



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2020

17<sup>th</sup> June, 2020

1	<b>BSE Limited</b> P J Towers Dalal Street MUMBAI - 400 001. <b>Scrip Code : 509631</b>	2	<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor Plot No.C/1, G Block, Bandra - Kurla Complex Bandra (E), MUMBAI - 400 051. <b>Scrip Code : HEG</b>
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**Sub: Outcome of Board Meeting held on 17<sup>th</sup> June, 2020**

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. 17<sup>th</sup> June, 2020 .

1. Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31st March, 2020 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 has not recommended any final dividend. The interim dividend of Rs.25/- per equity share already paid shall be treated as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains Rs.25/- per equity share.

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

3. We wish to inform you that as a process of natural progression and succession planning, the Board of Directors;
  - a) accepted the request of Shri Shekhar Agarwal (holding DIN 00066113), Director of the Company to relinquish from his position as Vice Chairman with immediate effect. However, he will continue to be a Director on the Board of the Company.
  - b) upon the recommendation of Nomination & Remuneration Committee elected Shri Riju Jhunjhunwala (holding DIN 00061060) Director of the Company as Vice-Chairman of the Company with immediate effect.

**HEG LIMITED**



**Corporate Office :**

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

**Regd. Office :**

Mandideep (Near Bhopal) Distt. Rasen - 462040  
(Madhya Pradesh), India  
Tel.: +91-7480-405500, 233524 to 33527  
Fax: +91-7480-233522  
Website: www.hegltd.com

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ISO 14001  
BUREAU VERITAS  
Certification



Corporate Identification No.: L23109MP1972PLC008290



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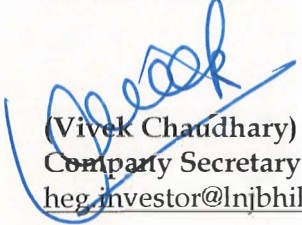
The Board Meeting commenced at 12.00 Noon and concluded at 5.55 P.M.

This is for your information and record.

Thanking you,

Yours faithfully,  
For HEG Limited



  
(Vivek Chaudhary)  
Company Secretary  
[heg\\_investor@lnjbhilwara.com](mailto:heg_investor@lnjbhilwara.com)

Encl: as above

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Corporate Identification No.: L23109MP1972PLC008290

HEG		HEG LIMITED				
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Registered Office : Mandideep (Near Bhopal ), Distt. Raissen, Madhya Pradesh-462046.						
Phone : 0120-4390300; Fax : 0120-4277841						
CIN: L23109MP1972PLC008290 Website: www.heg ltd.com Email: heg.investor@Injbhilwara.com						
STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020						
Sl. No.	Particulars	₹ in Crores				
		Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operation	374.44	393.69	1,346.65	2,149.02	6,592.83
II	Other Income	42.29	27.28	42.28	143.76	109.19
III	<b>Total Revenue (I+II)</b>	<b>416.73</b>	<b>420.97</b>	<b>1,388.93</b>	<b>2,292.78</b>	<b>6,702.02</b>
IV	<b>Expenses</b>					
	Cost of materials consumed (Refer note 5)	468.61	261.01	463.96	1,558.13	1,611.84
	Purchase of stock -in-trade	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade (Refer note 5)	294.81	7.28	(117.31)	62.95	(497.06)
	Employee benefits expense (Refer note 6)	(3.75)	17.48	43.17	65.60	197.57
	Finance cost	8.58	8.73	5.86	36.51	17.97
	Depreciation and amortisation expense	18.88	17.79	18.20	72.13	72.39
	Power and Fuel (Net of Interdivisional Purchases)	34.56	39.90	46.58	163.31	183.21
	Other Expenses	77.64	63.28	122.25	304.86	439.02
	<b>Total expenses (IV)</b>	<b>899.32</b>	<b>415.47</b>	<b>582.71</b>	<b>2,263.49</b>	<b>2,024.94</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>(482.59)</b>	<b>5.50</b>	<b>806.22</b>	<b>29.29</b>	<b>4,677.08</b>
VI	Exceptional Items	-	-	-	-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>(482.59)</b>	<b>5.50</b>	<b>806.22</b>	<b>29.29</b>	<b>4,677.08</b>
VIII	Tax expense					
	(1) Current Tax	(120.79)	(2.73)	278.98	(0.19)	1,619.35
	(2) Deferred Tax	4.20	2.29	2.82	(23.90)	7.30
IX	<b>Net Profit/(Loss) for the period (VII-VIII)</b>	<b>(366.00)</b>	<b>5.94</b>	<b>524.42</b>	<b>53.37</b>	<b>3,050.43</b>
X	<b>Other Comprehensive Income (Net of Taxes)</b>					
	A (i) Items that will not be reclassified to profit or loss	(0.98)	-	0.18	(0.70)	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.25	-	(0.06)	0.18	0.34
	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	<b>Total Comprehensive Income for the period</b>	<b>(366.73)</b>	<b>5.94</b>	<b>524.54</b>	<b>52.85</b>	<b>3,049.79</b>
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)	-	-	-	3,384.28	3,680.40
XIV	Earnings Per Share (₹) - Basic (Rs.)	(94.83)	1.54	131.39	13.83	763.60
	- Diluted (Rs.)	(94.83)	1.54	131.39	13.83	763.60

**SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES**

₹ in Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Audited	Unaudited	Audited	Audited	Audited
<b>A</b>	<b>Segment Revenue</b>					
	Graphite	358.56	387.13	1,343.81	2,117.84	6,582.28
	Power	15.87	6.56	29.37	69.44	121.47
	Others	0.00	0.00	-	0.01	0.01
	<b>Total</b>	<b>374.43</b>	<b>393.69</b>	<b>1,373.18</b>	<b>2,187.29</b>	<b>6,703.76</b>
	Less: Inter segment sales	(0.01)	-	26.53	38.26	110.93
	<b>Revenue from Operations</b>	<b>374.44</b>	<b>393.69</b>	<b>1,346.65</b>	<b>2,149.02</b>	<b>6,592.83</b>
<b>B</b>	<b>Segment Results</b>					
	Profit before tax and finance cost from each segment					
	Graphite	(489.65)	(7.93)	763.11	(35.80)	4,617.57
	Power	13.13	(0.69)	(2.21)	13.55	(17.62)
	Others	-	-	-	-	-
	<b>Total</b>	<b>(476.52)</b>	<b>(8.62)</b>	<b>760.90</b>	<b>(22.24)</b>	<b>4,599.95</b>
	Add/Less:					
	Interest Income	7.28	7.42	23.05	35.92	49.75
	Gain on sale of Investments( Including gain/(loss) on its Fair Valuation)	18.78	14.80	22.64	73.25	51.49
	Other Unallocable Income net of expenses	(23.55)	0.63	5.49	(21.13)	(6.13)
	Finance cost	(8.58)	(8.73)	(5.86)	(36.51)	(17.97)
	<b>Total Profit Before Tax</b>	<b>(482.59)</b>	<b>5.50</b>	<b>806.22</b>	<b>29.29</b>	<b>4,677.08</b>
<b>C</b>	<b>Segment Assets</b>					
	Graphite	2464.74	3318.32	3479.11	2464.74	3479.11
	Power	147.43	111.24	143.13	147.43	143.13
	Unallocated / Others	1737.34	1539.41	1447.43	1737.34	1447.43
	<b>Total Segment Assets</b>	<b>4349.51</b>	<b>4968.97</b>	<b>5069.67</b>	<b>4349.51</b>	<b>5069.67</b>
<b>D</b>	<b>Segment Liabilities</b>					
	Graphite	799.11	933.78	1120.62	799.11	1120.62
	Power	8.63	10.39	9.62	8.63	9.62
	Unallocated / Others	118.89	118.87	220.44	118.89	220.44
	<b>Total Segment Liabilities</b>	<b>926.63</b>	<b>1063.04</b>	<b>1350.68</b>	<b>926.63</b>	<b>1350.68</b>

## STATEMENT OF ASSETS AND LIABILITIES

₹ in Crores

Particulars		As at 31-03-2020	As at 31-03-2019
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
(1)	<b>Non-current assets</b>		
	a) Property, Plant and Equipment	733.58	784.48
	b) Capital work-in-progress	100.61	18.58
	c) Investment Property	3.37	3.54
	d) Right to use Asset	7.39	-
	e) Goodwill	-	-
	f) Other Intangible assets	0.30	0.35
	g) Intangible assets under development	-	-
	h) Biological Assets other than bearer plants	-	-
	i) Financial assets	-	-
	(i) Investments	1,139.38	758.80
	(ii) Trade receivables	-	-
	(iii) Loans	17.42	11.19
	(iv) Other Financial Assets	-	-
	j) Deferred tax assets(net)	-	-
	k) Income Tax Assets(Net)	143.93	39.95
	l) Other non-current assets	144.65	17.27
	<b>Total Non Current Assets</b>	<b>2,290.63</b>	<b>1,634.16</b>
(2)	<b>Current assets</b>		
	(a) Inventories	1,005.14	1,308.39
	(b) Financial assets	-	-
	(i) Investments	16.53	108.24
	(ii) Trade receivables	399.41	1,186.88
	(iii) Cash & Cash equivalents	32.80	29.16
	(iv) Bank balances other than (iii) above	404.48	528.16
	(v) Loans	0.78	0.62
	(vi) Others Financial Assets	6.86	5.38
	(c) Other current assets	192.87	268.66
	<b>Total Current Assets</b>	<b>2,058.88</b>	<b>3,435.50</b>
	<b>Total Assets</b>	<b>4,349.51</b>	<b>5,069.67</b>

