



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2020

12th November, 2020

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

Dear Sirs,

Pursuant to Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at its meeting held today i.e. 12th November, 2020 has approved and taken on record the Unaudited financial results (Standalone and Consolidated) of the Company for the quarter and half year ended the 30th September, 2020, alongwith the Limited Review Reports of the Statutory Auditors thereon, which are enclosed as an Annexure to this letter.

The Board of Directors at its meeting held today i.e. 12th November, 2020, has also considered and approved the Re-classification request received from Mekima Corporation, Member of Promoter Group from "Promoter & promoter Group" Category to "public" Category. The approval of the Board towards reclassification is subject to the approval of the members of the Company, Stock Exchanges where shares of the Company are listed and the other regulatory authorities, if any, in terms of Regulation 31A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and amendments thereof.

The relevant extract of the Board minutes approving such reclassification request will be shared separately.

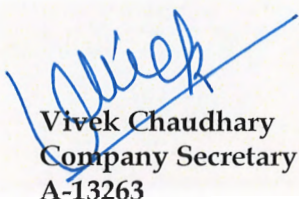
The above said Board Meeting commenced at 12:30 P.M. and concluded at 5:15 P.M.

Please take the same on record.

Thanking you,

Yours faithfully,
For HEG Limited




Vivek Chaudhary
Company Secretary
A-13263

heg.investor@lnjbhilwara.com

Encl: as above

HEG LIMITED

Corporate Office :

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

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Certification



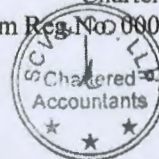
Corporate Identification No.: L23109MP1972PLC008290

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

Review Report to
The Board of Directors
HEG Limited

1. We have reviewed the accompanying statement of unaudited Standalone financial results of HEG LIMITED ("the Company"), for the quarter and six months period ended 30th September, 2020 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, ("Ind AS 34") "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ludhiana
Date: 12th November, 2020

For SCV & Co. LLP
Chartered Accountants
Firm Reg. No. 000235N/N500089
 (Sanjiv Mohan)
Partner
M. No. 086066
UDIN: 20086066AAAALC8257

**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

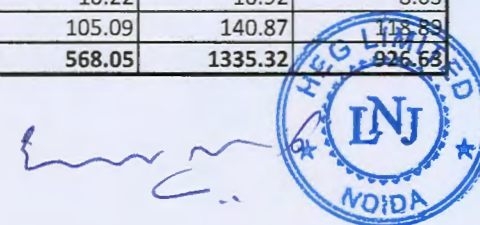
CIN: L23109MP1972PLC008290 Website: www.heg ltd.com Email: heg.investor@Injbhilwara.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

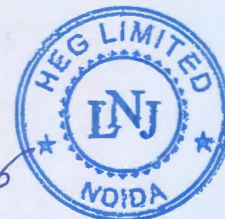
Sl. No.	Particulars	₹ in Crores					
		Quarter Ended			Half Year Ended		Year ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
I	Revenue from Operation	322.88	233.29	564.38	556.17	1,380.89	2,149.02
II	Other Income	16.41	46.03	35.03	62.45	74.19	143.76
III	Total Revenue (I+II)	339.29	279.32	599.41	618.62	1,455.08	2292.78
IV	Expenses						
	Cost of materials consumed	158.29	86.53	334.17	244.81	828.52	1,558.13
	Purchase of stock -in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	93.12	66.12	(47.40)	159.24	(239.15)	62.95
	Employee benefits expense	12.51	13.77	23.38	26.28	51.88	65.60
	Finance cost	3.04	5.97	9.95	9.01	19.21	36.51
	Depreciation and amortisation expense	18.34	17.77	17.75	36.11	35.47	72.13
	Power and Fuel (Net of Interdivisional Purchases)	30.19	27.90	40.29	58.10	88.85	163.31
	Other Expenses	70.64	50.28	74.89	120.93	163.95	304.86
	Total expenses (IV)	386.13	268.34	453.03	654.48	948.72	2263.49
V	Profit/(Loss) before exceptional items and tax (III-IV)	(46.84)	10.98	146.38	(35.86)	506.36	29.29
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	(46.84)	10.98	146.38	(35.86)	506.36	29.29
VIII	Tax expense						
	(1) Current Tax	0.20	-	1.54	0.20	123.33	(0.19)
	(2) Deferred Tax	(13.13)	0.22	(34.20)	(12.91)	(30.39)	(23.90)
IX	Net Profit/(Loss) for the period (VII-VIII)	(33.91)	10.76	179.03	(23.15)	413.42	53.37
X	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	0.91	-	0.28	0.91	0.28	(0.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.23)	-	(0.07)	(0.23)	(0.07)	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	(33.23)	10.76	179.24	(22.47)	413.63	52.85
XII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	38.60	38.60	38.60	38.60
XIII	Reserves (Excluding Revaluation Reserves)	-	-	-	-	-	334.28
XIV	Earnings Per Share (₹) - Basic (Rs.)	(8.79)	2.79	46.39	(6.00)	107.12	13.43
	- Diluted (Rs.)	(8.79)	2.79	46.39	(6.00)	107.12	13.83

