



PROUD TO BE INDIAN
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HEG/SECTT/2018

18th June, 2018

| | | | |
|---|--|---|--|
| 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, 5 th Floor Plot No.C/1, G Block, Bandra - Kurla Complex Bandra (E), MUMBAI - 400 051. Scrip Code : HEG |
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Sub: Notice of 46th Annual General Meeting (AGM) and Annual Report of the Company

Dear Sir,

Please find enclosed the Notice convening the 46th AGM of the Company to be held on Monday, the 23rd July, 2018 at 11.30 A.M. at the Registered Office of the Company at Mandideep (Near Bhopal), Distt. Raisen - 462046, Madhya Pradesh and the Annual Report for the financial year 2017 - 18.

In order to comply with the requirements of Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year 2017 - 18 will also be filed with the Stock Exchanges after it is adopted by the shareholders of the Company at the 46th AGM to be held on the 23rd July, 2018.

This is for your information and record.

Thanking you,

Yours faithfully,

For HEG LIMITED

VIVEK C

Digitally signed by VIVEK C
DN: cn=VIVEK C, o=HEG LIMITED, ou=HEG LIMITED, email=vivek.c@heglimited.com, c=IN
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Vivek Chaudhary
Company Secretary

heg.investor@lnjbhilwara.com

Encls: as above.

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
Website : www.lnjbhilwara.com

Regd. Office :

Mandideep (Near Bhopal) Distt. Raisen - 462046
(Madhya Pradesh), India
Tel. : +91-7480-405500, 233524 to 233527
Fax : +91-7480-233522
Website : www.hegltd.com

Corporate Identification No.: L23109MP1972PLC008290





HEG LIMITED

CIN L23109MP1972PLC008290

Registered Office: Mandideep (Near Bhopal), Distt. Raisen - 462 046, (M.P.), Phone: 07480-233524, 233525, Fax: 07480-233522

Corporate Office: Bhilwara Towers, A-12, Sector - 1, Noida - 201 301 (U.P.), Phone: 0120- 4390300 (EPABX), Fax: 0120-4277841

E-mail: heg.investor@lnjbhilwara.com; **Website:** www.heg ltd.com

NOTICE

NOTICE is hereby given that the 46th Annual General Meeting of HEG LIMITED will be held on Monday, the 23rd July, 2018 at 11.30 A.M. at the Registered Office of the Company at Mandideep (Near Bhopal), Distt. Raisen - 462046, Madhya Pradesh to transact the following businesses: -

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018, the Reports of the Board of Directors and Auditors thereon; Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Report of Auditors thereon.
2. To confirm the payment of the Interim Dividend of ₹ 30 per Equity Share of face value of ₹10 each and to declare a Final Dividend of ₹50 per Equity Share of face value of ₹10 each for the financial year 2017-18.
3. To appoint a Director in place of Shri Satyendra Nath Bhattacharya (holding DIN 06758088), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors of the Company, and to fix their remuneration and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the 45th Annual General Meeting (AGM) held on September 22, 2017 appointing M/s S C Vasudeva & Co, Chartered Accountants (subsequently changed to SCV & Co. and now presently known as SCV & Co. LLP) as Statutory Auditors of the Company to hold office until the conclusion of the 50th AGM to be held in the year 2022, the Company hereby ratifies and confirms the appointment of M/s. SCV & Co. LLP, Chartered Accountants (Firm Registration No- 000235N/N500089) as Statutory Auditors of the Company for the financial

year ending 31st March, 2019 on such remuneration plus service tax, out of pocket expenses etc as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

Special Business:

5. To consider and if thought fit, to pass, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Smt. Vinita Singhania (DIN 00042983), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider and if thought fit, to pass, the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to provisions of Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) read with rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded for continuation of

directorship of Shri Dharmendar Nath Davar (holding DIN 00002008) as an Independent Director, who is age of 75 (seventy five) years and above, till the expiry of his present term i.e. upto 29th August, 2019, as approved by the Shareholders vide their ordinary resolution in their 42nd Annual General Meeting held on 30th August, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') read with rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded for continuation of directorship of Dr. Om Parkash Bahl (holding DIN 02643557) as an Independent Director, who is age of 75 (Seventy Five) years and above till the expiry of his present term, i.e. upto 29th August, 2019, as approved by the Shareholders vide their ordinary resolution in their 42nd Annual General Meeting held on 30th August, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 & rules thereto ("the Act") and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or any statutory modification(s) or re-enactment(s) thereof, approval of members of the Company, be and is hereby accorded to the payment of commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1(one) per cent of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act, and distributed amongst the Non-Executive Directors (including Independent Directors) of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments may be made in respect of each year, for a period of five financial year starting from the financial year 2017-18, in addition to the sitting fee for attending the meeting of the Board of Directors/Committees thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or Nomination & Remuneration Committee be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. N.D. Birla & Co., Cost Accountants (Firm Registration Number 000028) who were appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2019, be paid the remuneration of ₹2,00,000/- (Rupees Two lakhs only) plus service tax and out of pocket expenses that may be incurred by them during the course of audit."

Place : Noida (U.P.) By order of the Board of Directors
Date : 12th June, 2018 For HEG Limited
(Vivek Chaudhary)
Company Secretary
ACS: 13263

Registered Office

Mandideep (Near Bhopal)
Distt. Raisen - 462046, (M.P.)
CIN L23109MP1972PLC008290
Website: www.hegltd.com
E-mail: heg.investor@lnjbhilwara.com
Phone: 07480-233524, 233525, Fax: 07480-233522

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/ authority, as applicable.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A proxy form is annexed to this notice.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the special business to be transacted at the Annual General Meeting (AGM) is

annexed hereto. Further, the additional information with respect to Item No.4 is also annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will remain closed from the 17th July, 2018 to 23rd July, 2018, (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31st March, 2018 and the AGM.
5. The Company's Registrar and Transfer Agent (RTA) for its Share Registry Work (Physical and Electronic) is M/s. MCS Share Transfer Agent Limited, having their office at F-65, Okhla Industrial Area, Phase-I, New Delhi- 110020.
6. Members are requested to note that under Section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government of India. The Company had, accordingly, transferred the unpaid and unclaimed dividend amounting to ₹42,02,450/- for financial year 2009-10 and ₹23,65,940/- in respect of interim dividend for financial year 2010-11 to the IEPF within the stipulated time period.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 22nd September, 2017 (date of last Annual General Meeting) on the Company's website <http://heg ltd.com/unpaid-unclaimed-amounts/> and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in/.

The concerned members are requested to verify the details of their unclaimed amounts, if any, from the said websites and write to the Company's Secretarial department at corporate office/RTA before the same becoming due for transfer to the Investor Education and Protection Fund.

Attention of the members is also drawn to the provisions of Section 124(6) of the Act which require a Company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. The statement of shareholders whose shares have been transferred to

IEPF Authority is available on <http://heg ltd.com/transfer-of-shares-to-iepf/>

7. Members are requested to intimate/update changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. (along with duly cancelled cheque leaf stating the said details) to their Depository Participant in case the shares are held by them in electronic form and to the Company's RTA in case the shares are held by them in physical form, which will help the Company and the Company's RTA to provide efficient and better services.
8. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard. Further, members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 ('Act'), the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act will also be available for inspection at the meeting.
10. A member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, provided he has given to the Company a notice in writing of his intention to inspect not less than 3 (three) days before the commencement of the meeting.
11. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Members are requested to:
 - Bring their copy of annual report and attendance slip at the venue of the meeting.
 - Quote their Folio/DP & Client ID No. and Email address in all correspondence with the Company/ RTA.
 - Note that members present in person or through registered proxy shall only be entertained.
 - Note that the attendance slip/proxy form should be signed as per the specimen signature registered with the RTA/ Depository Participant.

13. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA at their office address mentioned in Note no. 5. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
14. The Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed Companies to share documents with its members through an electronic mode. Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, permit Companies to send soft copies of the Annual Report to all those members who have registered their e-mail addresses for the said purpose. Members are requested to support this Green Initiative by registering/ updating their e-mail addresses for receiving electronic communications.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding the shares in physical form can submit their PAN details (along with self attested copy of PAN Card) to the Company/RTA.
16. No gifts, gift coupons, or cash in lieu of gifts shall be distributed at the Meeting.
17. Members desiring to seek any information on the Annual Accounts are requested to write to the Company so that the query reaches to the Company at least one week in advance of the Annual General Meeting.
18. Details under Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard-2 in respect of the Directors seeking re-appointment at the 46th Annual General Meeting are annexed hereto as Annexure-I to this Notice which form part of the explanatory statement.
19. Details of Non-Executive Directors including independent Directors as per Secretarial Standard on General Meetings ("SS-2") are annexed hereto as Annexure-II to this Notice which form part of the explanatory statement.
20. All the documents referred to in the Notice and Explanatory statement, unless otherwise specifically stated will be available for inspection by the members at the Registered Office and Corporate Office of the Company between 11:30 A.M. to 3:00 P.M. on all working days from the date hereof upto the date of the Annual General Meeting.
21. Electronic copy of the Notice of Annual General Meeting and Annual Report for the financial year 2017-18 are being sent to all the members whose E-mail ID's are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hardcopy of the same. Members may also note that the aforesaid documents are also available on the website of the Company i.e. www.hegltd.com. For members who have not registered their email address, physical copy of aforesaid documents are being sent in the permitted mode.
22. Non-Resident Indian members are requested to inform RTA/respective DP's, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
23. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 46th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 20th July, 2018 (9:00 A.M.) and ends on 22nd July, 2018 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th July, 2018, may cast their vote by remote e-voting. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. At the end of the

remote e-voting period, the facility shall forthwith be blocked.

V. The details of the process and manner for remote e-voting are explained as under:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 are mentioned below:
How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. D-MAT (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID (For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN 300***12*****) |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID (For example, if your Beneficiary ID is 12***** then your user ID is 12*****) |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Company (For example if EVEN is 101456 and folio number is 001*** then user ID is 101456001****) |

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?

i) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

ii) **If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.**

6. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are mentioned below:
How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of HEG Limited.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

a) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to saketfcs@gmail.com with a copy marked to evoting@nsdl.co.in

b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

c) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

VI The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of 16th July, 2018. Members are eligible to cast vote only if they are holding shares as on that date and a person who is not a member as on the cut off date should treat this Notice for information purposes only.

VII Members of the Company who acquires shares after the dispatch of the Notice and hold shares as on the cut-off date i.e. 16th July, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsregistrars.com.

VIII A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

IX Mr. Saket Sharma, a Practicing Company Secretary (Membership No. FCS 4229), Partner, M/s. GSK & Associates has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

X The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XI The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XII The results shall be declared not later than forty-eight hours from conclusion of the meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at www.heg ltd.com and the website of NSDL: <https://www.evoting.nsdl.com> immediately after the result is declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed.

XIII Route map and details of prominent landmark of the venue of meeting is annexed with this notice.

XIV Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Meeting i.e. 23rd July, 2018.

Members holding Shares in physical form are requested to furnish their email ID by post or by emailing to heg.investor@lnjbhilwara.com along with their Folio No. for sending necessary communication / information in future. The Annual Report of the Company will also be available on the website of the Company, www.heg ltd.com. The members holding shares in electronic form may get their email ID's updated with their respective Depository participants.

ADDITIONAL INFORMATION WITH RESPECT TO ITEM NO. 4

At the 45th Annual General Meeting (AGM) held on September

22, 2017, Members had approved the appointment of M/s. SC Vasudeva & Co., Chartered Accountants (Firm Registration No. 000235N) as Statutory Auditors of the Company to hold office until the conclusion of the 50th AGM of the Company to be held in the year 2022, subject to ratification of the appointment by the Members at every AGM held thereafter.

Members of the Company may further note that with effect from April 1, 2018, M/s. S C Vasudeva & Co., Chartered Accountants, the Statutory Auditors of the Company, has been merged with M/s. S.P. Puri & Co., Chartered Accountants, and the name of the new firm after merger is M/s. SCV & Co., Chartered Accountants (SCV). There would not be any change in the date of establishment of firm as registered with the Institute of Chartered Accountants of India (ICAI). The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for financial year 2017-18 was conducted by M/s. SCV & Co, Chartered Accountants.

SCV converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as M/s. SCV & Co. LLP, having firm registration number- 000235N/N500089 (SCV LLP). In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of Chartered Accountants, being an auditor in a Company under the Companies Act, 1956, is converted into a LLP, then such a LLP would be deemed to be the auditor of the said company. There would not be any change in the date of establishment of firm as registered with ICAI. The Board of Directors of the Company has taken due note of this change from SCV & Co. to SCV & Co. LLP.

Accordingly, ratification by the members is being sought for M/s. SCV & Co. LLP and the Board recommends the resolution at item no. 4 for approval by members as an Ordinary Resolution.

None of Directors, Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested, financially or otherwise in the aforesaid Resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 5

Members are apprised that Smt. Vinita Singhania (DIN 00042983) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges in the Annual General Meeting held on 30th August, 2014 for a period upto the conclusion of the ensuing Annual General Meeting of the Company.

The Board considered the feedback/views of the Nomination and Remuneration Committee and Independent Directors on the performance evaluation of Smt. Vinita Singhania. She

is an industrialist with diversified business experience had proved to be useful to the Board in decision making. The Board, thereafter, evaluated the performance of Smt. Vinita Singhania on the basis of criteria laid down in the Nomination and Remuneration Policy of the Company and expressed their satisfaction over the performance of Smt. Vinita Singhania as an Independent Director of the Company.

The Nomination and Remuneration Committee of the Board of Directors, has recommended the reappointment of Smt. Vinita Singhania (DIN 00042983) as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background, experience and contributions during her tenure, the continued association of Smt. Vinita Singhania (DIN 00042983) would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director.

In the opinion of the Board, Smt. Vinita Singhania (DIN 00042983) fulfil the conditions for appointment as an Independent Directors as specified in the Act and the Listing Regulations. Smt. Vinita Singhania (DIN 00042983) is independent of the management.

Accordingly, it is proposed to re-appoint Smt. Vinita Singhania (DIN 00042983) as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Smt. Vinita Singhania (DIN 00042983) is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given her consent to act as Director. The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Smt. Vinita Singhania (DIN 00042983) for the office of Independent Director of the Company.

The Company has also received declaration from Smt. Vinita Singhania (DIN 00042983) that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Details of Directors whose re-appointment as an Independent

Directors is proposed at Item No. 5 are provided in the “Annexure-I” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Smt. Vinita Singhania (DIN 00042983) setting out the terms and conditions of appointment is available for inspection by the members at the registered office and corporate office of the Company.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Smt. Vinita Singhania is concerned or interested in the resolution of the accompanying notice relating to her re-appointment. None of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested financially or otherwise in the aforesaid Resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

ITEM NO. 6 & 7

Members at their 42nd Annual General Meeting held on 30th August, 2014 have appointed Shri Dharmendar Nath Davar (DIN 00002008) and Dr. Om Parkash Bahl (DIN 02643557) as an Independent Directors to hold office from 30th August, 2014 to 29th August, 2019.

Members may note that SEBI vide its notification dated 9th May, 2018 amended Regulation 17 of SEBI (LODR), 2015 effective from 1st April, 2019, which is read as under-

“No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate justification for appointing such a person.”

In view of the above, following are the Independent Directors of your Company, who has attained the age of 75 years can't continue as non-executive directors from 1st April, 2019 unless a special resolution has been passed by the shareholders of the Company in this regard.

| | |
|------------------------|-----------------------------------|
| Name | Shri Dharmendar Nath Davar |
| Date of Birth | 08.08.1934 |
| Age | 83 Years |
| Date of Appointment | 30.08.2014 |
| Date of Expiry of Term | 29.08.2019 |
| | |
| Name | Dr. Om Parkash Bahl |
| Date of Birth | 05.10.1939 |
| Age | 78 Years |
| Date of Appointment | 30.08.2014 |
| Date of expiry of Term | 29.08.2019 |

The Company has also received declarations from Shri Davar and Dr. Bahl that they meet the criteria of Independence as prescribed under sub section (6) of Section 149 of Companies Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, in the best interest of the Company, the Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 31st May, 2018 approved the continuance of Directorship of Shri Davar and Dr Bahl as an Independent Directors from April 1st ,2019 till their present term expiring on 29th August, 2019. The justification for their continuation till their present term are as under :

Shri Dharmendar Nath Davar has worked at senior management positions with Punjab National Bank and IFCI Limited, retired as the Executive Chairman of IFCI Limited, a position he had held for eight years.

Shri Davar is one of the senior most members of the Board of Directors and Chairman of Audit Committee and Nomination and Remuneration Committee of the Company. He is also the member of Corporate Social Responsibility Committee, Board Committee for Shares and Planning and Review Committee of Directors.

Shri Davar has extensive expertise in Corporate Management, Banking & Finance and Corporate Laws. He always ensured that business decisions were being taken keeping the corporate ethics in core sense mind. He ensured that compliance with applicable Laws took place unremittingly.

Shri Davar actively participated in the meetings and had been making very valuable contribution during discussions at the Board Meetings and Meetings of all Committees of the Board. He was very regular and always on time for the Meetings of the Board and various Committees of Directors.

The Nomination and Remuneration Committee and Board of Directors appreciated the contribution and expressed its deep satisfaction over the performance and the values relative to high standards of Corporate Governance insisted upon and brought to hear in the deliberations by Shri Davar as an Independent Director of the Company.

Dr. Om Parkash Bahl, who retired from the National Physical Laboratory, New Delhi as Director Grade Scientist in 1999, is an expert in Carbon Technology. He is currently the President of Indian Carbon Society.

Members may note that the Company got an Indian Patent for an invention titled “A process for making High Performance Graphite Nipple” by Intellectual Property India, Government of India, Patent Office, under the supervision and guidance of Dr. Bahl.

Dr. Bahl gave inter-alia valuable contribution on product and process related matters at the meetings of the Board and other Committees of Directors. Dr. Bahl is also the member of

Audit Committee, Nomination and Remuneration Committee and Board Committee for Shares.

Dr. Bahl actively participated at the meetings and have made valuable contribution during discussion at the Board Meetings and Meetings of all Committees of the Board. He is always on time for the Meetings of the Board and various Committees of Directors.

The Nomination and Remuneration Committee and Board of Directors appreciated the contribution and expressed their satisfaction over the performance of Dr. Bahl as an Independent Director of the Company.

For Relevant details of above directors please refer to Annexure-II of this notice.

The Board recommend the resolution at Item No 6 & 7, for your approval as a Special Resolution.

Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl, respectively are concerned or intersted in the resolutions of the accompanying notice relating to their continuation of appointment as Independent Director from 1st April, 2019 to their present term expiring on 29th August, 2019. None of the other Directors/Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise in the proposed Resolutions at Item No 6 & 7.

ITEM NO. 8

Members of the Company may note that the role of Non-Executive Directors (including Independent Directors) and the degree and quality of their engagement with the Board and the Company had undergone significant changes over a period of time and that the Company was being hugely benefited from the expertise, advice and inputs provided by the Non-Executive Directors (including Independent Directors). Members may further note that these Non-Executive Directors (including Independent Directors) devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Members of the Company may also note that the Non-Executive Directors (including Independent Directors) were paid sitting fees only for their services in accordance with the provisions of the Companies Act, 2013 & rules thereto ("the Act").

Members of the Company may further note that pursuant to Section 197 of the Act and SEBI (Listing Obligation Disclosure Requirement) Regulation 2015, prior approval of the members of a Company was required to be obtained for making payment of commission to its Non-Executive Directors (including Independent Directors).

In view of recognition of their services, the Nomination and Remuneration Committee and Board of Directors

in their respective meetings held on 31st January, 2018 have approved, subject to approval of the Members of the Company, the payment of commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of Section 198 read with Section 197 of the Act, and distributed amongst the Non-Executive Directors (including Independent Directors) of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments may be made in respect of each year, for a period of five consecutive financial years starting from the financial year 2017-18.

This payment of Commission, if approved by Shareholders, will be distributed amongst all or some of the Non-Executive Directors in accordance with the directions given by the Board.

The Board commends the resolution at Item No. 8 for your approval as a Special Resolution.

All the Non-Executive Directors are concerned or intersted to the extent of commission that may be received by each of them in the proposed resolution No. 8 of this notice.

Shri Ravi Jhunjhunwala is concerned or interested to the extent of commission as may be received by his relative in the proposal Resolution No. 8 of this notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Details of Non-Executive Directors including independent Directors as per Secretarial Standard on General Meetings ("SS-2") is attached as Annexure-II forming part of the notice.

ITEM NO. 9

The Board of Directors ("Board"), on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members.

The Board commends the resolution at Item No. 9 for your approval as an Ordinary Resolution.

None of the Directors & Key Managerial Personnel of the Company, including their relatives are concerned or interested, financially or otherwise in the aforesaid resolution.

(Annexure-I to the Notice dated 12th June, 2018)

Details of Directors eligible for re-appointment pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central government are provided herein below:

| | | |
|---|---|--|
| Name of Director | Shri Satyendra Nath Bhattacharya | Smt. Vinita Singhania |
| Date of Birth | 20/02/1958 | 12/03/1952 |
| Age | 60 years | 66 years |
| Date of Appointment on the Board | 22/09/2015 | 12/11/2013 |
| Qualifications | Graduate in Economics, Mathematics and Statistics with a Diploma in Marketing | Graduate in Arts |
| Experience & Expertise in specific functional areas | He has a rich work experience of about 36 years with Life Insurance Corporation of India Ltd. His area of expertise is Marketing. | Smt. Vinita Singhania is an Industrialist with diversified business experience. She is the Vice Chairman and Managing Director of JK Lakshmi Cement Ltd and has a very long experience of managing cement business in particular. She was the First Woman President of Cement Manufacturers' Association (CMA) as well as National Council for Cement and Building Materials (NCBM). |
| List of other Public Ltd. Companies in which directorships held. | Gloster Ltd | 1. JK Lakshmi Cement Ltd 2. JK Paper Ltd 3. Benagal & Assam Company Ltd. 4. JKLC Employees' Welfare Association Limited |
| Chairman/Member of the Committees of the Board of Directors of the Company. | - | - |
| Chairman/Member of the Committee of Directors of other Companies. | | |
| a) Audit Committee | - | - |
| b) Stakeholders Relationship Committee | - | - |
| No of Equity Shares held in the Company | - | - |
| Number of Board Meetings attended during the year | 4/5 | 4/5 |
| Terms and conditions of appointment/ re-appointment | Non-Executive Director, liable to retire by rotation. | Terms and Conditions of appointment are mentioned in draft letter of appointment. |
| Remuneration sought to be paid and the remuneration last drawn | See Note 1 below. | See Note 1 below. |
| Relationship with Other Directors, Manager and Key Managerial Personnel | No relationship with other Director, Manager and Key Managerial Personnel. | No relationship with other Director, Manager and Key Managerial Personnel. |
| Justification for choosing the appointee as Independent Director | N.A. | As per Explanatory Statement of the notice. |

Note - 1: The Non- Executive Directors (including Independent Directors) are only paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committee of Directors.

The Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 31st January, 2018, subject to approval of shareholders, have proposed to pay commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 for each year, for a period of five consecutive years starting from FY 2017-18.

(Annexure-II to the Notice dated 12th June, 2018)
Details of Non-Executive Directors including Independent Directors as per Secretarial Standard on General Meetings ("SS-2")

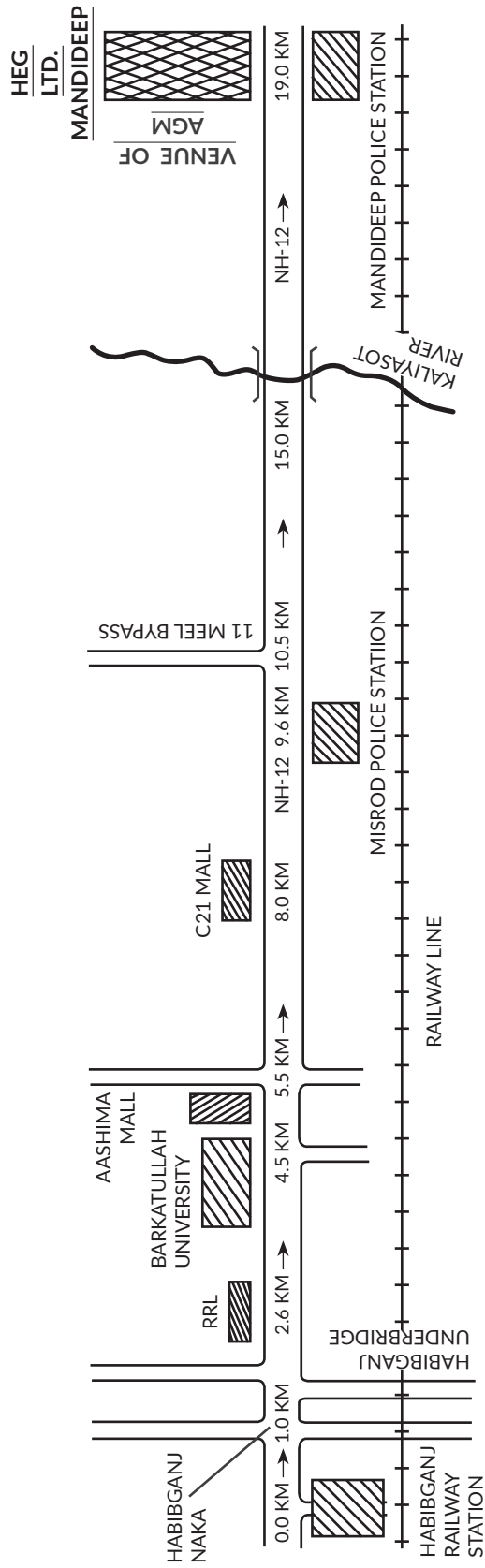
| Name of Director | Shekhar Agarwal | Riju Jhunjhunwala | Vinita Singhania | Dharmendar Nath Davar | Kamal Gupta | Om Parkash Bahl | Satish Chand Mehta | Satyendra Nath Bhattacharya |
|----------------------------------|---|--|--|--|---|--|--|---|
| Category of Directorship | Vice-Chairman-Promoter Non-executive | Promoter Non-Executive | Independent | Independent | Independent | Independent | Independent | Non-Executive |
| DIN | 00066113 | 00061060 | 00042983 | 00002008 | 00038490 | 02643557 | 02460558 | 06758088 |
| Date of Birth | 09.10.1952 | 13.01.1979 | 12.03.1952 | 08.08.1934 | 12.02.1946 | 5.10.1939 | 02.09.1955 | 20.02.1958 |
| Age | 65 Years | 39 years | 66 years | 83 years | 72 years | 78 years | 62 years | 60 years |
| Date of Appointment on the board | 15.07.1996 | 30.04.2009 | 12.11.2013 | 10.11.1994 | 10.11.1994 | 30.04.2009 | 23.06.2016 | 22.09.2015 |
| Qualification | B. Tech (Mech), IIT Kanpur, Master of Science Degree in Industrial & Systems Engineering from Illinois Institute of Technology, Chicago, USA. | Degree in Business Management studies | Graduate in Arts. | B.COM (Hons.), M.A. (Eco), CAIIB and Fellow of the Economic Development Institute of the World Bank. | FCA, FICWA, Ph.D. | M.Sc. and Ph.D. | B. Com, Chartered Accountant, IFS(Retired) | Graduate in Economics, Mathematics and Statistics with a Diploma in Marketing. |
| Experience | Industrialist with 41 years of rich business experience and well-known name in Textile Industry. | He is an Industrialist with diversified business experience. He is the Managing Director of RSWM Ltd and Bhillwara Energy Ltd. | Smt. Vinita Singhania is an Industrialist with diversified business experience. She is the Vice Chairman and Managing Director of JK Lakshmi Cement Ltd and has a very long experience of managing cement business in particular. She was the First Woman President of Cement Manufacturers' Association (CMA) as well as National Council for Cement and Building Materials (NCBM). | Shri D.N. Davar worked in senior managerial positions with Punjab National Bank from 1958-68 and with IFCI from 1968-1992. He took retirement from IFCI in 1992 as Executive Chairman, a position he held for eight years. Presently, besides Directorship in many wellknown Companies, he is a part time Consultant to the World Bank, UNIDO and Kreditanstalt fur Weideraufbau (KfW) and also associated with professional and social organisations in various capacities. | Consultant in the areas of Finance, Accounting and Corporate Laws. He is former Technical Director of the Institute of Chartered Accountants of India. He is renowned author of various books on Auditing and other subjects. | Retired from National Physical Laboratory, New Delhi as Director Grade Scientist in 1999. He has expertise in Carbon Technology. | 32 years of rich experience of Indian Foreign Services(IFS). Prior to that he also served as an Officer of IPS for 3 years. He is also a qualified Chartered Accountant. | He has a rich Work experience of about 36 years with Life Insurance corporation of India Ltd. His area of expertise is Marketing. |

| | | | | | | | | |
|---|--|---|---|--|--|--|--|--|
| No. of other Directorships in public Ltd Companies | 4 | 6 | 3 | 8 | 6 | 0 | 0 | 1 |
| Chairman/ Member of the Committee of Directors of other Companies* | | | | | | | | |
| a) Member | 3 | 2 | 0 | 4 | 3 | 0 | 0 | 0 |
| b) Chairman | 0 | 0 | 0 | 4 | 5 | 0 | 0 | 0 |
| No of Equity Shares held in the Company | Nil | 2,33,290 | Nil | 1,500 | 200 | Nil | Nil | Nil |
| Number of Board Meetings attended during the year | 3/5 | 5/5 | 4/5 | 5/5 | 5/5 | 5/5 | 5/5 | 4/5 |
| Terms and conditions of appointment/ re-appointment | N.A. | N.A. | Terms and Conditions of appointment are mentioned in draft letter of appointment. | Approval of members has been sought in item no.6 of notice for continuation of Directorship till his present term. | N.A. | Approval of members has been sought in item no.7 of notice for continuation of Directorship till his present term. | N.A. | Non-Executive Director, liable to retire by rotation. |
| Remuneration sought to be paid and the remuneration last drawn | See Note 1 below. | See Note 1 below. | See Note 1 below. | See Note 1 below. | See Note 1 below. | See Note 1 below. | See Note 1 below. | See Note 1 below. |
| Relationship with Other Directors, Manager and Key Managerial Personnel | No relationship with other Director, Manager and Key Managerial Personnel. | Shri Riju Jhunjhunwala is relative of Shri Ravi Jhunjhunwala. | No relationship with other Director, Manager and Key Managerial Personnel. | No relationship with other Director, Manager and Key Managerial Personnel. | No relationship with other Director, Manager and Key Managerial Personnel. | No relationship with other Director, Manager and Key Managerial Personnel. | No relationship with other Director, Manager and Key Managerial Personnel. | No relationship with other Director, Manager and Key Managerial Personnel. |

*Audit Committee and Stakeholders Relationship Committee have been considered.

Note - 1: The Non- Executive Directors (including Independent Directors) are only paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committee of Directors.

The Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 31st January, 2018, subject to approval of shareholders, have proposed to pay commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 for each year, for a period of five consecutive years starting from FY 2017-18.



ROUTE MAP - HABIBGANJ, BHOPAL TO HEG LTD., MANDIDEEP



HEG LIMITED

CIN : L23109MP1972PLC008290

Registered Office: Mandideep (Near Bhopal) Distt. Raisen - 462 046, (M.P.), Phone: 07480-233524, 233525, Fax : 07480-233522

Corporate Office: Bhilwara Towers, A - 12, Sector - 1, Noida - 201 301 (U.P.), Phone: 0120-4390300 (EPABX), Fax: 0120-4277841

E-mail: heg.investor@lnjbhilwara.com; **Website:** www.heg ltd.com

ATTENDANCE SLIP

Folio No/DPID-CLID/ No. of Shares held

Full name of shareholder

Full name of Proxy / Representative

I/We hereby record my/our presence at the 46th Annual General Meeting of the Company to be held on Monday, 23rd July, 2018 at 11:30 A.M. at the Registered Office of the Company at Mandideep (Near Bhopal), District Raisen – 462046 (Madhya Pradesh

Signature of the shareholder / proxy / representative*

Note: Please fill in this attendance slip and hand over at the entrance of the Meeting hall.

*Strike out whichever is not applicable



HEG LIMITED

CIN : L23109MP1972PLC008290

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Corporate Office: Bhilwara Towers, A - 12, Sector - 1, Noida - 201 301 (U.P.), Phone: 0120-4390300 (EPABX), Fax: 0120-4277841

E-mail: heg.investor@lnjbhilwara.com; **Website:** www.heg ltd.com

PROXY FORM MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :

Email Id:

Registered address :

Folio No/ DP ID-CL ID:

I/We, being the member (s) of Shares of the above named Company, hereby appoint:

1. Name : Address :

E-mail Id : Signature, or failing him / her

2. Name : Address :

E-mail Id : Signature, or failing him / her

3. Name : Address :

E-mail Id : Signature

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Monday, the 23rd July, 2018 at 11.30 A.M. at the Registered Office of the Company at Mandideep (Near Bhopal), Disttt. Raisen – 462046, Madhya Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

----->✂
(*Optional)

| Resolution No. | Resolution | For | Against |
|--------------------------|---|-----|---------|
| Ordinary Business | | | |
| 1. | To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 st March, 2018, the Reports of the Board of Directors and Auditors thereon and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 st March, 2018 and the Report of Auditors thereon | | |
| 2. | To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares | | |
| 3. | Re-appointment of Shri S.N Bhattacharya, who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 4. | Ratification of appointment of M/s SCV & Co LLP., Chartered Accountants, as Statutory Auditors and fixing their remuneration. | | |
| Special Business | | | |
| 5. | Re-appointment of Smt Vinita Singhanian as an Independent Director of the Company for a second term of five consecutive years. | | |
| 6. | Approval for continuation of Shri Dharmendar Nath Davar as an Independent Director, from 1 st April, 2019 till his present term expiring on 29 th August, 2019. | | |
| 7. | Approval for continuation of Dr. Om Parkash Bahl as an Independent Director, from 1 st April, 2019 till his present term expiring on 29 th August, 2019. | | |
| 8. | Approval for payment of commission to Non-Executive Directors, (including Independent Directors) collectively, not exceeding 1 per cent of the net profits of the Company of each year for the period of 5 years, starting from the financial year 2017-18 | | |
| 9. | Ratification of the remuneration payable to M/s. N.D. Birla & Co., Cost Auditors of the Company for the Financial Year 2018-19. | | |

Signed this.....day of.....2018

.....
Signature of shareholder

.....
Signature of Proxy holder(s)

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 46th Annual General Meeting.
3. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

WINDS OF CHANGE



HEG LIMITED

ANNUAL REPORT
2017 - 18



Contents

| | | | |
|------------------------------------|----|--------------------------------|----|
| Winds of Change | 01 | Social Responsibility | 33 |
| Corporate overview | 09 | Board's Report | 36 |
| Key financial matrix | 12 | Business Responsibility Report | 66 |
| From the Chairman's desk | 16 | Corporate Governance Report | 76 |
| Management discussion and analysis | 20 | Financial section | 89 |



Health of the industry and the planet are inextricably linked.