<b>B</b>	<b>EQUITY &amp; LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity share capital	38.60	38.60
	(b) Other equity	3,384.28	3,680.40
	<b>LIABILITIES</b>		
<b>(1)</b>	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Trade Payables	-	-
	(iii) Lease Liability	1.14	0.41
	(iv) Other financial liabilities-Security Deposit	-	-
	(b) Provisions	3.91	3.87
	(c ) Deferred tax liabilities (Net)	102.05	126.13
	(d) Other non-current liabilities	3.01	2.40
	<b>Total Non Current Liability</b>	<b>110.12</b>	<b>132.81</b>
<b>(2)</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	592.62	666.36
	(ii) Trade Payables		
	(A) Total Outstanding dues of micro enterprises and small enterprises	6.58	3.99
	(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	127.23	376.08
	(iii) Lease Liability	0.50	0.01
	(iv) Other financial liabilities	65.22	130.16
	(b) Other current liabilities	12.55	16.05
	(c ) Provisions	6.36	19.78
	(d) Current Tax Liabilities (Net)	5.46	5.43
	<b>Total Current Liability</b>	<b>816.51</b>	<b>1,217.87</b>
	<b>Total Equity and Liabilities</b>	<b>4,349.51</b>	<b>5,069.67</b>

STATEMENT OF CASH FLOW STATEMENT		
PARTICULARS	₹ in Crores	
	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	29.29	4,677.08
<b>Adjustment for non operating and non cash transactions</b>		
Depreciation and Amortisation	72.13	72.39
Interest Paid	36.51	17.97
Net(Profit)/Loss on property plant and equipment sold / discarded	0.88	3.35
Allowances for Expected Credit Losses	(3.26)	5.35
Unrealized (Gain)/Loss due to effect of exchange rate changes on assets and liabilities	(25.88)	(25.47)
Bad Debts	0.79	0.22
Gain on sale/fair valuation of investments	(73.25)	(51.49)
Dividend earned	(1.25)	-
Interest received	(35.92)	(49.75)
<b>Adjustments for changes in assets and liabilities</b>		
(Increase)/Decrease in Trade receivables	818.20	(194.24)
(Increase)/Decrease in Inventories	303.25	(796.95)
(Increase)/Decrease in Loans, financial and Other assets	192.03	(689.37)
Increase/(Decrease) in Liabilities and provisions	(345.98)	145.79
<b>Cash generated from operations</b>	<b>967.54</b>	<b>3,114.88</b>
Income tax paid	103.76	1,626.65
<b>Net Cash generated from operating activities (A)</b>	<b>863.78</b>	<b>1,488.23</b>
<b>B</b>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition in Property plant and Equipments (including Capital work-in-progress)	(111.24)	(48.79)
Sale of Property Plant and Equipments	1.25	1.07
(Increase)/Decrease in Advances for Capital Expenditure	(125.60)	(11.40)
Increase/(Decrease) in Creditors for Capital Expenditure	15.74	3.70
Purchase of Investments	(1,092.01)	(666.29)
Sale of Investments	876.39	-
Dividend received	1.25	-
Interest received	33.72	45.94
<b>Net Cash used in investing activities (B)</b>	<b>(400.51)</b>	<b>(675.78)</b>
<b>C</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of working capital borrowings (on net basis)	(74.04)	368.91
Interest Paid (including interest on lease liability)	(36.51)	(17.97)
Payment of lease liability	(0.10)	-
Dividend Paid	(289.47)	(319.67)
Dividend distribution Tax paid	(59.50)	(65.71)
Buyback of Equity Share Capital	-	(754.03)
<b>Net Cash used in financing activities (C)</b>	<b>(459.62)</b>	<b>(788.47)</b>
<b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>3.64</b>	<b>23.99</b>
Cash and cash equivalents at the beginning of the period	29.16	5.17
Cash and cash equivalents at the end of the period	32.80	29.16