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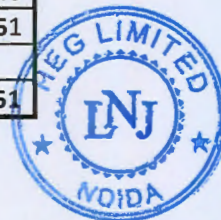
SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES							₹ in Crores
Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	Segment Revenue						
	Graphite	317.64	231.56	559.55	549.20	1374.19	2,117.84
	Power	24.02	2.31	22.45	26.33	47.02	69.44
	Others	0.00	0.00	0.00	0.00	0.00	0.01
	Total	341.66	233.87	582.00	575.53	1421.21	2,187.29
	Less: Inter segment sales	18.78	0.58	17.62	19.36	40.32	38.26
	Revenue from Operations	322.88	233.29	564.38	556.17	1380.89	2149.02
B	Segment Results						
	Profit before tax and finance cost from each segment						
	Graphite	(55.55)	(7.96)	121.68	(63.52)	461.78	(35.80)
	Power	(4.57)	(4.25)	1.67	(8.81)	1.12	13.55
	Others	-	-	0.00	-	0.00	-
	Total	(60.12)	(12.21)	123.35	(72.33)	462.90	(22.24)
	Add/Less:						
	Interest Income	6.68	7.13	9.77	13.81	21.22	35.92
	Gain on sale of Investments(Including gain/(loss) on its Fair Valuation)	10.93	26.73	21.96	37.66	39.67	73.25
	Other Unallocable Income net of expenses	(1.28)	(4.70)	1.24	(5.98)	1.78	(21.13)
	Finance cost	(3.04)	(5.97)	(9.95)	(9.01)	(19.21)	(36.51)
	Total Profit Before Tax	(46.84)	10.98	146.38	(35.86)	506.36	29.29
C	Segment Assets						
	Graphite	1958.33	2279.75	3655.26	1958.33	3655.26	2464.74
	Power	126.89	149.66	118.47	126.89	118.47	147.43
	Unallocated / Others	1883.23	1752.49	1461.57	1883.23	1461.57	1737.34
	Total Segment Assets	3968.45	4181.90	5235.30	3968.45	5235.30	4349.51
D	Segment Liabilities						
	Graphite	452.73	624.75	1183.53	452.73	1183.53	799.11
	Power	10.22	10.27	10.92	10.22	10.92	8.63
	Unallocated / Others	105.09	113.24	140.87	105.09	140.87	118.89
	Total Segment Liabilities	568.04	748.26	1335.32	568.05	1335.32	926.63