When one significantly compromises the other, winds of change mandate transformational correction to restore the balance.

So, when the world's second largest economy realised the perils of rapid industrialisation on environment...

...and strategised to prioritise environment over industrial expansion, winds of change swept through the global industrial village, leading to structural changes in certain sectors.



The graphite electrode sector was one such business space that underwent this makeover. And what a rapid makeover it has been!

It successfully altered the perception of the product globally...

...from being considered as a cyclical, commodity for years, it is currently perceived as a strategic material.

A change that completely transformed the fortunes of this business space!



DEMAND IS ON THE RISE

Graphite electrodes are primarily used in steel-making through the Electric Arc Furnace (EAF) route which is an environment-friendly technology for steel making. Every ton of steel consumes about 2-2.5 kg of graphite electrode. And EAF capacity is on the rise.

New EAF capacity owing to environmental concern

55 (mmt)

EAF production added by the world in 2017

The world's EAF steel production declined by about 30 mmt in the last five years (2012-2016). As China initiated supply-side restructuring in the steel sector by closing environment-unfriendly blast furnace/induction furnace capacities, steel exports from the world's largest steel producer dropped by about 40%. This helped reignite capacities across other parts of the world, especially EAF capacities in the Middle East and South East Asian nations.

66 (mmt)

New EAF capacities to get commissioned in China in 2018

China's clamp down on environment polluting technologies in steel making in favour of environment-friendly variants resulted in a shut down of induction furnaces (155 mmt capacity) – unaccounted as of now. In addition, the nation planned a closure of 150 mmt inefficient steel production capacity by 2020, of which 115 mmt capacity shut operations in 2016-2017. The balance is expected to be closed down in 2018. Many out of these are slated to be replaced by EAF-based capacities.

World EAF production grew by about 3.5% in the last three decades. Since 2017, due to structural changes, it is growing at the rate of 8-10%



SUPPLY DECLINED

During the last few years, the global steel sector witnessed considerable headwinds. Excess steel from China was made available to the world at throw-away prices rendering steel manufacturing operations of smaller units (EAF-based) across the globe, unviable. This adversely impacted the demand for graphite electrodes.

Capacity shut owing to reduced demand

200,000 (mt)

Graphite electrode capacity (excl China) shut across the world between 2014-17

Reduced demand of graphite electrodes from the EAF steel sector and prices falling to unsustainable levels forced leading graphite electrode companies to permanently shut down their inefficient plants globally to minimise losses.

Capacity shut consequent to environmental concern

300,000 (mt)

Graphite electrode capacity shut in China starting late 2016

China's priority towards a better environment for its people has led to the shutting of polluting graphite electrode units.

No new player has entered the graphite electrode business globally in the last 40 years.





An overview

HEG Limited

An organisation with two synergic businesses.

It is one of the largest graphite electrode manufacturers of the world with the largest single-location facility at Mandideep (Madhya Pradesh); it also has power generation assets.

A company with a determined resolve.

This helped sustain operations despite sectoral headwinds for over the last five years to emerge stronger on the rebound.

An organisation with passionate people.

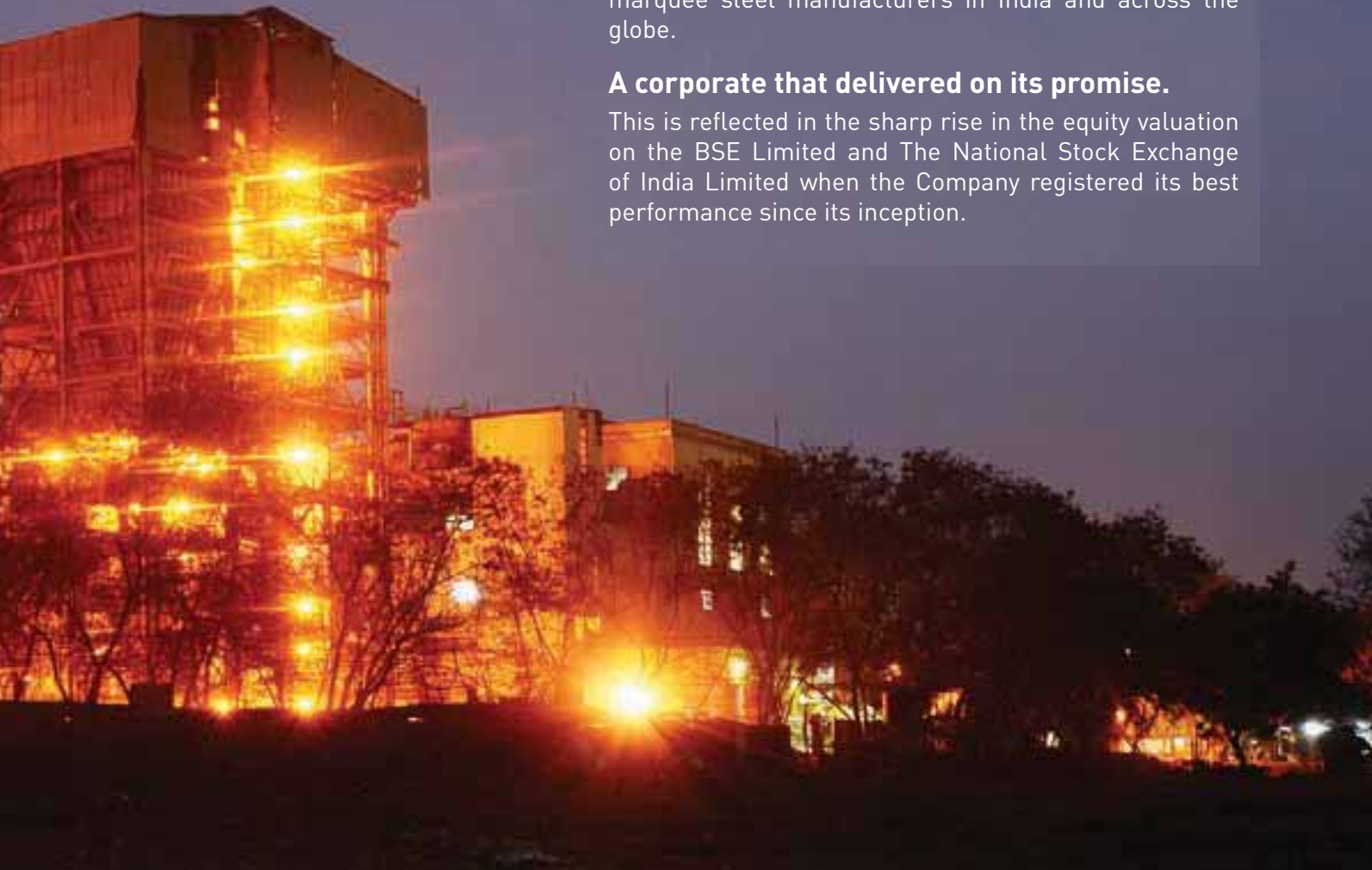
This facilitated in tightening operations and creating opportunities even as markets shrunk.

A business leader that remained steadfast on its principles.

This enabled it to sustain its business relations with marquee steel manufacturers in India and across the globe.

A corporate that delivered on its promise.

This is reflected in the sharp rise in the equity valuation on the BSE Limited and The National Stock Exchange of India Limited when the Company registered its best performance since its inception.



VISION

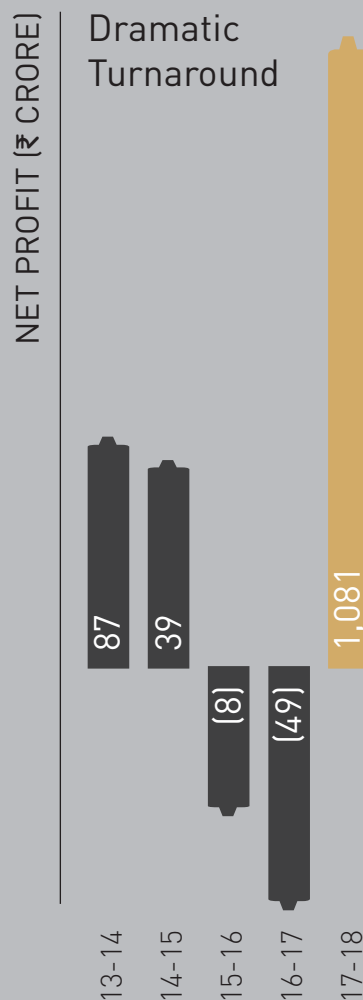
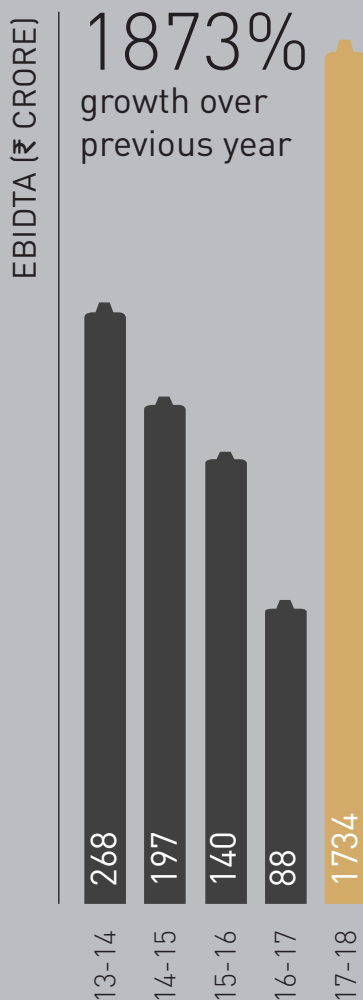
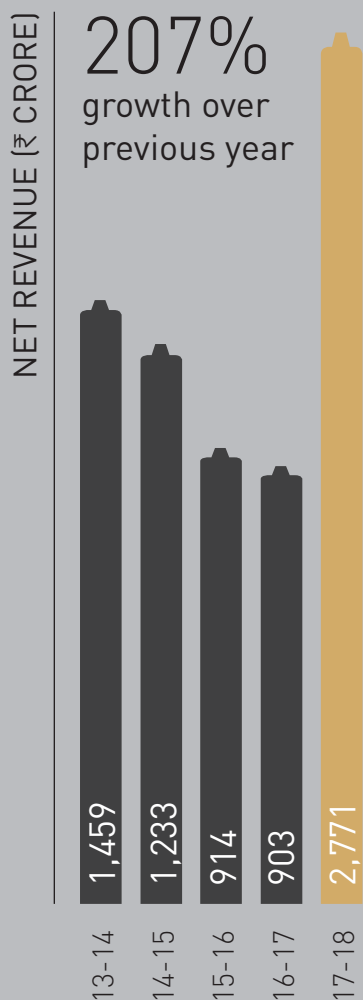
A vibrant globally-acknowledged top league player in graphite electrodes and allied business with commitment to growth, innovation, quality and customer focus.



MISSION

To become a leading international player in graphite electrodes and allied business by leveraging our core competence and thereby enhancing value to our customers, shareholders, employees and society.

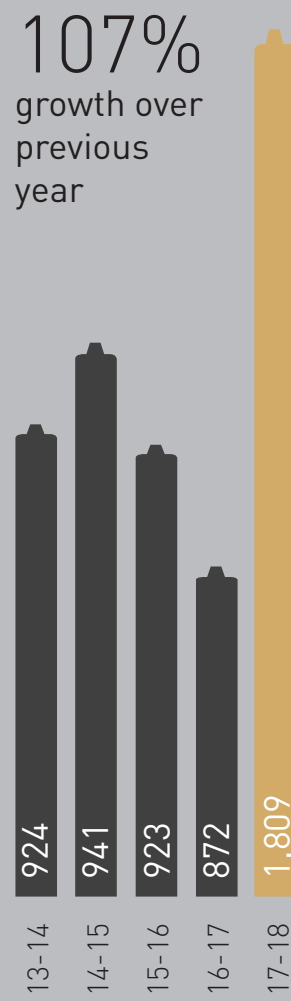
The passion, patience and perseverance in staying the course when it was easier to have given up has delivered superior returns. Here is the proof!



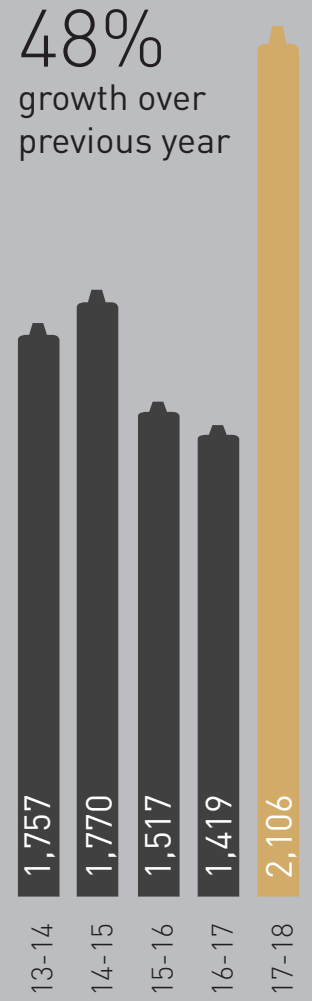
NET CASH FROM OPERATIONS (₹ CRORE)



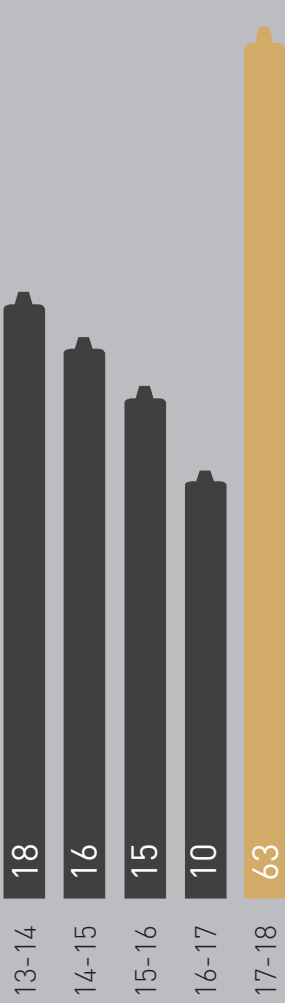
NETWORTH (₹ CRORE)



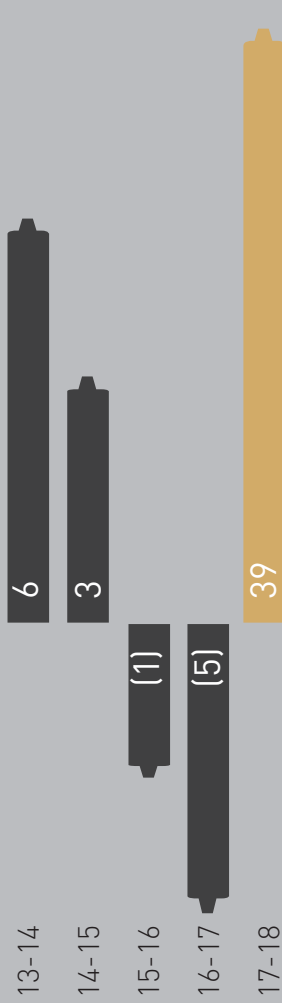
CAPITAL EMPLOYED (₹ CRORE)



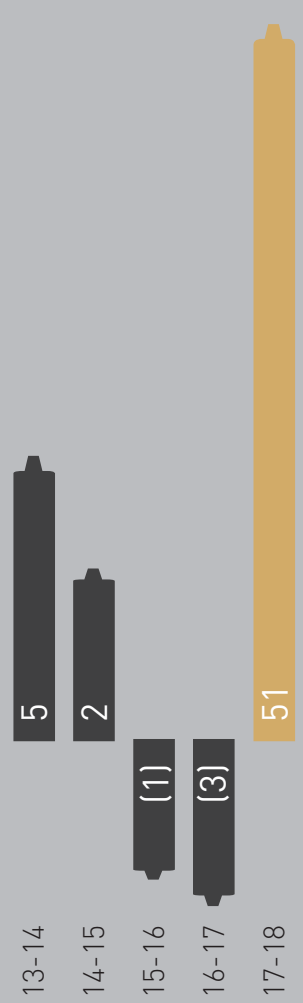
EBIDTA MARGIN (%)



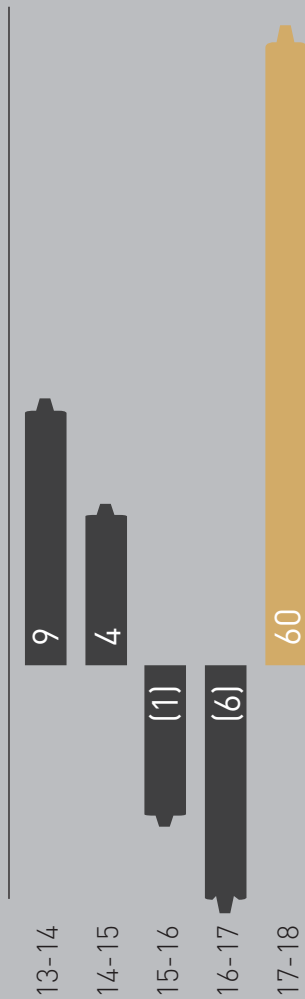
RETURN ON SALES (%)



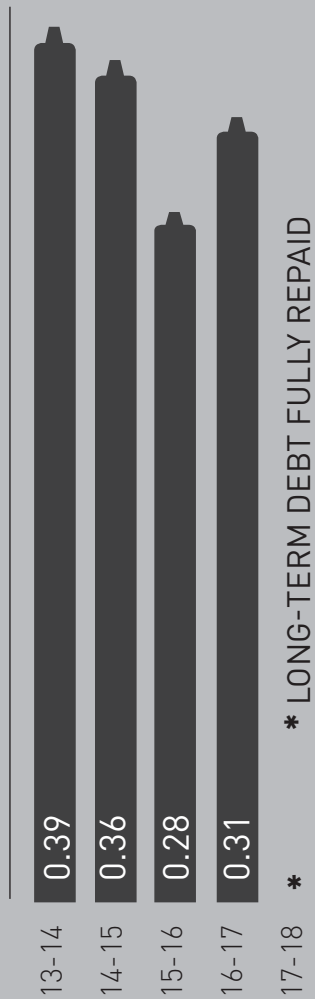
RETURN ON CAPITAL EMPLOYED (%)



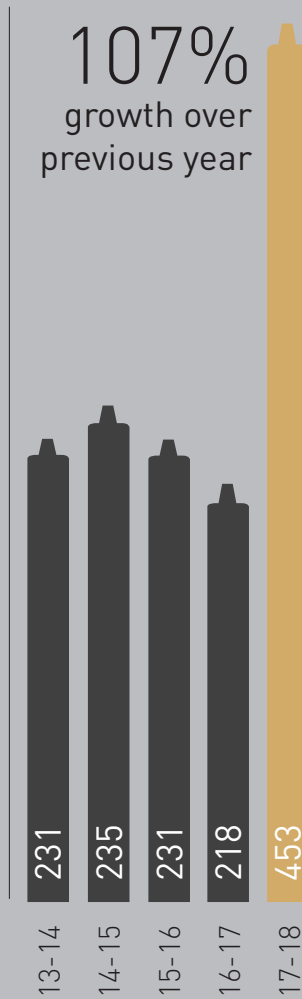
RETURN ON NET WORTH (%)



DEBT-EQUITY (X)



BOOK VALUE PER SHARE (₹)



207%

growth in revenue
over previous year

“I consider this change as a paradigm shift in our business space, which I believe will continue for the foreseeable future, given that it is a structural change necessitated by the mandate to deploy environmentally friendly ways to produce steel, strong consolidation in our industry and challenging entry barriers.

STATEMENT FROM THE CHAIRMAN'S DESK

Moreover, India holds a special position in this business space, as over the last 20+ years, the entire incremental demand of graphite electrodes anywhere in the world has ONLY been met by Indian companies.”

Dear Shareholders

It has been the best year in our more than four-decade history. This holds special significance considering the previous two financial years in which we incurred losses. I consider myself lucky to have witnessed and played a role in this transformational year for our Company.

The rapid closure of inefficient steel and graphite electrode capacities in China and the replacement of steel capacities by EAF units have altered our business ecosystem.

Just a case in point - our contractual terms with key stakeholders, which remained largely unaltered over the last 40+ years have completely changed – all in one year. While some may see this as a cyclical uptrend, I consider this change as a paradigm shift in our business space, where the demand will exceed supply over the foreseeable future.

Demand pull

The Ministry of Industry and Information Technology (MIIT), China announced a new policy effective January '18 to ensure zero growth of steel capacity in 2018.

This single policy promises large scale ramification.

Global steel demand is expected to grow by about 1.8% and remain at similar levels in China in 2018 over 2017. However the world demand, excluding China, would increase by 3.4%, which suggests that all the growth in steel production would come from outside of China.

As 45% of the steel made outside of China comes through the



EAF route, it suggests an increase in EAF production going forward. This, I consider as organic growth.

But there are other interesting aspects arising out of this single policy.

1) China's domestic steel consumption is expected to remain flat. Due to reduction in inefficient steel capacity, we witnessed Chinese steel exports drop by more than 40% in the last year and a half, a trend which is expected to continue into the future. This provides an opportunity for idle capacity to come back on stream in the rest of the world, using the EAF route, thereby increasing the demand for graphite electrodes.

2) Some new rules as per this policy mandate capacity replacement in Beijing and six other nearby provinces which account for a very large steel production in China to keep the ratio at 1.25 against 1 level. This means that in order to have a new capacity of 1 mmt, you are required to close a capacity 1.25 mmt that produces steel through an environmentally unfriendly route. These rules encourage the replacement of old converters with new Electric Arc Furnaces.

China plans to produce approximately 20% of its total steel through the EAF route by 2020, which used to be around 6-7% till 2016 and is presently at about 8-10% in 2017. This means a near trebling of their own graphite electrodes requirement than what it used to be one year ago

Supply constrains

Most opinion makers are of the view that the law of equilibrium would catch up considering the sizeable opportunity at hand. Hence, supply, sooner than later, would catch up with demand.

But I hold a different view. Like I mentioned earlier, I don't expect large additional volumes entering the graphite electrode market over the medium term as the Graphite electrode business is not an easy space to be in, for important reasons:

One, because the technology for manufacturing this product

has been zealously guarded by a handful of players globally.

Two, it is a highly capital intensive business. It requires high investment to set up a unit and sizeable working capital requirement to run the facility.

Three, graphite electrodes are made out of needle coke, a crude oil derivative. This too is a technologically difficult product and its supply is controlled by very few companies across the globe. Hence, its availability has constrained any meaningful capacity expansion in our business. Moreover, needle coke has found a new application in lithium ion batteries, mainly in China, which are expected to be in high demand owing to the thrust on e-mobility across the globe. This further restricts any significant expansion in the production of graphite electrodes.

Four, any new Green field plant of electrodes would take anywhere between four to five years to build and stabilise production.

As a result, the graphite electrode sector has seen no large capacity increase over decades.

Interestingly, no new player has entered the graphite electrode sector. Consider this: HEG commenced production 41 years ago and since then there has been no new entrant in this field around the globe. This makes us the last entrant in this industry in the world.

Further, in these 41 years, only one new Greenfield plant was set up by a German company with a capacity of 30,000 TPA in Malaysia, who in turn closed couple of their European plants – in effect they simply rebalanced capacities from a high-cost location to a low-cost geography. This German company recently got acquired by an existing Graphite electrode company from Japan further consolidating the industry.

This suggests that even when demand appears robust over the foreseeable future, creating new large volume supply lines appears to be challenging. The bottom line therefore

The Indian graphite electrode sector has grown from 30,000 TPA to 160,000 TPA over the last two decades through brownfield expansions. So, it is not an aberration to say that in this period, every incremental electrode demand from any part of the world has only been met by the two Indian companies.

looks as if the demand will outstrip supply, at least for next few years.

Our performance

External tailwinds held promise for a superlative performance.

The outside world we create for ourselves is a reflection of what we hold within. We followed the same philosophy to bring about a paradigm shift in the mindset of our team, with an aim of converting promise into performance.

Our marketing team worked overtime to realign our business necessities, found new markets in different geographies, found new customers, strengthened the business with existing ones and stayed ahead of the curve as the situation unfolded.

On the other hand, our operations team laboured painstakingly to improve our shop floor efficiencies. We made innovative use of technology and automation tools to make our resources more efficient - enabling the team to achieve tougher benchmarks of performance than ever before. These initiatives resulted in improved operational efficiencies and higher man-machine productivity.

And we recorded the best performance ever in its existence. Our EBIDTA for 2017-18 was (1873%) higher than 2016-17 - which pretty much sums up our achievement.

What does HEG do?

When I meet well-wishers, I can almost envision the thought running in their mind - what will HEG do with the unprecedented volume of cash?

At the onset, we repaid our entire long term debt to emerge debt free as on March 31, 2018. This was important for us as we had borne the brunt of a relatively high leveraged position in the recent past.

In the current year, we are looking at expanding our graphite

electrode capacity by 20,000 TPA at our existing location, subject to our being able to secure the supply of our raw material - needle coke, which is currently in short supply even to run our existing plant at optimum capacity. Ours is already the single largest plant under one roof anywhere in the world. When we decide to take this important step, this would further increase the difference between our plant capacity and that of some of the next-in-line large plants of the world. This would further strengthen our cost competitiveness and hence our competitive edge over others.

From a strategic perspective, we are also looking at possibilities of adding high-value revenue verticals that are synergic to our core business. Amongst many possibilities, we are working on some ideas, which we feel, hold considerable promise for the future.

I am sure these strategic initiatives, in policies and mind set, set into motion during the year, would continue to redefine our future course and yield rich dividends for several years down the line.

From this perspective, the year just gone by could perhaps be remembered in our history as one of the most defining moments in bringing about a directional change in our journey.

Acknowledgement

At last, but most importantly, I would like to acknowledge the efforts of every member of the HEG family, be it my colleagues on the Board or my colleagues at all levels in the Company, for their hard work and exemplary performance in making this year a highly successful and satisfying one, the best ever in the history of the Company! They have all been standing by my side like a rock in realising internal pride, external credibility and overall institutional glory.

Warm regards

Ravi Jhunjunwala

A fellow shareholder

MANAGEMENT DISCUSSION AND ANALYSIS

Economic overview

Global economy: The global recovery that began in mid-2016 has become broader and stronger.

Economic activity in 2017 ended on a high note. The upswing in global investment and trade continued in 2017. Growth in the second half of the year was above 4%, the strongest since second half of 2010, supported by a recovery in investment. At 3.8%, global growth in 2017 was the fastest since 2011.

It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in Europe, and signs of recovery in several commodity exporters. Two-thirds of the countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year.

This kind of broad based and strong growth has not been seen

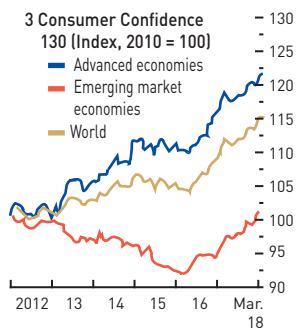
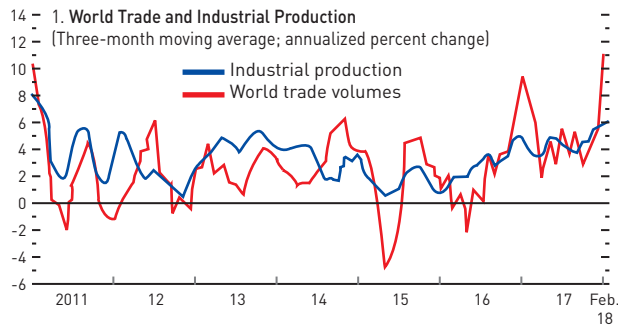
since the sharp 2010 bounce back from the financial crisis of 2008-09. The synchronised expansion will help to dispel remaining legacies of the crisis by speeding the exit from unconventional monetary policies in advanced economies, encouraging investment and healing labour market scars.

About tomorrow: With broad-based momentum and expectations of a sizeable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9% for 2018-19.

Over the long term: Future growth prospects look challenging indeed for advanced economies and many commodity exporters. In advanced economies, ageing population and reducing productivity factor will make it hard to return to the pre-crisis rate of growth. Substantial increase in the middle and lower income segments appear even tougher.

Global Activity Indicators

Global growth surprised on the upside in the second half of 2017 amid strengthening industrial production and trade.

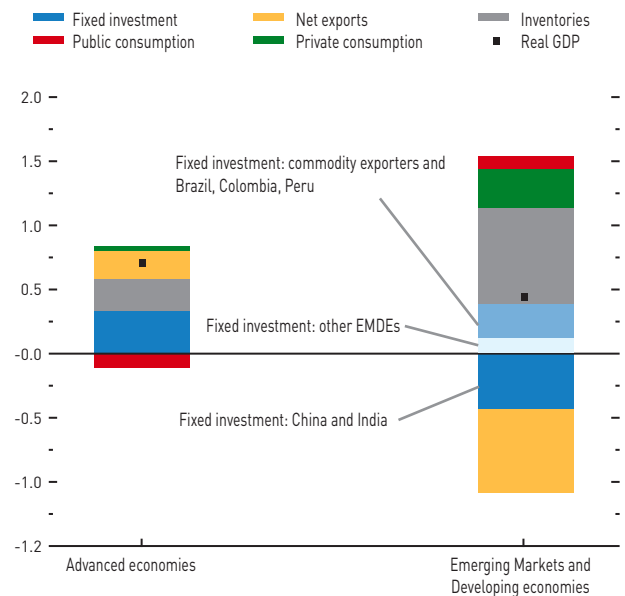


GDP Growth (Annualised semi annual percent change)

— October 2017 WEO — April 2018 WEO

Contributions to the Change in Real GDP Growth, 2016-17 (Percentage points)

Stronger investment spending in advanced economies and an end to fixed investment contractions in commodity exporters were important contributors to the pickup in global growth.



Indian economy

Gradual recovery is underway as the country has started to recuperate from the cyclical and structural bottlenecks witnessed in the recent past.

Fiscal 2017-18 was an aberration to the general trend over the last three years as GDP growth declined from 7.1% in 2016-17 to 6.7% in 2017-18. This drop was primarily owing to the overhang of the demonetisation initiative announced on November 08, 2016 and the roll-out of the GST regime in July 2017, which impacted IIP growth.

Interestingly, India has been able to shrug off the blues as she registered a GDP growth of 7.0% for Q3 of 2017-18 followed by a growth of 7.7% in Q4 of 2017-18 (the highest growth since the demonetisation drive).

Despite a lackluster performance of the industrial sector in the first half of 2017-18, the IIP registered a robust growth in the second half. Moreover, consumer inflation moderated to a five-month low in March, providing a double boost to the economy and the government. High industrial growth

suggests a strengthening economic recovery while lower inflation reduces the chances of the Reserve Bank of India raising interest rates soon.

Estimates for tomorrow: The emerging narrative on the Indian economy, spelt out by the Economic Survey 2017-18 and reaffirmed by the World Bank and credit rating agencies, is of one that has shrugged off the blues and India is set to achieve a 7.3% growth in 2018-19 and progress even higher thereafter.

The high frequency indicators such as the index of industrial production (up by more than 7% in January and February), merchandise exports (up by 11% in dollar terms this fiscal, against 4% in April-February 2016-17), and bank credit growth (11.5% as on the fortnight ended March 2) lend credence to this new-found optimism.

Further, as GST related disruptions smoothen and consumption improves amid stable wages and expected payout from states' implementation of 7th Central Pay Commission – a higher GDP growth is expected to be a natural corollary.



The steel sector

Global steel: World crude steel production reached 1,691.2 mmt for the year 2017, up by 5.3% compared to 2016. Crude steel production increased in all regions in 2017 except in the CIS, which remained stable.

China's crude steel production in 2017 reached 831.7 mmt, up by 5.7% in 2016. China's share of world crude steel production increased from 49.0% in 2016 to 49.2% in 2017.

Steel production through the EAF route

The EAF (Electric Arc Furnace) route for steel making, where the Company's products are used, is a preferred route over other methods primarily due to the lower capex, operating efficiency, feedstock flexibility and environmental advantages. This is reflected in an important statistic – about 45% of the steel produced across the world (excl China) is through this route.

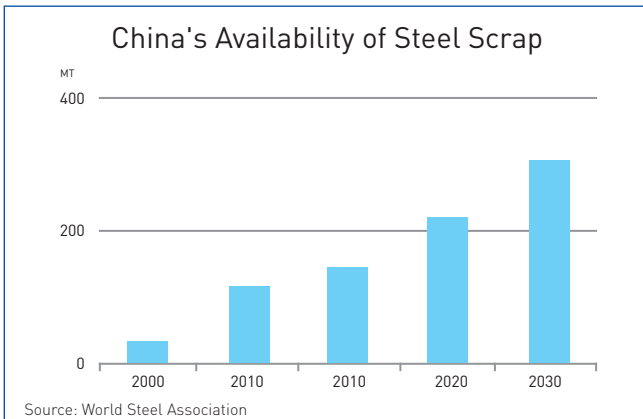
In China, due to sudden surge of large BOF capacity build up between 2010-15, the EAF steel production represented only around 6% of China's total crude steel production in 2016.

But this imbalance is undergoing a structural shift now. In 2017, the Chinese Government's clamp down on environment polluting industries has led to closure of 155 mmt unaccounted and polluting Induction Furnaces and 115 mmt of inefficient Blast Furnace based steel capacities in favour of the environment-friendly EAF technology. Steel manufacturing capacity using this technology has gone up to 9% (a growth of 50% over 2016). Many new EAF's are under installation and the Company believes by end 2018/early 2019, China's EAF capacity would be approximately 12% of its total steel manufacturing infrastructure. This is a turning point in the growth of EAF in China at the cost of closure of approximately 270 mmt of Induction and Blast Furnaces.

The Chinese Government has set a target of achieving 20% steel production through the EAF route by 2020 – a goal which would take care of two challenges:

- Surging steel scrap generation (steel scrap is used as input for steel making in the EAF route)
- Curtail environment pollution which has emerged as a significant challenge for the world's second largest economy





Due to these large scale capacity closures, China's steel exports have dropped sharply by about 30% in 2017 over 2016, and by more than 20% in Q1/2018 (on annualized basis) over 2017. As China's steel exports continue to slide, steel produced by Rest of the World Steel (ROW) would increase where EAF accounts for 45% of steel production. Besides, in ROW most of additional steel growth is only coming through the EAF route which is increasing the demand for graphite electrodes. This is also due to a sharp increase in availability and collection of steel scrap all over the world and China.

