



PROUD TO BE INDIAN
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HEG/SECTT/2020

11th February, 2020

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

Dear Sirs,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors at its meeting held today i.e. 11th February, 2020 has approved and taken on record the following:

1. **The Unaudited Financial Results of the Company for the quarter & nine months period ended 31st December, 2019.**

The Unaudited financial results (Standalone & Consolidated) of the Company for the quarter & nine months period ended the 31st December, 2019, alongwith the Limited Review Report of the Statutory Auditors thereon is enclosed as an **Annexure-1**.

2. **Payment of Interim Dividend for the financial year ending 31st March, 2020.**

In continuation of our earlier letter dated 6th February, 2020 intimating about the consideration of inter-alia the payment of Interim Dividend, if any, to the Equity Shareholders of the Company for the financial year ending 31st March, 2020, at the Board Meeting scheduled to be held on 11th February, 2020 and Fixation of Record date, please note that the Board of Directors at its meeting held today approved the payment of Interim Dividend of Rs. 25/- per equity share of the face value of Rs.10/- to the Equity Shareholders of the Company.

The Record date i.e 19th February, 2020 fixed for the payment of the aforesaid Interim Dividend has been noted/confirmed by the Board of Directors at its meeting held today. The said Interim Dividend shall be paid / dispatched to the shareholders on or before 11th March, 2020.

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
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Regd. Office :

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(Madhya Pradesh), India
Tel.: +91-7480-405500, 233524 to 233527
Fax: +91-7480-233522
Website: www.heg ltd.com

Corporate Identification No.: 123109MP1972PLC008290

Contd 2/-





3. Appointment of Additional Director (Executive Director)

The Board of Directors upon recommendation of Nomination & Remuneration Committee held earlier today has approved the appointment of Shri Manish Gulati (Chief Operating Officer and Chief Marketing Officer), who is also Key Managerial Personnel under section 2(51) of the Companies Act, 2013, as an Additional Director (Executive Director) of the Company.

Shri Manish Gulati, is not debarred from holding the Office of Director pursuant to any SEBI order or any other such authorities. He is also not related to any of the existing Directors or Key Managerial Personnel or Promoters of the Company. The information required to be given as per Regulation 30 of Listing Regulation with regard to the above is as under:-

1.	Reason for change	Appointed as an Additional Director (Executive Director)
2	Date of appointment	11 th February, 2020
3	Brief profile	Shri Manish Gulati, aged 50 years is a BSc (Statistics) Agra Univ, BE Electronics, Pune Univ and MBA (Marketing and Finance), FMS Delhi Univ having professional experience of more than 28 years. He has been associated with HEG Limited since May'1993 and started his career with sales and marketing in India. As the company grew in capacity, he started developing business in export markets and expanded the company's presence in more and more countries and became the Chief Marketing Officer in 2010. Meanwhile, he also started taking care of key raw material equipment and shipping and logistics. By then, already having spent 27 years with the company and developed an in-depth understanding of the customers, Product application, Quality, Customer service, Production planning etc, he was promoted to be the Chief Operating Officer and Chief Marketing Officer in Feb 2019 with the overall responsibility of Plant operations, Sales, Logistics, Customer service besides Marketing responsibility.



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		With his extensive industry experience, he brings value and perspective in all key management decisions. He reports to Chairman, Managing Director and CEO of the Company.
4	Disclosure of relationships between Directors	Nil

4. Appointment of Occupier under Factories Act, 1948.

Shri Manish Gulati, has also been appointed as an "Occupier" of the Company in terms of the requirements of the Factories Act, 1948.