		STATEMENT OF ASSETS AND LIABILITIES	
		₹ in Crores	
	Particulars	Half Year Ended	Year Ended
		30-09-2020	31-03-2020
		Unaudited	Audited
A	ASSETS		
(1)	Non-current assets		
	a) Property, Plant and Equipment	703.77	733.58
	b) Capital work-in-progress	151.77	100.61
	c) Investment Property	3.29	3.37
	d) Right to use Asset	7.48	7.40
	e) Goodwill	-	-
	f) Other Intangible assets	0.25	0.30
	g) Intangible assets under development	-	-
	h) Biological Assets other than bearer plants	-	-
	i) Financial assets	-	-
	(i) Investments	978.62	1,139.38
	(ii) Trade receivables	-	-
	(iii) Loans	15.13	17.42
	(iv) Other Financial Assets	-	-
	j) Deferred tax assets(net)	-	-
	k) Income Tax Assets(Net)	144.87	143.93
	l) Other non-current assets	144.50	144.65
	Total Non Current Assets	2,149.69	2,290.63
(2)	Current assets		
	(a) Inventories	742.63	1,005.14
	(b) Financial assets	-	-
	(i) Investments	282.10	16.53
	(ii) Trade receivables	256.86	399.41
	(iii) Cash & Cash equivalents	14.71	32.80
	(iv) Bank balances other than (iii) above	459.98	404.48
	(v) Loans	0.37	0.78
	(vi) Others Financial Assets	4.63	6.86
	(c) Other current assets	57.48	192.87
	Total Current Assets	1,818.76	2,058.88
	Total Assets	3,968.45	4,349.51



	Particulars	Half Year Ended	Year Ended
		30-09-2020	31-03-2020
		Unaudited	Audited
B	EQUITY & LIABILITIES		
	Equity		
	(a) Equity share capital	38.60	38.60
	(b) Other equity	3,361.81	3,384.28
	LIABILITIES		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Trade Payables	-	-
	(iii) Lease Liability	1.15	1.14
	(iv) Other financial liabilities-Security Deposit	-	-
	(b) Provisions	3.12	3.91
	(c) Deferred tax liabilities (Net)	89.37	102.05
	(d) Other non-current liabilities	3.27	3.01
	Total Non Current Liability	96.91	110.12
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	239.06	592.62
	(ii) Trade Payables		
	(A) Total Outstanding dues of micro enterprises and small enterprises	3.97	6.58
	(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	159.98	127.23
	(iii) Lease Liability	0.68	0.50
	(iv) Other financial liabilities	44.19	65.22
	(b) Other current liabilities	11.56	12.55
	(c) Provisions	6.04	6.36
	(d) Current Tax Liabilities (Net)	5.66	5.46
	Total Current Liability	471.14	816.51
	Total Equity and Liabilities	3,968.45	4,349.51



STATEMENT OF CASH FLOW STATEMENT

₹ in Crores

PARTICULARS	Half Year Ended		Year Ended
	30th September, 2020	30th September, 2019	31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax	(35.86)	506.36	29.29
Adjustment for non operating and non cash transactions			
Depreciation and Amortisation	36.11	35.47	72.13
Interest Paid	9.01	19.21	36.51
Net(Profit)/Loss on property plant and equipment sold / discarded	1.75	0.83	0.88
Allowances for Expected Credit Losses	0.69	(1.17)	(3.26)
Unrealized (Gain)/Loss due to effect of exchange rate changes on assets and liabilities	0.85	16.51	(25.88)
Bad Debts	-	1.11	0.79
Gain on sale/fair valuation of investments	(37.66)	(39.67)	(73.25)
Dividend earned	(0.64)		(1.25)
Interest received	(13.81)	(21.22)	(35.92)
Adjustments for changes in assets and liabilities			
(Increase)/Decrease in Trade receivables	141.00	491.24	818.20
(Increase)/Decrease in Inventories	262.51	(546.40)	303.25
(Increase)/Decrease in Loans, financial and Other assets	82.39	185.05	192.03
Increase/(Decrease) in Liabilities and provisions	22.28	18.36	(345.98)
Cash generated from operations	468.63	665.68	967.54
Income tax paid	0.94	102.07	103.76
Net Cash generated from operating activities (A)	467.69	563.60	863.78
B CASH FLOW FROM INVESTING ACTIVITIES			
Addition in Property plant and Equipments (including Capital work-in-progress)	(59.05)	(19.66)	(111.24)
Sale of Property Plant and Equipments	0.35	0.53	1.25
(Increase)/Decrease in Advances for Capital Expenditure	0.35	(102.36)	(125.60)
Increase/(Decrease) in Creditors for Capital Expenditure	(14.10)	(0.66)	15.74
(Purchase) of Investments	(83.91)	(351.90)	(1,092.01)
Sale of Investments	16.76	176.23	876.39
Dividend received	0.64	-	1.25
Interest received	16.04	19.28	33.12
Net Cash used in investing activities (B)	(122.92)	(278.54)	(408.51)