Over the horizon: Global steel demand will grow by 1.8% this year and 0.7% next year, driven by favourable world economic momentum, despite escalating trade tensions and market risks emerging over the horizon. In 2018, global steel demand will reach 1,616 mmt, while in 2019, it will hit 1,627 mmt as per the World Steel Association.

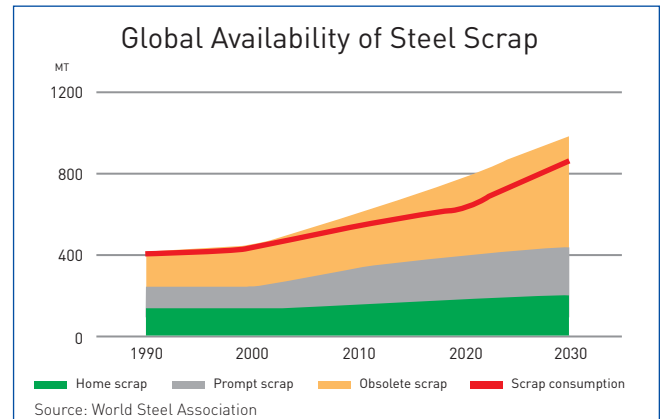
The electrode sector

Graphite electrodes are primarily used in Electric Arc Furnaces and Ladle furnaces in steel making. So far electrode consumption accounted for only 2-3% of steel making cost.

The recent past: In the recent years, electrode prices fell to unviable levels as cheap iron ore and coking coal made BOF route cheaper as compared to EAF steel, hitting the EAF steel mills who chose to re-roll blast furnace-produced semis, or utilise merchant pig iron. For every electrode they made, western producers lost money, and consequently shuttered capacity as a survival strategy. About 200,000 TPA of electrode manufacturing capacity was closed over the last 3-4 years in the western world.

2017 – a complete turnaround: This period saw an unusual increase in electrodes demand even as supply remained squeezed. The Chinese Government cracked down on some of the highly polluting industries due to serious environmental concerns in 2017. About 270 mmt of Induction furnaces, Mini blast furnaces and some very old Blast furnaces have been shut down. These closures have led to a sudden large drop in export of finished and semi finished steel from China to the rest of the world which helped other countries of the world to increase their own production of steel, leading to a sudden increase in the demand for electrodes.

The shortage of electrodes was also attributed to shutting down



In 2018, high confidence, strong investment levels and recovery in commodity prices are generating a virtuous cycle for steel demand globally, both in developed and developing economies.

The World Steel Association estimates a steel demand growth of 1.8% this year and 1.1% next year in developed economies, and growth of 4.9% and 4.5% this year and the next in emerging and developing economies, excluding China. It expects steel demand in China, which consumes half the world's steel, to remain flat in 2018 at 736.8 mmt and fall by 2% next year to 722.1 mmt.

Demand in India, the world's third-largest steel consumer and the industry's best hope for growth after China, is set to grow by 5.5% this year, compared to a previous forecast of growth in 2018 of 4.4%.

of nearly 300,000 TPA of graphite electrode manufacturing capacity in China since the second half of 2016 (Source- CRU.) With the sudden increase in demand of graphite electrode, needle coke availability has become a bottleneck. Besides, a new application was found for needle coke - in Lithium Ion batteries. In the last couple of years, needle coke has been successfully used in this application and a reasonably large part of needle coke is now being used in China in Li-Ion batteries. Moreover, in light of the sudden surge in demand from the graphite electrode sector, contractual terms by needle coke suppliers with electrodes producers, which were annual in nature for decades, altered to quarterly/half yearly deals. The combined effect of all these factors pushed up spot prices of electrodes many fold during the year 2017.

Promise for 2018 and beyond: China's closure of inefficient induction furnaces and polluting blast furnaces is expected to be replaced by EAF's. New policy measures announced in China, ensures zero growth in steel capacity by requiring steel capacity replacement to be kept in ratio - 1.25:1 or 1:1 (regional differentiation). In 2017, about 66 mmt /year of new EAF capacity was granted approval in China. Thus, the Chinese production through the EAF route is expected to rise. According to industry estimates, China's EAF output in 2016 was around 52 mmt and is likely to increase by 110 mmt by 2020, which means an additional demand of 275,000 tons of graphite electrodes.



BUSINESS PERFORMANCE

HEG is a large and respected player in the global graphite electrode space with an integrated facility at Mandideep – the largest manufacturing capacity under single roof in the world. The Company also possesses power generating assets (thermal and hydel) with a cumulative capacity pegged at 76.5 MW. The power generation primarily fuels the graphite electrode manufacturing operations, with the surplus being sold in the open market.

Graphite electrode

2,665

Revenue (₹ crore)

Power generation

20

Revenue from external sales
(₹ crore)



Business segment-1

Graphite Electrode



80,000

Capacity (TPA)



64,000+

Sales (TPA)



2,665

Turnover (₹ crore)



100+

Customers



30+

Global footprint (nations)



908

Team size

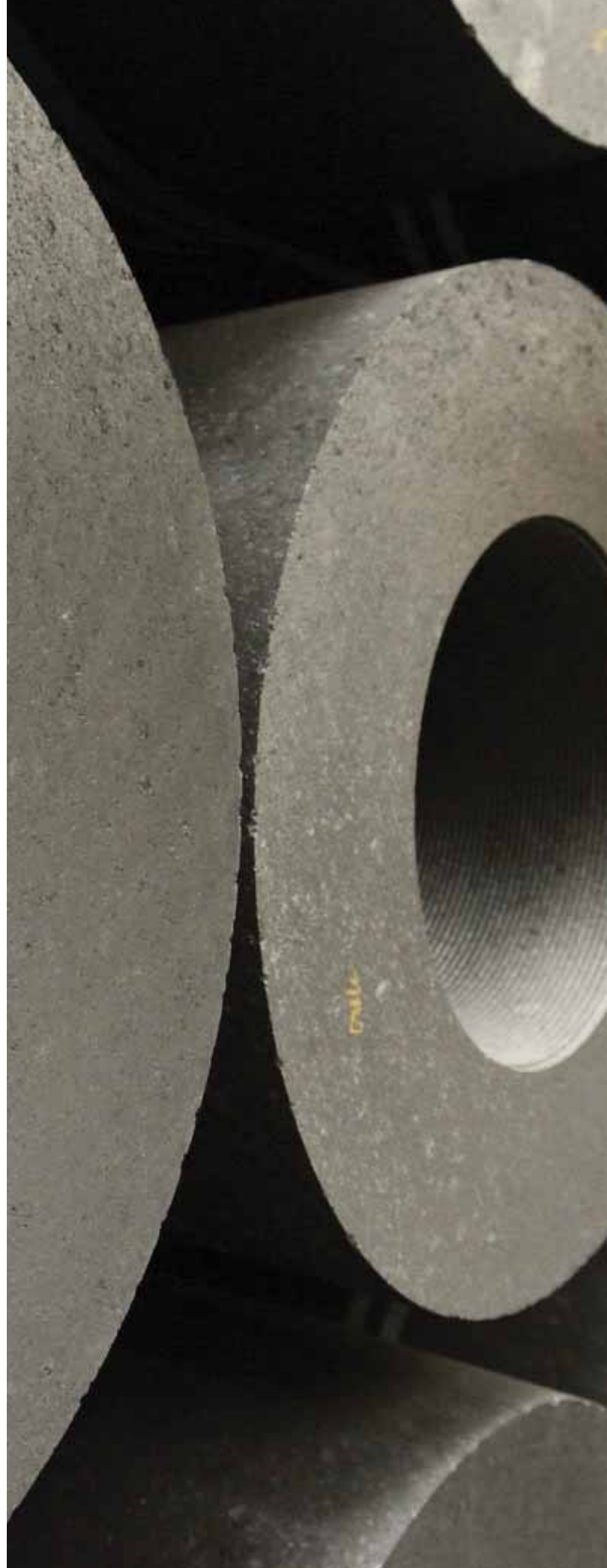
Performance, 2017-18

It was a record year for the Company largely driven by favourable tailwinds– robust growth in demand even as supply remained constrained, leading to a significant rise in realisation. This resulted in the best ever financial numbers. The division clocked a turnover of ₹2,665.42 crore in 2017-18 against ₹852.26 crore in 2016-17. The company achieved its ever highest profit figures since inception. Even as business momentum accelerated, the team continued its disciplined focus on cost and quality management – ensuring that volumes do not compromise the value-proposition, which the HEG brand stands for. As a result, profitability scaled – EBIDTA margin in this business improved from (1.80)% in 2016-17 to 61% in 2017-18.

Highlights, 2017-18

In-plant operations: The team registered the highest electrode production at 64,000-plus MT in 2017-18 against 50,000 MT level in 2016-17. This achievement was a result of meaningful improvements.

- Maintained a disciplined control over achieving daily, weekly and monthly production targets even as the team size remained unchanged – productivity per person jumped by 34%
- Achieved the highest ever production post expansion in 2012



- Implemented path-breaking solutions to reduce the overall production cycle time
- Accorded highest priority to preventive maintenance, which optimised the baking cycle of the electrode and improved plant/equipment availability
- Successfully enlisted the organisation in the 'power-intensive' category which enabled it to secure power supply at favourable cost- the full impact of this initiative will unfold in 2018-19

Growth in
Business

28%

Growth in production

208%

Growth in revenue

118x

Growth in PBIT

Prospects, 2018-19

The Company believes that this current upsurge in the global graphite electrode demand which commenced in 2017, is expected to sustain its momentum over the foreseeable future as the demand-supply gap in the graphite electrode space is only expected to widen over the coming years. This augurs well for the business division. Even as the team remains focused on strengthening its efficiency standards, the management is contemplating an increase in the operational capacity to capitalise on the structural changes in the industry space.

Business segment-2

Power generation

The Company has captive power generation capacity of 76.5MW (comprising two thermal power plants and a hydroelectric power facility) leading to sustained supply of reliable power for its graphite electrode facility. Excess power generated was sold in the market through IEX and bi-partite power purchase agreement with open access consumers.

Performance, 2017-18

Sale of excess power generated a turnover of ₹19.56 crore in 2017-18 against ₹25.68 crore in 2016-17. This was primarily due to an increase in power requirement from the graphite electrode operations.

Prospects, 2018-19

With the prediction of average rainfall by the Met department for the forthcoming year, the prospect of using lowest cost hydel power in plant activities would help strengthen the results of this segment favourably. Thermal facilities provide both flexibility to operations and an opportunity to optimise cost in times when it is required the most.

Quality management

HEG is respected globally in the graphite electrode industry for its product quality – a USP which has earned it a premium in good times and sustained the flow of orders in challenging periods.

The Company has sustained its investments towards improving product quality in good times and bad – its investments being prudently utilised for employee training in process efficiency and product quality and for technology advancements. In addition, the Company focused on the preventive maintenance mindset at all its operating shops, resulting in minimising equipment breakdown leading to superior product quality.

In addition, the Company successfully reduced quality deviations through active customer engagement. It reduced dispersions across operational areas; it reduced the resistivity of larger-sized products and nipples to improving tested values; it strengthened procedural discipline and invested in best-in-class equipment.

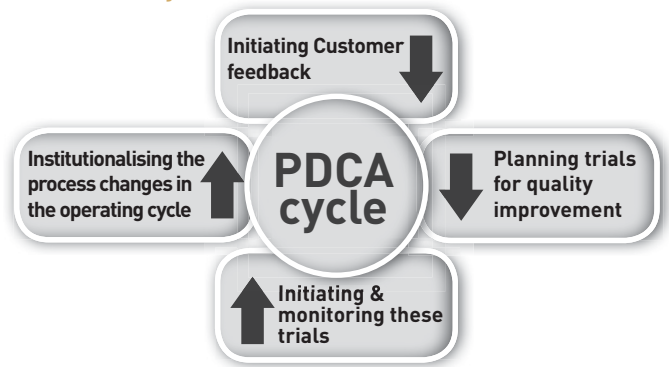
The team implemented a significant number of trials (consequent to the PDCA discipline) in 2017-18 to sustain superior product quality even as they focused on augmenting production volumes under the constraint of coke availability,

adapting to new coke types with the processing conditions.

The Company institutionalised TQM principles across the organisation to continue to deliver a positive bearing on product and process quality.

The Company's unwavering focus is reflected in its ability to service leading global steel manufacturers – a considerable proportion of its products were delivered to manufacturing facilities of many of the Top 10 global steel manufacturers.

The PDCA cycle



Innovation management

R&D is the innovation epicenter at HEG – innovation that facilitates the improvement in man-machine productivity and product quality and performance.

The Company's R&D team comprising of 6 experts remains focused on undertaking projects for developing advanced carbon materials for energy management, thermal management and environment management, with an aim to improve the competitiveness of graphite electrodes and graphite-specialty products.

In keeping with this goal, the team has been working on projects for developing various products, which promise to create interesting revenue verticals for the Company going forward. They include high-purity graphite micro fines to be used as anode material in lithium ion batteries, porous conducting carbon fiber paper to be used as gas

diffusion layer in fuel cells, graphite foams to be used as heat exchanger and radiators, activated carbon for air/ water purification and nuclear/ biological/chemical radiation absorption.

To remain aligned to the global technology developments, especially the deployment of nanotechnology, the team continues its efforts for studying carbon nanomaterials such as carbon nanotubes and nanoparticles. The use of carbon nanomaterials promises to expand the technology envelope and improve overall energy efficiency, quality and productivity.

The team is also collaborating with reputed national and international research institutes, to develop environment-friendly approaches and identify alternative/regenerative carbon feed stocks for sustainable growth.





Opportunity & threat

Opportunity: The graphite electrode market is expected to sustain its growth momentum in the current year (2018-19) as the demand-supply gap is expected to widen – considering the growing steel manufacturing capacity based on the EAF technology and the supply constrains in the graphite electrode space. Even as demand would remain robust, growth in product realisation is expected to be mature.

Threat: Even as the demand for graphite electrodes increased substantially, the needle coke prices (key input for graphite electrodes) rose by more than 45% over the previous year average. Going forward, needle coke prices are expected to increase even further. This could exert pressure on business margins.

Financial performance

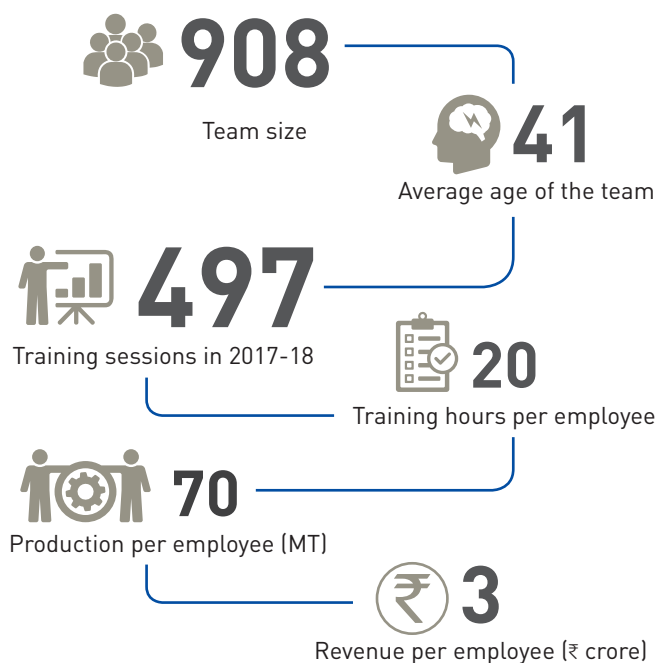
Net sales increased by 208% from ₹896.02 crore in 2016-17 to ₹2,758.40 crore as the demand for graphite electrodes surged to unprecedented levels. EBIDTA jumped from ₹88 crore in 2016-17 to ₹1,734 crore in 2017-18. The Company reported a Profit for the period at ₹1,081.34 crore in 2017-18 against a ₹50.05 crore loss in the previous year. This was

the largest Net Profit reported by the Company in its entire history. Even as demand surged, the Company continued to strengthen its operational efficiencies. The Company repaid its entire long-term debt and has plans to invest the cash surplus in avenues that enable it to sustain its growth momentum.

Internal controls

The Company has a sound system of internal controls in place to ensure the achievement of goals, evaluation of risks and reliable financial and operational reporting. This efficient internal control procedure is driven by a robust system of checks and balances that ensures safeguarding of assets, compliance with all regulatory norms and procedural and systemic improvements on a periodic basis. The Company uses an ERP (Enterprise Resource Planning) package supported by in-built controls. This guarantees well-timed financial reporting. The audit system periodically reviews the control mechanism and legal, regulatory and environmental compliances. The internal audit team also checks the effectiveness of internal controls and initiates necessary changes arising out of inadequacies, if any. All financial and audit controls are also reviewed by the Audit Committee of the Board of Directors.

Intellectual capital



HEG's 900+ energetic and experienced team is the cornerstone of its success – for they essentially transform boardroom strategies into on-ground realities. As a result, the Company has put in place well-defined people-centric policies to facilitate the knowledge enhancement and career growth of its people. The Company's HR team looks into four key areas:

- Attract the best talent available in the industry
- Develop talent by entrusting of roles / responsibilities and

honing skills

- Engage talent by improving standards and inculcating problem-solving techniques
- Inspire talent by embracing the vision and mission of the Company

Knowledge enhancement: Aligned to its comprehensive talent management programme, the Company developed and implemented its training calendar, which was formulated on need-based training and skill development exercises – imparted by in-house and external area experts. This enabled the Company to provide the necessary platform to every employee for skill development. Career progression was ensured through a transparent performance management system, which aimed to fill gaps, hone skills and improve communication.

Employee engagement: In keeping with the Company's philosophy that an engaged employee is an enthused team member, the HR team provided a number of engagement forums which provided a platform for every team member to make a contribution to organisational and operational improvement, which include Quality circle drives, group activities, suggestion schemes and special task forces for implementing challenging projects. Employees are addressed at multiple forums by the top management and department leaders to keep them abreast of changing business realities and emerging organisational challenges.

Employee voice: Periodic employee engagement surveys are followed by the formulation of corrective plans and their efficacy is closely monitored through sustained feedback generation.



Risk management

Risk management at HEG is an integral part of the business model, focusing on making the business model emerge stronger and ensuring that profitable business growth becomes sustainable. The risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework goes beyond traditional boundaries and seeks to involve all key managers of the Company.

Growth risk

Will the Company be able to sustain its performance of the current year, going forward?

Mitigation: The period 2017-18 was an incredible year from every perspective and such events happen very rarely in a Company's journey. The Company was just fortunate that after two years of being in the red, 2017-18 happened which more than made up for the ills of the earlier financial years. Going forward, while demand is expected to remain robust, the cost of manufacture is expected to catch up (needle coke prices are expected to rise). This will rationalise margins to more sustainable levels.

Cost risk

Considering that some input costs are out of the hand of the Company, how will the team work on optimising cost of operations?

Mitigation: The operational team is continuously identifying and implementing projects for improving the operational processes resulting in improving man-machine productivity, reducing wastages and strengthening product quality. For instance, the Company has initiated steps to reduce its power cost. Further, the Company has repaid its entire long-term debt, which will significantly shore the bottomline.

Cash utilisation risk

How does the Company plan to utilise the cash generated during 2017-18 in strengthening the business?

Mitigation: For one, the Company has repaid its long-term debt, which is expected to have a positive bearing on its financial performance going forward. In addition, the Company is also considering a capacity expansion for its graphite electrode by 20,000 TPA, thereby taking its manufacturing capacity to 100,000 TPA. Further, the Company is analysing prospects and challenges of various business options which are synergic with its core business.

Foreign currency risk

How does the Company protect business profitability from foreign exchange fluctuation?

Mitigation: HEG is a net exporter of goods. As such, it has a natural hedge against extreme currency volatility – thereby the Company's profitability. In addition, the Company has also formulated a foreign exchange hedging policy, the compliance of which is monitored regularly by internal and external audit teams.

Corporate social responsibility

HEG's business extends beyond the scope of its plant walls to include the well-being of societies resident in the vicinity. This is because the Company nurtures the belief that an island of prosperity cannot sustain in a landmass of misery.

As a good corporate citizen, HEG has been making enduring impact through its Social Responsibility programs that promote social and economic inclusion.

The Company's social upliftment initiatives focus around healthcare, education, removing hunger, working for the benefit of armed forces veterans and martyrs', community development and environmental conservation, which facilitates in bettering lives and improving livelihood.

It has been conducting these activities directly and through a dedicated trust - LNJ Bhilwara HEG Lok Nyas.

Healthcare

- Provided medical consultation to general public at the OPD Centre in Mandideep and Tawanagar and distributed free medicines among Below Poverty Line (BPL) category patients
- Conducted medical health camps and distributed medicines in villages and to economically weaker sections, in collaboration with Sewa Bharat, Bhopal
- Aspires to work with the local government for creating infrastructure for specialised medical services for people at large

Community Development

- Initiated taking over of public parks, for their upkeep and providing a green ambience to the vicinity



- Associated itself with an organisation providing free and hygienic food to the attendants of the patients visiting AIIMS, Delhi

Education

- Provided safe and law-abiding commuting facilities to school children and teachers
- Continued to subsidise annual school fees for more than 200 BPL-category students
- Introduced a new scholarship program for children of below poverty lines wherein the company will ensure admission of 10 students every year to professional colleges and provide financial assistance to transform their career dream into reality
- Provided quality education, through its school, to children of artisans working in the Mandideep industrial area

- Successfully running a computer center at Tawa Nagar to provide basic computer education to disadvantaged students

Environmental conservation

- Conducted an afforestation drive at Tawa Nagar along the NH#12 near Mandideep to combat air pollution
- Planted 55 grown up plants inside HEG's campus for environmental reasons

Financial assistance

In 2017-18, the Company, through its implementing agency, made financial contribution to third party trusts, who are engaged in synergic activity relating to eradicating hunger, poverty & malnutrition, protecting national heritage, art & culture/language and animal welfare.



Statutory section

Board's Report

Dear Members

Your Directors have the pleasure of presenting their 46th Annual Report and audited statements of accounts for the year ended 31st March, 2018.

| | (₹ in crore) | |
|--|-----------------|----------------|
| | 2017-18 | 2016-17 |
| 1. Financial Results | | |
| Net sales | 2,672.06 | 869.15 |
| Other operating income | 86.34 | 26.87 |
| Total income from operations (Net) | 2,758.40 | 896.02 |
| Other income | 12.37 | 7.13 |
| Total income | 2,770.77 | 903.15 |
| Profit before finance cost, depreciation and amortisation | 1,733.94 | 87.87 |
| Finance cost | 56.68 | 54.72 |
| Profit before depreciation and amortisation | 1,677.26 | 33.15 |
| Depreciation and amortisation | 72.55 | 73.92 |
| Profit/Loss before tax | 1,604.71 | (40.77) |
| Provision for taxation:- | | |
| Current tax | 513.56 | 1.12 |
| Deferred tax | 9.81 | 8.16 |
| Net profit/Loss for the period | 1,081.34 | (50.05) |
| EPS (Basic) ₹ | 270.61 | (12.52) |

2. OVERALL PERFORMANCE

The Company recorded net sales of ₹2,672.06 Crore during the financial year 2017-18 as compared to ₹869.15 crore in the previous financial year. The Net Profit during the financial year 2017-18 was at ₹1,081.34 Crore as compared to a net loss of ₹50.05 crore in financial year 2016-17 translating to basic earning per share at ₹270.61 for the financial year 2017-18 as against ₹(12.52) in financial year 2016-17.

3. STATE OF COMPANY'S AFFAIRS

The analytical review of the Company's performance and its businesses, including initiatives in the areas of Human

Resources and Corporate Social Responsibility have been presented in the section of Management Discussion and Analysis of this Annual Report.

ELECTRODE SECTOR

In recent years, electrode prices have been extremely low, as cheap iron ore and coking coal saw EAF players choosing to re-roll blast furnace-produced semis, or utilise merchant pig iron. For every electrode they made, producers lost money, and consequently shuttered capacity as a survival strategy. About 200,000 TPA of electrode manufacturing capacity was shut over the last four years across the globe – most of which was permanently shut.

This period saw an unusual increase in demand even as supply remained squeezed. Overall EAF production has increased by around 10% on year so far in 2017, perhaps aided by hikes in coking coal last year that saw melting become more economically viable. This was a fallout of reduced exports of steel products from China (steel export quantity for 2017 declined by around 30% year-on-year) which allowed other steel manufacturers to reignite their EAF infrastructure shoring the demand for electrodes. This, when combined with the curtailment of Chinese electrode capacity and short needle coke supply, the main raw material for the melting sticks, pushed up spot prices for electrodes by at least tenfold during the year. As a result, contractual terms for electrodes, which have been annual in nature for decades, altered to quarterly deals. HEG has proved that it is amongst the first to cope up with the enhanced requirement of the electrodes globally. The Company got an interesting opportunity to prove the utility of state of art technology it added in 2012, which it grabbed with open arms. The results of the year demonstrates our belief that we are on a strong footing.

POWER GENERATION

The Company has captive power generation capacity of 76.5MW (comprising two thermal power plants and a hydroelectric power facility) leading to sustained supply of reliable, energy for its graphite electrode facility. Excess power generated was sold in the market through IEX and bi-partite power purchase agreement with open access consumers.

Sale of excess power generated a turnover of ₹19.56 crore in 2017-18 against ₹25.68 crore in 2016-17. This was primarily due to an increase in consumption of power in the graphite electrode operations. Thus, leaving small surplus for external sale.

With the prediction of average rainfall by the Met department for the forthcoming year, the prospect of using lowest cost hydel power in plant activities would help strengthen the results of this segment favourably. Thermal facilities provide both flexibility to operations and also an opportunity to optimise cost in times when it is required the most.

4. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

5. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business during the financial year 2017-18.

6. SUBSIDIARY, ASSOCIATE COMPANIES OR JOINT VENTURES

(i) Subsidiary Company

Your Directors informs that M/s HEG Graphite Products and

Services Ltd, a wholly owned subsidiary ("WOS") ceased to be subsidiary of the Company, since the name of WOS has been struck-off from the Register of Companies under Section 248 (5) of the Companies Act, 2013, upon the application made by WOS under Section 248(2) of the Companies Act, 2013 and WOS stands dissolved w.e.f. 21st December, 2017. At present, the Company does not have any subsidiary.

(ii) Associate Companies or Joint Ventures

There are two Associates of the Company namely Bhilwara Infotechnology Ltd. and Bhilwara Energy Ltd. Bhilwara Infotechnology Ltd. had a turnover of ₹44.21 crore and Net Profit was ₹4.33 crore in the financial year 2017-18. Bhilwara Energy Ltd had a consolidated turnover of ₹317.72 crore and Net Profit was ₹55.84 crore as per their financial statements (audited & consolidated) for the financial year 2017-18. The Company has no Joint Ventures.

No Company has become/ceased to be an Associate or Joint venture during the financial year 2017-18.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements is annexed in the Form AOC-1 to the consolidated Financial Statement and hence not repeated here for the sake of brevity.

7. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remarks.

8. DIVIDEND

Your Directors had approved the payment of Interim Dividend @ ₹30/- per Equity Share of ₹10/- each at its meeting held on 8th February, 2018 and the same has been paid to all the eligible shareholders within the stipulated time.

Your Directors are pleased to recommend a final dividend on equity shares at the rate of ₹50/- per Share on Equity Shares of ₹10/- each for the financial year ended 31st March, 2018, subject to your approval at the Annual General Meeting.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is attached as Annexure IV, which form part of this report and is also available on the website of the Company.

9. CORPORATE GOVERNANCE

A report on Corporate Governance forms part of this Report along with the Auditors' Certificate on Corporate Governance as required under SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015. The Auditors' Certificate for the financial year 2017-18 does not contain any qualifications, reservations or adverse remarks.

10. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report.

11. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as part of the Annual Report.

12. INTERNAL CONTROL / INTERNAL FINANCIAL CONTROL SYSTEMS AND ADEQUACY THEREOF

The Company has an adequate internal control system commensurate with the size and nature of its business. An internal audit programme covers various activities and periodical reports are submitted to the management. The Company has a well-defined organisational structure, authority levels and internal rules and guidelines for conducting business transactions.

Besides, the Companies Act, 2013 has put primary responsibility of implementing a robust Internal Financial Control framework and is under consistent supervision of Audit Committee, Board of Directors and also independent Statutory Auditors. During the year, no reportable material weakness in the design or operation were observed.

13. PERSONNEL

a) Industrial relations

The industrial relations during the period under review generally remained cordial at all the plants of the Company.

b) Particulars of employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure - I.

14. PUBLIC DEPOSITS

Your Company has not invited any deposits from public/ shareholders in accordance with Chapter V of the Companies Act, 2013.

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant material orders passed by the Regulators/ Courts/ Tribunals during the financial year 2017-18 which would impact the going concern status of the Company and its future operations.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as Annexure II forming part of this Report.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

One of your Directors namely Shri S.N Bhattacharya (holding DIN 06758088), shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

The first term of office of Smt. Vinita Singhania (DIN 00042983), as Independent Director, expires at the ensuing Annual General Meeting.

The Board has recommended the re-appointment of Smt. Vinita Singhania (DIN 00042983), as Independent Director of the Company for a second term of 5 (five) consecutive years.

The brief profile, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the Director eligible for appointment/ re-appointment forms part of the Corporate Governance Report.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. BOARD EVALUATION

The Board has carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees, in the manner as enumerated in the Nomination and Remuneration Policy, in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation exercise covered various aspects of the Board's functioning such as composition of the Board & Committee(s), their functioning & effectiveness,

contribution of all the Directors and the decision making process by the Board.

Your Directors express their satisfaction with the evaluation process and inform that the performance of the Board as a whole, its Committees and its member individually was adjudged satisfactory.

19. NOMINATION AND REMUNERATION POLICY

The Nomination & Remuneration Policy of the Company is in place and is attached as Annexure – III to this Report.

20. MEETINGS OF THE BOARD

The Board of Directors met 5 (five) times in the financial year 2017-2018. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

21. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All related party contracts/arrangements/transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The statement of transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee for approval on a quarterly basis. The statement is supported by a Certificate from the Statutory Auditors and CFO.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website, the weblink of which is as under:

http://hegltd.com/wp-content/uploads/2018/05/Policy_on_Related_Party_Transactions-HEG-Limited.pdf

There are no pecuniary relationships or transactions of Non- Executive Directors vis-à-vis the Company that have a potential conflict with the interests of the company.

No material Related Party Transactions i.e transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements were entered during the financial year of the Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

22. AUDIT COMMITTEE

The composition of the Audit Committee is stated in the

Corporate Governance Report. All the recommendations of the Audit Committee were accepted by the Board during the financial year 2017-18.

23. AUDITORS

The appointment of M/s. S C Vasudeva & Co., Chartered Accountants (Firm Registration No. 000235N), Auditors of the Company, who were appointed at 45th Annual General Meeting held on September 22, 2017, for a period of 5 years till the conclusion of the 50th AGM of the Company to be held in the year 2022, subject to ratification of the appointment by the Members at every AGM, will be placed before the members at this Annual General meeting for ratification.

With effect from April 1, 2018, M/s. S C Vasudeva & Co., Chartered Accountants, the Statutory Auditors of the Company, has been merged with M/s. S.P. Puri & Co., Chartered Accountants, and the name of the new firm is SCV & Co., Chartered Accountants (SCV). There would not be any change in the date of establishment of firm as registered with ICAI. The FRN 000235N remain same.

Further, the Auditors have confirmed their eligibility under Section 144 of the Companies Act, 2013 and the rules made thereunder.

The Auditors' Report read along with notes to accounts is self-explanatory and therefore does not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

24. BUSINESS RISK MANAGEMENT

The objective of risk management at the Company is to protect shareholders value by minimizing threats or losses, and identifying and maximising opportunities. An enterprise-wide risk management framework is applied so that effective management of risk is an integral part of every employee's job.

The Risk Management Policy of the Company is in place. The Company's risk management strategy is integrated with the overall business strategies of the organization and is communicated throughout the organisation. Risk management capabilities aide in establishing competitive advantage and allow management to develop reasonable assurance regarding the achievement of the Company's objectives.

The annual strategic planning process provides the platform for identification, analysis, treatment and documentation of key risks. It is through this annual planning process that key risks and risk management strategies are communicated to the Board. The effectiveness of risk management strategies is monitored both formally and informally by management and process owners. There is no major risk which may threaten the existence of the Company.

25. COST AUDITORS

The Cost Audit for financial year ended March 31, 2017 was conducted by M/s. N.D. Birla & Co. (M. No. 7907). The said Cost Audit Report was filed on 29th August, 2017.

Based on the recommendation of Audit Committee at its meeting held on 8th May, 2018, the Board has approved the re-appointment of M/s. N.D. Birla & Co. (M. No. 7907), as the Cost Auditors of the Company for the financial year 2018-2019 on a remuneration of ₹2 Lacs plus service tax and out of pocket expenses that may be incurred by them during the course of audit.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. N.D. Birla & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

26. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. GSK & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial year 2017-18. The Secretarial Audit Report is annexed herewith as Annexure V. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Board has re-appointed M/s. GSK & Associates, Company Secretaries in practice as Secretarial Auditor of the Company for the financial year 2018-19.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its initiatives under "Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of promotion of education, eradicating hunger & poverty, initiatives towards Community Service and rural development, Healthcare, Plantation & Environment Development, Protection of National heritage, art, culture etc. These projects were in accordance with the CSR Policy of the Company and Schedule VII of the Companies Act, 2013.

The CSR Committee comprises Shri Ravi Jhunjunwala (Chairman), Shri Dharmendar Nath. Davar and Smt. Vinita Singhania.

The CSR policy may be accessed on the Company's website at the link mentioned below:
http://hegltd.com/wp-content/uploads/2018/05/Corporate_Social_Responsibility_Policy.pdf

The Annual Report on CSR activities is enclosed as Annexure VI, forming part of this report.

28. INTERNAL AUDITORS

Based on the recommendation of Audit Committee at its meeting held on 30th May, 2017, the Board has approved the re-appointment of M/s. S.L. Chhajed & Co, as the Internal auditors of the Company for the financial year 2018-2019.

29. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) In preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2017-18 and of the profit of the Company for the year under review;
- iii) They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) They have prepared the annual accounts on a going concern basis;
- v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

30. VIGIL MECHANISM /WHISTLE BLOWER POLICY

The Company has a vigil mechanism named "Whistle Blower Policy" in place. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and the policy is also posted on the website of the Company, the weblink of which is as under:
<http://hegltd.com/wp-content/uploads/2018/05/whistle.pdf>

31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in the Annual Report.

32. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in form MGT-9 as required under Section 92(3) under Rule 12 of the Companies

(Management and Administration) Rules, 2014 is appended as Annexure VII to this report.

33. GENERAL DISCLOSURE

a) The Company has a group policy in place against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No complaint of sexual harassment was received during the financial year 2017-18.

b) The Company is in compliance of all applicable secretarial standards issued by The Institute of Company Secretaries of India from time to time.

34. ACKNOWLEDGEMENTS

Your Directors wish to place on record, their appreciation for the valuable assistance and support received by your Company from banks, financial institutions, the Central Government, the Government of Madhya Pradesh, the Government of Uttar Pradesh and their departments. The Board also thanks the employees at all levels, for the dedication, commitment and hard work put in by them.

For and on behalf of the Board of Directors

Place: Noida (U.P.)
Dated: 8th May, 2018

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Annexure – I to the Board's Report

I. The information required pursuant to section 197 read with Rule 5 sub rule - 1 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a) Remuneration paid to Chairman, Managing Director & CEO, Whole-Time Director and Key Managerial Personnel's

| Sr. No. | Name of Director/ KMP and Designation | Remuneration of Director / KMP for financial year 2017-18 (in ₹ Lacs) | % increase in Remuneration in the financial year 2017-18 | Ratio of Remuneration of each Director/ to median Remuneration of employees |
|---------|--|---|--|---|
| 1 | Ravi Jhunjhunwala (Chairman, Managing Director & CEO) | 4,332.97* | 1756% # | 1510 |
| 2 | Raju Rustogi (Chief Financial Officer & Chief Operating Officer) | 114.90 | 16% | 40 |
| 3 | Vivek Chaudhary (Company Secretary) ## | 21.59 | NA | NA |

* As approved by Shareholders in their Annual General Meeting held on 28th September, 2016 (including commission).

Including Commission at the rate of 2.5% of the Profits as per the terms approved by the shareholders in their Annual General Meeting held on 28th September, 2016.

Shri Vivek Chaudhary, Company Secretary and Compliance Officer of the Company has joined during the financial year 2017-18.

(b) Remuneration paid to Non-Executive and Independent Directors*

(₹ in Lac)

| Sr. No. | Name of Director | Remuneration of non- executive & Independent Director for financial year 2017-18 | % increase in remuneration* in the Financial year 2017-18 |
|---------|--|--|---|
| 1 | Riju Jhunjhunwala (Non-Executive) | 4.75 | 13.10% |
| 2 | Shekhar Agarwal (Non-Executive) | 4.70 | -4.08% |
| 3 | Dharmendar Nath Davar (Non-Executive & Independent Director) | 11.80 | -2.88% |
| 4 | Kamal Gupta (Non-Executive & Independent Director) | 12.80 | 13.78% |
| 5 | Satyendra Nath Bhattacharya (Non-Executive) | 3.00 | 0.00% |
| 6 | Om Parkash Bahl (Non-Executive & Independent Director) | 9.40 | -12.56% |
| 7 | Vinita Singhanian (Non-Executive & Independent Director) | 3.00 | -20.00% |
| 8 | Satish Chand Mehta (Non-Executive & Independent Director) | 4.50 | 50.00% |

* The Non-Executive Directors are only paid sitting fee for attending meetings of the Board of Directors, Independent Directors and various Committee of Directors, hence the ratio of remuneration of such Directors to median remuneration of employees has not been given. The Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 31st January, 2018, subject to approval of shareholders, have proposed to pay commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of section 198 of the Companies Act, 2013 for each year, for a period of five consecutive years starting from FY 2017-18.

(c) The median remuneration of the employees of the Company for the financial year is ₹2,86,877 per annum.

(d) Percentage increase in the median remuneration of employees in the financial year was 11%.

(e) Number of permanent employees on the rolls of the Company were 908 as on 31st March, 2018.

(f) The average increase of employee's salary (other than Shri Ravi Jhunjhunwala, Chairman, and Managing Director & CEO of the Company) was at the rate of 11% per annum. The average increase of 40% (wage settlement 33% and annual increment

7%) in remuneration to artisan is as per 4 years wage settlement - 2017-2020. For other employees, the increase is a result of individual performance rating and annual increment. The remuneration paid to Shri Jhunjunwala in the financial year 2017-18 was worked out as per terms approved by the shareholders at their Annual General Meeting held on 28th September, 2016. The remuneration paid to him in last year was worked out as per Section II of part II of Schedule V of the Companies Act, 2013, in view of the losses incurred in that year.

(g) There are no employees in the Company who received remuneration in excess of the highest paid Director of the Company during the year.

(h) It is affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

II. The information of employees receiving salary in excess of the limits as prescribed under the provisions of Section 197 read with rule 5, sub rule 2 & 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Companies (Appointment and remuneration of Managerial Personnel) Amendment Rules, 2016 under the Companies Act, 2013, who were employed throughout or for a part of the financial year under review is given as under:

a) Details of top ten employees in terms of remuneration drawn is as under

| Sr. No. | Name of Employee | Designation | Remuneration (₹ In Lacs) | Qualification | Experience | Age | Date of Commencement of Employment | Last Employment held, Organisation, Designation & Duration |
|---------|----------------------|---|--------------------------|---|------------|-----|------------------------------------|--|
| 1 | Ravi Jhunjunwala | Chairman, Managing Director & CEO | 4,332.97* | B.Com (Hons.), MBA | 38 | 63 | 08.09.1979 | - |
| 2 | Raju Rustogi | Chief Financial Officer & Chief Operating Officer | 114.90 | FCA | 26 | 51 | 16.04.2013 | SRF Ltd., Sr. Vice President, 6.5 Yrs |
| 3 | Manish Gulati | Chief Marketing Officer | 81.71 | MBA (Marketing), BE (Electronics) | 25 | 49 | 10.05.1993 | J.N.Marshal Ltd, Pune, Senior Executive & 0.5 years |
| 4 | Ranadeep Chakraborty | Associate Vice President-Maintenance | 69.29 | BE (Electronics & Communications) | 26 | 48 | 23.08.2004 | Hindalco Industries-Renukoot, DGM, 12.2 Yrs |
| 5 | Mahesh Kumar Gupta | Associate Vice President-CPP | 58.82 | BE (Mech) | 28 | 53 | 27.07.2009 | Shriram Alkali & Chemicals, Bharuch, AGM, 0.7 Yrs |
| 6 | Dr Mukul Kumar | Associate Vice President | 54.16 | P.HD (Physics), B.Sc (PCM), M.Sc (Physics) | 28 | 53 | 24.12.2012 | Mijo University Nogoyo Japan, Scientist, 12 Yrs. |
| 7 | Sanjay Kumar Singh | Sr. General Manager-HR & Admin | 53.06 | MSW (Social Work), BA (Hons)(Economics) | 29 | 52 | 10.07.2013 | Raymond VCO Denim Pvt Ltd, GM, 3.5 Yrs |
| 8 | Atul Laxman Moghe | General Manager-Maintenance | 48.72 | BE (Electronics) | 25 | 48 | 17.05.1999 | MP Iron & Steel Co. Pvt Ltd, Malanpur, Engineer, 6.3 Yrs |
| 9 | Sanjay Gupta | Deputy General Manager-Esli | 45.21 | MBA (Finance), BE (Mech), Distance Learning (Post Graduate Diploma In Financial Management) | 34 | 54 | 20.11.1996 | Nagpur Alloy Castings Ltd,Siltara,Raipur, Manager, 3.1 Yrs |
| 10 | Prashant Kumar Jha | Asstt. General Manager - Commercial | 41.51 | ICWA, PGDBM | 18 | 45 | 15.07.2011 | M/s. Timex Group Ind. Ltd., Noida, Manager 2.9 years |

* As approved by Shareholders in their Annual General Meeting held on 28th September, 2016 (including commission).

b) Statement related to employee employed throughout the year and in receipt of remuneration aggregating ₹1.02 Crores or more during the FY 2017-18

| Sr. No. | Name of Employee | Designation | Remuneration (₹ in Crores) | Qualification | Experience | Age | Date of Commencement of Employment | Last Employment held, Organisation, Designation & Duration |
|---------|------------------|---|----------------------------|--------------------|------------|-----|------------------------------------|--|
| 1 | Ravi Jhunjunwala | Chairman, Managing Director & CEO | 43.33* | B.Com (Hons.), MBA | 38 | 63 | 08.09.1979 | - |
| 2 | Raju Rustogi | Chief Financial Officer & Chief Operating Officer | 1.15 | FCA | 26 | 51 | 16.04.2013 | SRF LTD., Sr. Vice President, 6.5 Yers |

* As approved by Shareholders in their Annual General Meeting held on 28th September, 2016 (including commission).

c) Statement related to employee employed for part of the year and in receipt of remuneration aggregating ₹8.50 lacs or more per month: NA

| Sr. No. | Name of Employee | Designation | Remuneration (₹ in Lacs) | Qualification | Experience | Age | Date of Commencement of Employment | Last Employment held, Organisation, Designation & Duration |
|---------|------------------|-------------|--------------------------|---------------|------------|-----|------------------------------------|--|
| - | - | - | - | - | - | - | - | - |

Notes:

- 1 Shri Ravi Jhunjunwala is relative of Shri Riju Jhunjunwala.
- 2 As per records of the Company, no employee is holding more than 2% of the paid-up Share Capital of the Company.
- 3 All appointments are contractual in nature and terminate by notice on either side.

Annexure – II to the Board's Report**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014**

| | |
|-----------------------------------|--|
| (A) CONSERVATION OF ENERGY | |
| (a) | the steps taken or impact on conservation of energy; |
| 1, | Replaced nitrogen generation system from Cryogenic compressor to PSA system resulting in saving of 4000 to 4500 units per day |
| 2, | Conversion of LDO Oil based Incinerator to LNG based Incinerator result is better efficiency and low stack emission. |
| 3, | Installed 27 Nos 28 watt LED lights in different locations of plant in place of 70 watt conventional fittings. |
| 4, | Modification done in CCR cooling Tower Piping and desired output achieved from 2 pumps instead of 3 pumps previously running. Saving of 200 KW per day done. |
| (b) | the steps taken by the Company for utilising alternate sources of energy; Solar Plant installed for 1.13 MW and 1.87 MW is under progress. |
| (c) | the capital investment on energy conservation equipments; ₹1500 lacs |

| (B) TECHNOLOGY ABSORPTION | | |
|---|--|----------------|
| (i) the efforts made towards technology absorption | <ol style="list-style-type: none"> 1. To combat with the shortage of imported cokes, Indian cokes were tried with different recipes. Encouraging results were obtained and recommended for plant trials. 2. To address the shortage of standard-QI binder pitch, low-QI pitch was tried in R&D. Excellent results were found and plant trial of the same was also successful. 3. To reduce the oxidation of electrodes in EAF, a new anti-oxidant material was developed at R&D Center and its trial was recommended at customer end. 4. Activated carbon sphere (ACS) process developed at R&D center was established at plant and handed over to the Specialty department. 5. Activated carbon cloth (ACC) unit was modified for continuous production of ACC in plant. 6. To address the crack issues in fine-grade specialty products, a new recipe was developed at R&D and successfully executed in plant. | |
| (ii) the benefits derived like product improvement, cost reduction, product, development or import substitution: | <ol style="list-style-type: none"> 1. It was confirmed that with appropriate recipe modification, the performance of regular-coke product can be improved significantly. 2. It was established that good-quality nipples can be made with slightly lower QI pitch (9 instead of standard 12-14), as far as other properties are within spec. 3. Anti-oxidant treated electrodes are under trial at customer end; encouraging results are obtained in EAF as well. 4. The plant is now making mass production of ACS of desired size and surface area adding a new product to the company's specialty catalogue. 5. Continuous production of ACC of desired GSM, length and surface area is now operative in plant, capturing more specialized customers. 6. The crack issues in fine-grade specialty products has significantly reduced. | |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | | |
| (a) The details of technology imported | - | |
| (b) The year of import | - | |
| (c) Whether technology been fully absorbed | - | |
| (d) If not fully absorbed, areas where absorption has not taken place and the reason thereof; and | - | |
| (iv) the expenditure incurred on Research and Development | ₹186.61 Lacs | |
| (C) FOREIGN EXCHANGE EARNINGS OUTGO | | |
| 1. Activities relating to export, initiatives to increase exports, Developments of new export markets for Products and services and Export Plan. The Company has continued to maintain focus and avail of export opportunities based on economic considerations. | | |
| 2. Total foreign exchange used and earned (₹ In Lacs) | | |
| | 2017-18 | 2016-17 |
| i) Foreign Exchange Earned | 1,86,157.67 | 46,314.95 |
| ii) Foreign Exchange Used | 27,866.48 | 14,986.98 |

Annexure – III to the Board's Report

Nomination and Remuneration Policy

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and in accordance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Key Objectives of the Committee would be:

- a) to advise the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS

- (a) "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- (b) "Board" means Board of Directors of the Company.
- (c) "Key Managerial Personnel" (KMP) means—
 - (i) Chief Executive Officer or the Managing Director or the Manager;
 - (ii) Company Secretary,
 - (iii) Whole-time director;
 - (iv) Chief Financial Officer; and
 - (v) such other officer as may be prescribed.
- (d) "Senior Management" means personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

3. ROLE OF COMMITTEE

The role of the Committee inter-alia will be the following:

- a) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- b) to recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel.

- c) to carry out evaluation of Director's performance.
- d) assessing the independence of independent directors;
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) making recommendations to the Board on the remuneration/fee payable to the Directors/ KMPs/Senior Officials so appointed/re-appointed;
- g) ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- h) to devise a policy on Board diversity;
- i) to develop a succession plan for the Board and Senior Management and to regularly review the plan;
- j) such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provision of the Companies Act, 2013 and Rules thereunder.

4. MEMBERSHIP

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
However, the Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee, but shall not chair such Committee.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting

or may nominate some other member or any other Director to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

7. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. POLICY ON BOARD DIVERSITY

The Nomination and Remuneration Committee shall ensure that Board of Directors have the combination of Directors from different areas /fields or as may be considered appropriate in the best interest of the Company. The Board shall have at least one Board member who has accounting/ financial management expertise.

11. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction & training programme in place for new Directors, Key Managerial Personnel's and members of Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
3. Determining the appropriate size and composition of the Board;
4. Follow a formal and transparent procedure for selecting new Directors for appointment to the Board, Key Managerial Personnel's and Senior Management Personnel;

5. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
6. Evaluating the performance of the Board members in the context of the Company's performance from business and compliance perspective;
7. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contracts;
8. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
9. Considering any other matters as may be requested by the Board.

12. REMUNERATION DUTIES

The Committee will recommend the remuneration/fee to be paid to the Managing Director, Whole-time Director, other Directors, Key Managerial Personnel and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration/fee so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration/fee to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

1. Director / Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission/fee to be paid to Director/ Managing Director/ Whole Time Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

2. Non Executive / Independent Directors

The Non-Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

In addition to the above, they may also receive a remuneration by way of commission, collectively not exceeding 1% of Net Profit of the Company in accordance with the provisions of the Companies Act, 2013 and rules thereto.

3. Key Managerial Personnel's / Senior Management Personnel etc.

The Remuneration to be paid to Key Managerial Personnel's/

Senior Management Personnel shall be based on the experience, qualification, performance and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

4. Directors and Officers' insurance

Where any insurance is taken by the Company on behalf of its Directors, Key Managerial Personnel's/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

13. EVALUATION/ ASSESSMENT OF DIRECTORS OF THE COMPANY

The evaluation/assessment of the Directors, of the Company is to be conducted on an annual basis.

The following criteria may assist in determining how effective the performances of the Directors have been:

- Contributing to clearly defined corporate objectives & plans
- Obtain adequate, relevant & timely information from external sources
- Review of strategic and operational plans, objectives and budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & take steps for mitigation of significant corporate risks
- Assess policies, structures & procedures
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees

Additionally, for the evaluation/assessment of the performances of Managing Director(s)/Whole Time Director(s) of the Company, following criteria may also be considered:

- Leadership abilities
- Communication of expectations & concerns clearly with subordinates
- Direct, monitor & evaluate KMPs, senior officials

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/ Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

14. DISCLOSURE

The Remuneration policy and the evaluation criteria shall be disclosed in the Board's Report.

15. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

16. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case. However this shall be subject to the approval of Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.

Annexure – IV to the Board's Report

Dividend Distribution Policy

A. Definitions:

- 'Company' shall mean HEG Limited.
- 'Board' shall mean Board of Directors of the Company
- 'Members' shall mean shareholders of the Company who hold shares of the Company.
- 'Policy' shall mean Dividend Distribution Policy

B. Objective:

The objective of this document is to frame a policy for dividend distribution criteria of the Company.

C. Background:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in the annual report and on the Company's website.

D. Policy:

The Board of the Company has approved this Dividend Distribution Policy to comply with these requirements.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

The circumstances under which Members may expect dividend are based on the following factors:

- Current year profits and outlook in line with internal and external environment.
- Operating cash flows.
- Funding growth needs including working capital, capital expenditure, repayment of debt, etc.
- Dividend payout trends (the dividend payout ratio will be calculated as a percentage of dividend (including dividend tax) recommended for the year to the net profit for that year).
- Tax implications if any, on distribution of dividends.
- Providing for unforeseen events and contingencies with financial implications.

- Any other relevant factor that the Board may deem fit to consider.

The Board may declare interim dividend(s) as and when they consider it fit and recommend the final dividend to the Members for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit; the fact shall be disclosed in the Annual Report of the Company.

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

THIS DOCUMENT DOES NOT SOLICIT INVESTMENTS IN THE COMPANY'S SECURITIES. NOR IT IS AN ASSURANCE OF GUARANTEED RETURNS (IN ANY FORM), FOR INVESTMENTS IN THE COMPANY'S EQUITY SHARES.

Annexure – V to the Board's Report

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
HEG Limited
Mandideep,
Near Bhopal, Dist Raisen
Madhya Pradesh - 462046

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by HEG LIMITED (CIN: L23109MP1972PLC008290) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on 31st March, 2018 according to the provisions of:

- I.
 - The Companies Act, 2013 (the Act) and the rules made thereunder.
 - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
 - The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.
 - Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of External Commercial Borrowings.
 - The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended from time to time;
 - c. The Securities and Exchange Board of India (Registrar to

- an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period);
 - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014; (Not applicable to the Company during the audit period);
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period); and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above.

II.

- The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
- The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder
- The Environment (Protection) Act 1986 and amended upto 1991) and The Environment (Protection) Rules 1986 & Amendment Rules, 2006
- The Hazardous Waste (Management Handling and Transboundary Movement) Rules, 2008 and amendment up to 2010
- Indian Boiler Act No. V of 1923 & amended 1960
- The Indian Electricity Act 2003, amendment up to 2007 and The Indian electricity rule 1956 amended up to 2000
- Central Sales Tax, 1956 as amended from time to time and rules made thereunder
- Entry Tax Act, 1976 (Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976)
- Factories Act 1948 as amended in 1987 along with Madhya Pradesh Factories Rules, 1962
- Workmen's Compensation Act, 1923 and Workmen's Compensation (Madhya Pradesh) Rules, 1962 and Madhya Pradesh Workmen's Compensation (Occupational Diseases) Rules, 1963

- Employees' Provident Funds And Miscellaneous Provisions Act, 1952 as amended from time to time and rules made thereunder
- Employees' State Insurance Act, 1948 as amended from time to time and rules made thereunder
- Contract Labour (Regulation and Abolition) Act, 1970 as amended from time to time and rules made thereunder
- The Maternity Benefit Act, 1961 as amended from time to time and rules made thereunder
- Payment of Wages Act, 1936 as amended from time to time and rules made thereunder
- Minimum Wages Act, 1948 as amended from time to time and rules made thereunder
- The Payment of Bonus Act, 1965 as amended from time to time and rules made thereunder
- Madhya Pradesh VAT Act, 2002 as amended from time to time and rules made thereunder
- Manufacture, Storage and Import of Hazardous Chemicals Rules 1989 and Amendment Rules, 2000
- Public Liability Insurance Act, 1991 amended upto 1992 & Rules 1991 amended upto 2003
- Sexual harassment of women at the workplace (Prevention, Prohibition, Redressal) Act, 2013
- Private Security Agencies (Regulation) Act, 2009

During the year under review, the Company has filed periodical return and has not received any show cause notice and has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its officers on systems and mechanism formed by the Company for compliance under other Act, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Central Government
- The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while there has been no member dissenting from the decisions arrived.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, the Board of Directors appointed Mr. Vivek Chaudhary as Company Secretary and Compliance Officer of the Company on 30th May, 2017.

We further report that the Company has passed special resolution at its Annual General Meeting held on 22nd

September 2017, to approve issue of Redeemable Non-Convertible Debentures on private placement basis, in one or more tranches, for an amount not exceeding Rs. 200 crores during a period of one year from the date of passing of resolution. The Company has not issued any Redeemable Non-Convertible Debentures, pursuant to the above mentioned authorization as on the date of this report.

We further report that the Company's Wholly Owned Subsidiary i.e., HEG Graphite Products and Services Limited, is being closed in pursuance of Section 248 (2) of the Companies Act, 2013.

For GSK & Associates
(Company Secretaries)

Saket Sharma
Partner

(Membership No.: F4229)
(CP No.: 2565)

Date: 8th May, 2018
Place: Noida

Annexure – VI to the Board's Report

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2017-2018

PART-A

| | | |
|---|--|--|
| 1 | A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs and the Composition of the CSR Committee. | Refer to Point no.27 on Corporate Social Responsibility in Board's Report. |
| 2 | Average net Profit of the Company for last three financial years: | ₹(26.40) Lacs |
| 3 | Prescribed CSR Expenditure (two percent of the amount as in item 2 above): | ₹Nil |
| 4 | Details of CSR spent during the financial year 2017-18: | |
| | a. Total amount to be spent for the financial year 2017-18: | Nil |
| | b. Total amount spent during the financial year 2017-18: | ₹92.10 Lacs |
| | c. Amount unspent, if any: | N.A. |
| | d. Manner in which the amount spent during the financial year: | As detailed below |

Manner in which the amount spent during the financial year 2017-18

| S. No | CSR project or activity identified | Sector in which the Project is covered | Projects or programs 1. Local area or other 2. specify the state and district where projects or programs were undertaken | Amount outlay (budget) projector programs-wise (₹ in lacs) | Amount spent on the projects or programs. (₹ in lacs) Subheads: I. Direct expenditure on projects or programs. II. Overheads: | Cumulative expenditure (upto the reporting period) amount upto (₹ in lacs) | Amount spent direct or through implementing agency |
|-------|--|--|--|--|--|--|--|
| I | | | | | | | |
| 1 | Promotion of Education: 1. Free education to BPL Students of Graphite School 2. Scholarship for higher education to poor students 3. Computer Centre at Tawa 4. Educationbal help to handicap students 5. Promotes sports | Promotion of Education | Mandideep-Dist. Raisen (M.P) / Tawa Nagar, Distt - Hoshangabad (M.P.) / Bhopal (M.P.) | - | 18.36 | 18.36 | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |
| 2 | Other CSR initiatives (As per CSR Policy of the Company & as per schedule VII of the Companies Act, 2013) | Community development / Healthcare / Eradicating hunger, poverty and malnutrition / Environment Development / Animal welfare / Protection of National heritage / Promotion of art and culture / Vocational Skill & rural development | Mandideep-Dist. Raisen (M.P) / Tawa Nagar , Distt - Hoshangabad (M.P.) /New Delhi / NCR | - | 71.75 | 71.75 | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |
| | 2(a) Health care | Promoting health care including preventive health care | (Medicines to Seva Bharti) Mandideep-Dist. Raisen (M.P) | - | 2.97 | 2.97 | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |
| | 2(b) Feeding hunger | Eradicating hunger, poverty and malnutrition | (Delhi Langar Seva Society) Delhi NCR | - | 4.00 | 4.00 | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |

| S. No | CSR project or activity identified | Sector in which the Project is covered | Projects or programs 1. Local area or other 2. specify the state and district where projects or programs were undertaken | Amount outlay (budget) projector programs-wise (₹ in lacs) | Amount spent on the projects or programs. (₹ in lacs) Subheads: I. Direct expenditure on projects or programs. II. Overheads: | Cumulative expenditure (upto the reporting period) amount upto (₹ in lacs) | Amount spent direct or through implementing agency |
|-----------|--|---|--|--|--|--|--|
| | 2(c) Vocational Skill & rural development | Employment enhancing vocational skills | (Sewing Centre) Tawa Nagar, Distt - Hoshangabad (M.P.) | - | - | - | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |
| | 2 (d) Plantation & Environment development | Clean India Mission | (Clean India Mission) Mandideep-Dist. Raisen (M.P) / Tawa Nagar , Distt - Hoshangabad (M.P.) | - | 2.78 | 2.78 | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |
| | 2(e) Animal welfare | Animal welfare | (People for Animals Trust) Delhi NCR | - | 2.00 | 2.00 | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |
| | 2 (f) Protection of National heritage, art & culture | Restoration & maintenance of national heritage, art and culture | (Restoration & maintenance of Vivekananda Museum) Shri Ramkrishna Mission, New Delhi | - | 8.00 | 8.00 | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |
| | 2 (g) Protection / promotion and development of art & culture | Promoting art and culture / language | (Rekhta Foundation) Delhi NCR | - | 2.00 | 2.00 | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |
| | 2(h) Measures for the benefit of armed forces veterans,war widows and their dependents | Community development | (Bharat Ke Veer) New Delhi | - | 50.00 | 50.00 | Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas* |
| II | | | | | | | |
| | Overheads | | | - | 1.99 | 1.99 | |
| | TOTAL | | | - | 92.10 | 92.10 | |

*LNJ Bhilwara HEG Lok Nyas is a Public Charitable Trust promoted by the Company to undertake activities of community development, social development, rural development and related subjects for the welfare of society, any where in India but more specifically in MP, Bhopal and District of Raisen.

PART-B

Reason for not spending the amount as given in point no. 4(c) of (PART-A) above:- N.A.

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
Ravi Jhunjhunwala
 Chairman, Managing Director & CEO
 Chairman, CSR Committee
 8th May, 2018

Annexure – VII to the Board's Report

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

[Pursuant To Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| 1 | CIN | L23109MP1972PLC008290 |
| 2 | Registration Date | 27/10/1972 |
| 3 | Name of the Company | HEG Limited |
| 4 | Category / Sub-Category of the Company | Company Limited by Shares |
| 5 | Address of the Registered office and contact details | Mandideep, Near Bhopal, Distt. Raisen, Madhya Pradesh - 462046 Phone: 91(07480) 233524 to 233527 Fax: 91(07480) 233522 Email: heg.investor@lnjbhilwara.com website: www.hegltd.com |
| 6 | Whether listed Company | Yes |
| 7 | Name, Address and Contact details of Registrar and Transfer Agent | MCS Share Transfer Agent Ltd., F-65, First Floor, Okhla Industrial Area, Phase -I, New Delhi - 110020, Phone: 011 -41406149, Fax: 011-41709881, E- mail: mcssta@rediffmail.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

| Sl. No. | Name and Description of main products/ services | NIC Code of the Product / Service | % to total turnover of the Company |
|---------|---|-----------------------------------|------------------------------------|
| 1. | Graphite Electrode | 329 | 99.29% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and address of the Company | CIN | Holding / Subsidiary / Associate | % of Shares held | Applicable section |
|---------|---|-----------------------|----------------------------------|------------------|--------------------|
| 1* | HEG Graphite Products And Services Ltd* Mandideep, Near Bhopal Madhya Pradesh - 462046. | U31908MP2009PLC022414 | Subsidiary | 100% | 2(87) |
| 2 | Bhilwara Energy Ltd Bhilwara Bhawan 40-41, Community Centre, New Friends Colony, New Delhi - 110065. | U31101DL2006PLC148862 | Associate | 29.49% | 2(6) |
| 3 | Bhilwara Infotechnology Ltd 40-41, Community Centre, New Friends Colony, New Delhi - 110065. | U74899DL2000PLC104401 | Associate | 38.59% | 2(6) |

*Strike Off during the financial year 2017-18 (Refer S.No. 1 of above table):

HEG Graphite Products and Services Ltd, a wholly owned subsidiary ("WOS") of the Company, the name of which has been struck-off under Section 248(5) of the Companies Act, 2013, upon the application made by WOS under Section 248(2) of the Companies Act, 2013, from the Register of Companies and WOS stands dissolved w.e.f. 21st December, 2017.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of shares held at the beginning of the year (as on 01.04.2017) | | | | No. of shares held at the end of the year (as on 31.03.2018) | | | | % change during the year |
|---|--|----------|--------------------|-------------------|--|----------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a. Individual/ HUF | 12,77,588 | 0 | 12,77,588 | 3.20 | 12,99,188 | 0 | 12,99,188 | 3.25 | 0.05 |
| b. Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. State Govt. (s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. Bodies Corp. | 1,03,97,055 | 0 | 1,03,97,055 | 26.02 | 1,12,72,684 | 0 | 1,12,72,684 | 28.21 | 2.19 |
| e. Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f. Any other. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (1) | 1,16,74,643 | 0 | 1,16,74,643 | 29.22 | 1,25,71,872 | 0 | 1,25,71,872 | 31.46 | 2.24 |
| (2) Foreign | | | | | | | | | |
| a. NRIs Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. Bodies Corp. | 1,18,18,107 | 0 | 1,18,18,107 | 29.58 | 1,18,18,107 | 0 | 1,18,18,107 | 29.58 | 0 |
| d. Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. Any other. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A)(2) | 1,18,18,107 | 0 | 1,18,18,107 | 29.58 | 1,18,18,107 | 0 | 1,18,18,107 | 29.58 | 0 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 2,34,92,750 | 0 | 2,34,92,750 | 58.79 | 2,43,89,979 | 0 | 1,25,71,872 | 61.04 | 2.24 |

| Category of Shareholders | No. of shares held at the beginning of the year (as on 01.04.2017) | | | | No. of shares held at the end of the year (as on 31.03.2018) | | | | % change during the year |
|---|--|-----------------|--------------------|-------------------|--|-----------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a. Mutual Funds | 10,801 | 5,150 | 15,951 | 0.04 | 8,77,957 | 2,950 | 8,80,907 | 2.20 | 2.16 |
| b. Banks/FI | 3,48,948 | 222 | 3,49,170 | 0.87 | 2,488 | 222 | 2,710 | 0.01 | -0.86 |
| c. Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f. Insurance Companies | 38,26,475 | 0 | 38,26,475 | 9.58 | 38,22,082 | 0 | 38,22,082 | 9.56 | -0.02 |
| g. FII's | 2,59,460 | 0 | 2,59,460 | 0.65 | 15,86,406 | 0 | 15,86,406 | 3.97 | 3.32 |
| h. Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i. Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1) | 44,45,684 | 5,372 | 44,51,056 | 11.14 | 62,88,933 | 3,172 | 62,92,105 | 15.75 | 4.61 |
| (2) Non-institutions | | | | | | | | | |
| a. Bodies Corp. Indian | 31,48,902 | 14,003 | 31,62,905 | 7.92 | 35,93,952 | 7,146 | 36,01,098 | 9.01 | 1.09 |
| b. Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 Lac | 37,61,337 | 9,54,388 | 47,15,725 | 11.80 | 36,89,550 | 7,15,888 | 44,05,438 | 11.02 | -0.78 |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 Lac | 10,53,786 | 0 | 10,53,786 | 2.64 | 9,50,020 | 0 | 9,50,020 | 2.38 | -0.26 |
| c. Others (specify) | | | | | | | | | |
| NBFC Registered with RBI | 7,547 | 0 | 7,547 | 0.02 | 13,385 | 0 | 13,385 | 0.03 | 0.01 |
| Foreign Corporate Body | 28,93,888 | 0 | 28,93,888 | 7.24 | 0 | 0 | 0 | 0 | -7.24 |
| NRI | 1,66,688 | 1,745 | 1,68,433 | 0.42 | 1,35,104 | 1,561 | 1,36,665 | 0.34 | -0.08 |
| Trusts | 12,852 | 200 | 13,052 | 0.03 | 290 | 200 | 490 | 0.00 | -0.03 |
| Sub-total (B)(2) | 1,10,45,000 | 9,70,336 | 1,20,15,336 | 30.07 | 85,52,263 | 7,24,795 | 92,77,058 | 23.22 | -6.85 |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 1,54,90,684 | 9,75,708 | 1,64,66,392 | 41.21 | 1,48,41,196 | 7,27,967 | 1,55,69,163 | 38.96 | -2.25 |
| C. Shares held by custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 3,89,83,434 | 9,75,708 | 3,99,59,142 | 100 | 3,92,31,175 | 7,27,967 | 3,99,59,142 | 100 | 0 |

ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|---------|-------------------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
| | | No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares | No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares | |
| 1 | Norbury Investments Ltd | 53,62,991 | 13.42 | 0 | 53,62,991 | 13.42 | 0 | 0 |
| 2 | Microlight Investments Ltd | 46,65,579 | 11.68 | 0 | 46,65,579 | 11.68 | 0 | 0 |
| 3 | Bharat Investments Growth Ltd | 26,09,598 | 6.53 | 0 | 26,09,598 | 6.53 | 0 | 0 |
| 4 | Purvi Vanijya Niyojan Ltd | 17,45,350 | 4.37 | 0 | 17,45,350 | 4.37 | 0 | 0 |
| 5 | Raghav Commercial Ltd | 15,33,166 | 3.84 | 0 | 15,33,166 | 3.84 | 0 | 0 |
| 6 | Mekima Corporation | 17,89,537 | 4.48 | 0 | 17,89,537 | 4.48 | 0 | 0 |
| 7 | RSWM Ltd | 9,78,000 | 2.45 | 0 | 9,78,000 | 2.45 | 0 | 0 |
| 8 | LNJ Financial Services Ltd | 13,08,798 | 3.28 | 0 | 14,27,465 | 3.57 | 0 | 0.29 |
| 9 | Shashi Commercial Company Ltd | 7,15,187 | 1.79 | 0 | 7,15,187 | 1.79 | 0 | 0 |
| 10 | Giltedged Industrial Securities Ltd | 5,04,668 | 1.26 | 0 | 5,04,668 | 1.26 | 0 | 0 |
| 11 | Riju Jhunjunwala | 2,33,290 | 0.58 | 0 | 2,33,290 | 0.58 | 0 | 0 |
| 12 | Rita Jhunjunwala | 2,24,312 | 0.56 | 0 | 2,24,312 | 0.56 | 0 | 0 |
| 13 | India Texfab Marketing Ltd | 2,18,851 | 0.55 | 0 | 2,18,851 | 0.55 | 0 | 0 |
| 14 | Ravi Jhunjunwala –HUF | 2,14,710 | 0.54 | 0 | 2,14,710 | 0.54 | 0 | 0 |
| 15 | Rishabh Jhunjunwala | 1,86,126 | 0.47 | 0 | 1,86,126 | 0.47 | 0 | 0 |
| 16 | Lakshmi Niwas Jhunjunwala | 1,79,740 | 0.45 | 0 | 1,79,740 | 0.45 | 0 | 0 |
| 17 | Ravi Jhunjunwala | 1,36,060 | 0.34 | 0 | 1,36,060 | 0.34 | 0 | 0 |
| 18 | Mani Devi Jhunjunwala | 1,03,350 | 0.26 | 0 | 1,03,350 | 0.26 | 0 | 0 |
| 19 | Nivedan Vanijya Niyojan Ltd | 70,597 | 0.18 | 0 | 70,597 | 0.18 | 0 | 0 |
| 20 | Investors India Ltd | 38,382 | 0.10 | 0 | 38,382 | 0.10 | 0 | 0 |
| 21 | Sandhu Auto Deposits Ltd | 4,31,365 | 1.08 | 0 | 5,67,226 | 1.42 | 0 | 0.34 |
| 22 | M.L. Finlease Pvt Ltd | 2,43,093 | 0.61 | 0 | 3,66,797 | 0.92 | 0 | 0.31 |
| 23 | Deepak Pens & Plastic Pvt Ltd | 0 | 0 | 0 | 4,97,397 | 1.24 | 0 | 1.24 |
| 24 | Nivedan Churiwal | 0 | 0 | 0 | 11,250 | 0.03 | 0 | 0.03 |
| 25 | Shubha Churiwal | 0 | 0 | 0 | 7,850 | 0.02 | 0 | 0.02 |
| 26 | Sudha Churiwal | 0 | 0 | 0 | 2,500 | 0.01 | 0 | 0.01 |
| | Total | 2,34,92,750 | 58.79 | 0 | 2,43,89,979 | 61.04 | 0 | 2.25 |

iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | At the beginning of the year | 2,34,92,750 | 58.79 | 2,34,92,750 | 58.79 |
| 2 | At the end of the year | 2,43,89,979 | 61.04 | 2,43,89,979 | 61.04 |

There are following changes in Promoters' shareholding during the Financial year 2017-18:

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease In shareholding | Reason | Cumulative shareholding during the Year (01-04-17 to 31-03-18) | |
|---------|-------------------------------|---|----------------------------------|----------|-------------------------------------|--------|--|----------------------------------|
| | | No of shares at beginning (01-04-17) / end of the year (31-03-18) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | LNJ Financial Services Ltd | 13,08,798 | 3.28 | 01.04.17 | | | | |
| | | | | 11.08.17 | 1,18,667 | Buy | 14,27,465 | 3.57 |
| | | 14,27,465 | 3.57 | 31.03.18 | | | 14,27,465 | 3.57 |
| 2 | Sandhu Auto Deposits Ltd | 4,31,365 | 1.08 | 01.04.17 | | | | |
| | | | | 18.08.17 | 1,15,427 | Buy | 5,46,792 | 1.37 |
| | | | | 25.08.17 | 20,434 | Buy | 5,67,226 | 1.42 |
| | | 5,67,226 | 1.42 | 31.03.18 | | | 5,67,226 | 1.42 |
| 3 | M.L. Finlease Pvt Ltd | 2,43,093 | 0.61 | 01.04.17 | | | | |
| | | | | 11.08.17 | 1,23,704 | Buy | 3,66,797 | 0.92 |
| | | 3,66,797 | 0.92 | 31.03.18 | | | 3,66,797 | 0.92 |
| 4 | Deepak Pens & Plastic Pvt Ltd | 0 | 0 | 01.04.17 | | | | |
| | | | | 25.08.17 | 2,50,900 | Buy | 2,50,900 | 0.63 |
| | | | | 01.09.17 | 1,88,492 | Buy | 4,39,392 | 1.10 |
| | | | | 08.09.17 | 58,005 | Buy | 4,97,397 | 1.24 |
| | | 4,97,397 | 1.24 | 31.03.18 | | | 4,97,397 | 1.24 |
| 5 | Nivedan Churiwal | 0 | 0 | 01.04.17 | | | | |
| | | | | 18.08.17 | 4,200 | Buy | 4,200 | 0.01 |
| | | | | 01.09.17 | 5,550 | Buy | 9,750 | 0.02 |
| | | | | 22.09.17 | 1,500 | Buy | 11,250 | 0.03 |
| | | 11,250 | 0.03 | 31.03.18 | | | 11,250 | 0.03 |
| 6 | Shubha Churiwal | 0 | 0 | 01.04.17 | | | | |
| | | | | 18.08.17 | 6,000 | Buy | 6,000 | 0.02 |
| | | | | 01.09.17 | 850 | Buy | 6,850 | 0.02 |
| | | | | 22.09.17 | 1,000 | Buy | 7,850 | 0.02 |
| | | 7,850 | 0.02 | 31.03.18 | | | 7,850 | 0.02 |
| 7 | Sudha Churiwal | 0 | 0 | 01.04.17 | | | | |
| | | | | 25.08.17 | 2,500 | Buy | 2,500 | 0.01 |
| | | 2,500 | 0.01 | 31.03.18 | | | 2,500 | 0.01 |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease In shareholding | Reason | Cumulative shareholding during the Year (01-04-17 to 31-03-18) | |
|---------|---|---|----------------------------------|----------|-------------------------------------|------------------------------|--|----------------------------------|
| | | No of shares at beginning (01-04-17) / end of the year (31-03-18) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | Life Insurance Corporation of India | 33,33,963 | 8.34 | 01.04.17 | 0 | Nil movement during the year | 33,33,963 | 8.34 |
| | | 33,33,963 | 8.34 | 31.03.18 | | | 33,33,963 | 8.34 |
| 2 | Pacific Management Pvt Ltd | 5,58,526 | 1.40 | 01.04.17 | | | | |
| | | | | 08.04.17 | -88,575 | Transfer | 4,69,951 | 1.18 |
| | | | | 18.08.17 | 54,082 | Transfer | 5,24,033 | 1.31 |
| | | | | 25.08.17 | 39,001 | Transfer | 5,63,034 | 1.41 |
| | | | | 24.11.17 | 10,000 | Transfer | 5,73,034 | 1.43 |
| | | 5,73,034 | | 31.03.18 | | | 5,73,034 | 1.43 |
| 3 | The New India Assurance Company Ltd | 4,92,362 | 1.23 | 01.04.17 | | | | |
| | | | | 23.06.17 | -5,393 | Transfer | 4,86,969 | 1.22 |
| | | 4,86,969 | 1.22 | 31.03.18 | | | 4,86,969 | 1.22 |
| 4 | L&T Mutual Fund Trustee Limited- L&T Emerging Business Fund | 0 | 0 | 01.04.17 | | | | |
| | | | | 22.09.17 | 1,70,000 | Transfer | 1,70,000 | 0.43 |
| | | | | 29.09.17 | 1,92,000 | Transfer | 3,62,000 | 0.91 |
| | | | | 06.10.17 | 13,269 | Transfer | 3,75,269 | 0.94 |
| | | | | 13.10.17 | 20,000 | Transfer | 3,95,269 | 0.99 |
| | | | | 27.10.17 | 24,583 | Transfer | 4,19,852 | 1.05 |
| | | | | 31.10.17 | -1,30,000 | Transfer | 2,89,852 | 0.73 |
| | | | | 03.11.17 | -40,000 | Transfer | 2,49,852 | 0.63 |
| | | | | 10.11.17 | -20,000 | Transfer | 2,29,852 | 0.58 |
| | | | | 17.11.17 | 32,248 | Transfer | 2,62,100 | 0.66 |
| | | | | 24.11.17 | 5,000 | Transfer | 2,67,100 | 0.67 |
| | | | | 01.12.17 | 25,000 | Transfer | 2,92,100 | 0.73 |
| | | | | 08.12.17 | 15,657 | Transfer | 3,07,757 | 0.77 |
| | | | | 15.12.17 | 24,882 | Transfer | 3,32,639 | 0.83 |
| | | | | 02.02.18 | -30,000 | Transfer | 3,02,639 | 0.76 |
| | | | | 09.02.18 | 18,319 | Transfer | 3,20,958 | 0.80 |
| | | | | 16.02.18 | 65,000 | Transfer | 3,85,958 | 0.97 |
| | | 02.03.18 | 10,000 | Transfer | 3,95,958 | 0.99 | | |
| | | 09.03.18 | 31,186 | Transfer | 4,27,144 | 1.07 | | |
| | | 23.03.18 | 30,556 | Transfer | 4,57,700 | 1.15 | | |
| | | 4,57,700 | 1.15 | 31.03.18 | | | 4,57,700 | 1.15 |

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease In shareholding | Reason | Cumulative shareholding during the Year (01-04-17 to 31-03-18) | |
|---------|------------------------------|---|----------------------------------|----------|-------------------------------------|----------|--|----------------------------------|
| | | No of shares at beginning (01-04-17) / end of the year (31-03-18) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 5 | Morgan Stanley (France) S.A. | 0 | 0 | 01.04.17 | | | | |
| | | | | 14.01.17 | 509 | Transfer | 509 | 0 |
| | | | | 21.04.17 | 641 | Transfer | 1,150 | 0 |
| | | | | 28.04.17 | 274 | Transfer | 1,424 | 0 |
| | | | | 05.05.17 | 1,242 | Transfer | 2,666 | 0.01 |
| | | | | 12.05.17 | 463 | Transfer | 3,129 | 0.01 |
| | | | | 19.05.17 | 483 | Transfer | 3,612 | 0.01 |
| | | | | 26.05.17 | 473 | Transfer | 4,085 | 0.01 |
| | | | | 02.06.17 | 1,245 | Transfer | 5,330 | 0.01 |
| | | | | 09.06.17 | 292 | Transfer | 5,622 | 0.01 |
| | | | | 16.06.17 | 2,038 | Transfer | 7,660 | 0.02 |
| | | | | 23.06.17 | 1,600 | Transfer | 9,260 | 0.02 |
| | | | | 30.06.17 | 521 | Transfer | 9,781 | 0.02 |
| | | | | 07.07.17 | 12,578 | Transfer | 22,359 | 0.06 |
| | | | | 14.07.17 | 6,421 | Transfer | 28,780 | 0.07 |
| | | | | 21.07.17 | -1,870 | Transfer | 26,910 | 0.07 |
| | | | | 04.08.17 | -419 | Transfer | 26,491 | 0.07 |
| | | | | 11.08.17 | 1,208 | Transfer | 27,699 | 0.07 |
| | | | | 25.08.17 | 9,198 | Transfer | 36,897 | 0.09 |
| | | | | 01.09.17 | 4,152 | Transfer | 41,049 | 0.10 |
| | | | | 08.09.17 | -5,532 | Transfer | 35,517 | 0.09 |
| | | | | 15.09.17 | -2,692 | Transfer | 32,825 | 0.08 |
| | | | | 22.09.17 | -3,127 | Transfer | 29,698 | 0.07 |
| | | | | 06.10.17 | 3,204 | Transfer | 32,902 | 0.08 |
| | | | | 27.10.17 | 569 | Transfer | 33,471 | 0.08 |
| | | | | 03.11.17 | -1,168 | Transfer | 32,303 | 0.08 |
| | | 10.11.17 | -3,963 | Transfer | 28,340 | 0.07 | | |
| | | 24.11.17 | 26,860 | Transfer | 55,200 | 0.14 | | |
| | | 01.12.17 | 17,157 | Transfer | 72,357 | 0.18 | | |
| | | 08.12.17 | 13,862 | Transfer | 86,219 | 0.22 | | |
| | | 15.12.17 | 35,355 | Transfer | 1,21,574 | 0.30 | | |
| | | 22.12.17 | -3,895 | Transfer | 1,17,679 | 0.29 | | |
| | | 29.12.17 | 41,727 | Transfer | 1,59,406 | 0.40 | | |
| | | 05.01.18 | 75,997 | Transfer | 2,35,403 | 0.59 | | |
| | | 12.01.18 | 80,534 | Transfer | 3,15,937 | 0.79 | | |
| | | 19.01.18 | 56,053 | Transfer | 3,71,990 | 0.93 | | |
| | | 26.01.18 | 31,348 | Transfer | 4,03,338 | 1.01 | | |

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease In shareholding | Reason | Cumulative shareholding during the Year (01-04-17 to 31-03-18) | |
|---------|---|---|----------------------------------|----------|-------------------------------------|------------------------------|--|----------------------------------|
| | | No of shares at beginning (01-04-17) / end of the year (31-03-18) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| | | | | 02.02.18 | -8,720 | Transfer | 3,94,618 | 0.99 |
| | | | | 09.02.18 | 5,289 | Transfer | 3,99,907 | 1.00 |
| | | | | 16.02.18 | 1,121 | Transfer | 4,01,028 | 1.00 |
| | | | | 02.03.18 | 6,744 | Transfer | 4,07,772 | 1.02 |
| | | | | 09.03.18 | 13,705 | Transfer | 4,21,477 | 1.05 |
| | | | | 23.03.18 | -33,493 | Transfer | 3,87,984 | 0.97 |
| | | 3,87,984 | 0.97 | 31.03.18 | -41,280 | Transfer | 3,46,704 | 0.87 |
| 6 | Kotyark Distributors Pvt Ltd | 3,03,363 | 0.76 | 01.04.17 | 0 | Nil movement during the year | 3,03,363 | 0.76 |
| | | 3,03,363 | 0.76 | 31.03.18 | | | 3,03,363 | 0.76 |
| 7 | Inter Globe Infraclog Limited | 0 | 0 | 01.04.17 | | | | |
| | | | | 09.02.18 | | Transfer | 2,64,495 | 0.66 |
| | | 2,64,495 | 0.66 | 31.03.18 | | | 2,64,495 | 0.66 |
| 8 | Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard Equity Index Funds | 0 | 0 | 01.04.17 | | | | |
| | | | | 23.03.18 | 2,44,824 | Transfer | 2,44,824 | 0.61 |
| | | 2,44,824 | 0.61 | 31.03.18 | -1,350 | Transfer | 2,43,474 | 0.61 |
| 9 | Vanguard Total International Stock Index Fund | 0 | 0 | 01.04.17 | | | | |
| | | | | 23.03.18 | 2,12,941 | Transfer | 2,12,941 | 0.53 |
| | | 2,12,941 | 0.53 | 31.03.18 | | | 2,12,941 | 0.53 |
| 10 | JDM Financial Services Limited | 0 | 0 | 01.04.17 | | | | |
| | | | | 08.12.17 | 2,12,000 | Transfer | 2,12,000 | 0.53 |
| | | 2,12,000 | 0.53 | 31.03.18 | | | 2,12,000 | 0.53 |
| 11 | Sarita Computers Pvt Ltd. | 2,28,333 | 0.57 | 01.04.17 | | | | |
| | | | | 04.08.17 | -30,518 | Transfer | 1,97,815 | 0.50 |
| | | 1,97,815 | 0.50 | 31.03.18 | | | 1,97,815 | 0.50 |
| 12 | GPC Mauritius II LLC | 28,93,888 | 7.24 | 01.04.17 | | | | |
| | | | | 30.06.17 | -50,000 | Transfer | 28,43,888 | 7.12 |
| | | | | 07.07.17 | -8,472 | Transfer | 28,35,416 | 7.10 |
| | | | | 14.07.17 | -1,68,280 | Transfer | 26,67,136 | 6.67 |
| | | | | 21.07.17 | -1,902 | Transfer | 26,65,234 | 6.67 |
| | | | | 11.08.17 | -9,25,000 | Transfer | 17,40,234 | 4.36 |
| | | | | 18.08.17 | -3,89,000 | Transfer | 13,51,234 | 3.38 |
| | | | | 25.08.17 | -7,79,000 | Transfer | 5,72,234 | 1.43 |
| | | | | 01.09.17 | -5,72,234 | Transfer | 0 | 0 |
| | | 0 | 0 | 31.03.18 | | | 0 | 0 |

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease In shareholding | Reason | Cumulative shareholding during the Year (01-04-17 to 31-03-18) | |
|---------|---|---|----------------------------------|----------|-------------------------------------|----------|--|----------------------------------|
| | | No of shares at beginning (01-04-17) / end of the year (31-03-18) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 13 | Life insurance Corporation of India P & GS Fund | 3,42,383 | 0.86 | 01.04.17 | | | | |
| | | | | 26.01.18 | -77,055 | Transfer | 2,65,328 | 0.66 |
| | | | | 02.02.18 | -60,413 | Transfer | 2,04,915 | 0.51 |
| | | | | 23.02.18 | -50,375 | Transfer | 1,54,540 | 0.39 |
| | | | | 02.03.18 | -77,888 | Transfer | 76,652 | 0.19 |
| | | | | 09.03.18 | -34,951 | Transfer | 41,701 | 0.10 |
| | | | | 16.03.18 | -41,701 | Transfer | 0 | 0 |
| | | 0 | 0 | 31.03.18 | | | 0 | 0 |
| 14 | Inter Globe Infralog Limited | 2,64,495 | 0.66 | 01.04.17 | | | | |
| | | | | 09.02.18 | -2,64,495 | Transfer | | |
| | | 0 | 0 | 31.03.18 | 0 | | 0 | 0 |
| 15 | Apex Holdings Limited | 2,52,322 | 0.63 | 01.04.17 | | | | |
| | | | | 08.09.17 | -50,000 | Transfer | 2,02,322 | 0.51 |
| | | | | 01.12.17 | 2,02,322 | Transfer | 0 | 0 |
| | | 0 | 0 | 31.03.18 | | | 0 | 0 |
| 16 | East India Securities Limited | 1,70,000 | 0.43 | 01.04.17 | | | 1,70,000 | 0.43 |
| | | | | 29.09.17 | -55,000 | Transfer | 1,15,000 | 0.29 |
| | | | | 22.12.17 | -21,900 | Transfer | 93,100 | 0.23 |
| | | | | 05.01.18 | -100 | Transfer | 93,000 | 0.23 |
| | | | | 09.02.18 | -93,000 | Transfer | 0 | 0 |
| | | 0 | 0 | 31.03.18 | | | 0 | 0 |

Note: Shareholders appearing at Sl. No. 11 to 16 ceased to be in the list of top 10 shareholders as on 31st March, 2018. The same are reflected above since the shareholders were in the list of the top 10 shareholders as on 1st April, 2017. Shareholder appearing at Sr. No. 7 and 14 is having two separate DP ID / CL IDs.

v) Shareholding of Directors and key Managerial Personnel:

| Sl. No. | Name of Directors / KMPs | Shareholding | | Date | Increase / Decrease In shareholding | Reason | Cumulative shareholding during the Year (01-04-17 to 31-03-18) | |
|---------|---|---|----------------------------------|------------|-------------------------------------|------------------------------|--|----------------------------------|
| | | No of shares at beginning (01-04-17) / end of the year (31-03-18) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | Shri Ravi Jhunjunwala Chairman, Managing Director & CEO | 3,50,770 | 0.88 | 01.04.2017 | 0 | Nil Movement during the year | 3,50,770 | 0.88 |
| | | 3,50,770* | 0.88 | 31.03.2018 | | | 3,50,770 | 0.88 |

| Sl. No. | Name of Directors / KMPs | Shareholding | | Date | Increase / Decrease In shareholding | Reason | Cumulative shareholding during the Year (01-04-17 to 31-03-18) | |
|---------|--|---|----------------------------------|------------|-------------------------------------|------------------------------|--|----------------------------------|
| | | No of shares at beginning (01-04-17) / end of the year (31-03-18) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 2 | Shri Dharmendar Nath Davar, Non Executive Director | 1,500 | 0.00 | 01.04.2017 | 0 | Nil Movement during the year | 1,500 | 0.00 |
| | | 1,500 | 0.00 | 31.03.2018 | | | 1,500 | 0.00 |
| 3 | Dr. Kamal Gupta, Non Executive Director | 200 | 0.00 | 01.04.2017 | 0 | Nil Movement during the year | 200 | 0.00 |
| | | 200 | 0.00 | 31.03.2018 | | | 200 | 0.00 |
| 4 | Shri Riju Jhunjunwala Non Executive Director | 2,33,290 | 0.58 | 01.04.2017 | 0 | Nil Movement during the year | 2,33,290 | 0.58 |
| | | 2,33,290 | 0.58 | 31.03.2018 | | | 2,33,290 | 0.58 |

* Includes 2,14,710 Equity Shares of Ravi Jhunjunwala (HUF).

Note: Except as mentioned in the above table, no other Director/KMP of the Company holds any Equity Shares in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Crores)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 685.61 | 0.00 | | 685.61 |
| ii) Interest due but not paid | 2.35 | | | 2.35 |
| iii) Interest accrued but not due | 0.00 | | | 0.00 |
| Total (i+ii+iii) | 687.96 | 0.00 | | 687.96 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 0.00 | 0.00 | | 0.00 |
| Reduction | 389.09 | 0.00 | | 389.09 |
| Net Change | -389.09 | 0.00 | | -389.09 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 297.45 | 0.00 | | 297.45 |
| ii) Interest due but not paid | 0.00 | 0.00 | | 0.00 |
| iii) Interest accrued but not due | 1.42 | 0.00 | | 1.42 |
| Total (i+ii+iii) | 298.87 | 0.00 | | 298.87 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**(**₹ In Lacs**)

| Sl. No. | Particulars of Remuneration | Name of Chairman, Managing Director & CEO Shri Ravi Jhunjunwala* |
|---------|---|---|
| 1 | Gross Salary | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | ₹206.40 |
| | (b) Value of perquisites u/s 17(2) Income- tax Act, 1961 | ₹30.63 |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission - as % of profit - others, specify | 2.5% 4,095.94 |
| | Others, please specify | - |
| | Total (A) | ₹4,332.97* |
| | Ceiling as per the Act | 10 % of the net profits of the company calculated as per section 198 of the Companies Act, 2013 or in terms of Schedule V of the Companies Act, 2013. |

* As approved by Shareholders in their Annual General Meeting held on 28th September, 2016**B. Remuneration to other Directors:****1. Independent Directors**

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | Total amount (₹ In Lacs) |
|---------|--|----------------------------|-----------------|---------------------|-----------------------|-------------------------|-----------------------------|
| | | Shri Dharmendar Nath Davar | Dr. Kamal Gupta | Dr. Om Parkash Bahl | Smt. Vinita Singhania | Shri Satish Chand Mehta | |
| 1 | Fee for attending board / committee meetings | 11.80 | 12.80 | 9.40 | 3.00 | 4.50 | 41.50 |
| 2 | Commission | - | - | - | - | - | - |
| 3 | Others, please specify | - | - | - | - | - | - |
| | Total (1) | | | | | | 41.50 |

2. Other Non-Executive Directors

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total amount (₹ In Lacs) |
|---------|--|----------------------|-----------------------|----------------------------------|-----------------------------|
| | | Shri Shekhar Agarwal | Shri Riju Jhunjunwala | Shri Satyendra Nath Bhattacharya | |
| 1 | Fee for attending board/committee meetings | 4.70 | 4.75 | 3.00 | 12.45 |
| 2 | Commission | - | - | - | - |
| 3 | Others, please specify | - | - | - | - |
| | Total (2) | | | | 12.45 |
| | Total (B) = (1 + 2) | | | | 53.95 |
| | Total Managerial Remuneration & overall Ceiling as per the Act | | | | |

Note: The Non-Executive Directors including Independent Directors are only paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committees of Directors.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount (₹ in lacs) |
|---------|---|--|--|-----------------------------|
| | | Shri Vivek Chaudhay Company Secretary # | Shri Raju Rustogi Chief Financial Officer & Chief Operating Officer | |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 21.27 | 112.34 | 133.61 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.32 | 2.56 | 2.88 |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961. | - | - | - |
| 2 | Stock Option | NA | NA | - |
| 3 | Sweat Equity | NA | NA | - |
| 4 | Commission - as % of profit - others, specify | - | - | - |
| 5 | Others, please specify | | | |
| | Total | 21.59 | 114.90 | 136.49 |

Shri Vivek Chaudhary has been joined as Company Secretary and Compliance Officer of the Company w.e.f. 30th May, 2017.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act, 2013 | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------------|-------------------|--|-----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| None | | | | | |
| Punishment | | | None | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| None | | | | | |
| Punishment | | | None | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | None | | |
| Compounding | | | | | |

Business Responsibility Report

About this report

The Securities and Exchange Board of India (SEBI) as per its Listing Obligations and Disclosure Requirements Regulations, 2015 has mandated the inclusion of a “Business Responsibility Report” (BRR) as part of Company’s Annual Report for top 500 listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The reporting framework is based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)’ released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9 Principles and Core Elements for each of the those 9 Principles. Following is the first Business Responsibility Report of HEG Ltd which is based on the format suggested by the SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- 1) Corporate Identity Number (CIN) of the Company : L23109MP1972PLC008290
- 2) Name of the Company: HEG Limited
- 3) Registered address : Mandideep (Near Bhopal), Distt. Raisen – 462 046, Madhya Pradesh
- 4) Website : www.heg ltd.com
- 5) E-mail id : heg.investor@lnjbhilwara.com
- 6) Financial Year reported : 2017-18
- 7) Sector(s) that the Company is engaged in (industrial activity code-wise) – Graphite Electrode (NIC Code 329)
- 8) List three key products/services that the Company manufactures/provides (as in balance sheet) - Graphite Electrodes & Power
- 9) Total number of locations where business activity is undertaken by the Company
 - a) Number of International Locations (Provide details of major 5) - Nil
 - b) Number of National Locations – 02
- 10) Markets served by the Company – Local/State/National/International
India, USA, Iran, Korea, Saudi Arabia, Turkey, Europe

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- 1) Paid up Capital (INR) : 39.96 Crores

- 2) Total Turnover (INR) : 2,758.40 Crores
- 3) Total profit after taxes (INR) : 1,081.34 Crores
- 4) Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) - Please refer to annexure VI of Annual Report.
- 5) List of activities in which expenditure in 4 above has been incurred:-
Please refer to annexure VI of Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? – No*.
(* Refer to Point No. 6 of the Board Report)
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) : NA
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] : No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
 - a) Details of the Director responsible for implementation of the BR policy/policies
 - i) DIN : 00060972
 - ii) Name : Shri Ravi Jhunjhunwala
 - iii) Designation : Chairman, Managing Director & CEO
 - b) Details of the BR head :

| No. | Particulars | Details |
|-----|----------------------------|---|
| 1. | DIN Number (if applicable) | NA |
| 2. | Name | Raju Rustogi |
| 3 | Designation | Chief Financial Officer & Chief Operating Officer |
| 4 | Telephone number | 07480-405500, 233524 to 233527 |
| 5 | e-mail id | r.rustogi@lnjbhilwara.com |

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

| No. | Questions | Principle 1 | Principle 2 | Principle 3 | Principle 4 | Principle 5 | Principle 6 | Principle 7 | Principle 8 | Principle 9 |
|-----|---|---|---|--|--|---|--|------------------------------------|--|---|
| | | Ethics, transparency & accountability | Sustainability throughout the life-cycle of the product | Employee well-being | Responsive towards stakeholders | Promotion of human rights | Environmental protection | Responsible public policy advocacy | Inclusive growth & equitable development | Customer value |
| 1 | Do you have a policy/policies for | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | NA | Yes NEMA Standards are followed | Yes, OHSAS 18001 | NA | NA | Yes, ISO 14001, ISO 9001 | NA | NA | NA |
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes |
| 6 | Indicate the link for the policy to be viewed online# | 1. Code of Conduct 2. Whistle Blower Policy 3. Code of Fair Disclosure of Unpublished Price Sensitive Information 4. Policy on Related Party Transaction 5. Policy on Disclosure on Material Events and Information | | 1 Code of Conduct 2. Whistle Blower Policy 3. Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees | 1. Whistle Blower Policy 2. Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees 3. Dividend Distribution Policy 4. Shareholder / Investor Services | 1. Whistle Blower Policy 2. Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees | 1. Quality Policy 2. Safety Policy 3. Environment Policy | | 1. CSR Policy | 1. Quality Policy 2. Shareholders / Investors Services |

| No. | Questions | Principle 1 Ethics, transparency & accountability | Principle 2 Sustainability throughout the life-cycle of the product | Principle 3 Employee well-being | Principle 4 Responsive towards stakeholders | Principle 5 Promotion of human rights | Principle 6 Environmental protection | Principle 7 Responsible public policy advocacy | Principle 8 Inclusive growth & equitable development | Principle 9 Customer value |
|-----|--|---|--|------------------------------------|--|--|---|---|---|-------------------------------|
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes |
| 8 | Does the company have in-house structure to implement the policy/policies. | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Yes | Yes | Yes | Yes | Yes | Yes | NA | Yes | Yes |
| 10 | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | No | No | Yes, OHSAS 18001 Certification | No | No | Yes, ISO 14001, Certification ISO 9001 | NA | No | No |
| | | The CFO & COO and Internal Audit Department monitor policy implementation and progress on initiatives and actions through periodic reviews. | | | | | | | | |

| # Link for Policies | CODE OF CONDUCT For DIRECTORS AND SENIOR MANAGEMENT |
|---------------------|---|
| | http://hegltd.com/wp-content/uploads/2017/02/CODE_OF_CONDUCT_HEG_05-02-2015.pdf |
| | CODE OF CONDUCT FOR REGULATING, MONITORING & REPORTING TRADING BY INSIDERS AND CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION |
| | http://hegltd.com/wp-content/uploads/2017/02/Code_of_Conduct_for-Regulating-Monitoring-Reporting_Trading_by_Insiders_and_Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf |
| | DIVIDEND DISTRIBUTION POLICY |
| | http://hegltd.com/wp-content/uploads/2018/04/Dividend-Distribution-Policy.pdf |

| | |
|--|---|
| | WHISTLE BLOWER POLICY |
| | http://hegltd.com/wp-content/uploads/2018/05/whistle.pdf |
| | POLICY ON RELATED PARTY TRANSACTIONS |
| | http://hegltd.com/wp-content/uploads/2018/05/Policy_on_Related_Party_Transactions-HEG-Limited.pdf |
| | POLICY ON DISCLOSURE ON MATERIAL EVENTS AND INFORMATION |
| | http://hegltd.com/wp-content/uploads/2017/04/Policy_for_Determination_of_Materiality_of_Events_Information_and_Disclosure_to_SEs.pdf |
| | QUALITY AND SAFETY POLICY |
| | http://hegltd.com/quality-safety-policy/ |
| | PREVENTION, PROHIBITION AND REDRESSAL AGAINST SEXUAL HARASSMENT OF WOMEN EMPLOYEES |
| | http://hegltd.com/# |
| | SHAREHOLDER / INVESTOR SERVICES |
| | http://hegltd.com/# |

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| No. | Questions | Principle 7: Responsible public policy advocacy |
|-----|---|--|
| 1 | The company has not understood the Principles | - |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - |
| 3 | The company does not have financial or manpower resources available for the task | - |
| 4 | It is planned to be done within next 6 months | - |
| 5 | It is planned to be done within the next 1 year | - |
| 6 | Any other reason (please specify) | HEG is member of various Industrial and trade bodies and is part of task forces and forums within these bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue and hence do not feel such a policy is necessary given our way of doing business. |

3. Governance related to BR

| | |
|--|--|
| (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year : | We have constituted a Corporate Social Responsibility (CSR) Committee of the Board which oversees our CSR strategy and progress. For more details on the frequency of the Committee's meetings, refer to the 'Corporate Social Responsibility Committee' sub-section in the Corporate Governance Report, and the 'Corporate governance' section in the Board's Report, which are part of this Annual Report. The CSR Committee meets every quarter. |
| (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | Your Company has figured under BSE top 500 listed Companies during the financial year 2017-18. This is the first time the Company publishes Business Responsibility Report. |

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

| | | |
|----|---|---|
| 1. | Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others? | The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and all its interactions with the stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general. The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest national and international standards of Corporate Governance. http://hegltd.com/various-policies/ |
| 2. | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. | HEG's stakeholders include our investors, clients, employees, vendors/partners, government and local communities. For details on investor complaints, refer to Corporate Governance Report section in the Annual Report. |

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

- | | |
|--|--|
| <p>1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.</p> <p>(a) Graphite electrodes (b) Graphite Fines, flakes and lumps Refer to Schedule – I of Business Responsibility Report.</p> <p>2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <p>(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p> <p>3. Does the company have procedures in place for sustainable sourcing (including transportation)? Yes.</p> <p>(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p> <p>Our source of needle coke has always been imports and from manufacturers, which are oil refineries. Fuel supplies are all from Indian oil refineries. Other inputs material like pitch and fillers are sourced from Indian</p> | <p>manufactures, which are common for both graphite and aluminium industry. Sourcing from both domestic and import sources have been consistent since last 35 years.</p> <p>For inward and outward transportation, we are using both sea ways, railways and road transport sources. For import and export items, major part of the journey is covered using sea and rail transport, whereas for domestic supplies, we are relying more on road transportation, for door to door delivery commitments.</p> <p>4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Yes.</p> <p>(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? Indian government has come up with the MSME Act in the year 2006 to protect the interest of micro, small and medium enterprises in India. Towards supporting this cause of the government and community at large, the list of MSME used for sourcing/job contracting included 46 vendors in 2016-17. We have added 21 new vendors to this list during 2017-18 and have ensured that their interest are adequately taken care off.</p> <p>5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so</p> |
|--|--|

Yes, 100% of the waste generated after the first process (GEP) is reusable and are a part of our SOP. Our by products like graphite fines are not only re-used in making of graphite electrode and graphite speciality products, but are also sold to the steel industry (as carburisor) also lithium Iron batteries makers (for anode material). We sell these by products to the actual users.

The structural steel scrap is re-melted into steel globally and hence is fully recyclable, thus reducing the mining of natural resources from the earth.

Principle 3

Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees - Total employees stands at 908 as on 31st March, 2018.
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis - Total 666 Nos. engaged in temporary / contractual and casual basis.
3. Please indicate the Number of permanent women employees. 13 Nos.
4. Please indicate the Number of permanent employees with disabilities : One
5. Do you have an employee association that is recognized by management : 3 Nos.
6. What percentage of your permanent employees is members of this recognized employee association? 69% (39% in BMS, 12% in INTUC-1, 18% in INTUC-2)
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| No. | Category | No of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
|-----|---|--|---|
| 1 | Child labour/forced labour/involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a) Permanent Employees 95%

(b) Permanent Women Employees 100%

(c) Casual/Temporary/Contractual Employees 100%

(d) Employees with Disabilities 100%

Principle 4

Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders. We recognise employees, communities surrounding our operations, bankers, business associates, customers, shareholders, investors and regulatory authorities as our key stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company identifies communities around our manufacturing facilities at Mandideep, Bhopal and Tawa Nagar.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. The initiatives taken in this regard are as under:

- Provided safe and law-abiding commuting facilities to children and teachers
- Continued to subsidise annually school fees for more than 200 BPL-category students
- Introduced a new scholarship program for children of below poverty lines wherein the company will ensure admission of 10 students every year to professional colleges and provide financial assistance to transform their career dream into reality
- Provided quality education, through its school, to children of artisans working in Mandideep industrial area
- Started a computer center at Tawa Nagar to provide basic computer education to disadvantaged students and completed two batches

Principle 5

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, only to the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We have various grievance redressal channels to deal with issues related to discrimination, retaliation and harassment. The complainants are assured of complete anonymity and confidentiality.

