

**Limited Review Report for the quarter ended June 30, 2016**

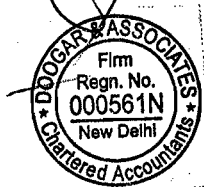
**To  
The Board of Directors  
HEG Limited  
Noida**

1. We have reviewed the accompanying statement of unaudited financial results of HEG Limited ('the Company') for the quarter ended June 30, 2016 ("the Statement") attached herewith, being submitted by the Company pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the "Listing Regulations, 2015"). Attention is drawn to the fact that the figures for the corresponding quarter ended June 30, 2015 including the reconciliation of net profit for the quarter under Ind AS of the corresponding quarter with net profit for the quarter reported under previous GAAP, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review.
2. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
3. 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 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 above, nothing has come to our attention that causes us to believe that the accompanying statement has not been prepared in all material respects in accordance with the applicable Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, read with its circular no. CIR/CFD/CMD/15/2015 dated November 30, 2015 and SEBI circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Doogar & Associates**  
Chartered Accountants  
Firm Registration No. 000561N



**(MUKESH GOYAL)**  
Partner  
Membership No. 081810  
Place : Noida  
Date : 2<sup>nd</sup> August, 2016



**For S.S. Kothari Mehta & Co**  
Chartered Accountants  
Firm Registration No. 000756N



**(SUNIL WAHAL)**  
Partner  
Membership No. 087294  
Place : Noida  
Date : 2<sup>nd</sup> August, 2016



# HEG LIMITED

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

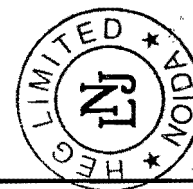
Registered Office : Mandideep (Near Bhopal ), Distt. Raisen, Madhya Pradesh-462046.

Phone: 0120-4390300; Fax:0120-4277841; Website: www.hegltd.com

CIN: L23109MP1972PLC008290 Email: heg.investor@lnjbhilwara.com

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2016, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARD (Ind-AS)

PART I		₹ in Crores	
Sl. No.	Particulars	Quarter Ended	
		Unaudited	Unaudited
		30-06-2016	30-06-2015
1	<b>Income from Operations</b>		
	(a) Net Sales/Income from Operations (Net of excise duty)	161.53	240.56
	(b) Other Operating Income	1.63	1.30
	<b>Total Income from Operations (Net)</b>	<b>163.16</b>	<b>241.86</b>
2	<b>Expenses</b>		
	(a) Cost of materials consumed	52.70	97.85
	(b) Purchase of stock -in-trade	-	-
	(c) Changes in inventories of finished goods, work-in- progress and stock-in-trade	50.07	29.32
	(d) Employee benefits expense	14.55	15.11
	(e) Depreciation and amortisation expense	19.12	18.86
	(f) Power and Fuel (Net of Interdivisional Purchases)	9.71	14.43
	(g) Other Expenses	32.95	58.51
	<b>Total Expenses</b>	<b>179.10</b>	<b>234.08</b>
3	<b>Profit/(Loss) from Operations before Other Income, Finance costs &amp; Exceptional Items</b>	<b>(15.94)</b>	<b>7.78</b>
4	Other Income	1.07	2.09
5	<b>Profit/(Loss) from Ordinary Activities before Finance costs &amp; Exceptional Items</b>	<b>(14.87)</b>	<b>9.87</b>
6	Finance Costs	12.95	14.99
7	<b>Profit/(Loss) from Ordinary Activities after Finance costs but before Exceptional Items</b>	<b>(27.82)</b>	<b>(5.12)</b>
8	Exceptional Items	-	-
9	<b>Profit/(Loss) from Ordinary Activities before Tax</b>	<b>(27.82)</b>	<b>(5.12)</b>
10	Tax expense		
	- Current (Net)	0.83	1.93
	- Earlier Year(s)	0.27	-
11	<b>Net Profit/(Loss) from Ordinary Activities after Tax</b>	<b>(28.92)</b>	<b>(7.05)</b>
12	<b>Other Comprehensive Income(Net of Taxes)</b>	<b>(0.14)</b>	<b>(0.08)</b>
13	<b>Total Comprehensive Income</b>	<b>(29.06)</b>	<b>(7.14)</b>
14	<b>Paid -Up Equity Share Capital ( Face Value ₹ 10/- per share)</b>	<b>39.96</b>	<b>39.96</b>
15	<b>Earning Per Share (₹) - Basic</b>	<b>(7.27)</b>	<b>(1.79)</b>
	(not annualised) - Diluted	(7.27)	(1.79)