C	CASH FLOW FROM FINANCING ACTIVITIES			
	Repayment of working capital borrowings (on net basis)	(353.55)	-	(74.04)
	Interest Paid (including interest on lease liability)	(9.01)	(24.03)	(36.51)
	Payment of lease liability	(0.30)	(19.21)	(0.10)
	Dividend Paid	-	(192.98)	(289.47)
	Dividend distribution Tax paid	-	(39.67)	(59.50)
	Buyback of Equity Share Capital	-	-	-
	Net Cash used in financing activities (C)	(362.87)	(275.88)	(459.62)
	NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(18.10)	9.18	3.64
	Cash and cash equivalents at the beginning of the period	32.80	29.16	29.16
	Cash and cash equivalents at the end of the period	14.71	38.34	32.80

Notes:

- 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.
- Financial results have been reviewed by Audit Committee and approved by Board of Directors in their respective meetings held on 12th November, 2020 and have been reviewed by the Statutory Auditors of the Company. The Statutory Auditors have expressed an unmodified conclusion on the aforesaid results.
- In line with the previous periods, the Company, in accordance with the applicable IND AS -2 "Inventories", has recognized its carrying inventory on Net Realizable Value (NRV) basis to the extent applicable. Due to this, the company has taken further charge of 28.96 Crores and 3.88 Crores on the cost of inventory during the quarter ended September 30, 2020 and June 30, 2020 respectively.
- The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial results 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 COVID-19, the Company has, at the date of approval of the financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of the same.
- 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.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been notified in the Official Gazette on 29th September 2020. The effective date from which the Code will come into effect is yet to be notified and the rules are yet to be framed. The impact of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed there under are published.
- The figures of the previous period have been reclassified wherever considered necessary to make them comparable with current period classification.

For HEG Limited



Ravi Jhunjhunwala

Chairman, Managing Director & CEO

DIN No. 00060972



Place : Noida(U.P)

Dated : 12th November, 2020

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE QUARTERLY UNAUDITED
CONSOLIDATED FINANCIAL RESULTS OF HEG LIMITED PURSUANT TO THE
REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015, AS AMENDED**

Review Report to
The Board of Directors
HEG Limited

1. We have reviewed the accompanying statement of unaudited Consolidated financial results of HEG LIMITED ("the Company") and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates for the quarter and six months period ended 30th September, 2020 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular no. CIR/CFD/CMD1/44/2019 dated March 29,2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulations to the extent applicable.

4. The Statement includes the results of the following entities:

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



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Matters reported in the Auditor's Review Report on Consolidated financial results 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 Review Report on Consolidated financial results of the associate which is being reproduced hereunder:

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

In "ChangoYangthang Hydro Power Limited" the Board of directors decided and surrendered the ChangoYangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in the project execution and long delay in Government approvals and licenses lapse, the company has written off Capital Work in progress during the year 2017-18 amounting to Rs. 27.13 crores. These events or conditions, along with other matters, 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 Review Report on Consolidated financial results of Bhilwara Energy Limited, an associate of the Company, which are being reproduced hereunder:

(i) 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).

Refer note no. 8 (a) of the financial results in this regard.



(ii) 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 @ Rs. 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 and Generation Based Incentive (GBI) 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.

Refer note no. 8 (c) of the financial results in this regard.

(iii) 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 WII report recommending no construction of NyamjnagChhu HEP at site. We are unable to comment on the financial implications and future operations of the company till the final outcome.

Refer note no. 8 (d) of the financial results in this regard.