No complaint has been received pertaining to Human Rights Violations during the year.

Principle 6

Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others
Yes, only to the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

No, however we calculate overall GHG emissions and have taken initiatives like solar power project, LNG use, LED lighting, Tree Plantations apart from operation and maintenance of existing plant vide air and water pollution control devises like ETPs, Dust Collection units, Foggers, Road Sweeper, Organic waste converter etc.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, Environment Aspect Impact Assessment study is done and reviewed regularly as a part of ISO 14001:2015 standard.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
Refer point No. 2 above.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes, within the permissible norms.

7. Number of showcause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
Nil

Principle 7

Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) FIEO
- (b) CAPEXIL
- (c) PHD Chamber of Commerce & Industry
- (d) FICCI

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) :

HEG is member of various industrial and trade bodies and is part of task forces and forums within these bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue and hence do not feel such a policy is necessary given our way of doing business.

Principle 8

Business should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company supports the principles of inclusive growth and equitable development through not just its corporate social responsibility initiatives but through its core business as well.

The Company's social upliftment initiatives focus around healthcare, education, removing hunger, working for the benefit of armed forces veterans and martyrs' community development and environmental conservation, which facilitates in bettering lives and improving livelihood, amongst others.

Some of the initiatives are as follows:

a) Healthcare

- Provided medical consultation to general public at the OPD Centre in Mandideep and Tawanagar and distributed free medicines among BPL category patients

- Conducted medical health camps and distributed medicines in villages and to economically weaker sections, in collaboration with Sewa Bharat, Bhopal
- Aspires to work with the local government for creating infrastructure for specialised medical services for people at large

b) Community Development

- Initiated taking over of public parks, for their upkeep and providing green ambience to the vicinity
- Associated itself with an organisation providing free and hygienic food to the attendant of the patients visiting AIIMS, Delhi

c) Education

- Provided safe and law-abiding commuting facilities to children and teachers
- Continued to subsidise annually school fees for more than 200 BPL-category students
- Introduced a new scholarship program for children of below poverty lines wherein the company will ensure admission of 10 students every year to professional colleges and provide financial assistance to transform their career dream into reality
- Provided quality education, through its school, to children of artisans working in Mandideep industrial area
- Started a computer center at Tawa Nagar to provide basic computer education to disadvantaged students and completed two batches

d) Environmental Conservation

- Conducted an afforestation drive at Tawa Nagar along the NH#12 near Mandideep to combat air pollution
- Planted 55 grown up trees inside HEG's plant, both for environmental reasons as well as aesthetic look

e) Financial Assistance

In 2017-18, the Company, through its implementing agency, made financial contribution to third party trusts, who are engaged in synergic activity relating to eradicating hunger, poverty & malnutrition, protection of national heritage, art & culture/language and animal welfare.

2. Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/any other organization?

The Company has been conducting these activities directly and through a dedicated trust - LNJ Bhilwara HEG Lok Nyas.

3. Have you done any impact assessment of your initiative?

Yes, the Company internally performs an impact assessment of its initiatives at the end of the each year to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Refer to Annexure VI of the Board Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, at HEG all our businesses and manufacturing units at Mandideep and Tawa Nagar continuously engage with communities surrounding their operations through surveys and focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the Community itself.

Principle 9

Businesses should engage with the provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

5% of total complaints are in the process to be resolved.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A.

Yes, we display additional information over and above the mandate.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, the Company collects customer satisfaction feedback on regular basis.

Schedule - I

Hazards identification

Hazard summary

Physical hazards - Not classified for physical hazards

Specific hazards - May get cut from the sharp edge of the electrode (socket circumference). If any part of body gets pressed against the sharp edge, injury may occur.

Precautionary Measures:

- Use proper hand gloves while handling
- Floor of the storage area must be anti-skid

Health hazards - Not classified for health hazards. However, occupational exposure to the mixture or substance(s) may cause adverse health effects.

Environmental hazards - Not classified for hazards to the environment.

Specific hazards -

Processing may generate graphite dusts and fumes with the below listed potential health effects. Dust and fumes generated from the material can enter the body by inhalation. High concentrations of dust and fumes may irritate the throat and respiratory system and cause coughing. Frequent inhalation of dust over a long period of time increases the risk of developing lung diseases. Dust may irritate the eyes. Dust may irritate skin. Ingestion of dusts generated during working operations may cause nausea and vomiting. Prolonged and repeated overexposure to dust can lead to pneumoconiosis. Pre-existing pulmonary disorders, such as emphysema, may possibly be aggravated by prolonged exposure to high concentrations of graphite dusts.

Main symptoms - Exposed may experience eye tearing, redness, and discomfort. Prolonged skin contact may cause temporary irritation.

Precautionary statements

Prevention - Observe good industrial hygiene practices.

Response - Wash skin with soap and water

Storage - Store away from incompatible materials

Disposal - Dispose of contents/container in accordance with local / regional / national / international regulations

Supplemental label information - Not applicable

Other hazards - The material may form dust and can accumulate electrostatic charges, which may cause an electrical spark (ignition source).

Individual protection measures, such as personal protective equipment

General information - Personal protective equipment should be chosen according to the CEN standards and in discussion with the supplier of the personal protective equipment. Make sure to provide adequate control by applying the 'COSHH Essentials' procedure.

Eye/Face protection - Wear safety glasses with side shields (or goggles).

Skin protection

Hand protection - Wear suitable protective gloves to prevent cuts and abrasions. Suitable gloves can be recommended by the glove supplier.

Other - Wear appropriate clothing to prevent repeated or prolonged skin contact.

Respiratory protection - Use specified dust masks. Seek advice from local supervisor.

Thermal hazards - Wear appropriate thermal protective clothing, when necessary.

Hygiene measures - Always observe good personal hygiene measures, such as washing after handling the material and before eating, drinking, and/or smoking. Routinely wash work clothing and protective equipment to remove contaminants.

Environmental exposure controls - Environmental manager must be informed of all significant spillages.

Environmental fate - partition coefficient : Not available

Mobility in soil : Not available

Results of PBT and vPvB assessment : Not available

Other adverse effects : The product is not expected to be hazardous to the environment.

Ecological information

Waste treatment methods

Residual waste - Not waste

Contaminated packaging - Disposal recommendations are based on material as supplied. Disposal must be in accordance with current applicable laws and regulations, and material characteristics at time of disposal. Recover and reclaim or recycle, if practical.

Transport information

ADR

The product is not covered by the International regulation on the transport of dangerous goods.

| Product Life Cycle Plan | | | | | |
|-------------------------|--------------------------|---------------------------------|-----------------------------|--|--|
| Sr No | Contents in crate | Material | Nature of product | Action -1 | Action -2 |
| 1 | Graphite Electrode | Pure Carbon | 100 % Consumable during use | Unpack the Electrodes with Nipple and keep all the packing items well segregated | Remachine & use if possible / Reuse the broken pieces in process to maintain carbon percentage |
| 2 | Graphite Nipple | Pure Carbon | 100 % Consumable during use | | Handover only to authorised recyclers |
| 3 | Thermocol Cap | Expanded Polysterene | Recyclable | | Handover only to authorised recyclers |
| 4 | Thermocol Plug | Expanded Polysterene | Recyclable | | Handover only to authorised recyclers |
| 5 | Steel Strip | Zinc Coated Steel | Recyclable | | Handover to recyclers/ Use as Input to EAF |
| 6 | Steel Clip | Zinc Coated Steel | Recyclable | | Handover to recyclers/ Use as Input to EAF |
| 7 | Steel Nails | Zinc Coated Steel | Recyclable | | Handover to recyclers/ Use as Input to EAF |
| 8 | Wood / Ply Board | Cellulose composite | Recyclable / Reusable | | Handover to recyclers |
| 9 | Wrap Film | LDPE, Low Density Poly Ethylene | Recyclable | | Handover only to authorised recyclers |
| 10 | Metwrapp (polypropylene) | Corrugated PP, Poly Propylene | Recyclable / Reusable | | Handover only to authorised recyclers |

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and all its interactions with the stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general. The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest national and international standards of Corporate Governance.

2. BOARD OF DIRECTORS

(i) Composition

The Board has an appropriate composition of Executive, Non-Executive and Independent Directors. The Independent Directors on the Board are experienced, competent and reputed names in their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds value in the decision-making process of the Board of Directors. The details of composition of the Board, number of other Directorship, Chairmanship / Membership of Committee of each Director in other Companies, attendance of Directors at the Board Meetings and last Annual General Meeting are given below:

| Name of Director | Category of Directorship | No. of other Directorships* in public Ltd Companies | Board Committees** in other Companies in which | | No. of Board Meetings attended | Whether Attended the last AGM Yes/No |
|----------------------------------|---|---|--|----------|--------------------------------|--------------------------------------|
| | | | Member | Chairman | | |
| Shri Ravi Jhunjunwala | Chairman, Managing Director & CEO -Promoter Executive | 8 | 3 | 1 | 5 | No |
| Shri Shekhar Agarwal | Vice-Chairman-Promoter Non-executive | 4 | 3 | 0 | 3 | No |
| Shri Dharmendar Nath Davar | Independent | 8 | 4 | 4 | 5 | No |
| Dr. Kamal Gupta | Independent | 6 | 3 | 5 | 5 | No |
| Shri Satyendra Nath Bhattacharya | Non-Executive | 1 | 0 | 0 | 4 | No |
| Dr. Om Parkash Bahl | Independent | 0# | 0 | 0 | 5 | Yes |
| Smt. Vinita Singhania | Independent | 3 | 0 | 0 | 4 | No |
| Shri Riju Jhunjunwala | Promoter Non-Executive | 6 | 2 | 0 | 5 | No |
| Shri Satish Chand Mehta | Independent | 0 | 0 | 0 | 5 | No |

Notes:

* Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

** Only Audit Committee and Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#Dr. Om Parkash Bahl was a Director in HEG Graphite Products and Services Ltd, a wholly owned subsidiary ("WOS") of the Company, the name of which has been struck-off under Section 248 (5) of the Companies Act, 2013, upon the application made by WOS under Section 248(2) of the Companies Act, 2013, from the Register of Companies and WOS stands dissolved w.e.f. 21st December, 2017.

None of the Directors are related to each other except Shri Ravi Jhunjunwala and Shri Riju Jhunjunwala, being relatives. Smt. Vinita Singhania is the Women Director on the Board.

Independent Director means Director as mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. All the Independent Director have given the declaration of their independence at the beginning of the financial year or at the time of their co-option on the Board.

None of the Directors is a member of more than 10 Board level committees and Chairman of 5 such committees across all the Public Companies in which he or she is a Director.

ii) Shareholding of Non-Executive Directors

The number of Equity Shares of the Company held by Non-Executive Directors of the Company are as under:

| Name of Director | No. of Equity Shares Held |
|----------------------------|---------------------------|
| Shri Dharmendar Nath Davar | 1,500 |
| Dr. Kamal Gupta | 200 |
| Shri Riju Jhunjhunwala | 2,33,290 |

iii) Board Meetings

The Board meets at least once in every quarter to review quarterly results and other items on agenda. Additional meetings are held when necessary. Five Board Meetings were held during the financial year ended the 31st March, 2018. These were held on 30th May, 2017, 2nd August, 2017, 2nd November, 2017, 31st January, 2018 and 8th February, 2018. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law which is noted and confirmed in the subsequent Board Meeting.

3. AUDIT COMMITTEE

(i) Terms of Reference

1. The audit committee at its discretion shall invite the finance Director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committees;

Provided that occasionally the audit committee may meet without the presence of any executives of the Company.

2. The audit committee shall have the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if considered necessary;
3. The chairperson of the audit committee shall be an independent Director and shall be present at Annual general meeting to answer shareholders queries;
4. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
5. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
7. Reviewing, with the management, the annual financial statements and auditor's report thereon before

submission to the board for approval, with particular reference to:

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Modified opinion(s) in the draft audit report.
8. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 9. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 10. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 11. Approval or any subsequent modification of transaction of the Company with related party;
 12. Scrutiny of inter-corporate loans and investments;
 13. Valuation of undertakings or assets of the Company, wherever it is necessary;

Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of the Companies Act, 2013, it shall be valued by a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that Company.
 14. Evaluation of internal financial controls and risk management systems;

15. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audits;
17. Discussion with internal auditors of any significant findings and follow up there on;
18. Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
19. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the Whistle Blower mechanism;
22. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; and
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
24. The Audit Committee of the Company shall mandatorily review the following information:
 - i. management discussion and analysis of financial condition and results of operations.
 - ii. statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - iii. management letters/ letters of internal control weaknesses issued by the statutory auditors;
 - iv. internal audit reports relating to internal control weaknesses; and
 - v. the appointment removal and terms of remuneration of the chief internal auditors shall be subject to review by the audit committee.
 - vi. statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

- b. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

25. The internal auditors may report directly to the audit committee.
26. The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
27. All related party transactions shall require approval of the audit committee and the Committee may make omnibus approval for related party transactions proposed to be entered into by the Company on yearly basis.
28. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval.
29. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.

ii) Composition of the Committee

The composition of the Audit Committee is as under:

| Sl No. | Name of Director | Designation | Category |
|--------|----------------------------|-------------|---------------------------------|
| 1 | Shri Dharmendar Nath Davar | Chairman | Independent Director |
| 2 | Shri Shekhar Agarwal | Member | Non-Executive Promoter Director |
| 3 | Dr. Kamal Gupta | Member | Independent Director |
| 4 | Dr. Om Parkash Bahl | Member | Independent Director |

All these Directors possess knowledge of corporate finance, accounts and corporate laws. The Statutory Auditors, Internal Auditors and Senior Executives of the Company are invited to attend the meetings of the Committee, whenever necessary. The Company Secretary acts as the Secretary of the Committee.

(iii) Meetings and Attendance

During the financial year ended the 31st March, 2018, Four meeting were held on 30th May, 2017, 2nd August, 2017, 2nd November, 2017 and 31st January, 2018.

The attendance at the above Meetings was as under:

| Sl No. | Name of Director | No. of meetings attended |
|--------|----------------------------|--------------------------|
| 1 | Shri Dharmendar Nath Davar | 4 |
| 2 | Shri Shekhar Agarwal | 3 |
| 3 | Dr. Kamal Gupta | 4 |
| 4 | Dr. Om Parkash Bahl | 4 |

4. NOMINATION AND REMUNERATION COMMITTEE

- (i) The terms of reference of the Committee as per the Nomination and Remuneration Policy of the Company inter-alia includes the following:
- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
 - to recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel;
 - to carry out evaluation of Director's performance;
 - assessing the independence of Independent Directors;
 - to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
 - making recommendations to the Board on the remuneration/fee payable to the Directors/ KMPs/ Senior Officials so appointed/re-appointed;
 - ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(iv) Details of Remuneration to the Directors for the financial year ended 31st March, 2018. (₹ In lacs)

| Name of Director | Salary | Benefits | Commission | Sitting Fee | Total |
|----------------------------------|--------|----------|------------|-------------|-----------|
| Shri Ravi Jhunjunwala | 206.40 | 30.63 | 4,095.94 | - | 4,332.97* |
| Shri Shekhar Agarwal | - | - | - | 4.70 | 4.70 |
| Shri Dharmendar Nath Davar | - | - | - | 11.80 | 11.80 |
| Dr. Kamal Gupta | - | - | - | 12.80 | 12.80 |
| Shri Satyendra Nath Bhattacharya | - | - | - | 3.00 | 3.00 |
| Dr. Om Parkash Bahl | - | - | - | 9.40 | 9.40 |
| Smt. Vinita Singhanian | - | - | - | 3.00 | 3.00 |
| Shri Riju Jhunjunwala | - | - | - | 4.75 | 4.75 |
| Shri Satish Chand Mehta | - | - | - | 4.50 | 4.50 |

* As approved by the shareholders in their meeting held on 28th September, 2016.

The appointment of Executive Directors, Key Managerial Personnel and other Employees is by virtue of their employment with the Company, therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time.

- to devise a policy on Board diversity;
- to develop a succession plan for the Board and Senior Management and to regularly review the plan; and
- such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provision of the Companies Act, 2013 and Rules thereunder.

(ii) Composition of the Committee

The composition of the Nomination and Remuneration Committee is as under

| Sl No. | Name of Director | Designation | Category |
|--------|----------------------------|-------------|----------------------|
| 1 | Shri Dharmendar Nath Davar | Chairman | Independent Director |
| 2 | Dr. Kamal Gupta | Member | Independent Director |
| 3 | Dr. Om Parkash Bahl | Member | Independent Director |

The Company Secretary acts as Secretary of the Committee.

(iii) Meeting and Attendance

During the financial year ended 31st March, 2018, Two meetings were held on 30th May, 2017 and 31st January, 2018.

The attendance at the above Meetings was as under:

| Sl No. | Name of Director | No. of meetings attended |
|--------|----------------------------|--------------------------|
| 1 | Shri Dharmendar Nath Davar | 2 |
| 2 | Dr. Kamal Gupta | 2 |
| 3 | Dr. Om Parkash Bahl | 2 |

(v) Criteria of making payments to Non-Executive / Independent Director(s)

The criteria of making payments to Non-Executive Director/ Independent Director(s) is appearing on the website of the Company and the weblink of the same is as under:

http://hegltd.com/wp-content/uploads/2017/02/Criteria_of_making_payments_to_Non_executive_Directors.pdf

The Non-Executive Directors (including Independent Directors) are only paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committee of Directors.

The Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 31st January, 2018, subject to approval of shareholders, have proposed to pay commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of section 198 of the Companies Act, 2013 for each year, for a period of five consecutive years starting from FY 2017-18.

5. PERFORMANCE EVALUATION CRITERIA OF INDEPENDENT DIRECTORS

Pursuant to the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, evaluation of Independent Directors was carried out by entire Board. Only the Independent Director being evaluated did not participate in the said evaluation discussion.

The Evaluation criteria for Independent Directors forms part of Nomination and Remuneration Policy of the Company which is annexed in the Board's Report.

6. FAMILIARISATION PROGRAMME

The Familiarisation Programmes imparted to Independent Directors of the Company has been disclosed on its website and a weblink thereto is as under:

<http://hegltd.com/wp-content/uploads/2018/04/Details-Of-Familiarization-Programmes-Imparted-To-Independent-Directors.pdf>

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

(i) Broad Terms of Reference

The Stakeholders Relationship Committee shall consider and resolve the grievances of various security holders of the Company. It shall specifically look into the redressal of stakeholders/investors complaints in a timely and proper manner.

(ii) Composition of the Committee

The composition of the Committee is as under:

| Sl No. | Name of Director | Designation | Category |
|--------|-----------------------|-------------|---------------------------------|
| 1 | Shri Riju Jhunjunwala | Chairman | Non-Executive Promoter Director |
| 2 | Shri Ravi Jhunjunwala | Member | Executive Promoter Director |
| 3 | Dr. Kamal Gupta | Member | Independent Director |

Shri Vivek Chaudhary, Company Secretary is the Compliance Officer of the Company.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2018, Four meetings were held on 30th May, 2017, 2nd August, 2017, 2nd November, 2017 and 31st January, 2018.

The attendance at the above Meetings was as under: -

| Sl No. | Name of Director | No. of Meetings attended |
|--------|-----------------------|--------------------------|
| 1 | Shri Riju Jhunjunwala | 4 |
| 2 | Shri Ravi Jhunjunwala | 4 |
| 3 | Dr. Kamal Gupta | 4 |

The Company received 15 complaints during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31st March, 2018.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(i) Broad Terms of Reference

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(ii) Composition of the Committee

The composition of the Corporate Social Responsibility Committee is as under:

| Sl No. | Name of Director | Designation | Category |
|--------|----------------------------|-------------|-----------------------------|
| 1 | Shri Ravi Jhunjunwala | Chairman | Executive Promoter Director |
| 2 | Shri Dharmendar Nath Davar | Member | Independent Director |
| 3 | Smt Vinita Singhania | Member | Independent Director |

(iii) Meetings and Attendance

During the financial year ended 31st March, 2018, Four meetings were held on 30th May, 2017, 2nd August, 2017, 2nd November, 2017 and 31st January, 2018.

The attendance at the above Meetings was as under: -

| Sl No. | Name of Director | No. of meetings attended |
|--------|----------------------------|--------------------------|
| 1 | Shri Ravi Jhunjunwala | 4 |
| 2 | Shri Dharmendar Nath Davar | 4 |
| 3 | Smt Vinita Singhania | 3 |

11. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as per detail below:

| Date of AGM | Relevant Financial Year | Venue/Location where held | Time of Meeting | Whether any special resolution was passed |
|----------------------------------|-------------------------|---|-----------------|---|
| 22 nd September, 2015 | 2014-2015 | Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh - 462 046 | 11.30 A.M. | No |
| 28 th September, 2016 | 2015-2016 | Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh - 462 046 | 11.30 A.M. | Yes |
| 22 nd September, 2017 | 2016-2017 | Mandideep, (Near Bhopal), Distt. Raisen, Madhya Pradesh - 462 046 | 11.30 A.M. | Yes |

No Extra-ordinary General Meeting took place during the financial year 2017-18.

There was no resolution passed by the shareholders through postal ballot, in the financial year 2017-18.

No special resolution requiring postal ballot is being proposed for the ensuing Annual General Meeting.

12. DISCLOSURES

a) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest. The transactions with related parties are in the ordinary course of business and on an Arm's length basis. Suitable disclosure as required by the applicable Accounting Standards, has been made in the Annual Report. A web link for policy on dealing with related party transactions is as under:

http://hegltd.com/wp-content/uploads/2018/05/Policy_on_Related_Party_Transactions-HEG-Limited.pdf

9. INDEPENDENT DIRECTORS' MEETING

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and also as per the Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 31st January, 2018 to review the performance of Non-independent Directors (including the Chairman, Managing Director & CEO) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board on the recommendation of Audit Committee has adopted a Whistle Blower Policy. The details of the same is disclosed on the website of the Company and a weblink thereto is as under:

<http://hegltd.com/wp-content/uploads/2018/05/whistle.pdf>

- b) There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company that have a potential conflict with the interests of the Company.
- c) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during last three years.
- d) The Company has complied with the requirements of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b)

to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f) Disclosure of Commodity Price Risks and Commodity hedging activities: In the recent times sale and purchase of Graphite Electrodes have more or less Commoditised, with customers preferring price as a key driver. The key raw material for the same is petroleum based by product. There is a clear relationship in the Price movement of both, though with a small lead and lag effect. Both sourcing and sale contracts are short term these days and therefore offer ample opportunities for matching the Price movement on either side.

g) The Company has a Policy for Determining Material Subsidiaries and the same is available on the Company's website and a weblink thereto is as under: http://heg ltd.com/wp-content/uploads/2017/04/Policy_for_Determining_Material_Subsiary.pdf.

At present the Company does not have any subsidiary.

h) No personnel have been denied any access to the Audit Committee of the Company.

i) The Company has complied with all the applicable Accounting Standards.

j) The Chairman, Managing Director & CEO and Chief Financial officer have certified to the Board, inter-alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2018. The annual Certificate given by the Chairman, Managing Director & CEO and the Chief Financial Officer is published in this report.

k) The Internal Auditor directly reports to the Audit Committee.

l) The Audit Report contains unmodified audit opinion.

13. CODE OF CONDUCT

There is a Code of Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors and members of the Senior Management. A copy of the Code has been put on the Company's website www.heg ltd.com.

The Code has been circulated to all the Members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Chairman & Managing Director & CEO in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2017-18."

14. MEANS OF COMMUNICATION

The Company publishes its quarterly results in leading national newspapers such as Business Standard in English language (all editions) and Nav Bharat in Hindi (Bhopal edition).

These results are displayed on the website of the Company along with other news releases and presentations, if any, made to institutional investors or to analysts among others. All other vital information is also placed on the website of the Company. The results are not sent individually to shareholders.

15. DISCLOSURES REGARDING RE-APPOINTMENT OF DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Satyendra Nath Bhattacharya, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The first term of office of Smt. Vinita Singhania, as Independent Director, expires at the ensuing Annual General Meeting. The Board has recommended re-appointment of Smt. Vinita Singhania, as an Independent Directors of the Company for a second term of 5 (five) consecutive years. The requisite disclosures in respect of above are as under:

| Name of Director | Shri Satyendra Nath Bhattacharya | Smt. Vinita Singhania |
|---|---|--|
| Date of Birth | 20/02/1958 | 12/03/1952 |
| Age | 60 years | 66 years |
| Date of Appointment on the Board | 22/09/2015 | 12/11/2013 |
| Qualifications | Graduate in Economics, Mathematics and Statistics with a Diploma in Marketing | Graduate in Arts |
| Experience & Expertise in specific functional areas | He has a rich Work experience of about 36 years with Life Insurance corporation of India Ltd. His area of expertise is Marketing. | Smt. Vinita Singhania is an Industrialist with diversified business experience. She is the Vice Chairman and Managing Director of JK Lakshmi cement Ltd and has a very long experience of managing cement business in particular. She was the First Woman President of Cement Manufacturers' Association (CMA) as well as National Council for Cement and Building Materials (NCBM). |

| Name of Director | Shri Satyendra Nath Bhattacharya | Smt. Vinita Singhania |
|--|--|---|
| List of other Public Ltd. Companies in which directorships held. | Gloster Ltd | 1. JK Lakshmi Cement Ltd 2. JK Paper Ltd 3. Benagal & Assam Company Ltd 4. JKLC Employees' Welfare Association Limited |
| Chairman/ Member of the Committees of the Board of Directors of the Company. | - | - |
| Chairman/ Member of the Committee of Directors of other Companies. | - | - |
| a) Audit Committee | - | - |
| b) Stakeholders Relationship Committee | - | - |
| No of Equity Shares held in the Company | - | - |
| Number of Board Meetings attended during the year | 4/5 | 4/5 |
| Terms and conditions of appointment/ re-appointment | Non-Executive Director liable to retire by rotation | Terms and conditions of appointment are mentioned in draft letter of appointment |
| Remuneration sought to be paid and the remuneration last drawn | See Note-1 below. | See Note-1 below. |
| Relationship with Other Directors, Manager and Key Managerial Personnel | No relationship with other Director, Manager and Key Managerial Personnel. | No relationship with other Director, Manager and Key Managerial Personnel. |
| Justification for choosing the appointee as Independent Director | N.A. | As per Explanatory Statement of the notice. |

Note - 1: The Non- Executive Directors (including Independent Directors) are only paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committee of Directors.

The Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 31st January, 2018, subject to approval of shareholders, have proposed to pay commission to the Non-Executive Directors (including Independent Directors), collectively, not exceeding 1 per cent of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 for each year, for a period of five consecutive years starting from FY 2017-18.

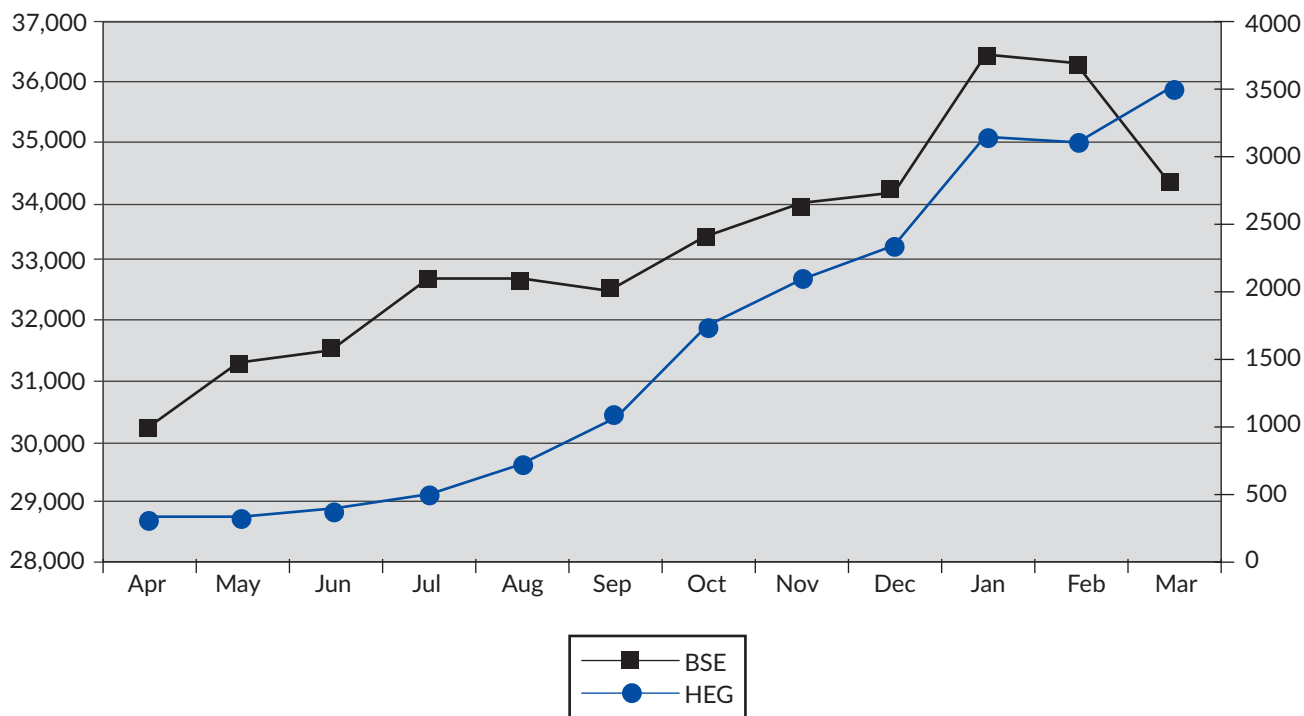
16. SHAREHOLDERS INFORMATION

| | |
|---|---|
| a) Annual General Meeting: Date, Time & Venue | 23 rd July, 2018 at 11.30 A.M. at the registered office of the Company at Mandideep, Near Bhopal, Distt. Raisen, Madhya Pradesh – 462046. |
| b) Financial Calendar: | Financial Year: 1 st April, 2018 – 31 st March, 2019. Reporting: a) First Quarter Results: Within 45 days of end of the 1 st Qtr b) Second Quarter Results: Within 45 days of end of the 2 nd Qtr c) Third Quarter Results: Within 45 days of end of the 3 rd Qtr d) Results for Fourth Quarter & the FY: Within 60 days of end of the FY |
| c) Date of Book Closure | 17 th July, 2018 to 23 rd July, 2018 (both days inclusive). |
| d) Final dividend payment date: | If declared, will be paid within 30 days from the date of AGM. |
| e) Listing of Shares on Stock Exchanges | 1. BSE Limited BSE- Corporate Office Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Phones : (022) 22721233/4,(022) 66545695 (Hunting) Fax : (022) 22721919 2. National Stock Exchange of India Limited NSE – Corporate Office Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra(E), Mumbai – 400051 Phones: (022) 26598100 – 8114 Fax No: (022) 26598120 |
| f) Payment of Listing Fees | Annual Listing fees as applicable have been duly paid. |
| g) Stock Code / ISIN | Equity Shares : BSE: 509631 NSE : HEG ISIN : INE545A01016 |
| h) Whether S&P BSE 500 Index | Yes |

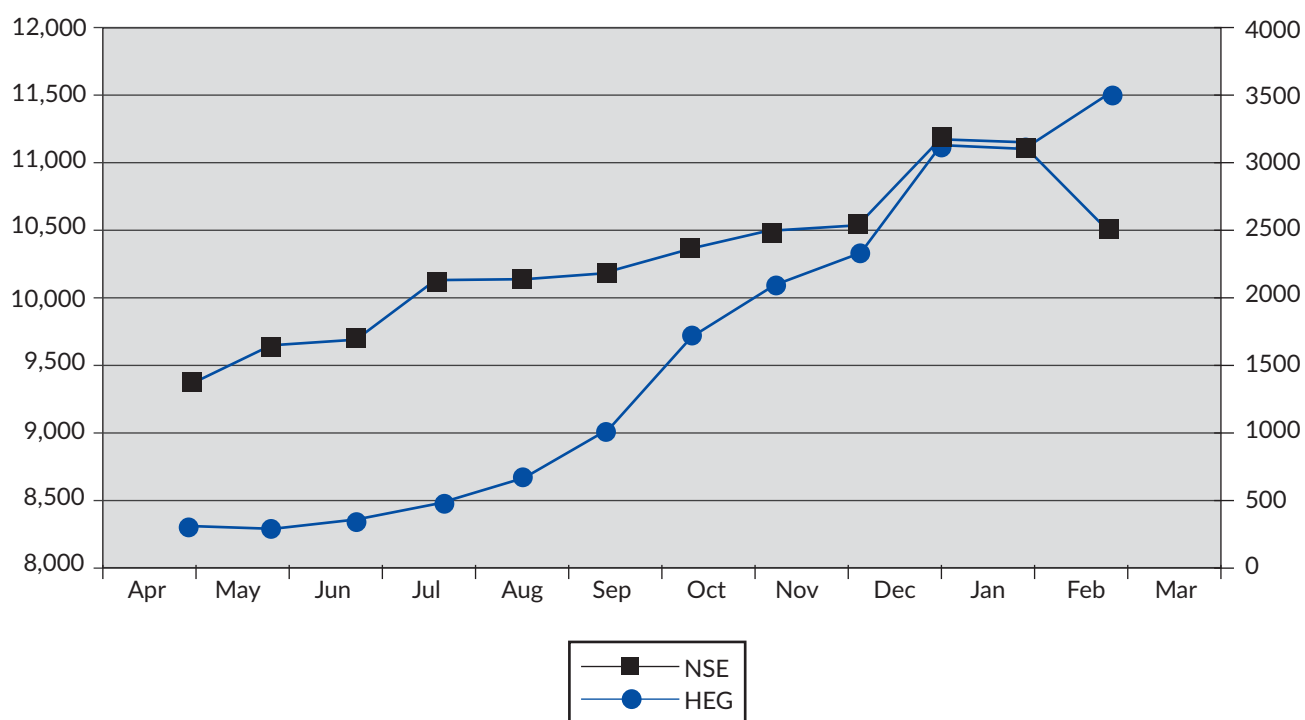
i) (i) Market Price Data: Monthly High Low values (in ₹) at NSE & BSE and comparison with BSE Sensex and Nifty.