The meeting of Board of Directors commenced at 2.00 P.M and concluded at 6.05 P.M.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **HEG Limited**

(Vivek Chaudhary)
Company Secretary



heg.investor@lnjbhilwara.com

Encl : as above

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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 DISCLOSURES
REQUIREMENTS) REGULATIONS, 2015, AS AMENDED**

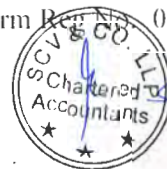
Review Report to
The Board of Directors
HEG Limited

1. We have reviewed the accompanying statement of unaudited Standalone financial results of HEG LIMITED ("the Company") for the quarter and nine months period ended 31st December, 2019 ("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 read with SEBI circular No CIR/CFD/CMD1/44/2019 dated 29th March, 2019.
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 "Interim Financial Reporting" ("Ind AS 34"), 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place: Noida
Date: 11th February, 2020

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



(Sanjiv Mohan)

Partner

M. No. 086066

UDIN: 20086066AAAAADW3801

**HEG LIMITED**

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

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

Phone : 0120-4390300; Fax : 0120-4277841

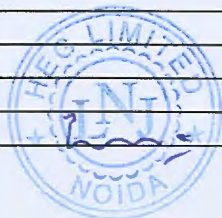
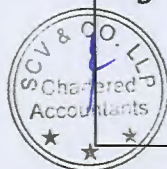
CIN: L23109MP1972PLC008290 Website: www.hegltd.com Email: heg.investor@lnjbhilwara.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

Sl. No.	Particulars	₹ in Crores					
		Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	393.69	564.38	1,864.99	1,774.59	5,246.17	6,592.83
II	Other Income	27.28	35.03	37.20	101.46	66.91	109.19
III	Total Revenue (I+II)	420.97	599.41	1,902.19	1,876.05	5,313.08	6,702.02
IV	Expenses						
	Cost of materials consumed	261.01	334.17	456.70	1,089.52	1,147.88	1,611.84
	Purchase of stock -in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	7.28	(47.40)	(112.04)	(231.87)	(379.74)	(497.06)
	Employee benefits expense	17.48	23.38	56.58	69.35	154.58	197.57
	Finance cost	8.73	9.95	3.57	27.93	12.11	17.97
	Depreciation and amortisation expense	17.79	17.75	18.52	53.26	54.20	72.39
	Power and Fuel (Net of Interdivisional Purchases)	39.90	40.29	49.75	128.75	136.63	183.21
	Other Expenses	63.28	74.89	100.52	227.23	316.56	439.02
	Total expenses (IV)	415.47	453.03	573.59	1,364.17	1,442.21	2,024.94
V	Profit/(Loss) before exceptional items and tax (III-IV)	5.50	146.38	1,328.60	511.88	3,870.87	4,677.08
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	5.50	146.38	1,328.60	511.88	3,870.87	4,677.08
VIII	Tax expense						
	(1) Current Tax	(2.73)	1.55	458.78	120.60	1,340.37	1,619.35
	(2) Deferred Tax	2.29	(34.20)	2.99	(28.10)	4.48	7.30
IX	Net Profit/(Loss) for the period (VII-VIII)	5.94	179.03	866.83	419.38	2,526.02	3,050.43
X	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	-	0.28	-	0.28	(1.17)	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.07)	-	(0.07)	0.41	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	Total Comprehensive Income for the period (IX + X)	5.94	179.24	866.83	419.59	2,525.26	3,049.79
XII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	39.96	38.60	39.96	38.60
XIII	Reserves (Excluding Revaluation Reserves)						3,680.40
XIV	Earnings Per Share (₹) - Basic (Rs.)	1.54	46.39	216.93	108.66	632.15	763.60
	- Diluted (Rs.)	1.54	46.39	216.93	108.66	632.15	763.60



SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES							
₹ in Crores							
Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	Segment Revenue						
	Graphite	387.13	559.55	1,858.24	1,759.29	5,238.47	6,582.28
	Power	6.56	22.45	35.37	53.57	92.09	121.47
	Others	0.00	-	0.00	0.00	0.01	0.01
	Total	393.69	582.00	1,893.61	1,812.86	5,330.57	6,703.76
	Less: Inter segment sales	-	17.62	28.62	38.27	84.40	110.93
	Revenue from Operations	393.69	564.38	1,864.99	1,774.59	5,246.17	6,592.83
B	Segment Results						
	Profit before tax and finance cost from each segment						
	Graphite	(7.93)	121.68	1,300.34	453.85	3,842.24	4,605.34
	Power	(0.69)	1.67	(2.99)	0.43	(15.40)	(17.62)
	Others	-	-	-	-	-	-
	Total	(8.62)	123.35	1,297.35	454.28	3,826.84	4,587.72
	Add/Less:						
	Interest Income	7.42	9.77	13.74	28.64	26.69	49.75
	Gain on sale of Investments(Including gain/(loss) on its Fair Valuation)	14.80	21.96	20.60	54.47	28.85	51.49
	Other Unallocable Income net of expenses	0.63	1.24	0.47	2.42	0.60	6.09
	Finance cost	(8.73)	(9.95)	(3.57)	(27.93)	(12.11)	(17.97)
	Total Profit Before Tax	5.50	146.38	1,328.60	511.88	3,870.87	4,677.08
C	Segment Assets						
	Graphite	3318.32	3655.26	3348.17	3318.32	3348.17	3479.11
	Power	111.24	118.47	160.87	111.24	160.87	143.13
	Unallocated / Others	1539.41	1461.57	1670.37	1539.41	1670.37	1447.43
	Total Segment Assets	4968.97	5235.30	5179.41	4968.97	5179.41	5069.67
D	Segment Liabilities						
	Graphite	933.78	1183.53	1106.60	933.78	1106.60	1120.62
	Power	10.39	10.92	35.51	10.39	35.51	9.62
	Unallocated / Others	118.87	140.87	88.81	118.87	88.81	220.44
	Total Segment Liabilities	1063.04	1335.32	1230.92	1063.04	1230.92	1350.68



1 2 3 4 5 6 7	Notes: 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 operations at Tawa Plant have started from 14th August, 2019 onwards. 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 thereunder. Financial results have been reviewed by Audit Committee and approved by Board of Directors in the meeting held on 11th February, 2020 and have been reviewed by the Statutory Auditors of the Company. The Statutory Auditors have expressed an unmodified opinion on the aforesaid results. The figures of the corresponding previous period/year have been regrouped / recast / reclassified wherever considered necessary to correspond to current period/ year classification. 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. In respect of 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. 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. There is no impact of adoption of Ind AS 116 on the financial results of the quarter. 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 during the quarter ended 30th September, 2019. Accordingly, the Company has re-measured income tax liability and deferred tax liability on the basis of rate prescribed in the said section in the said quarter. The impact of this change has been recognized in the statement of profit and loss of the quarter ended 30th September, 2019. It has resulted in reversal of current tax expense of Rs. 34.06 Cr. on account of re-measurement of current tax expense recognized during the quarter ended 30th June, 2019 and also resulted in reversal of deferred tax liability amounting to Rs. 34.11 Cr. on account of re-measurement of deferred tax liability as on 30th June, 2019. The Board has approved the payment of Interim Dividend of Rs. 25 per Equity Share of face value of Rs. 10 each to the Equity Shareholders of the Company.
Place : Noida(U.P) Dated : 11th February, 2020	  For HEG Limited  Ravi Jhunjunwala Chairman, Managing Director & CEO DIN:00060972

**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 DISCLOSURES
REQUIREMENTS) REGULATIONS, 2015, AS AMENDED**

Review Report to
The Board of Directors
HEG Limited

1. Introduction

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 nine months period ended 31st December, 2019 ("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. Attention is drawn to Note No. 7 to the Statement which states that the consolidated figures for the corresponding quarter and nine months period ended 31st December, 2018, as reported in the accompanying financial results, have been approved by the Company's Board of Directors, but have not been subjected to review.

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 "Interim Financial Reporting" ("Ind AS 34"), 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.

2. Scope of Review

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. 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 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

3. The Statement includes the results of the two associates viz. Bhilwara Energy Limited and Bhilwara Infotechnology Limited.



4. Conclusion

Based on our review conducted and procedures performed as stated in paragraph 2 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 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 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. 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 "Chango Yangthang Hydro Power Limited" the Board of directors decided and surrendered the Chango Yangthang 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 INR 2713.18 lakhs. 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 conclusion of the auditor of the said company is not modified in respect of this matter. Also the conclusion 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).

We also draw attention to note no. 9 (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 dated March 31, 2019. BG Wind Power Limited, Subsidiary is pursuing for Power Purchase Agreement (PPA) with DISCOM @ INR 3.14 per Kwh vide RERC third amendment regulation dated 5th March 2019 for the entire duration of the project because PPA validity expired



on 31 March, 2019 but the DISCOM has not signed. The Discom has not signed the PPA even after the company had filed a petition with RERC. The Company has continued to recognise Revenue from Sale of Power of INR 300.66 lakhs and Generation Based Incentive (GBI) of INR 48.30 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.