**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 Financial results have been reviewed by Audit Committee and approved by Board of Directors in their respective meetings held on 17th June, 2020 and have been audited by the Statutory Auditors of the Company. The Statutory Auditors have expressed an unmodified opinion on the aforesaid results.
- 3 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. On transition the leases that were classified as finance leases, applying Ind AS 17, an amount of Rs. 6.34 crore has been reclassified from Property, Plant and Equipment to Right of use assets. An amount of Rs. 0.01 crore has been reclassified from other financial liability - current to lease liability - current and an amount of Rs. 0.41 crore has been reclassified from other financial liability - non current to lease liability - non current. Consequently there has been no adjustment to the opening balance of retained earnings.  
The lease term in respect of all Operating leases ends within 12 months of the date of initial application and accordingly the company has elected to account for such leases as short term lease and has recognised the lease payments as rental expense.  
The adoption of this standard does not have any significant impact on the profit and earning per share of the current period.
- 4 The company has 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 has re-measured its deferred tax liability as on 31 March 2019 on the basis of rate prescribed in the said section during the current year.
- 5 The Company, in accordance with the applicable Ind AS , has recognized its carrying inventory on Net Realizable Value (NRV) basis to the extent applicable and has accordingly written down the cost of inventory by Rs.427 crores [included in cost of raw material consumption (RM) Rs. 321 crores and in changes in inventories of finished goods and work-in-progress (FG & WIP) Rs. 106 crores in the quarter ended March 31, 2020, Rs.16 crores (included in Raw Material Rs. 5 crores and in changes in inventories of Finished Goods and WIP Rs.11 crores) in the quarter ended December 31, 2019 and Rs. 459 crores (included in Raw Material Rs. 326 crores and in changes in inventories of Finished Goods and WIP Rs. 133 crores) in the Financial Year ended March 31, 2020.
- 6 Up to the period of nine months ended December 31 ,2019 , the company had made a provision of Rs 19.21 crore for the profit related incentives and commission payable to the employees including CMD of the company which was grouped under the head Employee benefit Expenses. Due to sharp fall in the profits during the quarter ended March 31, 2020, the said provision needed to be reversed resulting into the negative figure of employee benefit expenses of Rs. 3.75 crore for the quarter ended March 31, 2020.



- 7 The figures of quarter ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures in respect of full financial year and the published figures of quarter ended 31 December 2019 and 31 December 2018 respectively, which were subject to limited review by the Statutory Auditors.
- 8 World Health Organisation (WHO) declared outbreak of coronavirus disease (COVID-19) a global pandemic on March 11,2020 consequent to this, government of India declared lockdown on March 23, 2020 and the company temporarily suspended the operations of the company in compliance with the lockdown instructions issued by central and state governments. COVID-19 has impacted the normal business operations of the company by way of interruption of production, supply chain disruptions, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till May 17,2020. However, production and supply of goods has commenced during the month of April 2020. The Company has concluded that the impact of COVID-19 is not material on long term basis based on aforesaid events. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.
- The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables and other financial assets. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these standalone financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- 9 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.
- 10 The figures of the previous period have been regrouped / rearranged wherever considered necessary to make them comparable with current period classification.
- 11 The Board has not recommended any final dividend. The interim dividend of Rs.25/- per equity share already paid shall be treated as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains Rs.25/- per equity share.

For HEG Limited

RAVI  
JHUNJHUNWAL  
A

Digitally signed by  
RAVI JHUNJHUNWAL  
Date: 2020.06.17  
17:14:06 +05'30'

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

Place : Noida(U.P)  
Dated : 17th June, 2020

**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

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

		₹ in Crores				
Sl. No.	Particulars	Quarter Ended			Year Ended	
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V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>(482.59)</b>	<b>5.50</b>	<b>806.22</b>	<b>29.29</b>	<b>4,677.08</b>
VI	Exceptional Items	-	-	-	-	-
VII	<b>Profit/(Loss) before Tax (V-VI)</b>	<b>(482.59)</b>	<b>5.50</b>	<b>806.22</b>	<b>29.29</b>	<b>4,677.08</b>
VIII	Tax expense					
	(1) Current Tax	(120.79)	(2.73)	278.98	(0.19)	1,619.35
	(2) Deferred Tax	4.20	2.29	2.82	(23.90)	7.30
IX	Share of Profit/ (loss) of associates	(10.96)	(7.17)	(42.14)	14.26	(24.27)
X	<b>Net Profit/(Loss) for the period (VII-VIII+IX)</b>	<b>(376.96)</b>	<b>(1.23)</b>	<b>482.27</b>	<b>67.63</b>	<b>3,026.16</b>
XI	<b>Other Comprehensive Income (Net of Taxes)</b>					
	A. (i) Items that will not be reclassified to profit or loss	(0.98)	-	0.18	(0.70)	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.25	-	(0.06)	0.18	0.34
	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	(0.08)	(0.01)	0.04	(0.11)	0.05
XII	<b>Total Comprehensive Income for the period</b>	<b>(377.78)</b>	<b>(1.24)</b>	<b>482.43</b>	<b>67.00</b>	<b>3,025.57</b>
XIII	<b>Paid -Up Equity Share Capital ( Face Value ₹ 10/- per share)</b>	<b>38.60</b>	<b>38.60</b>	<b>38.60</b>	<b>38.60</b>	<b>38.60</b>
XIV	<b>Reserves (Excluding Revaluation Reserves)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,473.12</b>	<b>3,755.09</b>
XV	<b>Earnings Per Share (₹) - Basic (Rs.)</b>	<b>(97.67)</b>	<b>(0.32)</b>	<b>124.96</b>	<b>17.52</b>	<b>757.53</b>
	- Diluted (Rs.)	(97.67)	(0.32)	124.96	17.52	757.53

**SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES**

₹ in Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Audited	Unaudited	Audited	Audited	Audited
<b>A</b>	<b>Segment Revenue</b>					
	Graphite	358.56	387.13	1,343.81	2,117.84	6,582.28
	Power	15.87	6.56	29.37	69.44	121.47
	Others	0.00	0.00	-	0.01	0.01
	<b>Total</b>	<b>374.43</b>	<b>393.69</b>	<b>1,373.18</b>	<b>2,187.29</b>	<b>6,703.76</b>
	Less: Inter segment sales	(0.01)	-	26.53	38.26	110.93
	<b>Revenue from Operations</b>	<b>374.44</b>	<b>393.69</b>	<b>1,346.65</b>	<b>2,149.02</b>	<b>6,592.83</b>
<b>B</b>	<b>Segment Results</b>					
	Profit before tax and finance cost from each segment					
	Graphite	(489.65)	(7.93)	763.11	(35.80)	4,617.57
	Power	13.13	(0.69)	(2.21)	13.55	(17.62)
	Others	-	-	-	-	-
	<b>Total</b>	<b>(476.52)</b>	<b>(8.62)</b>	<b>760.90</b>	<b>(22.24)</b>	<b>4,599.95</b>
	Add/Less:					
	Interest Income	7.28	7.42	23.05	35.92	49.75
	Gain on sale of Investments( Including gain/(loss) on its Fair Valuation)	18.78	14.80	22.64	73.25	51.49
	Other Unallocable Income net of expenses	(23.55)	0.63	5.49	(21.13)	(6.13)
	Finance cost	(8.58)	(8.73)	(5.86)	(36.51)	(17.97)
	<b>Total Profit Before Tax</b>	<b>(482.59)</b>	<b>5.50</b>	<b>806.22</b>	<b>29.29</b>	<b>4,677.08</b>
<b>C</b>	<b>Segment Assets</b>					
	Graphite	2464.74	3318.32	3479.11	2464.74	3479.11
	Power	147.43	111.24	143.13	147.43	143.13
	Unallocated / Others	1826.18	1639.29	1522.12	1826.18	1522.12
	<b>Total Segment Assets</b>	<b>4438.35</b>	<b>5068.85</b>	<b>5144.36</b>	<b>4438.35</b>	<b>5144.36</b>
<b>D</b>	<b>Segment Liabilities</b>					
	Graphite	799.11	933.78	1120.62	799.11	1120.62
	Power	8.63	10.39	9.62	8.63	9.62
	Unallocated / Others	118.89	118.87	220.44	118.89	220.44
	<b>Total Segment Liabilities</b>	<b>926.63</b>	<b>1063.04</b>	<b>1350.67</b>	<b>926.63</b>	<b>1350.67</b>

## STATEMENT OF ASSETS AND LIABILITIES

₹ in Crores

Particulars		31-03-2020	31-03-2019
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
(1)	<b>Non-current assets</b>		
	a) Property, Plant and Equipment	733.58	784.48
	b) Capital work-in-progress	100.61	18.58
	c) Investment Property	3.37	3.54
	d) Right to use Asset	7.39	-
	e) Goodwill	-	-
	f) Other Intangible assets	0.30	0.35
	g) Intangible assets under development	-	-
	h) Biological Assets other than bearer plants	-	-
	i) Financial assets	-	-
	(i) Investments	1,228.22	833.49
	(ii) Trade receivables	-	-
	(iii) Loans	17.42	11.19
	(iv) Other Financial Assets	-	-
	j) Deferred tax assets(net)	-	-
	k) Income Tax Assets(Net)	143.93	39.95
	l) Other non-current assets	144.65	17.27
	<b>Total Non Current Assets</b>	<b>2,379.47</b>	<b>1,708.85</b>
(2)	<b>Current assets</b>		
	(a) Inventories	1,005.14	1,308.39
	(b) Financial assets	-	-
	(i) Investments	16.53	108.24
	(ii) Trade receivables	399.41	1,186.88
	(iii) Cash & Cash equivalents	32.80	29.16
	(iv) Bank balances other than (iii) above	404.48	528.16
	(v) Loans	0.78	0.62
	(vi) Others Financial Assets	6.86	5.38
	(c) Other current assets	192.87	268.66
	<b>Total Current Assets</b>	<b>2,058.88</b>	<b>3,435.50</b>
	<b>Total Assets</b>	<b>4,438.35</b>	<b>5,144.36</b>