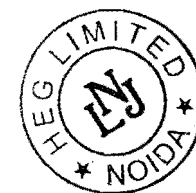


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## PART II

## SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30TH JUNE, 2016

Sl. No.	Particulars	Quarter Ended	
		Unaudited	Unaudited
		30-06-2016	30-06-2015
<b>A</b>	<b>Segment Revenue</b>		
	Graphite	161.45	240.32
	Power	36.33	46.73
	Others	0.02	0.01
	<b>Total</b>	<b>197.80</b>	<b>287.06</b>
	Less: Inter segment sales	34.64	45.20
	<b>Net Sales / Income from Operations</b>	<b>163.16</b>	<b>241.86</b>
<b>B</b>	<b>Segment Results</b>		
	Profit before tax and interest from each segment		
	Graphite	(30.72)	(6.81)
	Power	15.74	16.69
	Others	0.11	(0.01)
	<b>Total</b>	<b>(14.87)</b>	<b>9.87</b>
	Less: Finance cost	12.95	14.99
	<b>Total Profit Before Tax</b>	<b>(27.82)</b>	<b>(5.12)</b>
<b>C</b>	<b>Capital Employed</b>		
	Graphite	869.37	925.80
	Power	146.61	170.54
	Unallocable / Others	142.66	135.36
	<b>Total</b>	<b>1158.63</b>	<b>1231.70</b>



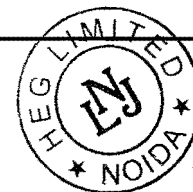
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- Notes:**
- The figures of the corresponding previous period / year have been regrouped / recast / reclassified wherever considered necessary to correspond to current period/ year classification.
  - These financial statements are the first Ind-AS financial statements of Company. The Financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules,2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules,2016. The Company adopted Ind AS from 1st April,2016, and accordingly, these financial results ( including for all the periods presented in accordance with Ind AS 101-First -time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles generally accepted in India.
  - 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 ₹ 3.25 Crores (Loss) (Corresponding quarter of FY 2015-16 ₹ 3.40 Crores (Loss)) 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.
  - 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.
  - Tax expense includes current tax, reversal of deferred tax pertaining to earlier years/period.
  - The Statutory Auditors have conducted a limited review of the results for the quarter ended 30th June 2016 as per Ind-AS. The Ind-AS compliant financial results and financial information for the quarter ended 30th June 2015, have not been subjected to any limited review or audit. However, the management has exercised necessary due diligence to ensure that financial results provide a true and fair view of the results in accordance with Ind-AS.
  - Reconciliation of Standalone financial results to those reported under previously Generally Accepted Accounting Principles (GAAP) as summarised as follows

Particulars	Notes	₹ in Crores
		Quarter ended 30th June 2015 (Unaudited)
Profit after tax as reported under previous GAAP		(10.54)
<b>Change in:</b>		
Revenue	1.1	(7.33)
Change in inventories	1.1	3.36
Employee Benefit	1.2	0.16
Other expenses	1.1	7.37
finance cost	1.2	(0.08)
Net profit for the period under Ind-AS		(7.05)
Tax Expense	1.3	(0.01)
<b>Other comprehensive Income</b>	1.2	(0.08)
<b>Total comprehensive Income under Ind-AS</b>		<b>(7.14)</b>

- 1.1 As per Ind AS-18 "Revenue". revenue has been recognised by aligning with the performance criteria and accordingly inventory and other expenses have been reclassified.
- 1.2 As per Ind AS-19-"Employee Benefits" defined benefit obligation is reallocated to other comprehensive income for actuarial gain and losses and Finance cost for Interest cost incurred on defined benefit obligation.
- 1.3 As per Ind AS-12 "Income Taxes" the impact of using balance sheet approach under Ind AS.

Place : Noida  
Dated : 2nd August,2016



For HEG Limited

*[Signature]*

**Ravi Jhunjhunwala**  
Chairman, Managing Director & CEO

DIN: 00060972