(iv) 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 Rs. 37.89 crores and security deposit of Rs. 1.80 crores 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.

Refer note no. 8 (f) 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.

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



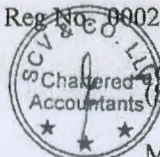
7. Other Matter

(a) The consolidated unaudited financial results include the company's share of net profit after tax of Rs. 18.55 crores and Rs. 22.11 crores and total comprehensive income of Rs. 18.51 crores and Rs. 22.02 crores for the quarter ended 30th Sept, 2020 and six months period ended 30th Sept, 2020 respectively as considered in the Consolidated unaudited financial results, in respect of two associates, whose financial results/financial information have not been reviewed by us. These interim financial results/financial information have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion 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 the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of our reliance on the work done by other auditors.

Our conclusion is not modified in respect of this matter.

Place: Ludhiana
Date: 12th November, 2020

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

(Sanjiv Mohan)
Partner
M. No. 086066
UDIN:20086066AAAALB7364

**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@lnjbhilwara.com

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED 30TH SEPTEMBER, 2020

Sl. No.	Particulars	₹ in Crores					
		Quarter Ended			Half Year Ended		Year Ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
I	Revenue from Operation	322.88	233.29	564.38	556.17	1,380.89	2,149.02
II	Other Income	16.41	46.03	35.03	62.45	74.19	143.76
III	Total Revenue (I+II)	339.29	279.32	599.41	618.62	1,455.08	2,292.78
IV	Expenses						
	Cost of materials consumed	158.29	86.53	334.17	244.81	828.52	1,558.13
	Purchase of stock -in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	93.12	66.12	(47.40)	159.24	(239.15)	62.95
	Employee benefits expense	12.51	13.77	23.38	26.28	51.88	65.60
	Finance cost	3.04	5.97	9.95	9.01	19.21	36.51
	Depreciation and amortisation expense	18.34	17.77	17.75	36.11	35.47	72.13
	Power and Fuel (Net of Interdivisional Purchases)	30.19	27.90	40.29	58.10	88.85	163.31
	Other Expenses	70.64	50.28	74.89	120.93	163.95	304.86
	Total expenses (IV)	386.13	268.34	453.03	654.48	948.72	2,263.49
V	Profit/(Loss) before exceptional items and tax (III-IV)	(46.84)	10.98	146.38	(35.86)	506.36	29.29
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	(46.84)	10.98	146.38	(35.86)	506.36	29.29
VIII	Tax expense						
	(1) Current Tax	0.20	-	1.54	0.20	123.33	(0.19)
	(2) Deferred Tax	(13.13)	0.22	(34.20)	(12.91)	(30.39)	(23.90)
IX	Share of Profit/ (loss) of associates	18.55	3.57	23.30	22.11	32.39	14.26
X	Net Profit/(Loss) for the period (VII-VIII+IX)	(15.36)	14.33	202.34	(1.04)	445.81	67.63
XI	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	0.91	-	0.28	0.91	0.28	(0.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.23)	-	(0.07)	(0.23)	(0.07)	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	(0.04)	(0.05)	(0.02)	(0.09)	(0.01)	(0.11)
	Total Comprehensive Income for the period	(14.72)	14.28	202.53	(0.45)	446.01	67.00
XII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	38.60	38.60	38.60	38.60
XIII	Reserves (Excluding Revaluation Reserves)	-	-	-	-	-	3,473.12
XIV	Earnings Per Share (₹) - Basic (Rs.)	(3.98)	3.71	52.42	(0.27)	115.51	17.52
XV	- Diluted (Rs.)	(3.98)	3.71	52.42	(0.27)	115.51	17.52



SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES

₹ in Crores

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	Segment Revenue						
	Graphite	317.64	231.56	559.55	549.20	1,374.19	2,117.84
	Power	24.02	2.31	22.45	26.33	47.02	69.44
	Others	0.00	0.00	-	0.00	-	0.01
	Total	341.66	233.87	582.00	575.53	1,421.21	2,187.29
	Less: Inter segment sales	18.78	0.58	17.62	19.36	40.32	38.26
	Revenue from Operations	322.88	233.29	564.38	556.17	1,380.89	2,149.02
B	Segment Results						
	Profit before tax and finance cost from each segment						
	Graphite	(55.55)	(7.96)	121.68	(63.52)	461.78	(35.80)
	Power	(4.57)	(4.25)	1.67	(8.81)	1.12	13.55
	Others	-	-	-	-	-	-
	Total	(60.12)	(12.21)	123.35	(72.33)	462.90	(22.24)
	Add/Less:						
	Interest Income	6.68	7.13	9.77	13.81	21.22	35.92
	Gain on sale of Investments(Including gain/(loss) on its Fair Valuation)	10.93	26.73	21.96	37.66	39.67	73.25
	Other Unallocable Income net of expenses	(1.28)	(4.70)	1.24	(5.98)	1.78	(21.13)
	Finance cost	(3.04)	(5.97)	(9.95)	(9.01)	(19.21)	(36.51)
	Total Profit Before Tax	(46.84)	10.98	146.38	(35.86)	506.36	29.29
C	Segment Assets						
	Graphite	1,958.33	2279.75	3655.26	1,958.33	3655.26	2464.74
	Power	126.89	149.66	118.47	126.89	118.47	147.43
	Unallocated / Others	1,994.10	1844.84	1568.63	1,994.10	1568.63	1826.18
	Total Segment Assets	4079.32	4274.25	5342.36	4079.32	5342.36	4438.35
D	Segment Liabilities						
	Graphite	452.73	624.75	1183.53	452.73	1183.53	799.11
	Power	10.22	10.27	10.92	10.22	10.92	8.63
	Unallocated / Others	105.09	113.24	140.87	105.09	140.87	118.89
	Total Segment Liabilities	568.05	748.26	1335.32	568.05	1335.32	926.63

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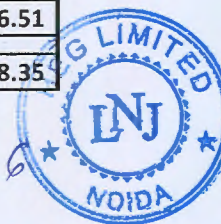


		STATEMENT OF ASSETS AND LIABILITIES	
		₹ in Crores	
Particulars		Half Year Ended	Year Ended
		30-09-2020	31-03-2020
		Unaudited	Audited
A	ASSETS		
(1)	Non-current assets		
	a) Property, Plant and Equipment	703.77	733.58
	b) Capital work-in-progress	151.77	100.61
	c) Investment Property	3.29	3.37
	d) Right to use Asset	7.48	7.39
	e) Goodwill	-	-
	f) Other Intangible assets	0.25	0.30
	g) Intangible assets under development	-	-
	h) Biological Assets other than bearer plants	-	-
	i) Financial assets	-	-
	(i) Investments	1,089.49	1,228.22
	(ii) Trade receivables	-	-
	(iii) Loans	15.13	17.42
	(iv) Other Financial Assets	-	-
	j) Deferred tax assets(net)	-	-
	k) Income Tax Assets(Net)	144.87	143.93
	l) Other non-current assets	144.50	144.65
	Total Non Current Assets	2,260.55	2,379.47
(2)	Current assets		
	(a) Inventories	742.63	1,005.14
	(b) Financial assets	-	-
	(i) Investments	282.10	16.53
	(ii) Trade receivables	256.86	399.41
	(iii) Cash & Cash equivalents	14.71	32.80
	(iv) Bank balances other than (iii) above	459.98	404.48
	(v) Loans	0.37	0.78
	(vi) Others Financial Assets	4.63	6.86
	(c) Other current assets	57.48	192.87
	Total Current Assets	1,818.76	2,058.88
	Total Assets	4,079.32	4,438.35