We draw attention to note no. 9 (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 filled with District court of Itanagar, Arunachal Pradesh. The Parent company had filed a petition under section 9 of Arbitration Act in District Court for immediate relief to maintain the status quo against the instant notice issued by Government of Arunachal Pradesh (GoAP) for termination of the Project on March 22, 2019 invoking its right to takeover the project on "AS IS WHERE IS BASIS" and allotting the same to third party.

District court passed the order admitting the petition and maintaining the "STATUS QUO" on the project and has also suspended the termination notice issued by GoAP till next hearing scheduled on February 12, 2020.

The viability of the Nyamjang Ch-hu HEP power project is dependent on the outcome of the report of Wildlife Institute of India, Dehradun. We are unable to comment on the financial implications and the future operations of the company till outcome of report of Wildlife Institute of India, Dehradun is shared by Ministry of Environment and Forest (MoEF & CC)/ National Green Tribunal (NGT) to the company.

We also draw attention to note no. 9 (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 Chango Yangthang 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, the Government of Himachal Pradesh has not considered the company's contention for surrender of the project. The Company on 16th February, 2018 has reaffirmed their intention and asked the Authorities for their decision on application of surrender of the project since the project is not to be executed purely on account of various social-legal issues neither in the control of the company nor in the control of local administration/authorities.

Government of Himachal Pradesh (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.



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. 9 (e) of the financial results in this regard.

6. Other Matter

The consolidated unaudited financial results include the company's share of net profit/(loss) after tax of Rs. (7.17) crores and Rs. 25.22 crores and total comprehensive income of Rs. (7.18) crores and Rs. 25.20 crores for the quarter ended 31st December, 2019 and for the nine months period ended 31st December, 2019 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, insofar 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 2 above.

7. Our conclusion on the Statement is not modified in respect of the above matters stated at paragraph 5 and paragraph 6 with respect to the reports and our reliance on the work done by other auditors.

Place: Noida

Date: 11th February, 2020

For SCV & Co. LLP
Chartered Accountants

Firm Reg No. 000235N/N500089



(Sanjiv Mohan)
Partner

M. No. 086066

UDIN: 20086066AAAADX5587

**HEG LIMITED**

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

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

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

Sl. No.	Particulars	₹ in Crores					
		Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	393.69	564.38	1,864.99	1,774.59	5,246.17	6,592.83
II	Other Income	27.28	35.03	37.20	101.46	66.91	109.19
III	Total Revenue (I+II)	420.97	599.41	1,902.19	1,876.05	5,313.08	6,702.02
IV	Expenses						
	Cost of materials consumed	261.01	334.17	456.70	1,089.52	1,147.88	1,611.84
	Purchase of stock -in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	7.28	(47.40)	(112.04)	(231.87)	(379.74)	(497.06)
	Employee benefits expense	17.48	23.38	56.58	69.35	154.58	197.57
	Finance cost	8.73	9.95	3.57	27.93	12.11	17.97
	Depreciation and amortisation expense	17.79	17.75	18.52	53.26	54.20	72.39
	Power and Fuel (Net of Interdivisional Purchases)	39.90	40.29	49.75	128.75	136.63	183.21
	Other Expenses	63.28	74.89	100.52	227.23	316.56	439.02
	Total expenses (IV)	415.47	453.03	573.59	1,364.17	1,442.21	2,024.94
V	Profit/(Loss) before exceptional items and tax (III-IV)	5.50	146.38	1,328.60	511.88	3,870.87	4,677.08
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	5.50	146.38	1,328.60	511.88	3,870.87	4,677.08
VIII	Tax expense						
	(1) Current Tax	(2.73)	1.55	458.78	120.60	1,340.37	1,619.35
	(2) Deferred Tax	2.29	(34.20)	2.99	(28.10)	4.48	7.30
IX	Share of Profit/ (loss) of associates (Refer note No. 1 (b) below).	(7.17)	23.30	(1.38)	25.22	17.87	(24.27)
X	Net Profit/(Loss) for the period (VII-VIII +IX)	(1.23)	202.34	865.45	444.60	2,543.89	3,026.16
XI	Other Comprehensive Income (Net of Taxes)						
	A (i) Items that will not be reclassified to profit or loss	-	0.28	-	0.28	(1.17)	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.07)	-	(0.07)	0.41	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	(0.01)	(0.02)	(0.02)	(0.02)	0.02	0.05
XII	Total Comprehensive Income for the period (X + IX)	(1.24)	202.53	865.43	444.79	2,543.15	3,025.57
XIII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	39.96	38.60	39.96	38.60
XIV	Reserves (Excluding Revaluation Reserves)						3,680.40
XV	Earnings Per Share (₹) - Basic (Rs.)	(0.32)	52.42	216.58	115.19	636.61	757.53
	- Diluted (Rs.)	(0.32)	52.42	216.58	115.19	636.61	757.53



