dr. Bahl has been named as | |

HEG LIMITED NOIDA

| | | | | | |
|---|---|---|---|---|---|
| | | | | "CARBON MAN OF INDIA " by a leading national publication.<br>Dr, Bahl has won numerous National as well as International Awards - some of the prominent ones being CSIR Technology Shield (1999), Charles Pettinos Award ( American Carbon Society,1999), CSIR Technology Award (1999),NRDC Republic Day Award (1992),CSIR Technology Award (1990),BD BANGUR Award (1999),DRDO Felicitation (2003),Institute of Chemical Engineers Award (2018).<br>Dr. Bahl, a passionate, innovative and forward thinking scientist in the area of Science and Technology of Carbon Materials is a Fellow of the National Academy of Sciences and President of the Indian | |

| | | | | | |
|---|---|---|---|---|---|
| | | | | Carbon Society. | |
| Whether Performance Evaluation done by Board/Committee | Yes | Yes | Yes | Yes | Yes |

HEG LIMITED NOIDA