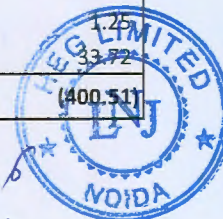


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	Particulars	Half Year Ended	Year Ended
		30-09-2020	31-03-2020
		Unaudited	Audited
B	EQUITY & LIABILITIES		
	Equity		
	(a) Equity share capital	38.60	38.60
	(b) Other equity	3,472.67	3,473.12
	LIABILITIES		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Trade Payables	-	-
	(iii) Lease Liability	1.15	1.14
	(iv) Other financial liabilities-Security Deposit	-	-
	(b) Provisions	3.12	3.91
	(c) Deferred tax liabilities (Net)	89.37	102.05
	(d) Other non-current liabilities	3.27	3.01
	Total Non Current Liability	96.91	110.12
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	239.06	592.62
	(ii) Trade Payables		
	(A) Total Outstanding dues of micro enterprises and small enterprises	3.97	6.58
	(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	159.98	127.23
	(iii) Lease Liability	0.68	0.50
	(iv) Other financial liabilities	44.19	65.22
	(b) Other current liabilities	11.56	12.55
	(c) Provisions	6.04	6.36
	(d) Current Tax Liabilities (Net)	5.66	5.46
	Total Current Liability	471.14	816.51
	Total Equity and Liabilities	4,079.32	4,438.35



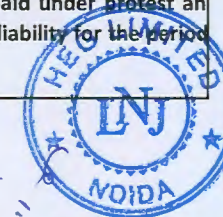
STATEMENT OF CASH FLOW STATEMENT				
			₹ in Crores	
	PARTICULARS	Half Year Ended		Year Ended
		30th September, 2020	30th September, 2019	31st March, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before Tax	(35.86)	506.36	29.29
	Adjustment for non operating and non cash transactions			
	Depreciation and Amortisation	36.11	35.47	72.13
	Interest Paid	9.01	19.21	36.51
	Net(Profit)/Loss on property plant and equipment sold / discarded	1.75	0.83	0.88
	Allowances for Expected Credit Losses	0.69	(1.17)	(3.26)
	Unrealized (Gain)/Loss due to effect of exchange rate changes on assets and liabilities	0.85	16.51	(25.88)
	Bad Debts	-	1.11	0.79
	Gain on sale/fair valuation of investments	(37.66)	(39.67)	(73.25)
	Dividend earned	(0.64)	-	(1.25)
	Interest received	(13.81)	(21.22)	(35.92)
	Adjustments for changes in assets and liabilities			
	(Increase)/Decrease in Trade receivables	141.00	491.24	818.20
	(Increase)/Decrease in Inventories	262.51	(546.40)	303.25
	(Increase)/Decrease in Loans, financial and Other assets	82.39	185.05	192.03
	Increase/(Decrease) in Liabilities and provisions	22.28	18.36	(345.98)
Cash generated from operations	468.63	665.68	967.54	
Income tax paid	0.94	102.07	103.76	
Net Cash generated from operating activities (A)	467.69	563.60	863.78	
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Addition in Property plant and Equipments (including Capital work-in-progress)	(59.05)	(19.66)	(111.24)
	Sale of Property Plant and Equipments	0.35	0.53	1.25
	(Increase)/Decrease in Advances for Capital Expenditure	0.35	(102.36)	(125.60)
	Increase/(Decrease) in Creditors for Capital Expenditure	(14.10)	(0.66)	15.74
	(Purchase) of Investments	(83.91)	(351.90)	(1,092.01)
	Sale of Investments	16.76	176.23	876.39
	Dividend received	0.64	-	1.25
	Interest received	16.04	19.28	33.72
	Net Cash used in investing activities (B)	(122.92)	(278.54)	(400.51)