<b>B</b>	<b>EQUITY &amp; LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity share capital	38.60	38.60
	(b) Other equity	3,473.12	3,755.09
	<b>LIABILITIES</b>		
<b>(1)</b>	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Trade Payables	-	-
	(iii) Lease Liability	1.14	0.41
	(iv) Other financial liabilities-Security Deposit	-	-
	(b) Provisions	3.91	3.87
	(c ) Deferred tax liabilities (Net)	102.05	126.13
	(d) Other non-current liabilities	3.01	2.40
	<b>Total Non Current Liability</b>	<b>110.12</b>	<b>132.81</b>
<b>(2)</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	592.62	666.36
	(ii) Trade Payables		
	(A) Total Outstanding dues of micro enterprises and small enterprises	6.58	3.99
	(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	127.23	376.08
	(iii) Lease Liability	0.50	0.01
	(iv) Other financial liabilities	65.22	130.16
	(b) Other current liabilities	12.55	16.05
	(c ) Provisions	6.36	19.78
	(d) Current Tax Liabilities (Net)	5.46	5.43
	<b>Total Current Liability</b>	<b>816.51</b>	<b>1,217.87</b>
	<b>Total Equity and Liabilities</b>	<b>4,438.35</b>	<b>5,144.36</b>

STATEMENT OF CASH FLOW STATEMENT		₹ in Crores	
PARTICULARS	Year Ended		
	31st March, 2020	31st March, 2019	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	29.29	4,677.08	
Profit before Tax			
<b>Adjustment for non operating and non cash transactions</b>			
Depreciation and Amortisation	72.13	72.39	
Interest Paid	36.51	17.97	
Net(Profit)/Loss on property plant and equipment sold / discarded	0.88	3.35	
Allowances for Expected Credit Losses	(3.26)	5.35	
Unrealized (Gain)/Loss due to effect of exchange rate changes on assets and liabilities	(25.88)	(25.47)	
Bad Debts	0.79	0.22	
Gain on sale/fair valuation of investments	(73.25)	(51.49)	
Dividend earned	(1.25)	-	
Interest received	(35.92)	(49.75)	
<b>Adjustments for changes in assets and liabilities</b>			
(Increase)/Decrease in Trade receivables	818.20	(194.24)	
(Increase)/Decrease in Inventories	303.25	(796.95)	
(Increase)/Decrease in Loans, financial and Other assets	192.03	(689.37)	
Increase/(Decrease) in Liabilities and provisions	(345.98)	145.79	
<b>Cash generated from operations</b>	<b>967.54</b>	<b>3,114.88</b>	
Income tax paid	103.76	1,626.65	
<b>Net Cash generated from operating activities (A)</b>	<b>863.78</b>	<b>1,488.23</b>	
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition in Property plant and Equipments (including Capital work-in-progress)	(111.24)	(48.79)	
Sale of Property Plant and Equipments	1.25	1.07	
(Increase)/Decrease in Advances for Capital Expenditure	(125.60)	(11.40)	
Increase/(Decrease) in Creditors for Capital Expenditure	15.74	3.70	
Purchase of Investments	(1,092.01)	(666.29)	
Sale of Investments	876.39	-	
Dividend received	1.25	-	
Interest received	33.72	45.94	
<b>Net Cash used in investing activities (B)</b>	<b>(400.51)</b>	<b>(675.78)</b>	
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of working capital borrowings (on net basis)	(74.04)	368.91	
Interest Paid (including interest on lease liability)	(36.51)	(17.97)	
Payment of lease liability	(0.10)	-	
Dividend Paid	(289.47)	(319.67)	
Dividend distribution Tax paid	(59.50)	(65.71)	
Buyback of Equity Share Capital	-	(754.03)	
<b>Net Cash used in financing activities (C)</b>	<b>(459.62)</b>	<b>(788.47)</b>	
<b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>3.64</b>	<b>23.99</b>	
Cash and cash equivalents at the beginning of the period	29.16	5.17	
Cash and cash equivalents at the end of the period	32.80	29.16	

