


Limited Review Report for the quarter and Nine months ended December 31, 2016

**Review Report to
The Board of Directors of
HEG Limited, Noida**

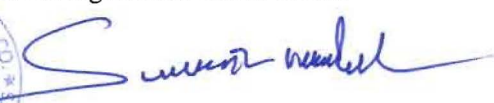
1. We have reviewed the accompanying statement of unaudited financial results of **HEG Limited** (“the Company”) for the quarter and nine months ended December 31, 2016 (“the Statement”), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which has been initialed by us for identification purposes. The unaudited financial results for the comparative period ended 31 December 2015 included in the statement are based on the published results for the said period prepared in accordance with the then applicable accounting standards and other accounting principles generally accepted in India, as adjusted for the differences in the accounting principles adopted by the company on transition to Ind AS, which have been reviewed by us.
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 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 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, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards i.e. ‘Ind AS’ prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder 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, 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 : 8th February, 2017



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


(SUNIL WAHAL)
Partner
Membership No. 087294
Place : Noida
Date : 8th February, 2017



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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARD(Ind-AS)

PART I	Sl. No.	Particulars	₹ in Crores				
			Quarter Ended			Nine Months Ended	
			Unaudited 31-12-2016	Unaudited 30-09-2016	Unaudited 31-12-2015	Unaudited 31-12-2016	Unaudited 31-12-2015
1	Income from Operations						
	Sales Gross-Domestic	145.63	143.96	142.21	393.14	433.65	
	-Export	154.21	105.61	109.24	360.13	428.15	
	-Gross Sales	299.84	249.57	251.45	753.27	861.79	
	Less: Interdivisional sales - Power	55.47	51.10	53.02	141.20	153.23	
	(a) Net Sales/Income from Operations (Inclusive of excise duty)	244.37	198.47	198.43	612.07	708.56	
	(b) Other Operating Income	1.42	1.30	2.20	4.35	4.57	
	Total Income from Operations (Net)	245.79	199.77	200.63	616.42	713.13	
2	Expenses						
	(a) Cost of materials consumed	89.14	78.95	86.33	220.79	286.55	
	(b) Purchase of stock -in-trade	7.07	-	-	7.07	-	
	(c) Changes in inventories of finished goods, work-in- progress and stock-in-trade	10.38	11.63	(15.58)	72.08	4.92	
	(d) Employee benefits expense	14.34	13.34	16.50	42.24	47.69	
	(e) Depreciation and amortisation expense	18.32	18.26	20.12	55.71	59.17	
	(f) Power and Fuel (Net of Interdivisional Purchases)	22.93	14.67	12.80	47.31	41.25	
	(g) Excise Duty	9.18	9.70	9.80	26.57	31.44	
	(h) Other Expenses	63.60	52.81	50.92	149.35	175.08	
	Total expenses	234.95	199.35	180.90	621.11	646.10	
3	Profit/(Loss) from Operations before Other Income, Finance costs & Exceptional Items	10.84	0.42	19.73	(4.69)	67.03	
4	Other Income	1.49	3.56	0.84	6.12	3.34	
5	Profit/(Loss) from Ordinary Activities before Finance costs & Exceptional Items	12.33	3.98	20.57	1.43	70.37	
6	Finance costs	13.83	15.48	13.49	42.26	46.82	
7	Profit/(Loss) from Ordinary Activities after Finance costs but before Exceptional Items	(1.50)	(11.50)	7.08	(40.83)	23.55	
8	Exceptional Items	-	-	-	-	-	
9	Profit/(Loss) from Ordinary Activities before Tax	(1.50)	(11.50)	7.08	(40.83)	23.55	
10	Tax expense						
	- Current (Net)	1.11	1.70	0.29	3.63	3.59	
	- Earlier Year(s)	0.55	0.27	0.30	1.09	0.30	
11	Net Profit/(Loss) from Ordinary Activities after Tax	(3.16)	(13.47)	6.49	(45.56)	19.65	
12	Other Comprehensive Income (Net of Taxes)	(0.65)	(1.17)	(0.08)	(1.96)	(0.25)	
13	Total Comprehensive Income	(3.81)	(14.64)	6.40	(47.51)	19.40	
14	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	39.96	39.96	39.96	39.96	39.96	
15	Reserves (Excluding Revaluation Reserves)	-	-	-	-	-	
16	Earning Per Share (₹) - Basic	(0.79)	(3.37)	1.62	(11.40)	3.29	
	(not annualised) - Diluted	(0.79)	(3.37)	1.62	(11.40)	3.29	



SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES						
₹ in Crores						
Sl. No.	Particulars	Quarter Ended			Nine Months Ended	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
		31-12-2016	30-09-2016	31-12-2015	31-12-2016	31-12-2015
A	Segment Revenue					
	Graphite	237.19	192.70	194.09	599.03	702.43
	Power	64.04	58.14	59.56	158.51	163.92
	Others	0.03	0.02	0.00	0.07	0.01
	Total	301.26	250.87	253.65	757.62	866.36
	Less: Inter segment sales	55.47	51.10	53.02	141.20	153.23
	Net Sales / Income from Operations	245.79	199.77	200.63	616.42	713.13
B	Segment Results					
	Profit before tax and interest from each segment					
	Graphite	(15.47)	(18.36)	(6.38)	(64.65)	1.98
	Power	27.59	22.40	27.19	65.81	68.91
	Others	0.21	(0.06)	(0.25)	0.27	(0.51)
	Total	12.33	3.98	20.57	1.43	70.38
	Less:					
	Finance cost	13.83	15.48	13.49	42.26	46.82
	Total Profit Before Tax	(1.50)	(11.50)	7.08	(40.83)	23.55
C	Segment Assets					
	Graphite	1470.60	1477.59	1658.32	1470.60	1658.32
	Power	169.14	164.26	194.78	169.14	194.78
	Unallocable / Others	157.65	158.65	157.21	157.65	157.21
	Total Segment Assets	1797.39	1800.50	2010.31	1797.39	2010.31
D	Segment Liabilities					
	Graphite	638.27	625.03	745.94	638.27	745.94
	Power	31.90	30.19	26.20	31.90	26.20
	Unallocable / Others	6.66	5.70	0.49	6.66	0.49
	Total Segment Liabilities	676.84	660.92	772.63	676.84	772.63

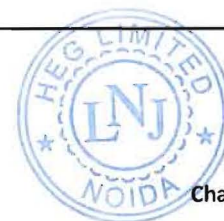


- Notes:
- The figures of the corresponding previous period / year have been regrouped / recast / reclassified wherever considered necessary to correspond to current period / year classification.
 - The Financial results of the Company have been prepared in accordance with Indian Accounting Standards (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 ₹ 2.22 Crores (Loss) (Corresponding quarter of FY 2015-16 ₹ 1.66 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 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 8th February, 2017.
 - 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 31st Dec 2015 (Unaudited)
Profit after tax as reported under previous GAAP		6.49
Change in:		
Revenue	1.1	12.22
Change in inventories	1.1	(12.86)
Employee Benefit	1.2	0.17
Other expenses	1.1	0.97
finance cost	1.2	(0.08)
Net profit for the period under Ind-AS		6.90
Tax Expense	1.3	(0.42)
Other comprehensive Income	1.2	(0.08)
Total comprehensive Income under Ind-AS		6.40

- 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 reallocate 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 : 08th February,2017



For HEG Limited


Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN: 00060972