



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2021

27th May, 2021

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: Outcome of Board Meeting held on 27th May, 2021

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. 27th May, 2021:

1. Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31st March, 2021 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 - 1.
2. The Board of Directors have recommended a final Dividend on Equity Shares at the rate of Rs. 3/- per Equity Share of the face value of Rs. 10/- each, for the financial year 2020-21 subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company. The dividend will be paid / dispatched within 30 days from the date of the Annual General Meeting.

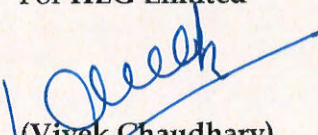
The date of the ensuing Annual General Meeting will be intimated to the Stock Exchanges in due course of time.

The Board Meeting commenced at 2.30 P.M. and concluded at 7.30 P.M.

This is for your information and record.

Thanking you,

Yours faithfully,
For HEG Limited


(Vivek Chaudhary)
Company Secretary
heg.investor@lnjbhilwara.com

HEG LIMITED

Encl: as above

Corporate Office :
Bhilwara Towers, A-12, Sector-1
Noida - 201 301 (NCR-Delhi), India
Tel.: +91-120-4390300 (EPABX)
Fax: +91-120-4277841
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
Website: www.hegltd.com



Corporate Identification No.: L23109MP1972PLC008290



**HEG LIMITED**

Corporate Office : Bhilwara Towers, A-12, Sector -1, NOIDA - 201301.

Registered Office : Mandideep (Near Bhopal), Distt. Raisen, Madhya Pradesh-462046.

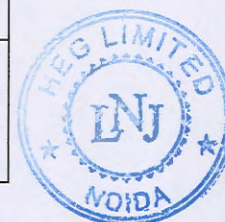
Phone : 0120-4390300; Fax : 0120-4277841

CIN: L23109MP1972PLC008290 Website: www.heg ltd.com Email: heg.investor@Injbhilwara.com

Annex-1

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

Sl. No.	Particulars	Quarter Ended			Year Ended		₹ in Crores
		31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020	
		Audited	Unaudited	Audited	Audited	Audited	
I	Revenue from Operations	380.48	319.59	374.44	1,256.23	2,149.02	
II	Other Income	25.11	25.35	42.29	112.91	143.76	
III	Total Revenue (I+II)	405.59	344.94	416.73	1,369.14	2,292.78	
IV	Expenses						
	Cost of materials consumed	117.47	142.65	468.61	504.94	1,558.13	
	Purchase of stock -in-trade	-	-	-	-	-	
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	83.17	61.75	294.81	304.15	62.95	
	Employee benefits expense	14.77	13.47	(3.75)	54.53	65.60	
	Finance cost	1.09	1.27	8.58	11.37	36.51	
	Depreciation and amortisation expense	18.48	18.53	18.88	73.12	72.13	
	Power and Fuel (Net of Interdivisional Purchases)	49.53	31.75	34.56	139.38	163.31	
	Other Expenses	120.23	71.24	77.64	312.41	304.86	
	Total expenses (IV)	404.74	340.66	899.32	1,399.90	2,263.49	
V	Profit/(Loss) before exceptional items and tax (III-IV)	0.85	4.28	(482.59)	(30.76)	29.29	
VI	Exceptional Items	-	-	-	-	-	
VII	Profit/(Loss) before Tax (V-VI)	0.85	4.28	(482.59)	(30.76)	29.29	
VIII	Tax expense						
	(1) Current Tax	-	-	(120.79)	0.20	(0.19)	
	(2) Deferred Tax	7.65	(0.40)	4.20	(5.66)	(23.90)	
IX	Net Profit/(Loss) for the period (VII-VIII)	(6.80)	4.68	(366.00)	(25.30)	53.37	
X	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	0.49	-	(0.98)	1.40	(0.70)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.12)	-	0.25	(0.35)	0.18	
	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	-	-	-	-	-	
XI	Total Comprehensive Income for the period	(6.43)	4.68	(366.73)	(24.25)	52.85	
XII	Paid -Up Equity Share Capital (Face Value ₹10/- per share)	38.60	38.60	38.60	38.60	38.60	
XIII	Reserves (Excluding Revaluation Reserves)	3,360.04	-	-	3,360.04	3,384.28	
XIV	Earnings Per Share (₹ - Basic (Rs.)	(1.76)	1.21	(94.83)	(6.56)	13.83	
	- Diluted (Rs.)	(1.76)	1.21	(94.83)	(6.56)	13.83	



SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES

₹ in Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
		Audited	Unaudited	Audited	Audited	Audited
A	Segment Revenue					
	Graphite	374.94	309.78	358.56	1,233.91	2,117.84
	Power	6.67	29.98	15.87	62.97	69.44
	Others	0.01	0.00	0.00	0.01	0.01
	Total	381.62	339.76	374.43	1,296.89	2,187.29
	Less: Inter segment sales	1.14	20.17	(0.01)	40.66	38.26
	Revenue from Operations	380.48	319.59	374.44	1,256.23	2,149.02
B	Segment Results					
	Profit before tax and finance cost from each segment					
	Graphite	21.80	(16.32)	(489.65)	(58.03)	(35.80)
	Power	(0.92)	(0.83)	13.13	(10.57)	13.55
	Others	-	-	-	-	-
	Total	20.88	(17.15)	(476.52)	(68.60)	(22.24)
	Add/Less:					
	Interest Income	7.32	7.76	7.28	28.88	35.92
	Gain on sale of Investments(Including gain/(loss) on its Fair Valuation)	8.58	14.87	18.78	61.11	73.25
	Other Unallocable Income net of expenses	(34.84)	0.06	(23.55)	(40.78)	(21.13)
	Finance cost	(1.09)	(1.27)	(8.58)	(11.37)	(36.51)
	Total Profit Before Tax	0.85	4.28	(482.59)	(30.76)	29.29
C	Segment Assets					
	Graphite	2,061.42	1,920.93	2,464.74	2,061.42	2,464.74
	Power	105.46	108.92	147.43	105.46	147.43
	Unallocated / Others	1,980.84	1,934.02	1,737.34	1,980.84	1,737.34
	Total Segment Assets	4,147.72	3,963.87	4,349.51	4,147.72	4,349.51
D	Segment Liabilities					
	Graphite	627.96	444.28	799.11	627.96	799.11
	Power	9.10	10.05	8.63	9.10	8.63
	Unallocated / Others	112.03	104.48	118.89	112.03	118.89
	Total Segment Liabilities	749.09	558.81	926.63	749.09	926.63



STATEMENT OF ASSETS AND LIABILITIES

₹ in Crores

Particulars	Year Ended	Year Ended
	31/03/2021	31/03/2020
	Audited	Audited
A ASSETS		
(1) Non-current assets		
a) Property, Plant and Equipment	683.51	733.58
b) Capital work-in-progress	373.27	100.61
c) Investment Property	3.21	3.37
d) Right to use Asset	7.09	7.39
e) Goodwill	-	-
f) Other Intangible assets	0.20	0.30
g) Intangible assets under development	-	-
h) Biological Assets other than bearer plants	-	-
i) Financial assets	-	-
(i) Investments	702.15	1,139.38
(ii) Trade receivables	-	-
(iii) Loans	25.29	17.42
(iv) Other Financial Assets	20.67	-
j) Deferred tax assets(net)	-	-
k) Income Tax Assets(Net)	146.42	143.93
l) Other non-current assets	112.28	144.65
Total Non Current Assets	2,074.09	2,290.63
(2) Current assets		
(a) Inventories	580.61	1,005.14
(b) Financial assets	-	-
(i) Investments	559.10	16.53
(ii) Trade receivables	289.42	399.41
(iii) Cash & Cash equivalents	21.37	32.80
(iv) Bank balances other than (iii) above	529.20	404.48
(v) Loans	0.31	0.78
(vi) Others Financial Assets	10.50	6.86
(c) Other current assets	83.11	192.87
Total Current Assets	2,073.63	2,058.88
Total Assets	4,147.72	4,349.51



Particulars		Year Ended	Year Ended
		31/03/2021	31/03/2020
		Audited	Audited
B	EQUITY & LIABILITIES		
	Equity		
	(a) Equity share capital	38.60	38.60
	(b) Other equity	3,360.04	3,384.28
	Total Equity	3,398.64	3,422.88
	LIABILITIES		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Trade Payables	-	-
	(iii) Lease Liability	0.81	1.14
	(iv) Other financial liabilities-Security Deposit	-	-
	(b) Provisions	3.58	3.91
	(c) Deferred tax liabilities (Net)	96.75	102.05
	(d) Other non-current liabilities	3.92	3.01
	Total Non Current Liability	105.06	110.12
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	296.51	592.62
	(ii) Trade Payables		
	(A) Total Outstanding dues of micro enterprises and small enterprises	12.08	6.58
	(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	245.23	127.23
	(iii) Lease Liability	0.73	0.50
	(iv) Other financial liabilities	66.04	65.76
	(b) Other current liabilities	12.31	12.55
	(c) Provisions	4.85	5.21
	(d) Current Tax Liabilities (Net)	6.28	6.08
	Total Current Liability	644.02	816.51
	Total Equity and Liabilities	4,147.72	4,349.51