SEGMENTWISE REVENUE, RESULTS, ASSETS AND SEGMENT LIABILITIES							
₹ in Crores							
Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	Segment Revenue						
	Graphite	387.13	559.55	1,858.24	1,759.29	5,238.47	6,582.28
	Power	6.56	22.45	35.37	53.57	92.09	121.47
	Others	0.00	-	0.00	0.00	0.01	0.01
	Total	393.69	582.00	1,893.61	1,812.86	5,330.57	6,703.76
	Less: Inter segment sales	-	17.62	28.62	38.27	84.40	110.93
	Revenue from Operations	393.69	564.38	1,864.99	1,774.59	5,246.17	6,592.83
B	Segment Results						
	Profit before tax and finance cost from each segment						
	Graphite	(7.93)	121.68	1,300.34	453.85	3,842.24	4,605.34
	Power	(0.69)	1.67	(2.99)	0.43	(15.40)	(17.62)
	Others	-	-	-	-	-	-
	Total	(8.62)	123.35	1,297.35	454.28	3,826.84	4,587.72
	Add/Less:						
	Interest Income	7.42	9.77	13.74	28.64	26.69	49.75
	Gain on sale of Investments(Including gain/(loss) on its Fair Valuation)	14.80	21.96	20.60	54.47	28.85	51.49
	Other Unallocable Income net of expenses	0.63	1.24	0.47	2.42	0.60	6.09
	Finance cost	(8.73)	(9.95)	(3.57)	(27.93)	(12.11)	(17.97)
	Total Profit Before Tax	5.50	146.38	1,328.60	511.88	3,870.87	4,677.08
C	Segment Assets						
	Graphite	3318.32	3655.26	3348.17	3318.32	3348.17	3479.11
	Power	111.24	118.47	160.87	111.24	160.87	143.13
	Unallocated / Others	1639.29	1568.63	1787.17	1639.29	1787.17	1522.12
	Total Segment Assets	5068.85	5342.36	5296.21	5068.85	5296.21	5144.36
D	Segment Liabilities						
	Graphite	933.78	1183.53	1106.60	933.78	1106.60	1120.62
	Power	10.39	10.92	35.51	10.39	35.51	9.62
	Unallocated / Others	118.87	140.87	88.81	118.87	88.81	220.44
	Total Segment Liabilities	1063.04	1335.32	1230.92	1063.04	1230.92	1350.68



