HEG/SECTT/2017

2nd November, 2017

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

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

Sub: Unaudited Financial Results for the quarter & half year ended 30th September, 2017, alongwith the Limited Review Report thereon and outcome of Board Meeting.

Dear Sir,

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'), we enclose herewith the Statement of Unaudited financial results of the Company for the quarter & half year ended the 30th September, 2017, alongwith the Limited Review Report as approved and taken on record by the Board of Directors at its meeting held today i.e. 2nd November, 2017.

Kindly take the same on record.

The meeting of Board of Directors commenced at 1.15 P.M and concluded at 4.45 P.M.

Thanking you,

Yours faithfully,
For **HEG LIMITED**

(VIVEK CHAUDHARY)
COMPANY SECRETARY

HEG LIMITED LNJ

heg.investor@lnjbhilwara.com

Encl : as above

[redacted]

S. C. Vasudeva & Co.
Chartered Accountants

B-XIX-220, Rani Jhansi Road,
Ghumar Mandi, Ludhiana-141 001
Tel. : 0161-2774527, 98154-20555
E-mail : ludhiana@scvasudeva.com
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INDEPENDENT AUDITOR'S REVIEW REPORT

To
The Board of Directors,
HEG Limited

Introduction

We have reviewed the accompanying statement of unaudited financial results of HEG Limited (the Company) for the quarter and six months period ended 30th Sept, 2017 (the Statement) being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement, which is the responsibility of the company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under section 133 of the Companies act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagement (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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian accounting standards (Ind AS) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

[redacted]

Other Matters

The comparative financial information of the Company for the quarter ended 30 June, 2017, quarter and half year ended 30 September, 2016 and for the year ended 31 March, 2017 prepared in accordance with Ind AS included in this statement have been reviewed/audited by the predecessor auditor. The report of the predecessor auditor dated 02nd August 2017, 08th Nov 2016 and 30th May 2017 respectively on these comparative financial information expressed an unmodified conclusion/opinion.

For S.C. Vasudeva & Co.
Chartered Accountants
Registration No.00235N

S.C. VASUDEVA & CO. Chartered Accountants

(Sanjay Vasudeva)
Partner
M. No. 090989

Place: Indore
Dated: 02.11.2017

HEG LIMITED

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

PART I

₹ in Crores

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30-09-2017	30-06-2017	30-09-2016	30-09-2017	30-09-2016	31-03-2017
I	Revenue from Operation(Refer note 4)	409.54	213.71	203.71	623.24	377.58	896.02
II	Other Income	2.55	0.72	3.56	3.28	4.62	7.13
III	Total Revenue (I+II)	412.09	214.43	207.27	626.52	382.20	903.15
IV	Expenses						
	Cost of materials consumed	118.36	113.32	82.89	231.69	138.60	329.85
	Purchase of stock -in-trade	-	-	-	-	-	12.93
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	3.79	(17.99)	11.63	(14.20)	61.70	101.15
	Employee benefits expense	16.98	13.83	13.68	30.81	28.29	58.78
	Finance cost	12.94	13.16	15.48	26.10	28.43	54.72
	Depreciation and amortisation expense	18.20	17.78	18.26	35.98	37.39	73.92
	Power and Fuel (Net of Interdivisional Purchases)	27.37	21.36	14.67	48.73	24.38	71.98
	Excise Duty(Refer Note 4)	0.00	8.35	9.70	8.35	17.39	35.98
	Other Expenses	53.31	51.45	52.81	104.76	85.75	204.63
	Total expenses (IV)	250.95	221.26	219.11	472.22	421.93	943.92
V	Profit/(Loss) before exceptional and tax (III-IV)	161.14	(6.83)	(11.84)	154.30	(39.73)	(40.77)
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	161.14	(6.83)	(11.84)	154.30	(39.73)	(40.77)
VIII	Tax expense						
	(1) Current Tax	44.00	0.00	0.00	44.00	0.00	0.00
	Earlier Year(s)	-	0.01	0.27	0.01	0.55	1.12
	(2) Deferred Tax	3.48	1.59	1.98	5.07	2.85	8.15
IX	Net Profit/(Loss) for the period (VII-VIII)	113.66	(8.43)	(14.09)	105.22	(43.13)	(50.05)
X	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	(0.31)	0.00	(0.83)	(0.31)	(0.91)	1.29
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.11	0.00	0.29	0.11	0.32	(0.44)
	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	113.46	(8.43)	(14.63)	105.02	(43.71)	(49.20)
XII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	39.96	39.96	39.96	39.96	39.96	39.96
XIII	Reserves (Excluding Revaluation Reserves)						831.83
XIV	Earning Per Share (₹) - Basic	28.44	(2.11)	(3.53)	26.33	(10.79)	(12.52)
	(not annualised) - Diluted	28.44	(2.11)	(3.53)	26.33	(10.79)	(12.52)