STATEMENT OF CASH FLOW STATEMENT

PARTICULARS		₹ in Crores	
		Year Ended	Year Ended
		31st March, 2021	31st March, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Tax	(30.76)	29.29
	Adjustment for non operating and non cash transactions		
	Depreciation and Amortisation	73.12	72.13
	Interest Paid	11.37	36.51
	Net(Profit)/Loss on property plant and equipment sold / discarded	5.94	0.88
	Allowances for Expected Credit Losses	(2.28)	(3.26)
	Unrealized (Gain)/Loss due to effect of exchange rate changes on assets and liabilities	0.56	(25.88)
	Bad Debts	3.95	0.79
	Gain on sale/fair valuation of investments	(61.11)	(73.25)
	Dividend earned	(1.04)	(1.25)
	Rent received	(1.15)	(1.38)
	Interest received	(28.88)	(35.92)
	Adjustments for changes in assets and liabilities		
	(Increase)/Decrease in Trade receivables	108.54	818.20
	(Increase)/Decrease in Inventories	424.53	303.25
	(Increase)/Decrease in Loans, financial and Other assets	103.64	68.35
	Increase/(Decrease) in Liabilities and provisions	111.85	(345.98)
	Cash generated from operations	718.27	842.47
	Income tax paid	2.49	103.76
	Net Cash generated from operating activities (A)	715.79	738.71
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Addition in Property plant and Equipments (including Capital work-in-progress)	(301.31)	(111.24)
	Sale of Property Plant and Equipments	0.72	1.25
	(Increase)/Decrease in Advances for Capital Expenditure	32.37	(125.60)
	Bank balances not considered as cash and cash equivalents	(145.36)	123.68
	Increase/(Decrease) in Creditors for Capital Expenditure	12.89	15.74
	(Purchase) of Investments	(139.50)	(1,092.01)
	Sale of Investments	95.27	876.39
	Rent received	1.15	1.38
	Dividend received	1.04	1.25
	Interest received	25.32	33.72
	Net Cash used in investing activities (B)	(417.41)	(275.45)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Repayment of working capital borrowings (on net basis)	(296.77)	(74.04)
	Interest Paid (including interest on lease liability)	(12.46)	(36.51)
	Payment of lease liability	(0.58)	(0.10)
	Dividend Paid	-	(289.47)
	Dividend distribution Tax paid	-	(59.50)
	Net Cash used in financing activities (C)	(309.81)	(459.62)
	NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(11.43)	3.64
	Cash and cash equivalents at the beginning of the period	32.80	29.16
	Cash and cash equivalents at the end of the period	21.37	32.80



Notes:

- 1 The above Standalone financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under.
- 2 The above Standalone financial results have been reviewed by Audit Committee and approved by Board of Directors in their respective meetings held on May 27, 2021 and have been audited by the Statutory Auditors of the Company. The Statutory Auditors have expressed an unmodified conclusion on the aforesaid results.
- 3 The figures of quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures in respect of full financial year and the published figures of nine months ended December 31, 2020 and December 31, 2019 respectively, which were subject to limited review by the Statutory Auditors.
- 4 In accordance with the provisions laid under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the company has incurred expenditure on account of Corporate Social Responsibility amounting to Rs. 34.85 crores during the quarter ended March 31, 2021, Rs. 0.14 crores during the quarter ended December 31, 2020 and Rs. 41.86 crores during the financial year ended March 31, 2021 which has been included under the head 'Other Expenses'.
- 5 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal & external sources of information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of second wave of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.
- 6 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.
- 7 In the financial year March 31,2020 the Company had elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company had recognized provision for income tax and re-measured its deferred tax liability on the basis of rate prescribed in the said section. It had resulted in reversal of deferred tax liability amounting to Rs.32.66 crores. and the impact of this change had been recognized in year ended March 31, 2020. Therefore Income tax expense for the year ended March 31, 2021 is not compared with the Income tax expense of the previous year ended March 31, 2020.
- 8 The Code on Social Security, 2020 ('Code') relating to the employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 9 The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced existing MEIS (Merchandise Exports from India Scheme) w.e.f January 01, 2021. As the rates under RODTEP have not been announced till date, the income on account of benefits under the new scheme has not been recognized for the quarter ended March 31, 2021.
- 10 The figures of the previous financial period/year have been regrouped/rearranged wherever considered necessary to make them comparable.
- 11 The Board of Directors has recommended a final dividend of Rs. 3/- per Equity Share of the face value of Rs. 10/- each for the financial year 2020-21, subject to approval of shareholders at the ensuing Annual General Meeting.

For HEG Limited



Ravi Jhunjunwala
Chairman, Managing Director & CEO

DIN No.00060972

Place : Noida(U.P)

Dated : May 27, 2021

**HEG LIMITED**

Corporate Office : Bhilwara Towers, A-12, Sector -1, NOIDA - 201301.

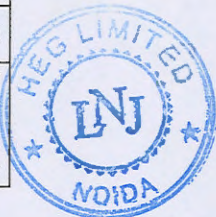
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Phone : 0120-4390300; Fax : 0120-4277841

CIN: L23109MP1972PLC008290 Website: www.heg ltd.com Email: heg.investor@lnjbhilwara.com