	Notes:
1	(a) Operations at Hydro Power Plant of the Company at Tawa are seasonal in nature. The plant generally remains closed in the 1st quarter, starts operating in the 2nd quarter and peaks in the 3rd quarter before tapering down in the last quarter. The operations at Tawa Plant have started from 14th August, 2019 onwards. (b) One of the Associate Companies operates in Hydro and Wind Power generation and therefore its operations are seasonal in nature and the major production taking place from April to September. The current quarter, thus has very low production resulting in negative profit for the quarter ended 31st December, 2019.
2	The above standalone and 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 thereunder.
3	Financial results have been reviewed by Audit Committee and approved by Board of Directors in the meeting held on 11th February, 2020 and have been reviewed by the Statutory Auditors of the Company. The Statutory Auditors have expressed an unmodified opinion on the aforesaid results.
4	The figures of the corresponding previous period/year have been regrouped / recast / reclassified wherever considered necessary to correspond to current period/ year classification.
5	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. In respect of 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. 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. There is no impact of adoption of Ind AS 116 on the financial results of the quarter.
6	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 during the quarter ended 30th September, 2019. Accordingly, the Company has re-measured income tax liability and deferred tax liability on the basis of rate prescribed in the said section in the said quarter. The impact of this change has been recognized in the statement of profit and loss of the quarter ended 30th September, 2019. It has resulted in reversal of current tax expense of Rs. 34.06 Cr. on account of re-measurement of current tax expense recognized during the quarter ended 30th June, 2019 and also resulted in reversal of deferred tax liability amounting to Rs. 34.11 Cr. on account of re-measurement of deferred tax liability as on 30th June, 2019.
7	The consolidated financial results have been prepared in compliance of SEBI Circular CIR/CFD/CMD 1/44/2019 Dated 29th March 2019. In the previous year, the company had opted to publish consolidated financial results on an annual basis. The financial results of two associates consolidated in these financial results for the quarter and nine months ended 31st December, 2018 are approved by the Board of Directors of the respective companies but have not been subjected to review by the Statutory Auditors. However results for the quarter ended 30th September, 2019 and for the quarter and nine months period ended 31st December, 2019 have been reviewed by the respective Statutory Auditors.
8	The Board of Directors in their meeting held on 2nd April, 2019, had decided to purchase additional 3,23,51,004 shares in Bhilwara Energy Limited (BEL), a Associate of the company for an aggregating cash consideration of Rs 162.05 Crores. The fair valuation of shares of BEL is Rs. 50.09 per share, which was determined by an Independent Valuer. Post the above acquisition of shares, the holding of Company in BEL, is increased from 29.48% to 49%.



9	Notes appearing in the unaudited consolidated financial results of Bhilwara Energy Limited, one of the associate companies, are being reproduced hereunder: (a) 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. (b) 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. 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 aggregating to ₹ 3,112.47 Lakhs is good and fully recoverable and no provision is required in respect of possible exposure aggregating to ₹ 6,593.93 Lakhs towards amount already collected from the users of Dedicated Transmission Line till December 31, 2019. 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. (c) Pending execution of the renewal of PPA expired on March 31, 2019, the BG WIND Power Ltd- 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 for execution of the PPA to 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 ₹ 300.66 Lakhs and Generation Based Incentive (GBI) of ₹ 48.30 Lakhs. In the meantime, BGWPL has filed writ petition with Rajasthan High Court at Jaipur in this regard. The next date of hearing is on February 18, 2020.
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(d)	During the financial year 2012-13, an NGO had filed a legal case against the Company / NJC Hydro Power Limited at National Green Tribunal (NGT) challenging the Environmental Clearance (EC) given for the Nyamjang Chhu HEP. Due to this the Company had to put the entire Nyamjang Chhu HEP (6x130 MW) project on hold. NGT in their order dated 7th April, 2016 has suspended the Environment Clearance granted to the project till the studies as directed by NGT are carried out, public consultation had also been done, the EAC considers outcome of such public consultation, carries out a fresh appraisal of proposal for grant of EC, makes recommendation to the MOEF & CC and the MOEF & CC acts upon such recommendation in accordance with the law. NGT also directed MOEF & CC to make a separate study of E-Flow requirement for protection of Habitat of the Black Nacked Crane and for the conservation of the Black Nacked Crane through the Wildlife Institute of India. BEL/NHPL had filed petition under section 9 of Arbitration Act in district courts of ITANAGAR for immediate relief to maintain the status quo against the instant notice issued by GOAP for termination of the Project on 22.03.2019 invoking its right to takeover the project on "AS IS WHERE IS BASIS". District court passed the order admitting the petition and maintaining the "STATUS QUO" on the project and has also suspended the termination notice issued by GoAP. The next date for final hearing is on February 12, 2020.
(e)	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.
10	The Board has approved the payment of Interim Dividend of Rs. 25 per Equity Share of face value of Rs. 10 each to the Equity Shareholders of the Company.
Place : Noida(U.P) Dated : 11th February, 2020   For HEG Limited  Ravi Jhunjunwala Chairman, Managing Director & CEO DIN:00060972	