

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

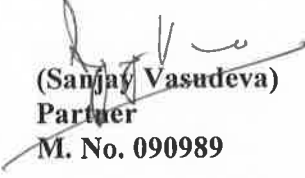
Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian accounting standards (Ind AS) and other recognized accounting practices and policies has not 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.



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**


**(Sanjay Vasudeva)
Partner
M. No. 090989**

**Place: Indore
Dated: 02.11.2017**

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

Particulars	Quarter Ended		Half Year Ended		Year Ended Audited
	Unaudited		Unaudited		
	30-09-2017	30-06-2017	30-09-2017	30-09-2016	
Segment Revenue					
Graphite	407.01	212.42	619.44	368.79	870.25
Power	54.56	54.24	108.78	94.47	216.93
Others	0.00	0.00	0.00	0.05	0.10
Total	461.57	266.66	728.22	463.31	1087.28
Less: Inter segment sales	52.03	52.95	104.98	85.73	191.26
Net Sales / Income from Operations	409.54	213.71	623.24	377.58	896.02
Segment Results					
Profit before tax and interest from each segment					
Graphite	157.41	(11.49)	145.93	(49.58)	(76.57)
Power	16.45	17.81	34.27	38.22	90.50
Others	0.21	0.01	0.21	0.06	0.02
Total	174.08	6.33	180.40	(11.30)	13.95
Less: Finance cost	12.94	13.16	26.10	28.43	54.72
Total Profit Before Tax	161.14	(6.83)	154.30	(39.73)	(40.77)
Segment Assets					
Graphite	1595.08	1484.65	1595.08	1477.59	1441.75
Power	167.64	173.78	167.64	164.26	170.83
Unallocable / Others	158.71	158.11	158.71	158.65	159.16
Total Segment Assets	1921.43	1816.54	1921.43	1800.50	1771.74
Segment Liabilities					
Graphite	685.34	638.69	685.34	625.03	590.63
Power	36.48	34.22	36.48	30.19	31.87
Unallocable / Others	5.73	4.83	5.73	5.70	5.13
Total Segment Liabilities	727.55	677.74	727.55	660.92	627.63



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

	Particulars	₹ in Crores	
		Half Year Ended	Year Ended
		30-09-2017 Unaudited	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
(1)	LIABILITIES		
	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

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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.

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.

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.

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).

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

: : Indore

d : 2nd November, 2017

Ravi Jhunjhunwala

Chairman, Managing Director & CEO

DIN: 00060972