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

Sl. No.	Particulars	₹ in Crores				
		Quarter Ended			Year Ended	
		31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	380.48	319.59	374.44	1,256.23	2,149.02
II	Other Income	25.11	25.35	42.29	112.91	143.76
III	Total Revenue (I+II)	405.59	344.94	416.73	1,369.14	2,292.78
IV	Expenses					
	Cost of materials consumed	117.47	142.65	468.61	504.94	1,558.13
	Purchase of stock -in-trade	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	83.17	61.75	294.81	304.15	62.95
	Employee benefits expense	14.77	13.47	(3.75)	54.53	65.60
	Finance cost	1.09	1.27	8.58	11.37	36.51
	Depreciation and amortisation expense	18.48	18.53	18.88	73.12	72.13
	Power and Fuel (Net of Interdivisional Purchases)	49.53	31.75	34.56	139.38	163.31
	Other Expenses	120.23	71.24	77.64	312.41	304.86
	Total expenses (IV)	404.74	340.66	899.32	1,399.90	2,263.49
V	Profit/(Loss) before exceptional items and tax (III-IV)	0.85	4.28	(482.59)	(30.76)	29.29
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	0.85	4.28	(482.59)	(30.76)	29.29
VIII	Tax expense					
	(1) Current Tax	-	-	(120.79)	0.20	(0.19)
	(2) Deferred Tax	7.65	(0.40)	4.20	(5.66)	(23.90)
IX	Share of Profit/ (loss) of associates	(9.28)	(5.48)	(10.96)	7.36	14.26
X	Net Profit/(Loss) for the period (VII-VIII+IX)	(16.08)	(0.80)	(376.96)	(17.94)	67.63
XI	Other Comprehensive Income (Net of Taxes)					
	A (i) Items that will not be reclassified to profit or loss	0.49	-	(0.98)	1.40	(0.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.12)	-	0.25	(0.35)	0.18
	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	0.40	(0.07)	(0.08)	0.24	(0.11)
	Total Comprehensive Income for the period	(15.31)	(0.87)	(377.78)	(16.65)	67.00
XII	Paid -Up Equity Share Capital (Face Value ₹10/- per share)	38.60	38.60	38.60	38.60	38.60
XIII	Reserves (Excluding Revaluation Reserves)	3,456.48	-	-	3,456.48	3,473.12
XIV	Earnings Per Share ₹) - Basic (Rs.)	(4.17)	(0.21)	(97.67)	(4.65)	17.52
XV	- Diluted (Rs.)	(4.17)	(0.21)	(97.67)	(4.65)	17.52



SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES

₹ in Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
		Audited	Unaudited	Audited	Audited	Audited
A	Segment Revenue					
	Graphite	374.94	309.78	358.56	1,233.91	2,117.84
	Power	6.67	29.98	15.87	62.97	69.44
	Others	0.01	0.00	0.00	0.01	0.01
	Total	381.62	339.76	374.43	1,296.89	2,187.29
	Less: Inter segment sales	1.14	20.17	(0.01)	40.66	38.26
	Revenue from Operations	380.48	319.59	374.44	1,256.23	2,149.02
B	Segment Results					
	Profit before tax and finance cost from each segment					
	Graphite	21.80	(16.32)	(489.65)	(58.03)	(35.80)
	Power	(0.92)	(0.83)	13.13	(10.57)	13.55
	Others	-	-	-	-	-
	Total	20.88	(17.15)	(476.52)	(68.60)	(22.24)
	Add/Less:					
	Interest Income	7.32	7.76	7.28	28.88	35.92
	Gain on sale of Investments(Including gain/(loss) on its Fair Valuation)	8.58	14.87	18.78	61.11	73.25
	Other Unallocable Income net of expenses	(34.84)	0.06	(23.55)	(40.78)	(21.13)
	Finance cost	(1.09)	(1.27)	(8.58)	(11.37)	(36.51)
	Total Profit Before Tax	0.85	4.28	(482.59)	(30.76)	29.29
C	Segment Assets					
	Graphite	2,061.43	1,920.93	2,464.74	2,061.43	2,464.74
	Power	105.46	108.92	147.43	105.46	147.43
	Unallocated / Others	2,077.28	2,039.34	1,826.18	2,077.28	1,826.18
	Total Segment Assets	4,244.17	4,069.19	4,438.35	4,244.17	4,438.35
D	Segment Liabilities					
	Graphite	627.96	444.28	799.11	627.96	799.11
	Power	9.10	10.05	8.63	9.10	8.63
	Unallocated / Others	112.03	104.48	118.89	112.03	118.89
	Total Segment Liabilities	749.09	558.81	926.63	749.09	926.63



STATEMENT OF ASSETS AND LIABILITIES

₹ in Crores

Particulars	Year Ended	Year Ended
	31/03/2021	31/03/2020
	Audited	Audited
A ASSETS		
(1) Non-current assets		
a) Property, Plant and Equipment	683.51	733.58
b) Capital work-in-progress	373.27	100.61
c) Investment Property	3.21	3.37
d) Right to use Asset	7.09	7.39
e) Goodwill	-	-
f) Other Intangible assets	0.20	0.30
g) Intangible assets under development	-	-
h) Biological Assets other than bearer plants	-	-
i) Financial assets	-	-
(i) Investments	798.59	1,228.22
(ii) Trade receivables	-	-
(iii) Loans	25.29	17.42
(iv) Other Financial Assets	20.67	-
j) Deferred tax assets(net)	-	-
k) Income Tax Assets(Net)	146.42	143.93
l) Other non-current assets	112.28	144.65
Total Non Current Assets	2,170.54	2,379.47
(2) Current assets		
(a) Inventories	580.61	1,005.14
(b) Financial assets	-	-
(i) Investments	559.10	16.53
(ii) Trade receivables	289.42	399.41
(iii) Cash & Cash equivalents	21.37	32.80
(iv) Bank balances other than (iii) above	529.20	404.48
(v) Loans	0.31	0.78
(vi) Others Financial Assets	10.50	6.86
(c) Other current assets	83.11	192.87
Total Current Assets	2,073.63	2,058.88
Total Assets	4,244.17	4,438.35