| Month | NSE | | BSE | | BSE SENSEX | | NIFTY | |
|-----------------|----------|----------|----------|----------|------------|-----------|-----------|-----------|
| | High | Low | High | Low | High | Low | High | Low |
| April, 2017 | 322.80 | 220.10 | 327.30 | 218.10 | 30,184.22 | 29,241.48 | 9,367.15 | 9,075.15 |
| May, 2017 | 319.00 | 232.50 | 318.60 | 233.00 | 31,255.28 | 29,804.12 | 9,649.60 | 9,269.90 |
| June, 2017 | 374.50 | 250.70 | 373.50 | 251.70 | 31,522.87 | 30,680.66 | 9,709.30 | 9,448.75 |
| July, 2017 | 507.90 | 370.20 | 508.00 | 370.25 | 32,672.66 | 31,017.11 | 10,114.85 | 9,543.55 |
| August, 2017 | 705.00 | 460.00 | 704.00 | 455.00 | 32,686.48 | 31,128.02 | 10,137.85 | 9,740.10 |
| September, 2017 | 1,054.00 | 655.30 | 1,068.00 | 655.50 | 32,524.11 | 31,081.83 | 10,178.95 | 9,687.55 |
| October, 2017 | 1,743.90 | 940.25 | 1,743.60 | 939.65 | 33,340.17 | 31,440.48 | 10,384.50 | 9,831.05 |
| November, 2017 | 2,098.55 | 1564.00 | 2,098.75 | 1,572.30 | 33,865.95 | 32,683.59 | 10,490.45 | 10,094.00 |
| December, 2017 | 2,336.35 | 1,571.15 | 2,332.35 | 1,570.75 | 34,137.97 | 32,565.16 | 10,552.40 | 10,033.35 |
| January 2018 | 3,144.30 | 2,377.40 | 3,146.95 | 2,380.05 | 36,443.98 | 33,703.37 | 11,171.55 | 10,404.65 |
| February, 2018 | 3,098.00 | 2,211.55 | 3,095.00 | 2,214.65 | 36,256.83 | 33,482.81 | 11,117.35 | 10,276.30 |
| March, 2018 | 3,515.00 | 2,413.00 | 3,514.05 | 2,431.45 | 34,278.63 | 32,483.84 | 10,525.50 | 9,951.90 |

(ii) Comparative chart of Company's share price movement vis-a-vis the movement of BSE Sensex during FY 2017-18:



iii) Comparative chart of Company's share price movement vis-a-vis the movement of Nifty during FY 2017-18:



j) Registrar and Transfer Agent

M/s. MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase-I, New Delhi-110020
Phone: 011-41406149 - 52, Fax: 011-41709881
E-mail Id: helpdeskdelhi@mcsregistrars.com

k) Share Transfer System:

Share Transfers are attended and registered within the prescribed time limit. The Company obtains from practicing Company Secretary a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of same to stock exchanges.

l) Distribution of shareholding as on 31st March, 2018.

| No. of Equity Shares held | No. of shareholders | % of shareholders | No. of shares held | % of shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| 1-500 | 43,991 | 96.44 | 28,40,693 | 7.11 |
| 501-1000 | 756 | 1.66 | 5,55,857 | 1.39 |
| 1001-2000 | 376 | 0.83 | 5,38,405 | 1.35 |
| 2001-3000 | 146 | 0.32 | 3,68,848 | 0.92 |
| 3001-4000 | 66 | 0.14 | 2,33,054 | 0.58 |
| 4001-5000 | 43 | 0.09 | 2,00,988 | 0.51 |
| 5001-10000 | 97 | 0.21 | 6,83,185 | 1.71 |
| 10001 & above | 140 | 0.31 | 3,45,38,112 | 86.43 |
| Total | 45,615 | 100.00 | 3,99,59,142 | 100.00 |

m) Category of Shareholders

| Category | No. of shareholders | % of shareholders | No. of shares held | % of shareholding |
|---------------------------------|---------------------|-------------------|--------------------|-------------------|
| Promoters and Promoter Group | 26 | 0.06 | 2,43,89,979 | 61.04 |
| Mutual Funds / UTI | 20 | 0.04 | 8,80,907 | 2.20 |
| Financial Institutions / Banks | 9 | 0.02 | 2,710 | 0.01 |
| Insurance Companies | 4 | 0.01 | 38,22,082 | 9.56 |
| Foreign Institutional Investors | 44 | 0.10 | 15,86,406 | 3.97 |
| Bodies Corporate | 1,234 | 2.71 | 36,01,098 | 9.01 |
| Individuals | 43,521 | 95.41 | 53,55,458 | 13.40 |
| Others: | | | | |
| I) Trusts | 3 | 0.01 | 490 | 0.01 |
| II) IEPF | 1 | 0.00 | 1,69,962 | 0.43 |
| III) NRI Individuals | 747 | 1.64 | 1,36,665 | 0.34 |
| IV) NBFC's Registered with RBI | 6 | 0.00 | 13,385 | 0.03 |
| Total | 45,615 | 100.00 | 3,99,59,142 | 100.00 |

| | |
|---|---|
| n) Dematerialisation of shares and liquidity. | 3,92,31,175 shares were dematerialised till 31st March, 2018 which was 98.18% of the total paid-up Equity Share Capital of the Company on that date. Trading in shares of the Company is permitted in dematerialised form only. |
| o) Commodity price risk or foreign exchange risk and hedging activities | Please refer corporate apprehensions under the head Risk Management, which forms part of Management Discussion and Analysis |
| p) Outstanding GDRs/ADRs/warrants or any Convertible instruments, conversion date and likely impact equity. | There are no such instruments outstanding as on 31st March, 2018. |
| q) Plant Locations | a) Mandideep (Near Bhopal), Distt. Raisen- 462046, Madhya Pradesh. b) Village Ranipur, Tawa Nagar, Distt. Hoshangabad - 461001 Madhya Pradesh. |
| r) Address for correspondence | HEG Limited, Secretarial Department Bhilwara Towers, A-12, Sector -1, Noida - 201301 Phone: 0120-4390300, 4390000 Fax: 0120- 4277841 E-mail: heg.investor@Injbhilwara.com |

CEO/CFO Certificate

Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
HEG Limited

- (a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2018 and that to the best of our knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
- i) Significant changes in internal control over financial reporting during the financial year;
 - ii) Significant changes in accounting policies during the financial year and the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN: 00060972

Raju Rustogi
*Chief Financial Officer
and Chief Operating Officer*

Noida (U.P.)
8th May, 2018

Compliance Certificate

To,
The Board of Directors
HEG Limited

We have examined the compliance of conditions of Corporate Governance by HEG Limited ('the Company') for the financial year ended 31st March, 2018 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SCV & CO.**
Chartered Accountants
Firm Regn. No.000235N

Sanjiv Mohan
Partner
Membership No 086066

Place : Noida (U.P.)
Date : 8th May, 2018

Standalone Financial Statements

Independent Auditors' Report

To the *Members* of HEG Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of HEG Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company, as at 31 March 2018, and its profit, total comprehensive income, the changes in equity and the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (" the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", which forms a part of this report, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors of the Company as on 31st March 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 from being appointed as a Director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting and;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 39 to the standalone financial statements.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SCV & Co;
Chartered Accountants
Firm Reg. No.000235N

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 08th May, 2018

ANNEXURE - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HEG Limited of even date)

- (i) In respect of the Company's fixed assets:-
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, a Company has adopted a policy of physical verification of all the items of fixed assets once in block of three years. Pursuant to said policy, the company has physically verified the entire block of fixed assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its business. As explained to us, no discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deed of the immovable property is held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories have been physically verified by the management during the year at all its locations, except stocks located outside India, lying with third parties and materials-in-transit, which have been verified with reference to correspondence of third parties or subsequent receipt of goods. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on such verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act in respect of guarantee provided jointly with another company to a financial institution for loan taken by others from the financial institution, the terms and conditions of which are not, prime facie, prejudicial to the interest of the company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits covered under the provisions of sections 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, goods and service tax and other statutory dues applicable to it with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable as at 31st March, 2018.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of custom duty, and cess which have not been deposited on account of any dispute, except the following in respect of Income Tax, Excise Duty, Service Tax, VAT, Entry Tax and Sales Tax which have not been deposited on account of any dispute, are as follows:

| Sr. No | Name of the Statute | Nature of Dues | Amount (₹ In Lacs) | Period to which the amount relates | Forum where the dispute is pending |
|--------|--|-------------------------|-----------------------|--|--|
| 1 | Central Excise Act, 1944 | Excise Duty | 270.47 | 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2014 | CESTAT, New Delhi |
| | | Excise duty | 1.42 | 2004-05 | Hon'ble High Court, Jabalpur |
| | | Excise Duty | 1.99 | 2013-14 | Commissioner (Appeal), Bhopal |
| 2 | Income Tax Act, 1961 | Income Tax | 1,064.75 | Assessment Year 2013-14, 2014-15 | CIT (Appeals), Bhopal |
| | | Income Tax | 516.00 | Assessment Year 2003-04, 2004-05 | Hon'ble High Court, Jabalpur |
| | | Income Tax | 140.00 | Assessment Year 2000-01, 2010-11, 2011-12 | CIT (Appeals), Bhopal |
| | | Income Tax | 106.82 | Assessment Year 2015-16 | CIT (Appeals), Ahmedabad |
| 3 | Finance Act, 1994 | Service Tax and penalty | 1015.28 | 2006-07, 2011-12, 2012-13 & 2013-14 | CESTAT, New Delhi |
| | | Service Tax and penalty | 104.47 | 2012-13 | Commissioner of Excise and Customs, Bhopal |
| 4 | Central Sales Tax Act, 1956 | Central Sales Tax | 21.30 | 2003-04 | Hon'ble High Court, Jabalpur |
| 5 | Madhya Pradesh Parvesh Kar Adhiniyam, 1976 | Entry Tax | 2.36 | 2014-15 | Commissioner (Appeal), Bhopal |
| | | Entry Tax | 375.51 | 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 | Appellate Tribunal, Bhopal |
| | | Entry Tax | 20.11 | 1997-98, 2003-04 | Hon'ble High Court, Jabalpur |
| 6 | Chhattisgarh Commercial Tax | VAT | 3.04 | 2006-07 | Commissioner (Appeals), Raipur |
| | | | 1.51 | 1992-93 | Appellate Tribunal, Raipur |
| | | Entry Tax | 9.79 | 2005-06 | Appellate Tribunal, Raipur |
| | | Entry Tax | 12.00 | 2007-08 | Commissioner (Appeals), Raipur |
| 7 | MP VAT Act 2002 | Entry Tax | 8.49 | 2012-13 | Commissioner (Appeal), Bhopal |

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution bank or government. The Company has not issued any debentures during the year or in the preceding year.

(ix) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to information and explanation given to us and based on our examination of records of the company, the company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.

(xiii) According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of the transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3(xiv) of the Order are not applicable.

(xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with director or person connected with them. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.

(xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SCV & Co;
Chartered Accountants
Firm Reg. No.000235N

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 08th May, 2018

ANNEXURE - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of HEG Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control over financial reporting of HEG Limited ("the Company") as of 31st March 2018 in conjunction with our audit of standalone financial statements of company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SCV & Co;
Chartered Accountants
Firm Reg. No.000235N

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 08th May, 2018

Standalone **Balance Sheet** as at 31st March, 2018

(₹ in Lacs)

| Particulars | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|---|----------|------------------------|------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| a) Property, Plant and Equipment | 4 | 82,930.10 | 88,502.62 |
| b) Capital work-in-progress | 5 | 161.45 | 120.40 |
| c) Investment Property | 6 | 371.80 | 385.51 |
| d) Goodwill | | - | - |
| e) Other Intangible Assets | 7 | 34.82 | 1.81 |
| f) Intangible assets under development | | - | - |
| g) Biological Assets other than bearer plants | | - | - |
| h) Financial assets | | | |
| (i) Investments | 8 | 14,925.88 | 14,928.45 |
| (ii) Trade receivables | | - | - |
| (iii) Loans | 10 | 737.54 | 231.48 |
| (iv) Other Financial Assets | 11 | - | 238.20 |
| i) Deferred tax assets(net) | | - | - |
| j) Other non-current assets | 12 | 2,903.23 | 2,723.14 |
| (2) Current assets | | | |
| (a) Inventories | 13 | 51,143.57 | 25,779.76 |
| (b) Financial assets | | | |
| (i) Investments | 8 | - | 55.34 |
| (ii) Trade receivables | 9 | 97,268.90 | 36,078.79 |
| (iii) Cash & Cash equivalents | 14 | 517.18 | 628.54 |
| (iv) Bank balances other than (iii) above | 15 | 245.28 | 196.42 |
| (v) Loans | 10 | 91.30 | 153.02 |
| (vi) Other Financial Assets | 11 | 109.43 | 378.44 |
| (c) Current Tax Assets(Net) | | | |
| (d) Other current assets | 12 | 12,116.83 | 6,772.35 |
| Total Assets | | 2,63,557.31 | 1,77,174.27 |
| EQUITY & LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 16 | 3,995.95 | 3,995.95 |
| (b) Other equity | 17 | 1,76,865.78 | 83,183.50 |
| LIABILITIES | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | - | 13,564.06 |
| (ii) Trade Payables | | - | - |
| (iii) Other financial liabilities | 20 | 42.50 | 43.63 |
| (b) Provisions | 21 | 340.90 | 342.95 |
| (c) Deferred tax liabilities (Net) | 22 | 11,916.80 | 6,089.12 |
| (d) Other non-current liabilities | 23 | 208.08 | 188.10 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 29,745.49 | 41,183.59 |
| (ii) Trade Payables | 19 | 24,644.43 | 8,648.56 |
| (iii) Other financial liabilities | 20 | 7,913.99 | 18,043.15 |
| (b) Other current liabilities | 23 | 4,734.26 | 1,821.18 |
| (c) Provisions | 21 | 68.75 | 70.47 |
| (d) Current Tax Liabilities (Net) | 24 | 3,080.38 | - |
| Total Equity and Liabilities | | 2,63,557.31 | 1,77,174.27 |

The accompanying notes(1-54) are integral part of the financial statements

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 8th May, 2018

Standalone **Statement of Profit and Loss** for the year ended 31st March, 2018

(₹ in Lacs)

| Particulars | Note No. | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|----------|-----------------------------|-----------------------------|
| I. Revenue from Operations | 25 | 2,75,840.43 | 89,602.34 |
| II. Other Income | 26 | 1,236.82 | 712.81 |
| III. Total Income (I + II) | | 2,77,077.25 | 90,315.15 |
| IV. Expenses: | | | |
| Cost of materials consumed | 27 | 57,580.79 | 32,984.88 |
| Purchases of Stock-in-Trade | 28 | - | 1,292.60 |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 29 | (9,782.44) | 9,261.22 |
| Employee benefits expense | 30 | 11,256.40 | 5,878.11 |
| Finance costs | 31 | 5,667.92 | 5,471.76 |
| Depreciation and amortization expense | 32 | 7,255.76 | 7,391.73 |
| Excise Duty | 33 | 833.82 | 3,598.07 |
| Other expenses | 34 | 43,794.04 | 28,513.94 |
| Total expenses (IV) | | 1,16,606.29 | 94,392.31 |
| V. Profit Before Exceptional items and Tax (III-IV) | | 1,60,470.97 | (4,077.17) |
| VI. Exceptional items | | - | - |
| VII. Profit Before Tax (V - VI) | | 1,60,470.97 | (4,077.17) |
| VIII. Tax expense: | | | |
| (1) Current tax | 35 | 51,355.90 | 112.13 |
| (2) Deferred tax | 35 | 981.14 | 815.20 |
| IX Profit/(Loss) for the year from continuing operations (VII-VIII) | | 1,08,133.93 | (5,004.50) |
| X Profit/(Loss) from discontinued operation | | - | - |
| XI Tax Expense of discontinued operation | | - | - |
| XII Profit/(Loss) for the year from discontinued operations(after tax) (X-XI) | | - | - |
| XIII Profit/(Loss) for the period (IX+XII) | | 1,08,133.93 | (5,004.50) |
| XIV Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit/(loss) | 36 | (35.99) | 128.67 |
| (ii) Income tax relating to items that will not be reclassified to profit/(loss) | 35 | (12.46) | 44.31 |
| B (i) Items that will be reclassified to profit/(loss) | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit/(loss) | | - | - |
| XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period) | | 1,08,110.40 | (4,920.15) |
| XVI Earnings per equity share (for continuing operations) : | | | |
| (1) Basic (₹) | 37 | 270.61 | (12.52) |
| (2) Diluted (₹) | 37 | 270.61 | (12.52) |
| XVII Earnings per equity share (for discontinued operations) : | | | |
| (1) Basic (₹) | | - | - |
| (2) Diluted (₹) | | - | - |
| XVIII Earnings per equity share (for discontinued and continuing operations) : | | | |
| (1) Basic (₹) | 37 | 270.61 | (12.52) |
| (2) Diluted (₹) | 37 | 270.61 | (12.52) |

The accompanying notes(1-54) are integral part of the financial statements

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 8th May, 2018

Standalone **Statement of Changes in Equity** For the year ended 31st March, 2018**A) Equity Share Capital**

(₹ in Lacs)

| | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---------------------------|---------------------------|
| Balance at the beginning of reporting period | 3,995.91 | 3,995.91 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of reporting period | 3,995.91 | 3,995.91 |

B) Other Equity

(₹ in Lacs)

| | Reserves and Surplus | | | | Other Comprehensive Income | Total |
|---|----------------------|----------------------------------|---|---------------------|---|-------------|
| | Capital Reserve | Securities Premium Reserve | Other Reserves (Capital Redemption Reserve) | Retained Earning | Remeasurement of Defined benefit obligations | |
| Balance at the beginning of reporting period i.e. 1st April, 2017 | 3,138.24 | 1,269.61 | 1,893.57 | 76,785.60 | 96.47 | 83,183.50 |
| Profit for the year | | | | 1,08,133.93 | | 1,08,133.93 |
| Other Comprehensive Income for the year | | | | | (23.54) | (23.54) |
| Total Comprehensive Income for the year | - | - | - | 1,08,133.93 | (23.54) | 1,08,110.39 |
| Interim Dividend (including dividend distribution tax) | | | | (14,428.11) | | (14,428.11) |
| Transfer to retained earnings | | | | | | - |
| Any other changes | | | | | | - |
| Balance at the end of reporting period i.e. 31st March, 2018 | 3,138.24 | 1,269.61 | 1,893.57 | 1,70,491.42 | 72.93 | 1,76,865.78 |
| Balance at the beginning of reporting period i.e. 1st April, 2016 | 3,138.24 | 1,269.61 | 1,893.57 | 81,790.10 | 12.11 | 88,103.63 |
| Profit for the year | | | | (5,004.50) | | (5,004.50) |
| Other Comprehensive Income for the year | | | | | 84.35 | 84.35 |
| Total Comprehensive Income for the year | - | - | - | (5,004.50) | 84.35 | (4,920.15) |
| Balance at the end of reporting period i.e. 31st March, 2017 | 3,138.24 | 1,269.61 | 1,893.57 | 76,785.60 | 96.47 | 83,183.50 |

The accompanying notes(1-54) are integral part of the financial statements

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)

Dated: 8th May, 2018

Standalone Cash Flow Statement For the year ended 31st March, 2018

(₹ in Lacs)

| PARTICULARS | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax | 1,60,470.97 | (4,077.17) |
| Adjustment for non operating and non cash transactions | | |
| Depreciation and Amortisation | 7,255.76 | 7,391.73 |
| Interest Paid | 5,667.92 | 5,471.76 |
| Net(Profit)/Loss on property plant and equipment sold / discarded | (321.47) | 54.94 |
| Provision for doubtful debts | (782.98) | 327.48 |
| Bad Debts | 205.02 | 60.41 |
| Interest received | (42.07) | (21.97) |
| Adjustments for changes in assets and liabilities | | |
| (Increase)/Decrease in Trade receivables | (60,612.15) | (4,618.19) |
| (Increase)/Decrease in Inventories | (25,363.82) | 11,339.52 |
| (Increase)/Decrease in Loans, financial and Other assets | (5,762.81) | (3,182.79) |
| Increase/(Decrease) in Liabilities and provisions | 30,220.88 | 3,929.85 |
| Cash generated from operations | 1,10,935.25 | 16,675.56 |
| Income tax paid | 52,337.04 | 971.65 |
| Net Cash generated from operating activities (A) | 58,598.21 | 15,703.91 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Addition in Property plant and Equipments (net) | (2,003.44) | (410.82) |
| Sale of Property Plant and Equipments | 581.36 | 147.86 |
| (Increase)/Decrease in advances for Capital Expenditure | 251.27 | - |
| Increase/(Decrease) in Creditors for Capital Expenditure | 98.28 | 113.94 |
| Purchase/(Sale) of Investments | 57.91 | (7.90) |
| Interest received | 91.93 | 21.97 |
| Net Cash used in investing activities (B) | (922.69) | (134.94) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowings (Non-Current) (Refer Note 53) | - | 14,000.00 |
| Repayment of Borrowings (Non-Current) (Refer Note 53) | (27,195.06) | (12,967.79) |
| Repayment of Borrowings(Current) (working capital) (Refer Note 53) | (11,438.11) | (10,816.24) |
| Interest Paid | (4,676.69) | (5,471.76) |
| Dividend Paid | (11,987.74) | - |
| Dividend distribution Tax paid | (2,440.42) | - |
| Net Cash used in financing activities (C) | (57,738.02) | (15,255.78) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | (62.50) | 313.19 |
| Cash and cash equivalents at the beginning of the period | 824.96 | 511.77 |
| Cash and cash equivalents at the end of the period | 762.46 | 824.96 |

The accompanying notes(1-54) are integral part of the financial statements

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjhunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)

Dated: 8th May, 2018

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

1. Corporate Information

"HEG Limited (the 'Company'), incorporated in 1972, is a leading manufacturer and exporter of graphite electrodes in India and operates world's largest single-site integrated graphite electrodes plant. The Company also operates three power generation facilities with a total capacity of about 76.5 MW.

The Company is a public limited company incorporated and domiciled in India, has its registered office at Mandideep, Bhopal, Madhya Pradesh and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). "

Basis of preparation of financial statement

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act 2013 (the Act) and guidelines issued by the Securities & Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

Effective April 1, 2016, the company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards with effect from 01st April, 2015 as the transition date. The transition was carried out from Indian accounting principles generally accepted in India as prescribed under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules 2014 (GAAP) which was previous GAAP.

Amount for year ended and as at 31st March, 2017 were audited by previous auditors S.S.Kothari Mehta & Co. and Doogar & Associates jointly. The financial statements are authorized for issue by the Company's Board of directors on 08th May 2018.

2. Summary of Significant Accounting Policies

2.1 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the

reporting period and reported amounts of revenues and expenses during the period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.2 Revenue Recognition

Sale of Goods

(i) Graphite Electrodes (Including other carbon products)

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- In accordance with Ind AS 18 "Revenue Recognition" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 and for the period 1 April to 30 June 2017 were reported gross of Excise Duty and net of VAT/CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18.

(ii) Power

Revenue from power generation is recognized on transmission of electricity to SEB or third parties

- Power generated at the power plants is primarily consumed by the manufacturing units and excess power is sold to SEBs or third parties which are included in the sales as below:
 - Power transferred to Graphite unit at MPEB rate.
 - Excess power generated is sold to SEB's at rate stipulated by SEB's and/or third parties at market rate equivalent.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

- (ii) Inter-divisional sales comprising of sale of power from power plants to Graphite unit is reduced from revenue from operations in deriving net revenue.

Other Income

- (i) Revenue in respect of Export Incentives is accounted on post export basis.
- (ii) Entitlements to Renewal Energy Certificates owing to generation of power at tawa hydel plant are recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.
- (iii) Revenue in respect of interest from customers is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof. Other Interest income is recognized using the effective interest rate (EIR).
- (iv) Revenue in respect of other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof

Dividends

Dividend income is recognized when the right to receive payment is established.

2.3 Inventories

Inventories are valued at cost or net realizable value, whichever is lower except by products which are valued at net realizable value. The cost in respect of the various items of inventory is computed as under:

- (i) In case of finished goods and work-in-progress, cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.
- (ii) In case of stores, spares and raw material at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- (iii) Obsolete stocks are identified at each reporting date on the basis of technical evaluation and are charged off to revenue.

2.4 Property, Plant and Equipment

Property, Plant and Equipment are stated at Historical cost less accumulated depreciation and impairment, if any. Historical Cost includes its purchase price (net of CENVAT/GST or any duty credits wherever applicable), after deducting

trade discounts and rebates. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditures relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

An item of Property, Plant and Equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset measured as the difference between the net disposal proceeds and the carrying amount of the asset is included in the income statement when the asset is derecognized.

2.5 Investment property

Investment Properties comprises freehold land and building (including property under construction) that are held for long-term rental yields and/or for capital appreciation. Investment properties are measured initially at cost, comprising the purchase price and directly attributable transaction cost. Subsequently investment property is carried at cost model, which is cost less accumulated depreciation and impairment losses if any in similar lines of Ind AS 16.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal.

2.6 Intangible Assets

Intangible Assets are recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Intangible assets acquired separately are measured on initial recognition at cost. Following Initial recognition, intangible assets are stated at cost less accumulated amortization and impairment, if any.

The cost and related accumulated amortization are eliminated from financial statement upon disposal or retirement of the assets and the resulted gain or losses are recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.7 Depreciation**(A) Property, Plant and Equipments**

Based on internal assessment and independent technical evaluation carried out by external valuer, The Management believes that the useful life of the assets as stated below best represents the life over which the management expects to use the assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The method of depreciation and useful life considered on different assets is as below:

- (i) Depreciation on all the assets at Hydel Power Plant at Tawa is provided on Straight line method. The useful life of assets determined is as below:

| Sl. No. | Description of Asset | Rate of Depreciation (%) | Useful Life (Approx) |
|---------|--|--------------------------|----------------------|
| 1 | Factory Building | 3.02 | 33 |
| 2 | Non Factory Building | 3.02 | 33 |
| 3 | Plant and Machinery | | |
| | i) Dams, Spillways weirs, canals, reinforced concrete Flumes and symphons | 1.95 | 51 |
| | ii) Hydraulic control valves and other hydraulic works | 3.40 | 30 |
| | iii) Transformers having a rating of 100 KVA and over | 7.81 | 13 |
| 4 | Electrical Installation | | |
| | i) Batteries | 33.40 | 3 |
| | ii) Lines on Fabricated steel operating at normal voltages higher than 66 kv | 5.27 | 19 |

| | | | |
|---|-----------------------------------|-------|----|
| | iii) Residual | 7.84 | 13 |
| 5 | Furniture and Fixtures | 12.77 | 8 |
| 6 | Office Equipment and other assets | 12.77 | 8 |
| 7 | Vehicles | 33.40 | 3 |

- (ii) On the assets other than those mentioned at (i) above, depreciation is provided on following basis:

In case of Plant and machinery, depreciation is provided on Straight Line Method and in case of other assets on written down method. The useful life of assets determined is as below

| Assets description | Useful Life |
|--|-------------|
| Building | 5 -58 Years |
| Plant and Machinery | 1-24 Years |
| Railway Siding | 9 Years |
| Office Equipment(Includes Computers and data processing units) | 5-20 Years |
| Electrical Installation | 5-20 Years |
| Furniture and Fixtures | 15 Years |
| Vehicles | 5-10Years |

- (iii) Cost of acquisition and improvement of lease hold land is amortized over the lease period.

- (iv) Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(B) Investment property

On assets classified as investment property, on written down value method, over the useful life prescribed in Schedule II.

2.8 Amortization**Intangible Assets**

Intangible assets are amortized over their respective individual useful lives on a straight line basis from date they are available. The estimated useful life is based on number of factors including effect of obsolesce and other economic factors.

Amortization method and useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

2.9 Impairment of Non-Financial Assets

Intangible assets, Investment property and Property, Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

2.10 Foreign Exchange Transactions/Translation

Functional Currency

The Financial statements are presented in INR, which is company's functional currency.

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

Non monetary items denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded, in so far as they relate to the acquisition of depreciable capital assets, are shown by addition to/deduction from the cost of the assets as per exemption provided under Ind AS-101.

2.11 Employee Benefits

A) Post Employment Benefits

Company operates the following post-employment scheme:

i) Defined Contribution Plans

Provident Fund

The Company makes contribution to statutory Provident Fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Superannuation

The Company makes contribution to Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

ii) Defined Benefit Plans

Gratuity

The Company provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the salary of respective employees and the tenure of employment with the company.

Liability with regard to Gratuity Plan is determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

The company fully contributes all ascertained liabilities to the Hindustan Electro Graphites Staff Gratuity Fund Trust(The Trust), trustees administer contributions made to the Trust and contribution are invested in a scheme with Life Corporation of India, ICICI Prudential Life Insurance Company Ltd and Reliance Insurance Company Ltd as permitted by Indian Law

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income. The effects of any plan amendments are recognized in the Statement of Profit and Loss.

The company recognizes the net obligation in the balance sheet as an asset or liability

B) Other Long term Employee Benefits

The liabilities for earned leave which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related services. They are therefore measured as the present value of expected future payments to be made in respect of service provided by employees upto the end of the period using project credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustment and changes in actuarial assumption are recognized in profit and loss.

2.12 Leases

Where the Company is a lessee

- (i) Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.
- (ii) Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is a lessor

Rental Income from operating leases is recognized on a straight-line basis over the term of the relevant lease, Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease is recognized immediately in the Statement of Profit and Loss.

2.13 Taxes on Income

Tax expense comprises of current and deferred income tax.

Current income tax

Current income tax for current and prior period is recognized

at the amount expected to be paid to the tax authorities using tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to the items recognized directly in equity and other comprehensive income.

Deferred Income Tax

Deferred Income Tax assets and liabilities are recognized using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in financial statement.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that related tax benefits will be realized to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset. The said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement grouped with deferred tax assets (net) in the financial statement.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

2.14 Government grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

2.15 Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of items of Property plant and equipment that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

2.16 Provisions, Contingent Liabilities

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

2.17 Earnings per Share

Basic earnings per equity share is computed by dividing the net profit for the period attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders is divided by the weighted average number of shares outstanding

during the period after adjusting for the effects of all dilutive potential equity shares if any.

2.18 Financial instruments

(i) Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivable which is initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

(ii) Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in three broad categories:-

A. Non-derivative financial instruments

(a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(e) Investment in Subsidiaries, Associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures is carried at cost in the separate financial statements.

B. Derivative financial instruments

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

(b) Cash flow hedge

Company designates certain foreign exchange forward contracts and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve.

Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

(iii) Impairment of Financial Assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit or loss.

(iv) Derecognition

A financial asset (or, a part of a financial asset) is primarily derecognized when:

- (i) The contractual right to receive cash flows from the financial assets expire, or
- (ii) The company transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

A financial liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

(v) Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

C. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

2.19 Fair Value Measurement

The Company measures financial instruments such as derivatives and certain investments, at the fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability. Or
- (ii) In the absence of a principal market, in the most advantageous market for the assets or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic

benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.20 Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

2.21 Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

2.22 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3 Critical accounting estimates and Judgments

a. Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team and external advisor. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company believes that the useful life best represents the period over which the Company expects to use these assets.

b. Contingent liability

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

c. Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews, at each balance sheet date, the carrying amount of deferred tax assets.

d. Defined benefit plans

The cost of the defined benefit gratuity plan and its present value is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

| Note:4 | | Property, Plant and Equipment | | | | | | | | | (₹ in Lacs) |
|---|---------------|-------------------------------|----------------------------------|-----------|---------------------|------------------------|----------|------------------|-------------------------|-----------------|-------------|
| | | Land | | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Electrical Installation | Railway Sidings | Total |
| | | Free-hold | Leasehold Refer Note (a) and (c) | | | | | | | | |
| Gross Carrying amount as at 1st April, 2016 | | 302.88 | 830.98 | 25,282.43 | 1,30,755.15 | 652.15 | 1,033.38 | 1,142.58 | 3,208.77 | 921.69 | 1,64,130.01 |
| Additions | Refer Note(b) | - | 24.11 | 56.04 | 2,667.59 | 1.97 | 36.72 | 39.07 | 22.22 | - | 2,847.73 |
| Disposals | | - | - | (27.43) | (423.29) | (63.72) | (228.58) | (61.53) | (38.43) | - | (842.98) |
| Gross Carrying amount as at 31st March, 2017 (A) | | 302.88 | 855.09 | 25,311.04 | 1,32,999.45 | 590.40 | 841.52 | 1,120.12 | 3,192.56 | 921.69 | 1,66,134.76 |
| Additions | Refer Note(b) | - | - | 609.80 | 838.28 | 5.31 | 312.07 | 106.05 | 48.67 | - | 1,920.18 |
| Disposals | | - | - | (313.06) | (581.71) | (39.58) | (119.64) | (82.27) | (69.46) | - | (1,205.72) |
| Gross Carrying amount as at 31st March, 2018 (B) | | 302.88 | 855.09 | 25,607.78 | 1,33,256.02 | 556.13 | 1,033.95 | 1,143.90 | 3,171.77 | 921.69 | 1,66,849.22 |
| Accumulated Depreciation as at 1st April, 2016 | | - | 153.37 | 10,778.51 | 56,348.24 | 471.62 | 516.92 | 844.92 | 1,500.19 | 277.74 | 70,891.51 |
| Depreciation for the year | Refer Note(b) | - | 23.39 | 1,176.47 | 5,681.26 | 28.56 | 131.55 | 79.92 | 217.66 | 41.98 | 7,380.79 |
| Disposals | | - | - | (8.05) | (342.89) | (58.23) | (156.64) | (53.84) | (20.51) | - | (640.16) |
| Accumulated Depreciation as at 31st March, 2017 (C) | | - | 176.76 | 11,946.93 | 61,686.61 | 441.95 | 491.83 | 871.00 | 1,697.34 | 319.72 | 77,632.14 |
| Depreciation for the year | Refer Note(b) | - | 14.15 | 1,103.39 | 5,683.27 | 23.23 | 104.74 | 62.72 | 199.72 | 41.59 | 7,232.81 |
| Disposals | | - | - | (129.49) | (568.12) | (33.57) | (86.69) | (75.95) | (52.02) | - | (945.83) |
| Accumulated Depreciation as at 31st March, 2018 (D) | | - | 190.90 | 12,920.82 | 66,801.77 | 431.62 | 509.87 | 857.77 | 1,845.03 | 361.31 | 83,919.12 |
| Net Carrying amount as at 31st March, 2017 (A)-(C) | | 302.88 | 678.33 | 13,364.11 | 71,312.84 | 148.45 | 349.69 | 249.12 | 1,495.22 | 601.97 | 88,502.62 |
| Net Carrying amount as at 31st March 2018 (B)-(D) | | 302.88 | 664.19 | 12,686.95 | 66,454.25 | 124.51 | 524.08 | 286.13 | 1,326.73 | 560.38 | 82,930.10 |

- a) Assets amounting to ₹83.13 Lacs (Previous Year ₹83.13 Lacs) (Gross) are owned jointly with RSWM Ltd.
- b) The Company continues to had 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, an amount of ₹49.83 Lacs (Realized Loss being adjusted against respective assets),(Previous Year ₹219 Lacs(Unrealized Gain) & ₹88.10 (Realized Loss being adjusted against respective assets)) 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.
- c) **Leased Assets**

The lease term in respect of leasehold land generally expire with in 30 to 99 years. The ground rent shall be liable to be increased on the expiry of 10 to 30 years depending on the term of lease from the date of execution of this deed and also at

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

subsequent interval of 10 to 30 years, provided that the increase on each occasion shall not exceed one quarter of the rent fixed for the preceding 10 to 30 years. The above lease hold land or any part thereof or any building erected thereon cannot be sublet, assign or otherwise transferred without any previous sanction in writing of the lessor.