S.C. VASUDEVA & CO. Chartered Accountants

HEG LIMITED LNJ

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		30-09-2017	30-06-2017	30-09-2016	30-09-2017	30-09-2016	31-03-2017
A	Segment Revenue						
	Graphite	407.01	212.42	196.64	619.44	368.79	870.25
	Power	54.56	54.24	58.14	108.78	94.47	216.93
	Others	0.00	0.00	0.03	0.00	0.05	0.10
	Total	461.57	266.66	254.81	728.22	463.31	1087.28
	Less: Inter segment sales	52.03	52.95	51.10	104.98	85.73	191.26
	Net Sales / Income from Operations	409.54	213.71	203.71	623.24	377.58	896.02
B	Segment Results						
	Profit before tax and interest from each segment						
	Graphite	157.41	(11.49)	(18.80)	145.93	(49.58)	(76.57)
	Power	16.45	17.81	22.50	34.27	38.22	90.50
	Others	0.21	0.01	(0.06)	0.21	0.06	0.02
	Total	174.08	6.33	3.64	180.40	(11.30)	13.95
	Less:						
	Finance cost	12.94	13.16	15.48	26.10	28.43	54.72
	Total Profit Before Tax	161.14	(6.83)	(11.84)	154.30	(39.73)	(40.77)
C	Segment Assets						
	Graphite	1595.08	1484.65	1477.59	1595.08	1477.59	1441.75
	Power	167.64	173.78	164.26	167.64	164.26	170.83
	Unallocable / Others	158.71	158.11	158.65	158.71	158.65	159.16
	Total Segment Assets	1921.43	1816.54	1800.50	1921.43	1800.50	1771.74
D	Segment Liabilities						
	Graphite	685.34	638.69	625.03	685.34	625.03	590.63
	Power	36.48	34.22	30.19	36.48	30.19	31.87
	Unallocable / Others	5.73	4.83	5.70	5.73	5.70	5.13
	Total Segment Liabilities	727.55	677.74	660.92	727.55	660.92	627.63

S.C. VASUDEVA & CO. Chartered Accountants

HEG LIMITED LNJ

₹ in Crores

STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2017 AND 31ST MARCH, 2017

	Particulars	Half Year Ended 30-09-2017 Unaudited	Year Ended 31-03-2017 Audited
A	ASSETS		
(1)	Non-current assets		
	a) Property, plant and equipment	851.67	885.02
	b) Capital work-in-progress	0.81	1.20
	c) Investment Property	3.81	3.86
	d) Goodwill	-	-
	e) Other Intangible assets	0.39	0.02
	f) Intangible assets under development	-	-
	g) Biological Assets other than bearer plants	-	-
	h) Financial assets	-	-
	(i) Investments	149.28	149.28
	(ii) Trade receivables	-	-
	(iii) Loans	9.28	2.31
	(iv) Others	6.87	4.35
	i) Deferred tax assets(net)	-	-
	j) Other non-current assets	27.34	27.23
(2)	Current assets		
	(a) Inventories	328.70	257.80
	(b) Financial assets	-	-
	(i) Investments	0.60	0.55
	(ii) Trade receivables	452.45	360.79
	(iii) Cash & cash equivalents	3.64	6.29
	(iv) Bank balances other than (iii) above	-	-
	(v) Loans	1.72	3.97
	(vi) Export Benefit & Interest receivable	0.44	1.35
	(c) Current Tax Assets(Net)	-	-
	(d) Other current assets	84.43	67.72
	Total Assets	1,921.43	1,771.74
B	EQUITY & LIABILITIES		
	Equity		
	(a) Equity share capital	39.96	39.96
	(b) Other equity	936.86	831.83
	LIABILITIES		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	178.90	135.64
	(ii) Trade Payables	-	-
	(iii) Other financial liabilities-Security Deposit	1.25	1.21
	(b) Provisions	2.67	3.43
	(c) Deferred tax liabilities (Net)	65.86	60.89
	(d) Other non-current liabilities	-	-
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	468.47	411.84
	(ii) Trade Payables	129.99	86.49
	(iii) Other financial liabilities	86.97	182.03
	(b) Other current liabilities	9.85	17.72
	(c) Provisions	0.65	0.70
	(d) Current Tax Liabilities (Net)	-	-
	Total Equity and Liabilities	1,921.43	1,771.74

S.C. VASUDEVA & CO. Chartered Accountants

HEG LIMITED LNJ

	Notes:
1	The figures of the corresponding previous period / year have been regrouped / recast / reclassified wherever considered necessary to correspond to current period / year classification.
2	The Company continues to exercise the option made available by the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs and also optional exemption under Ind-AS. Accordingly, during the quarter under review an amount of ₹ 1.92 Crores (Gain) (Corresponding quarter of FY 2016-17 ₹1.23 Crores (Gain)) being exchange difference arising on reporting of Long Term Foreign Currency Loans availed for acquisition of depreciable fixed assets have been taken to respective assets/capital work-in-progress account.
3	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.
4	In accordance with the requirement of Ind AS, revenue (as indicated in serial no. I) for the quarter ended 30th September,2017 is net of Goods and Service Tax('GST'). However, revenue for the period upto 30th June,2017 is inclusive of excise duty (as indicated in serial no. IV).
5	The above Unaudited financial results have been subjected to a Limited Review by the Statutory Auditors of the Company and reviewed by the Audit Committee and approved and taken on record by the Board at their respective meetings held on the 02nd November'2017 .

For HEG Limited

Place : Indore
Dated : 2nd November, 2017

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

S.C. VASUDEVA & CO. Chartered Accountants

HEG LIMITED LNJ