	Particulars	Year Ended	Year Ended
		31/03/2021	31/03/2020
		Audited	Audited
B	EQUITY & LIABILITIES		
	Equity		
	(a) Equity share capital	38.60	38.60
	(b) Other equity	3,456.48	3,473.12
	Total Equity	3,495.08	3,511.72
	LIABILITIES		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Trade Payables	-	-
	(iii) Lease Liability	0.81	1.14
	(iv) Other financial liabilities-Security Deposit	-	-
	(b) Provisions	3.58	3.91
	(c) Deferred tax liabilities (Net)	96.75	102.05
	(d) Other non-current liabilities	3.92	3.01
	Total Non Current Liability	105.06	110.12
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	296.51	592.62
	(ii) Trade Payables		
	(A) Total Outstanding dues of micro enterprises and small enterprises	12.08	6.58
	(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	245.23	127.23
	(iii) Lease Liability	0.73	0.50
	(iv) Other financial liabilities	66.04	65.76
	(b) Other current liabilities	12.31	12.55
	(c) Provisions	4.85	5.21
	(d) Current Tax Liabilities (Net)	6.28	6.08
	Total Current Liability	644.03	816.51
	Total Equity and Liabilities	4,244.17	4,438.35



STATEMENT OF CASH FLOW STATEMENT

PARTICULARS		₹ in Crores	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Tax	(30.76)	29.29
	Adjustment for non operating and non cash transactions		
	Depreciation and Amortisation	73.12	72.13
	Interest Paid	11.37	36.51
	Net(Profit)/Loss on property plant and equipment sold / discarded	5.94	0.88
	Allowances for Expected Credit Losses	(2.28)	(3.26)
	Unrealized (Gain)/Loss due to effect of exchange rate changes on assets and liabilities	0.56	(25.88)
	Bad Debts	3.95	0.79
	Gain on sale/fair valuation of investments	(61.11)	(73.25)
	Dividend earned	(1.04)	(1.25)
	Rent received	(1.15)	(1.38)
	Interest received	(28.88)	(35.92)
	Adjustments for changes in assets and liabilities		
(Increase)/Decrease in Trade receivables	108.54	818.20	
(Increase)/Decrease in Inventories	424.53	303.25	
(Increase)/Decrease in Loans, financial and Other assets	103.64	68.35	
Increase/(Decrease) in Liabilities and provisions	111.85	(345.98)	
Cash generated from operations	718.27	842.47	
Income tax paid	2.49	103.76	
Net Cash generated from operating activities (A)	715.79	738.71	
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Addition in Property plant and Equipments (including Capital work-in-progress)	(301.31)	(111.24)
	Sale of Property Plant and Equipments	0.72	1.25
	(Increase)/Decrease in Advances for Capital Expenditure	32.37	(125.60)
	Bank balances not considered as cash and cash equivalents	(145.36)	123.68
	Increase/(Decrease) in Creditors for Capital Expenditure	12.89	15.74
	(Purchase) of Investments	(139.50)	(1,092.01)
	Sale of Investments	95.27	876.39
	Rent received	1.15	1.38
	Dividend received	1.04	1.25
	Interest received	25.32	33.72
Net Cash used in investing activities (B)	(417.41)	(275.45)	
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Repayment of working capital borrowings (on net basis)	(296.77)	(74.04)
	Interest Paid (including interest on lease liability)	(12.46)	(36.51)
	Payment of lease liability	(0.58)	(0.10)
	Dividend Paid	-	(289.47)
	Dividend distribution Tax paid	-	(59.50)
Net Cash used in financing activities (C)	(309.81)	(459.62)	
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(11.43)	3.64
Cash and cash equivalents at the beginning of the period		32.80	29.16
Cash and cash equivalents at the end of the period		21.37	32.80



Notes:

- 1 The above Consolidated financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under.
- 2 The above Consolidated financial results have been reviewed by Audit Committee and approved by Board of Directors in their respective meetings held on May 27, 2021 and have been audited by the Statutory Auditors of the Company. The Statutory Auditors have expressed an unmodified conclusion on the aforesaid results.
- 3 The figures of quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between the audited figures in respect of full financial year and the published figures of nine months ended December 31, 2020 and December 31, 2019 respectively, which were subject to limited review by the Statutory Auditors.
- 4 In accordance with the provisions laid under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the company has incurred expenditure on account of Corporate Social Responsibility amounting to Rs. 34.85 crores during the quarter ended March 31, 2021, Rs. 0.14 crores during the quarter ended December 31, 2020 and Rs. 41.86 crores during the financial year ended March 31, 2021 which has been included under the head 'Other Expenses'.
- 5 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal & external sources of information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of second wave of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.
- 6 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.
- 7 In the financial year March 31,2020 the Company had elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company had recognized provision for income tax and re-measured its deferred tax liability on the basis of rate prescribed in the said section. It had resulted in reversal of deferred tax liability amounting to Rs.32.66 crores. and the impact of this change had been recognized in year ended March 31, 2020. Therefore Income tax expense for the year ended March 31, 2021 is not compared with the Income tax expense of the previous year ended March 31, 2020.
- 8 The Code on Social Security, 2020 ('Code') relating to the employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 9 The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced existing MEIS (Merchandise Exports from India Scheme) w.e.f January 01, 2021. As the rates under RODTEP have not been announced till date, the income on account of benefits under the new scheme has not been recognized for the quarter ended March 31, 2021.
- 10 The figures of the previous financial period/year have been regrouped/rearranged wherever considered necessary to make them comparable.
- 11 The notes disclosed in the consolidated financial Statements of Bhilwara Energy Limited, one of the associate companies, referred in the Auditor's Report of Associate under 'Emphasis of matter' paragraph are being reproduced hereunder:
 - (a) In 2009, Malana Power Company Limited had given sub debt to ADHPL amounting to ₹46,380.00 Lakhs at market interest rate and this sub debt was classified as Loans on transition to Ind AS based on the substance of the transaction and intention of the parties at that point of time. Subsequent to the year end, on May 12, 2021, Malana Power Company Limited and ADHPL have mutually agreed to modify the terms of repayment of sub debt of ₹31,780.00 Lakhs and accumulated interest of ₹23,395.89 Lakhs on total debt as follows: Interest on sub debt of ₹31,780.00 Lakhs out of total sub debt of ₹46,380.00 Lakhs will be Nil from April 01, 2020. At the discretion of ADHPL, ADHPL can repay ₹31,780.00 Lakhs and ₹23,395.89 Lakhs out of distributable profits of ADHPL or as per the agreement signed between Malana Power Company Limited, ADHPL and IFC.
Based on the above modification, Malana Power Company Limited has derecognized the loan asset and accumulated interest receivable and transferred the balances to investment in ADHPL (subsidiary) and presented under "Deemed Equity Investment." The waiver of interest and modification of terms of the sub debt are not prejudicial to the interest of Malana Power Company Limited considering the parent and subsidiary relationship.
The balance sub debt amounting to ₹14,600.00 Lakhs carry interest rate of @9.55% per annum.



- (b) On October 17, 2019, the Central Electricity Regulatory Commission (CERC) passed an Order on the Dedicated Transmission System of ADHPL for three parties using the transmission line for transmitting the energy in which CERC stated the following:-With regards to transmission charges, CERC approved the capital cost of Dedicated Transmission System at ₹23,892.00 Lakhs as against the capital cost submitted by ADHPL of ₹41,661.00 Lakhs (on the date of COD)/ ₹45,284.00 Lakhs (with additional capitalization) and accordingly determined the annual fixed cost (Transmission Tariff) for using transmission line for the period 2011-2012 to 2018-2019. ADHPL has estimated an amount aggregating to ₹9,668.08 Lakhs being additional amount invoiced over and above the amount which should have been invoiced based on capital cost and fixed cost determined by CERC for the above stated period. The management is of the view that the methods used to derive the capital cost by the CERC are not in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations (“regulations”) for the period 2009-2014 and 2014-2019 and Electricity Act, 2003. With respect to matter detailed in (a) above, ADHPL had filed an appeal against the CERC Order before Appellate Tribunal for Electricity (APTEL) in October 2019. APTEL vide Order dated October 17, 2019 stayed the CERC’s order so far as raising adjustment of previously raised bills were concerned along with the direction to continue to issue the future bills in accordance with the CERC Order till the appeal is finally disposed-off. The Respondents were directed to pay charges in terms of the order for use of the transmission line of ADHPL. ADHPL has accordingly started raising the invoices based on the CERC order effective 18th October, 2019 and recognized as transmission income. Accordingly, trade receivables aggregating to ₹3,504.85 Lakhs are considered good and fully recoverable and in the opinion of the Management no provision is required towards amount already collected from the users of Dedicated Transmission Line till March 31, 2021 aggregating to ₹6,163.23 Lakhs. Pending litigation and final decision on the appeal by APTEL, the Management, based on the legal opinion, is of the view that the above CERC Order is not legally tenable and would not have any material liability on ADHPL. With regards to transmission losses, CERC directed to share the losses between the parties using the transmission line on the basis of weekly average losses in proportion to the scheduled energy on weekly basis instead of a flat charge of 4.75% charged by ADHPL as per the Interim Power Transmission Agreement (IPTA) signed between parties and accordingly directed the Northern Regional Load Dispatch Centre (NRLDC) to re-compute the same. However, the management is confident that the actual transmission losses to be computed by NRLDC would not be materially different in comparison with current flat charge of 4.75% and there would not be any material impact on the financial statements.
- (c) Pending execution of the PPA expired on March 31, 2019, the Company has recognised revenue @3.14/- kWh based on the order issued by RERC vide its third amendment regulation dated 5th March 2019 for execution of the PPA to DISCOM for entire balance project life. GBI also has taken at applicable rate @0.50/- kWh.
- (d) Environmental Clearance (EC) of Nyamjang Chhu HEP (6X130 MW) was challenged in National Green Tribunal (NGT) by NGO. NGT in their order dated 7th April, 2016 suspended the Environment Clearance granted to the project till the directions as given in the order are complied. NGT also directed MOEF&CC to make a separate study of E-Flow requirement for protection of Habitat of the Black Neck Crane and for the conservation of the Black Neck Crane through the Wildlife Institute of India (WII). While the studies were in progress, Government of Arunachal Pradesh issued instant notice for termination on 22nd March, 2019 invoking its right to take over the project on “AS IS WHERE IS BASIS” and allotting the same to third party. The Company filed petition challenging instant notice for termination under section 9 of Arbitration Act in District Courts of Itanagar for immediate relief to maintain the status quo which was granted vide their order dated 30th April, 2019 and the termination notice was also suspended. WII submitted its report to GoAP and the same was submitted to court on pursuance of the company. In the report, WII has recommended no construction of Nyamjnag Chhu HEP at site. The project being not viable as per WII report, an application u/s 9 was filed seeking refund of upfront premium as per provisions of MoA. District Court vide their order dated 18th March, 2020 disposed of the petition and advised to invoke arbitration within 45 days. Due to Covid 19 pandemic lockdown the company approached District Court for extension of the interim protection by another 90 days which was turned down by them. The company filed an appeal with Gauhati High Court u/s 37 of the Arbitration Act challenging the earlier orders of District Courts. An appeal was admitted by The Hon’ble High Court but interim extension was not granted. Interim order of the Gauhati High court in this regard was challenged in Supreme Court by filing Special Leave petition. Hon’ble Supreme Court vide its order dated 08th May, 2020 granted the relief for extension with notice to the other party The Hon’ble Supreme Court disposed off the SLP vide its order dated 17th June, 2020 and granted to the company four weeks times to take appropriate steps in respect of commencing of Arbitral proceedings and also extended the benefit of interim relief granted by District Court, if steps are taken for commencing Arbitral proceedings. Pursuant to the direction of the Hon’ble Supreme Court, the company sent legal notice for invocation of Arbitration on 10th July, 2020 through legal Counsel. GOAP vide letter dated 03rd August, 2020 replied to the company notice for invocation of arbitration and also suggested about negotiations. Thus, a short rejoinder was sent to GoAP on 10th August 2020 wherein company agreed for the negotiations as mentioned in the GoAP notice. Subsequently, a letter was received from GoAP for the negotiations and asked us to approach Chief Engineer (Monitoring), DHPD. The company has replied to GoAP and has agreed for discussion on the resolution of the issue. Recently on 5th April 2021, GoAP has advised company to take necessary action as mentioned in its previous letter. The matter relating to refund of upfront Premium is still sub-judice with Gauhati High Court.
- (e) The company has license to implement a hydroelectric power project in the state of Arunachal Pradesh. Presently all activities are being carried out in process of project implementation and all direct and indirect expenditure is related to the project and, hence, forms part of capital work in progress. Preliminary expenses/ROC expenses are charged off to statement of profit & loss as period cost & other relevant details have been furnished in the note no.4 ‘Project & Pre-operative expenditure (pending allocation). Balance standing in this account at this of project commissioning will be allocated to the relevant assets.