**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 Financial results have been reviewed by Audit Committee and approved by Board of Directors in their respective meetings held on 17th June, 2020 and have been audited by the Statutory Auditors of the Company. The Statutory Auditors have expressed an unmodified opinion on the aforesaid results.
- 3 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. On transition the leases that were classified as finance leases, applying Ind AS 17, an amount of Rs. 6.34 crore has been reclassified from Property, Plant and Equipment to Right of use assets. An amount of Rs. 0.01 crore has been reclassified from other financial liability - current to lease liability - current and an amount of Rs. 0.41 crore has been reclassified from other financial liability - non current to lease liability - non current. Consequently there has been no adjustment to the opening balance of retained earnings.  
The lease term in respect of all Operating leases ends within 12 months of the date of initial application and accordingly the company has elected to account for such leases as short term lease and has recognised the lease payments as rental expense.  
The adoption of this standard does not have any significant impact on the profit and earning per share of the current period.
- 4 The company has 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 has re-measured its deferred tax liability as on 31 March 2019 on the basis of rate prescribed in the said section during the current year.
- 5 The Company, in accordance with the applicable Ind AS , has recognized its carrying inventory on Net Realizable Value (NRV) basis to the extent applicable and has accordingly written down the cost of inventory by Rs.427 crores [included in cost of raw material consumption (RM) Rs. 321 crores and in changes in inventories of finished goods and work-in-progress (FG & WIP) Rs. 106 crores in the quarter ended March 31, 2020, Rs.16 crores (included in Raw Material Rs. 5 crores and in changes in inventories of Finished Goods and WIP Rs.11 crores) in the quarter ended December 31, 2019 and Rs. 459 crores (included in Raw Material Rs. 326 crores and in changes in inventories of Finished Goods and WIP Rs. 133 crores) in the Financial Year ended March 31, 2020.
- 6 Up to the period of nine months ended December 31 ,2019 , the company had made a provision of Rs 19.21 crore for the profit related incentives and commission payable to the employees including CMD of the company which was grouped under the head in Employee benefit Expenses. Due to sharp fall in the profits during the quarter ended March 31, 2020, the said provision needed to be reversed resulting into the negative figure of employee benefit expenses of Rs. 3.75 crore for the quarter ended March 31, 2020.
- 7 The figures of quarter ended 31 March 2020 and 31 March 2019 are the balancing figures between the audited figures in respect of full financial year and the published figures of quarter ended 31 December 2019 and 31 December 2018 respectively, which were subject to limited review by the Statutory Auditors.

8 World Health Organisation (WHO) declared outbreak of coronavirus disease (COVID-19) a global pandemic on March 11,2020 consequent to this, government of India declared lockdown on March 23, 2020 and the company temporarily suspended the operations of the company in compliance with the lockdown instructions issued by central and state governments. COVID-19 has impacted the normal business operations of the company by way of interruption of production, supply chain disruptions, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till May 17,2020. However, production and supply of goods has commenced during the month of April 2020. The Company has concluded that the impact of COVID-19 is not material on long term basis based on aforesaid events. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables and other financial assets. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these consolidated financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

9 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.

10 The figures of the previous period have been regrouped / rearranged wherever considered necessary to make them comparable with current period classification.

11 The Board has not recommended any final dividend. The interim dividend of Rs.25/- per equity share already paid shall be treated as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains Rs.25/- per equity share.

12 The notes disclosed in the consolidated financial Statements of Bhilwara Energy Limited, one of the associate companies, referred in the Auditor's report under 'Emphasis of matter' paragraph are being reproduced hereunder:

(a) In case of Subsidiary ChangoYangthang Hydro Power Limited, 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 is confident of recovering fully the upfront premium and security deposit.



(b)	<p>In case of Subsidiary NJC Hydro Power Limited, 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&amp;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 vides 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.</p>
(c)	<p>In case of Subsidiary BG Wind Power Limited, 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 taken at applicable rate @0.50/- kwh.</p>
(d)	<p>In case of Subsidiary Malana Power Company Limited, on April 27, 2019, the Company has received provisional net demand of ₹8,069.00 Lakhs in relation to wheeling charges for the period April 1, 2008 to March 31, 2019 from Himachal Pradesh State Electricity Board Limited (HPSEBL) based on an order passed by the Himachal Pradesh Electricity Regulatory Commission (HPERC), which is not in accordance with the agreement entered between the Company and HPSEB (now HPSEBL) in August 1999. In this regard, the Company has paid under protest an amount of ₹2,817.00 Lakhs. Based on the legal opinion obtained, the Company is of the view that demand is not legally tenable and would not result in any material liability for the period on or before March 2019 on the Company and accordingly has filed an appeal before Appellate tribunal, Electricity at New Delhi.</p>

(e) In case of Subsidiary AD Hydro Power Limited, on October 17, 2019, the Central Electricity Regulatory Commission (CERC) passed an Order on the Dedicated Transmission System of AD Hydro Power Limited (subsidiary company) in which CERC approved the capital cost of Dedicated Transmission System to ₹23,892.00 Lakhs as against the capital cost submitted by the Company amounting to ₹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 2011-12 to 2018-19.