C	CASH FLOW FROM FINANCING ACTIVITIES			
	Repayment of working capital borrowings (on net basis)	(353.55)	-	(74.04)
	Interest Paid (including interest on lease liability)	(9.01)	(24.03)	(36.51)
	Payment of lease liability	(0.30)	(19.21)	(0.10)
	Dividend Paid	-	(192.98)	(289.47)
	Dividend distribution Tax paid	-	(39.67)	(59.50)
	Buyback of Equity Share Capital	-	-	-
	Net Cash used in financing activities (C)	(362.87)	(275.88)	(459.62)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(18.10)	9.18	3.64	
Cash and cash equivalents at the beginning of the period	32.80	29.16	29.16	
Cash and cash equivalents at the end of the period	14.71	38.34	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 Financial results have been reviewed by Audit Committee and approved by Board of Directors in their respective meetings held on 12th November, 2020 and have been reviewed by the Statutory Auditors of the Company. The Statutory Auditors have expressed an unmodified conclusion on the aforesaid results.
- 3 In line with the previous periods, the Company, in accordance with the applicable IND AS -2 "Inventories", has recognized its carrying inventory on Net Realizable Value (NRV) basis to the extent applicable. Due to this, the company has taken further charge of 28.96 Crores and 3.88 Crores on the cost of inventory during the quarter ended September 30, 2020 and June 30, 2020 respectively.
- 4 The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial results 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 COVID-19, the Company has, at the date of approval of the financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of the same.
- 5 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.
- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been notified in the Official Gazette on 29th September 2020. The effective date from which the Code will come into effect is yet to be notified and the rules are yet to be framed. The impact of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed there under are published.
- 7 The figures of the previous period have been reclassified wherever considered necessary to make them comparable with current period classification.
- 8 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) On April 27, 2019, the Malana Power Company Limited (MPCL) one of Subsidiary 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 MPCL and HPSEB (now HPSEBL) in August 1999. In this regard, the MPCL has paid under protest an amount of ₹2,817.00 Lakhs. Based on the legal opinion obtained, the MPCL 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 MPCL and accordingly has filed an appeal before Appellate tribunal, Electricity at New Delhi.



- (b) On October 17, 2019, the Central Electricity Regulatory Commission (CERC) passed an Order on the Dedicated Transmission System of AD Hydro Power Limited (ADHPL) (Subsidiary of 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 ADHPL 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 ADHPL 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 ADHPL 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 September 30, 2020. Further, the management is confident that there would be no significant impact on the financial position of the ADHPL in respect of transmission losses which is to be determined by the Northern Regional Load Despatch Centre (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 ADHPL in respect of transmission losses as the actual losses during the peak season were likely to be higher.
- (c) Pending renewal of PPA which expired on March 31, 2019, BG Wind Power Limited (BGWPL) one of its subsidiary has recognised revenue @₹3.14/kwh (previous PPA @₹3.69/kwh) based on the order issued by RERC vide its third amendment regulation dated 5th March 2019 which also provides for execution of the PPA by DISCOM for entire balance project life. GBI also taken at applicable rate @50 Paise /kwh. Since, the Company has exported the power to DISCOM during the period and the Management of the company believes that PPA will be signed therefore it has recognised Revenue from Sale of Power of ₹390.15 Lakhs and Generation Based Incentive (GBI) of ₹62.40 Lakhs. In the meantime, BGWPL has filed writ petition with Rajasthan High Court at Jaipur in this regard.
- (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 Nyamjng 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' able 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' able 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, which was suitably replied on 10th August, 2020. The matter relating to refund of upfront Premium is still sub-judice with Gauhati High Court.
- (e) During quarter ending 31 March, 2019, Impairment of Capital Work in Progress in Consolidated financial statement shown under other expenses as the company has impaired its investment in one of the subsidiary namely NJC Hydro Power Ltd on the basis of the internal assessment of the management keeping in view of the indicators of the impairment resulting into reduction in the Capital Work-in-Progress by ₹12,389.30 Lakhs as per IND AS 110. During the period an amount of ₹146.43 Lakhs (previous year ₹60.42 Lakhs) further impairment has been done.
- (f) Due to various reasons, Chango Yangthang Hydro Power Limited-Subsidiary, the Chango Yangthang HEP is not being executed purely on account of various social legal issues not in the control of the company and the company had surrendered the project and filed application with Govt of H.P. for refund of upfront premium and security deposit of ₹3,969.45 Lakhs along with interest @10%. The Company is constantly following up with the State Government for the refund of the premium with interest.

For HEG Limited


Ravi Jhunjunwala
Chairman, Managing Director & CEO

DIN No. 00060972



Place : Noida(U.P)

Dated : 12th November, 2020