- (f) Due to various socio-legal issues and non-availability of the clearances from the appropriate authorities, the Board of Directors decided to surrender the project. Accordingly, the company submitted its letter dated 11th July 2017 to Directorate of Energy, Govt. of Himachal Pradesh for surrender of the project and refund of the entire upfront premium and security deposit paid on the project. Directorate of Energy vide letter dated 03rd May 2018 had advised the company to make a presentation on 08th Jun 2018 with complete status followed by the meeting dated 12th Jun 2018. In the said meeting, it was decided that current situation at project site and concerned villages shall be assessed jointly by team of officers from DoE, Sr. Project Authority and District Administration to ascertain the ground realities with regard to the opposition of the local people towards implementation of Chango Yangthang HEP and to gather their views in this regard. 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 view of this, CYHPL has reiterated its demand for refund of money along with interest. The management in confident of recovering fully the upfront premium and security deposit.
- 12 The Board of Directors has recommended a final dividend of Rs. 3/- per Equity Share of the face value of Rs. 10/- each for the financial year 2020-21, subject to approval of shareholders at the ensuing Annual General Meeting.



For HEG Limited

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN No. 00060972

Place : Noida(U.P)
Dated : May 27, 2021

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
HEG Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of HEG Limited ("the Company") for the quarter and year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard: and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. 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 the 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 Statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in Our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to limited review by us, as required under the Listing Regulations.

Our opinion on the Statement is not modified in respect of the above matter.

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



Sanjiv Mohan
Partner

Membership No. 086066
UDIN:21086066AAAAJL3958

Place: Ludhiana
Date: 27th May, 2021

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
**The Board of Directors of
HEG Limited**

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of HEG Limited ('the Company') and its associates for the quarter and year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/financial results/financial information of the associates, the Statement:

- i. includes the results of the following entities;

S.No	Name of Associates	Relationship
1.	Bhilwara Energy Limited	Associate
2.	Bhilwara Infotechnology Limited	Associate

- ii. is presented in accordance with the requirements of the Listing Regulations in this regard: and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Company and its associates for the quarter and year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the company and its associates in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



Matters reported in the Auditor's Report on Consolidated financial Statements of Bhilwara Energy Limited, an associate of the Company

(A) Material uncertainty related to going concern of a subsidiary of an associate

We draw attention to the matter related to 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 which is being reproduced hereunder:

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

In "Chango Yangthang Hydro Power Limited" the Board of directors decision to surrender the ChangoYangthang 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 licenses lapse, the company has written off Capital Work in progress during the previous year 2017-18 amounting to INR 2,713.18 lakhs. 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.