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 2009-14 and 2014-19 and Electricity Act, 2003. Further, the Company has filed an appeal against the said order before Appellate Tribunal for Electricity (APTEL) and pursuant to an appeal filed, the APTEL has passed an interim order dated January 17, 2020 and stayed the above said demand and directed not to issue any readjustment bills 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 Company has accordingly started raising the invoices based on the CERC order effective 18th October, 2019 and recognized as transmission income.

Pending litigation and final decision on the appeal, the Management, based on the legal opinion, is of the view that the Order is not legally tenable and would not have any material liability on the subsidiary company and accordingly trade receivable (including unbilled revenue) aggregating to ₹3,319.88 Lakhs is good and fully recoverable and no provision is required in respect of possible exposure aggregating to ₹6,121.81 Lakhs towards amount already collected from the users of Dedicated Transmission Line till March 31, 2020.

Further, the management is confident that there would be no significant impact on the financial position of the subsidiary company in respect of transmission losses which is to be determined by the NRLDC as directed in the CERC Order.

Further, CERC has directed to share the losses on the basis of weekly average losses in proportion to the scheduled energy on weekly basis instead of a flat charge of 4.75% and accordingly directed the NRLDC to compute the same. However, the management is confident that there would be no significant impact on the financial position of the subsidiary company in respect of transmission losses as the actual losses during the peak season are likely to be higher.

For HEG Limited

RAVI  
 JHUNJHUNWAL  
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Digitally signed by  
 RAVI JHUNJHUNWALA  
 Date: 2020.06.17  
 17:15:23 +05'30'

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

Place : Noida(U.P)  
 Dated : 17th June, 2020

**Independent Auditor's Report on the Standalone Financial Results of the Company Pursuant to the Regulation 33 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 ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 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 profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2020.

**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 profit and other comprehensive loss 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 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 give 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.

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 Matters

- (i) Due to the COVID-19 related lockdown, we were unable to observe the management's year-end physical verification of inventory. We have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence- Specific considerations for selected items", which includes inspection of supporting documentation relating to purchases, production, sales, results of cyclical count performed by the management through the year, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these standalone financial results.
- (ii) The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 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 matters.

Dated: 17 June 2020  
Place: Ludhiana



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

  
(Sanjiv Mohan)  
Partner  
M. No. 086066

**Independent Auditor's Report on the Consolidated Financial Results of the Company Pursuant to the Regulation 33 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 consolidated financial results of HEG Limited ('the Company') and its associates for the quarter ended March 31, 2020 and year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 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. are 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 total comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and year ended March 31, 2020.

**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 statement 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 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, CHYPI 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. 12(a) 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 and Hon`ble Supreme Court challenging the instant notice issued by Government of Arunachal Pradesh (GoAP) for termination of the Project and invoking its right to take over the project on "AS IS WHERE IS BASIS" and allotting the same to third party. The company's prayer is for seeking refund of upfront premium as per provisions of MoA, in view of the Will report recommending no construction of Nyamjnag Chhu HEP at site.

We also draw attention to note no. 12(b) 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 367.76 lakhs and Generation Based Incentive (GBI) of INR 59.12 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. 12(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. 12(d) of the financial results in this regard.

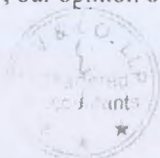
**(v) In AD Hydro Power Limited, a subsidiary of the associate**

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

We also draw attention to note no. 12(e) 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 profit 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.

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. (10.96) crores and Rs. 14.26 crores and company's share of total comprehensive income of Rs. (11.04) crores and Rs. 14.15 crores for the quarter and for the year ended March 31, 2020 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) Due to the COVID-19 related lockdown, we were unable to observe the management's year-end physical verification of inventory. We have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence- Specific considerations for selected items", which includes inspection of supporting documentation relating to purchases, production, sales, results of cyclical count performed by the management through the year, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial results.
- (iii) The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 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.
- (iv) Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2019, as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected to audit/review.

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**



*(Signature)*  
**(Sanjiv Mohan)**  
**Partner**

**M.No086066**

**Place: Ludhiana**  
**Date: 17<sup>th</sup> June 2020**



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2020

17<sup>th</sup> June,2020

1	<b>BSE Limited</b> P J Towers Dalal Street MUMBAI - 400 001. <b>Scrip Code : 509631</b>	2	<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor Plot No.C/1, G Block, Bandra - Kurla Complex Bandra (E), MUMBAI - 400 051. <b>Scrip Code : HEG</b>
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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 - 201301, hereby declare that, the Statutory Auditor M/s. SCV & Co. LLP., Chartered Accountants (Firm Registration No.000235N / 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 2020.

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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Fax: +91-120-4277841  
Website: www.lnjbhilwara.com

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Fax: +91-7480-233522  
Website: www.hegltd.com