The opinion of the auditor of the said company is not modified in respect of this matter. Also the opinion of the auditor of the associate company is not modified in respect of this matter.

(B) Emphasis of Matter

We draw attention to the Emphasis of matters reported in the Auditor's Report on Consolidated financial Statements of Bhilwara Energy Limited, an associate of the Company, which are being reproduced hereunder:

(i) In case of Chango Yangthang Hydro Power Limited, a subsidiary of the associate

The company has surrendered ChangoYangthang HEP (180MW) project in Himachal Pradesh and asked for the refund of Upfront premium of INR 3789.45 lakhs and Security Deposit of INR 180 lakhs with interest since the project is not executable purely on account of various social-legal issues neither in the control of the company nor in the control of local administration/authorities.

GoHP has formed a committee to deal with the issues of various projects which includes ChangoYangthang Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was conveyed, in which the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW ChangoYangthang HEP and refused to co-operate on the issue of development of any project. During the meeting called for by the committee, CHYPL 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 View of this, the company has reiterated its demand for refund of money along with the Interest and the management is confident of recovering the Upfront Fees and Security Deposit paid on account of surrender of project, in full. The upfront fee and security deposit as mentioned above have been grouped under Other Non-Current Assets and Non-Current Loans- Security Deposit respectively.

We also draw attention to note no. 11(f) of the financial results in this regard.



(ii) In NJC Hydro Power Limited, a subsidiary of the associate

There is uncertainty relating to the effects of outcome of petition filed by the company with Hon'ble Guwahati High Court for seeking refund of upfront premium as per provisions of MoA, in view of the WII report recommending no construction of Nyamjnag Chhu HEP at site and arbitration notice sent by the company for invoking arbitration as per the directions of the Hon'ble Supreme Court.

We also draw attention to note no. 11(d) of the financial results in this regard.

(iii) In BG Wind Power Limited, a subsidiary of the associate

In case of BG Wind Power Limited, the Power Purchase Agreement (PPA) with DISCOM has expired on March 31, 2019. BG Wind Power Limited, Subsidiary is pursuing for Power Purchase Agreement (PPA) with DISCOM @ INR 3.14 per Kwh as per RERC third amendment regulation dated 5th March 2019 for the entire duration of the project. The Discom has yet not renewed the PPA. The Company has continued to recognise Revenue from Sale of Power of INR 554.64 lakhs and Generation Based Incentive (GBI) of INR 89.35 lakhs and shown under Unbilled Revenue as the management of the company believes that PPA will be signed. The company has filed the writ petition with Rajasthan High Court, Jaipur in this regard and the matter is still undecided as hearing is continued.

We also draw attention to note no. 11(c) of the financial results in this regard.

(iv) 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).

We also draw attention to note no. 11(a) of the financial results in this regard.

(v) In AD Hydro Power Limited, a subsidiary of the associate

There is uncertainty relating to the effects of outcome of litigation with parties using the transmission line.

We also draw attention to note no. 11(b) of the financial results in this regard.

The opinion of the auditor of the associate company is not modified in respect of matters stated above.

Further, our opinion on the Statement is not modified in respect of these matters.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the company including its associates in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and its associates 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the company and its associates are responsible for assessing the ability of the company and its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company and its associates are also responsible for overseeing the financial reporting process of the company and its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the company and its associates to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD 1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

- (i) The accompanying Statement includes the audited financial results/statements and other financial information, in respect of two associates, whose financial results/statements include company's share of net profit/(loss) of Rs. (9.28) crores and Rs. 7.36 crores and company's share of other comprehensive income of Rs. 0.40 crores and Rs. 0.24 crores for the quarter and for the year ended March 31, 2021 respectively, as considered in the Statement whose financial results/financial statements, other financial information have been audited by their respective independent auditors. The independent auditor's report on the financial statements/financial results/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.
- (ii) The Statement includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

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



Sanjiv Mohan

Sanjiv Mohan
Partner

Membership Number 086066
UDIN:21086066AAAAJM6097

Place: Ludhiana
Date: 27th May, 2021



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2021

27th May, 2021

1	BSE Limited 25 th Floor, 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: Declaration pursuant to Regulation 33 (3) (d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sirs,

I, Gulshan Kumar Sakhuja, Chief Financial Officer of HEG Limited (CIN L23109MP1972PLC008290) having its Registered Office at Mandideep, Distt. Raisen, Madhya 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 quarter and financial year ended 31st March, 2021.

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

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

HEG LIMITED

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Website: www.lnjbhilwara.com

Regd. Office :

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Tel.: +91-7480-405500, 233524 to 233527
Fax: +91-7480-233522
Website: www.hegltd.com

ISO 9001

BUREAU VERITAS
Certification



ISO 14001

BUREAU VERITAS
Certification



Corporate Identification No.: L23109MP1972PLC008290