Following are the details of year wise minimum lease obligation under leasehold land

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| | Minimum Payments | Present value of payments | Minimum Payments | Present value of payments |
| With in one year | 5.45 | 4.95 | 5.32 | 4.84 |
| After one year but not more than 5 years | 21.79 | 15.69 | 21.15 | 15.34 |
| More than 5 years | 108.56 | 22.95 | 121.79 | 24.83 |
| Total Minimum lease payments | 135.79 | 43.59 | 148.26 | 45.13 |
| Less: Amount representing finance charges | 92.20 | | 103.13 | - |
| Present value of minimum lease payments | 43.59 | 43.59 | 45.13 | 45.13 |

d) Property, Plant & Equipment pledged as security

Refer to note no. 50 for information on Property, Plant and Equipment pledged as security by the company.

| Note: 5 Capital Work In Progress | | (₹ in Lacs) |
|---|------------------------|------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| Plant and Equipment under erection/installation | 161.45 | 120.40 |

Capital work in progress includes NIL (Previous year ₹1.49 Lacs) being preoperative expenditure and ₹23.43 Lacs (Previous year ₹18.66 Lacs) being capital stores.

| Note: 6 Investment Property | | (₹ in Lacs) | | |
|-----------------------------|-------|-------------|-----------------------------|----------|
| | | Building | Property under construction | Total |
| Gross Block | | | | |
| As at 1st April, 2016 | | 59.55 | 266.11 | 325.66 |
| Additions | | 332.04 | 112.03 | 444.07 |
| Disposals | | - | (332.04) | (332.04) |
| As at 31st March, 2017 | (a) | 391.59 | 46.09 | 437.68 |
| Additions | | 49.23 | 3.14 | 52.37 |
| Disposals/Capitalized | | - | (49.23) | (49.23) |
| As at 31st March, 2018 | (b) | 440.83 | (0.00) | 440.83 |
| Amortisation | | | | |
| As at 1st April, 2016 | | 44.37 | - | 44.37 |
| Charge for the year | | 7.80 | | 7.80 |
| Disposals | | - | - | - |
| As at 31st March, 2017 | (c) | 52.17 | 0.00 | 52.17 |
| Charge for the year | | 16.86 | | 16.86 |
| Disposals | | - | - | - |
| As at 31st March, 2018 | (d) | 69.03 | - | 69.03 |
| Net Block | | | | |
| As at 31st March, 2017 | (a-c) | 339.42 | 46.09 | 385.51 |
| As at 31st March, 2018 | (b-d) | 371.80 | (0.00) | 371.80 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(i) Amounts recognised in profit or loss for Investment properties (₹ in Lacs)

| Particulars | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| Rental income | 52.37 | 46.57 |
| Direct operating expenses from property that generated rental income | 4.31 | 5.05 |
| Profit from Investment properties before depreciation | 48.06 | 41.52 |
| Depreciation | 16.86 | 7.80 |
| Profit from Investment properties | 31.20 | 33.72 |

(ii) (₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|-----------------------------------|------------------------|------------------------|
| Fair value of Investment property | 2,294.12 | 2,029.02 |

The Company has obtains independent valuation for its properties at least annually. The best evidence of fair value is current market prices in an active market for similar properties.

The fair values of investment properties have been determined by the independent chartered valuer. All fair value estimates for Investment properties are included in level 1.

| Note: 7 | Intangible Assets (Computer Software's) | (₹ in Lacs) |
|---------------------|---|-------------|
| Gross Block | | |
| | As at 1st April, 2016 | 451.37 |
| | Additions | 0.31 |
| | Disposals | - |
| | As at 31st March, 2017 (a) | 451.68 |
| | Additions | 39.10 |
| | Disposals | - |
| | As at 31st March, 2018 (b) | 490.78 |
| Amortisation | | |
| | As at 1st April, 2016 | 446.73 |
| | Charge for the year | 3.14 |
| | Disposals | - |
| | As at 31st March, 2017 (c) | 449.87 |
| | Charge for the year | 6.09 |
| | Disposals | - |
| | As at 31st March, 2018 (d) | 455.96 |
| Net Block | | |
| | As at 31st March, 2017 (a-c) | 1.81 |
| | As at 31st March, 2018 (b-d) | 34.82 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

| Note: 8 Investments | | (₹ in Lacs) | | | |
|----------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | Non - current | | Current | |
| | | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| A. | Investments carried at cost | | | | |
| | Investments in Equity instruments | | | | |
| | (a) EQUITY INSTRUMENTS OF SUBSIDIARY COMPANIES (Unquoted) | | | | |
| | HEG Graphite Products and Services Ltd | | | | |
| NIL | (Previous year 50,000) Equity Shares of ₹10 each fully paid up | 5.00 | 5.00 | | |
| | (Includes 6 Shares held by the nominees of the Company) | | | | |
| | Less: Provision for impairment in value of investments (Refer Note 1) | - | 2.44 | - | - |
| | Less: Written off during the year (Refer Note 2) | 5.00 | - | | |
| | Carrying Value | 0.00 | 2.56 | | |
| | (b) Equity Instruments in Associate Companies (Unquoted) | | | | |
| 4,88,81,556 | (Previous year 4,88,81,556) Equity Shares of ₹10/- each fully paid up of Bhilwara Energy Ltd. | 14,506.88 | 14,506.88 | | |
| 12,62,048 | (Previous year 12,62,048) Equity Shares of ₹10/- each fully paid up of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.) | 419.00 | 419.00 | | |
| B. | Investments carried at Fair value through profit or loss | | | | |
| | (a) Equity Instruments in Other Companies (Quoted) | | | | |
| 18 | (Previous year 18) Equity Shares of ₹2/-each of Ballarpur Ind. Ltd. (Refer Note 3) | 0.01 | 0.01 | | |
| | (b) Investments in Mutual Funds (Quoted) | | | | |
| NIL | (Previous year 2,50,000)Units of LIC Mutual Fund Dhan Samriddhi of ₹10/- each | | | - | 55.34 |
| | Total | 14,925.88 | 14,928.45 | - | 55.34 |
| | Aggregate amount of quoted investments | 0.01 | 0.01 | - | 55.34 |
| | Market value of quoted investments | ** | ** | - | 55.34 |
| | Aggregate amount of unquoted investments | 14,925.87 | 14,928.44 | | |
| | Aggregate amount for impairment in value of investments | 0.00 | 2.44 | - | |
| | (**)Amount is below the Rounding off norm adopted by the Company | | | | |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note 1 :- The company has opted for carrying value as per previous GAAP as the deemed cost of investment in subsidiary and associates, however it has impaired its investment in subsidiary company by ₹0.32 Lacs during the financial year 2016-17, routing through Profit and loss.

Note 2 :- The Name of M/s HEG Graphite Product and Service Pvt Ltd has been struck off from the registrar of Companies under the provision of sub section (5) of section 248 of the companies act 2013. Therefore the company stand dissolved. In view thereof the Investment made in the equity of M/s HEG Graphite Product and Service Pvt Ltd a subsidiary of the company has been written off during the year.

Note 3 :- Refer Note: 49 for Classification of Financial Assets

| Note: 9 Trade Receivables | | (₹ in Lacs) | |
|--|------------------------|------------------------|--|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | |
| a) Secured, considered good | - | - | |
| b) Unsecured, considered good | 97,727.84 | 37,320.71 | |
| c) Considered Doubtful | - | - | |
| Less: Loss allowance for doubtful receivables (other than covered under ECGC cover) | (458.94) | (1,241.92) | |
| d) Debts due from directors or other Officer of the company or any of them either severally or jointly with any other person or debts due by firms or private company respectively in which any director is a partner or a director or a member. | - | - | |
| Total | 97,268.90 | 36,078.79 | |

Refer Note: 49 for Classification of Financial Assets

| Note: 10 Financial Assets-Loans | | (₹ in Lacs) | | | |
|--|------------------------|------------------------|------------------------|------------------------|---------------|
| Particulars | Non-Current | | Current | | |
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 | |
| Security deposits | 721.72 | 201.36 | | | |
| Loans and advances to employees | | - | | | - |
| Unsecured, considered good | 15.82 | 30.12 | 91.30 | | 153.02 |
| Total | 737.54 | 231.48 | 91.30 | | 153.02 |

Refer Note: 49 for Classification of Financial Assets

| Note: 11 Other Financial Assets | | (₹ in Lacs) | | | |
|---|------------------------|------------------------|------------------------|------------------------|---------------|
| Particulars | Non-Current | | Current | | |
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 | |
| Interest accrued but Not due | - | - | 85.04 | | 134.90 |
| Deposit with maturity more than one year* | - | 238.20 | - | | - |
| Derivative Financial Instruments | - | - | 24.39 | | 243.54 |
| Total | - | 238.20 | 109.43 | | 378.44 |

* Pledged with bank against long term loans and bank guarantee to shipping line.

Refer Note: 49 for Classification of Financial Assets

Notes to the Standalone Financial Statements for the year ended 31st March, 2018**Note: 12 Other Assets** (₹ in Lacs)

| Particulars | Non-Current | | Current | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Unsecured, considered good unless stated otherwise | | | - | - |
| Capital advances | 251.27 | - | - | - |
| Other Advances-Unsecured, considered good | - | - | 2,047.85 | 2,070.49 |
| Advances to related parties | - | - | 2.19 | 5.01 |
| Prepaid expenses | - | - | 877.52 | 509.30 |
| Balances with statutory authorities | - | - | 2,092.67 | 616.07 |
| Excise rebates / refunds receivable | - | - | 692.00 | 1,996.37 |
| Direct taxes refund receivable (net of provisions) | 2,348.15 | 2,296.63 | - | - |
| Payments under protest (other than direct taxes) | 303.81 | 426.51 | - | - |
| Export benefits receivable | - | - | 6,252.96 | 1,515.97 |
| Other Receivables | - | - | 151.64 | 59.14 |
| Total | 2,903.23 | 2,723.14 | 12,116.83 | 6,772.35 |

a) Direct taxes refundable represent amounts recoverable from the Income Tax Department for various assessment years. In respect of disputed demands, Company has filed appeals which are pending at various levels .

b) Detail of payments under protest (other than direct taxes) is as follows:

| Particulars | (₹ in Lacs) | |
|-------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Entry Tax | 197.22 | 197.22 |
| Central Sales Tax | 24.53 | 24.53 |
| Excise duty/Service Tax | 59.92 | 204.30 |
| MPST/MPCT | 3.29 | 0.46 |
| Tax deducted at source | 18.85 | - |
| Total | 303.81 | 426.51 |

Based on legal advice, discussions with the solicitors, etc., the management believes that there are fair chances of decisions in Company's favor in respect of all the items listed above and no value adjustment is considered necessary.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

| Note: 13 Inventories (Valued At Lower Of Cost Or Net Realizable Value) (₹ in Lacs) | | |
|--|------------------------|------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| Raw materials [Includes material in transit ₹7,017 lacs; Previous year: ₹2,226.46 lacs] | 19,959.18 | 3,996.84 |
| Finished goods (Refer Note (a)) | 10,166.41 | 6,501.88 |
| Work-in-progress | 17,528.15 | 11,845.08 |
| Stores and Spares [Includes stores in transit ₹183.97 ; Previous year: ₹29.85] | 3,489.80 | 3,431.94 |
| Others (Refer Note (b)) | 0.03 | 4.02 |
| Total | 51,143.57 | 25,779.76 |

- (a) Finished goods are written down from its cost to Net Realisable value by ₹NIL (Previous year ₹384.51 Lacs).
- (b) Others include Renewable Energy Credits in hand.
- (c) The cost of inventories recognised as an expense during the year in respect of continuing operation was ₹57,010.98 (Previous years ₹51,774.28)

| Note: 14 Cash And Cash Equivalents (₹ in Lacs) | | |
|---|------------------------|------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| Balances with banks | | |
| In Current accounts | 161.01 | 406.87 |
| In Cash Credit accounts | 17.18 | - |
| Cheques, drafts on hand | 333.96 | 216.32 |
| Cash on hand | 5.02 | 5.28 |
| Postage and Stamps | 0.00 | 0.07 |
| Total | 517.18 | 628.54 |

Refer Note: 49 for Classification of Financial Assets

| Note: 15 Other Bank Balances (₹ in Lacs) | | |
|---|------------------------|------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| Earmarked Balances with banks* | 245.28 | 196.42 |
| Total | 245.28 | 196.42 |

* Earmarked balances with banks pertain to unpaid dividend accounts with banks.

Refer Note: 49 for Classification of Financial Assets

| Note: 16 Equity Share Capital (₹ in Lacs) | | |
|--|------------------------|------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| Authorised | | |
| 5,50,00,000 Equity Shares of ₹10/- each | 5,500.00 | 5,500.00 |
| Total | 5,500.00 | 5,500.00 |
| Issued, subscribed and fully paid-up | | |
| 3,99,59,142 Equity Shares of ₹10/- each | 3,995.91 | 3,995.91 |
| 1,150 Forfeited Equity Shares | 0.04 | 0.04 |
| Total | 3,995.95 | 3,995.95 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

| Particulars | 2017-18 | | 2016-17 | |
|------------------------------------|---------------|-----------|---------------|-----------|
| | No. of Shares | ₹ in Lacs | No. of Shares | ₹ in Lacs |
| Equity Shares | | | | |
| At the beginning of the year | 3,99,59,142 | 3,995.91 | 3,99,59,142 | 3,995.91 |
| Changes during the year | - | - | - | - |
| Outstanding at the end of the year | 3,99,59,142 | 3,995.91 | 3,99,59,142 | 3,995.91 |

b) Terms/Rights attached to equity shares

Company has only one class of equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. The dividend (if any) proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31st March, 2018, the Company has paid an amount of Rs.30 per Equity Share (300%) as Interim Dividend for the financial year 2017-18 to the equity shareholders of the Company.

c) Detail of Shareholders holding more than 5% Shares in the Company

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|-------------------------------------|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares | | | | |
| Norbury Investments Limited | 53,62,991 | 13.42 | 53,62,991 | 13.42 |
| Microlight Investments Limited | 46,65,579 | 11.68 | 46,65,579 | 11.68 |
| Life Insurance Corporation of India | 33,33,963 | 8.34 | 33,33,963 | 8.34 |
| Bharat Investments Growth Limited | 26,09,598 | 6.53 | 26,09,598 | 6.53 |
| GPC Mauritius II LLC | - | - | 28,93,888 | 7.24 |

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d) During the five years immediately preceding the date at which the Balance Sheet is prepared, the company has neither issued any bonus shares nor issued any shares for consideration other than cash. Further the company has not bought back any shares during five years immediately preceding the date at which the Balance Sheet is prepared.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

| Note: 17 | | Other Equity | | (₹ in Lacs) |
|--|------------------------|------------------------|--|-------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | | |
| A. Capital Reserves | | | | |
| Balance as per the last financial statements | 3,138.24 | 3,138.24 | | |
| Add: Additions during the year | - | - | | |
| Closing balance | 3,138.24 | 3,138.24 | | |
| B. Capital Redemption Reserve | | | | |
| Balance as per the last financial statements | 1,893.57 | 1,893.57 | | |
| Add: Current year transfers | - | - | | |
| Closing balance | 1,893.57 | 1,893.57 | | |
| C. Securities Premium Account | | | | |
| Balance as per the last financial statements | 1,269.61 | 1,269.61 | | |
| Add : Received during the year | - | - | | |
| Closing balance | 1,269.61 | 1,269.61 | | |
| D. Retained Earnings | | | | |
| General Reserve | | | | |
| Balance as per the last financial statements | 39,823.38 | 39,823.38 | | |
| Add: Transfer from Statement of Profit and Loss during the year | - | - | | |
| Closing balance | 39,823.38 | 39,823.38 | | |
| Surplus/(Deficit) balance in Statement of Profit and Loss | | | | |
| Balance as per the last financial statements | 36,962.22 | 41,966.72 | | |
| Add: Amount transferred from Statement of Profit and Loss | 1,08,133.93 | (5,004.50) | | |
| Less: Dividend Paid | 11,987.74 | - | | |
| Less: Dividend distribution tax paid on dividend | 2,440.42 | - | | |
| Less: Amount Transferred to General Reserve | - | - | | |
| Closing balance | 1,30,667.99 | 36,962.22 | | |
| E. Items of other comprehensive income | | | | |
| Balance as per the last financial statements | 96.47 | 12.11 | | |
| Remeasurement of Defined benefit plans | (23.54) | 84.35 | | |
| Closing balance | 72.93 | 96.47 | | |
| Total | 1,76,865.78 | 83,183.50 | | |
| F. Preference share capital | | | | |
| Authorised Preference share capital | | | | |
| 15,00,000 (Previous year 15,00,000) Equity Shares of ₹10/- each | 1,500.00 | 1,500.00 | | |
| Total | 1,500.00 | 1,500.00 | | |

The company has not issued any Preference shares till 31st March 2018.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018**NATURE AND PURPOSE OF RESERVES****1) Capital Reserve:**

The Company created part of Capital Reserve on account of warrant money forfeited and part on profit made on hive off of Steel business .

2) Securities Premium Reserve:

Securities Premium reserve is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act 2013.

3) Capital Redemption Reserve:

The Company created Capital Redemption Reserve at the time of redemption of Preference Shares and buy back of its own shares. The reserve can be utilised for issuing bonus shares.

| Particulars | Non-Current | | Current | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Term loans (Secured) | | | | |
| From Banks | | | | |
| Rupee Loans from Banks | - | 4,600.00 | - | - |
| Foreign currency Loans from Banks | - | - | - | - |
| From Others | | | | |
| Rupee Loans from others | - | 8,964.06 | - | - |
| Loans repayable on demand from banks (Secured) | | | | |
| Working Capital loans from banks | - | - | 29,745.49 | 41,183.59 |
| Total | - | 13,564.06 | 29,745.49 | 41,183.59 |

Non current borrowings are net of Current maturities which has been disclosed in Note no. 20

Refer Note: 49 for Classification of Financial Liabilities

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Additional Information as per Schedule III
NON CURRENT BORROWINGS

(₹ in Lacs)

| Particulars | Maturity date | Terms of Repayment | Interest Rate | As at 31st March, 2018 | As at 31st March, 2017 |
|--|---------------|--------------------|------------------|------------------------|------------------------|
| Secured | | | | | |
| Term loans | | | | | |
| Rupee loans from banks | | | | | |
| - IDBI bank | * | * | BBR + 50 bps | - | 3,850.00 |
| - State bank of India | * | * | BR + 1% | - | 2,308.25 |
| - ICICI Bank | * | * | BR + 0.45% | - | 4,869.65 |
| | | | | - | 11,027.90 |
| Foreign currency loans from banks | | | | | |
| - Kotak Mahindra bank | * | * | 6M Libor + 2.60% | - | 2,411.50 |
| - DBS-ECB | * | * | Libor + 2.30% | - | 4,791.59 |
| | | | | - | 7,203.09 |
| From Others | | | | | |
| Aditya Birla Finance Ltd | * | * | BR + 2.30% | - | 8,964.06 |
| | | | | | |
| Total non current borrowings | | | | - | 27,195.06 |
| Less: Current Maturities | - | - | - | - | 13,631.00 |
| Non Current borrowings (as per balance sheet) | | | | - | 13,564.06 |

* The loans have been repaid during the year ended 31st March, 2018 and therefore, the disclosure of maturity date and terms of repayments is no longer applicable.

Term Loans from Financial Institutions and Banks/other lending Institutions are/shall be secured by way of joint equitable mortgage of all the immovable properties (present and future) of Graphite and Thermal Power units at Mandideep and Hydel unit at Tawa Nagar ranking on pari- passu basis and hypothecation of all movable assets of the Company (except book debts) subject to prior charge of the company's bankers on specified movable assets in respect of working capital borrowings. (Refer Note No. 50 for carrying amount of assets pledged as security for borrowings.)

CURRENT BORROWINGS

(₹ in Lacs)

| Particulars | Maturity date | Terms of Repayment | Interest Rate | As at 31st March, 2018 | As at 31st March, 2017 |
|----------------------------------|-------------------|--------------------|---------------------|------------------------|------------------------|
| LOANS REPAYABLE ON DEMAND | | | | | |
| Secured | | | | | |
| Working Capital from Banks | Payable on Demand | Payable on Demand | At negotiated rates | 29,745.49 | 41,183.59 |
| Total | | | | 29,745.49 | 41,183.59 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

- a) Working Capital Borrowings from Banks are secured by hypothecation of all stocks present and future, stores, spare parts, packing materials, raw materials, finished goods, goods in transit / process, book debts, outstanding monies receivable, claims, bills etc.
- b) Second charge by way of joint equitable mortgage of immovable properties of the Company in respect of Graphite & Thermal Power units at Mandideep and Hydel unit at Tawanagar. The said charge in favor of bank shall rank sub-ordinate and subservient to the existing charges created by the Company in favor of financial Institutions and banks for their term loans.
(Refer Note No. 50 for carrying amount of assets pledged as security for borrowings.)

| Note: 19 | Trade Payables | | (₹ in Lacs) |
|---|------------------------|------------------------|-------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | |
| (A) Total outstanding dues of micro enterprises and small enterprises | 245.97 | 157.14 | |
| (B) Total outstanding dues of Other Creditors | 24,398.46 | 8,491.42 | |
| (C) Total outstanding dues of Other Creditors-Related Parties | - | - | |
| Total | 24,644.43 | 8,648.56 | |

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

Refer Note: 49 for Classification of Financial Liabilities

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|--|------------------------|------------------------|
| (1) Principal amount remaining unpaid as at end of the year | 245.97 | 157.14 |
| (2) Interest due on above | - | - |
| a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year(1+2) | 245.97 | 157.14 |
| b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note: 20 Other Financial Liabilities (₹ in Lacs)

| Particulars | Non-Current | | Current | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Security Deposits | | | | |
| - From Outsiders | - | - | 134.02 | 77.22 |
| Current maturities of Borrowings | - | - | - | 13,631.00 |
| Interest accrued but not due on borrowings | - | - | 141.80 | 234.64 |
| Unpaid dividends-Unclaimed# | - | - | 245.28 | 196.42 |
| Other payables | | | | |
| Employees Related | - | - | 4,057.53 | 663.30 |
| Others | 42.50 | 43.63 | 3,335.36 | 3,240.58 |
| Total | 42.50 | 43.63 | 7,913.99 | 18,043.15 |

Unpaid dividend do not include any amount due and outstanding required to be credited to the Investor's Education and Protection Fund.

Refer Note: 49 for Classification of Financial Liabilities

Note: 21 Provisions (₹ in Lacs)

| Particulars | Non-Current | | Current | |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Provision for employee benefits | | | | |
| Compensated absences | 340.90 | 342.95 | 68.75 | 70.47 |
| Total | 340.90 | 342.95 | 68.75 | 70.47 |

Note: 22 Deferred Tax Liabilities (Net) (₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| Deferred tax liabilities (A) | | |
| Property Plant and Equipments | 12,221.24 | 11,780.93 |
| Deferred tax assets (B) | | |
| Items deductible on payment basis | 145.61 | 360.19 |
| Provision for doubtful debts and others | 158.83 | 472.63 |
| Unused tax credit (MAT credit) (C) | - | 4,858.98 |
| Net Deferred tax Liability (A)-(B)-(C) | 11,916.80 | 6,089.12 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018**Note: 23 Other Liabilities** (₹ in Lacs)

| Particulars | Non-Current | | Current | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Deposits from employees against various schemes | 208.08 | 188.10 | 79.03 | 49.24 |
| Advance from Customers | - | - | 1,485.65 | 500.45 |
| Statutory dues payable (Including PF and TDS) | - | - | 2,656.97 | 748.53 |
| Others | - | - | 512.61 | 522.96 |
| Total | 208.08 | 188.10 | 4,734.26 | 1,821.18 |

Note: 24 Current Tax Liabilities (Net) (₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| Provision for Income Tax(Net of advance tax of ₹44,500 Lacs) | 3,080.38 | - |
| Total | 3,080.38 | - |

Note: 25 Revenue From Operations (₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|--|-----------------------------|--------------------|-----------------------------|------------------|
| Sale of Products | | | | |
| Manufactured goods | | | | |
| Graphite Electrodes (Refer note 51) | 2,66,542.40 | | 85,226.17 | |
| Power (Net of inter-divisional sales of ₹19,422.65 Lacs, Previous year ₹19,125.43 Lacs) | 664.32 | 2,67,206.72 | 1,689.30 | 86,915.47 |
| Other Operating Income | | | | |
| REC sales | 1,080.82 | | 625.31 | |
| Fly Ash Income | 225.28 | | 271.09 | |
| Export Incentives | 7,327.61 | | 1,790.47 | |
| | | 8,633.71 | | 2,686.87 |
| Total | | 2,75,840.43 | | 89,602.34 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

| Note: 26 Other Income | | (₹ in Lacs) | |
|---|--------------------------------|--------------------------------|--|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 | |
| Interest Income | 42.07 | 21.97 | |
| Rent received | 59.75 | 54.68 | |
| Gain on sale of investment (Net) | 5.21 | 7.90 | |
| Liabilities / provisions no longer required, written back | 428.54 | 306.46 | |
| Profit on sale of Property Plant and Equipments | 321.47 | - | |
| Miscellaneous Sales / Receipts | 379.78 | 321.80 | |
| Total | 1,236.82 | 712.81 | |

| Note: 27 Cost Of Material Consumed | | (₹ in Lacs) | |
|---|-----------------------------|-----------------------------|--|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 | |
| Raw Material Consumed | | | |
| Opening Stock | 1,770.38 | 4,380.39 | |
| Add : Purchases | 68,752.58 | 30,374.87 | |
| | 70,522.96 | 34,755.26 | |
| Less: Closing Stock | 12,942.18 | 1,770.38 | |
| Cost of Material Consumed | 57,580.79 | 32,984.88 | |

| Note: 28 Purchase of Stock in Trade | | (₹ in Lacs) | |
|--|-----------------------------|-----------------------------|--|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 | |
| Purchase of Stock in Trade | | 1,292.60 | |
| Total | - | 1,292.60 | |

| Note: 29 Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade | | (₹ in Lacs) | |
|---|-----------------------------|-----------------------------|--|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 | |
| Inventories at the end of the year | | | |
| Finished Goods | 10,166.41 | 6,501.88 | |
| Work-in-progress | 17,528.15 | 11,845.08 | |
| Total (A) | 27,694.56 | 18,346.96 | |
| Inventories at the beginning of the year | | | |
| Finished Goods | 6,501.88 | 15,574.56 | |
| Work-in-progress | 11,845.08 | 12,886.93 | |
| Total (B) | 18,346.96 | 28,461.49 | |
| Excise duty on increase/(decrease) of finished goods (C) | (434.84) | (853.31) | |
| Total [(B) - (A) + (C)] | (9,782.44) | 9,261.22 | |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

| Note: 30 Employee Benefit Expense (₹ in Lacs) | | |
|--|-----------------------------|-----------------------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
| Salaries and Wages | 10,291.35 | 4,706.08 |
| Contribution to Provident and other Funds | 584.96 | 761.82 |
| Staff Welfare expenses | 380.09 | 410.21 |
| Total | 11,256.40 | 5,878.11 |

| Note: 31 Finance Cost (₹ in Lacs) | | |
|---|-----------------------------|-----------------------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
| Interest Expense | | |
| Term Loans (Refer Note (a) Below) | 2,417.28 | 1,797.24 |
| Working Capital Borrowings | 2,078.66 | 3,510.63 |
| Exchange difference regarded as an adjustment to borrowing cost | (3.79) | 43.43 |
| Interest Cost on Employee Benefit Plans | 26.04 | 38.66 |
| Interest Cost on Income tax | 1,084.06 | - |
| Others | 65.67 | 81.80 |
| Total | 5,667.92 | 5,471.76 |

(a) Interest Expenses are net of Interest Capitalized of ₹ NIL (Previous Year ₹35.31 Lacs)

| Note: 32 Depreciation And Amortisation Expenses (₹ in Lacs) | | |
|--|-----------------------------|-----------------------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
| Depreciation of tangible assets* | 7,249.67 | 7,388.59 |
| Amortisation of intangible assets** | 6.09 | 3.14 |
| Total | 7,255.76 | 7,391.73 |

* Refer note 4

** Refer note 7

| Note: 33 Excise Duty (₹ in Lacs) | | |
|---|-----------------------------|-----------------------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
| Excise Duty (Refer note 51) | 833.82 | 3,598.07 |
| Total | 833.82 | 3,598.07 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

| Note: 34 | Other Expenses | | (₹ in Lacs) |
|--|--------------------------------|--------------------------------|-------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 | |
| Consumption of stores and spare parts(Including Refractory Blocks) | 7,603.22 | 6,901.90 | |
| Job/Process Charges | 314.12 | 231.96 | |
| Power and fuel | 35,858.39 | 26,323.08 | |
| Less: Interdivisional Purchases | (19,422.65) | (19,125.43) | |
| Repairs and maintenance | | | |
| Plant and Machinery | 4,406.94 | 2,474.72 | |
| Building | 343.31 | 342.57 | |
| Others | 603.09 | 538.93 | |
| Insurance | 363.89 | 265.37 | |
| Rent (Refer Note 42) | 85.97 | 94.79 | |
| Rates and taxes | 88.79 | 109.79 | |
| Directors' sitting fees and incidental expenses | 57.13 | 56.24 | |
| Freight & forwarding | 8,675.89 | 5,691.86 | |
| Packing Expenses (including Packing material consumption) | 1,608.51 | 1,333.67 | |
| Commission | 3,174.54 | 861.01 | |
| Claims, Rebates and Discount | 223.37 | 120.03 | |
| Donations | 2.25 | 0.05 | |
| Power generation charges | 67.70 | 223.51 | |
| Travelling Expenses | 232.45 | 313.50 | |
| Postage and Communication | 68.47 | 94.72 | |
| Payment to auditors (Refer details below*) | 19.18 | 20.05 | |
| Expenditure on CSR Activities (Refer Note 44) | 92.10 | 31.40 | |
| Legal and Professional Expenses | 416.50 | 517.57 | |
| Vehicle Running & Maintenance | 90.04 | 77.09 | |
| Provision for doubtful debts and advances | (782.98) | 327.48 | |
| Bad debts | 205.02 | 60.41 | |
| Duties and Taxes | 31.42 | (17.07) | |
| Loss on sale/discard of Property Plant and Equipments | - | 54.94 | |
| Foreign Currency Fluctuation | (1,473.35) | (51.87) | |
| Miscellaneous Expenses | 840.72 | 641.67 | |
| Total | 43,794.04 | 28,513.94 | |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(₹ in Lacs)

*Payments to the statutory auditors (excluding service tax)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---------------------------|-----------------------------|-----------------------------|
| As auditor | | |
| Statutory audit | 12.50 | 14.00 |
| Other Services | | |
| Tax Audit | 2.00 | |
| Management Services | | 2.00 |
| Certification fees | 0.17 | 0.35 |
| Reimbursement of expenses | 4.51 | 3.70 |
| Total | 19.18 | 20.05 |

Note: 35 Tax expense

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|-----------------------------|-----------------------------|
| A) Tax Expense Recognised in Profit and Loss | | |
| 1) Current Tax | | - |
| Income tax | 51,355.30 | - |
| Income tax -previous Year | 0.60 | 112.13 |
| 2) Deferred tax | 981.14 | 815.20 |
| B) Tax Expense on Other Comprehensive Income | | |
| 1) Current Tax | - | - |
| 2) Deferred tax | (12.46) | 44.31 |
| Total | 52,324.58 | 971.65 |

(a) Effective Tax Reconciliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|-----------------------------|-----------------------------|
| Accounting profit before tax from continuing operations | 1,60,470.97 | (4,077.17) |
| Profit/Loss before tax from a discontinued operation | | |
| Accounting Profit before Income Tax | 1,60,470.97 | (4,077.17) |
| At India's statutory income tax rate of 30% | 34.608% | 34.608% |
| Tax as per accounting profit | 55,535.79 | - |
| Tax impact of amounts which are not deductible in calculating taxable income: | | |
| Donations and CSR Expenditure | 16.33 | - |
| Provision for doubtful debts and other disallowances | (312.97) | - |
| Difference on account of Depreciation | (562.73) | - |
| Loss/(Gain) on sale of asset | (111.25) | - |
| Others | (3,209.87) | - |
| | 51,355.30 | - |
| Less: MAT credit | - | - |
| Income Tax Expenses reported in the statement of Profit and Loss | 51,355.30 | - |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(b) Reconciliation of Deferred tax asset/(liability)

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|-----------------------------|-----------------------------|
| Deferred tax liability at the beginning of the year | (10,948.11) | (10,088.59) |
| Tax income/(expense) during the period recognised in profit or loss | (981.14) | (815.20) |
| Tax income/(expense) during the period recognised in OCI | 12.46 | (44.31) |
| Deferred tax liability at the end of the year | (11,916.80) | (10,948.11) |

(c) Items on which Deferred Tax Asset has not been created

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|-----------------|-----------------------------|-----------------------------|
| Business Losses | - | 382.07 |

Note: 36 Other Comprehensive Income

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|-----------------------------|-----------------------------|
| (i) Items that will not be reclassified to profit or loss | | |
| -Remeasurement of Defined Benefits Plans | (35.99) | 128.67 |
| Total | (35.99) | 128.67 |

Note: 37 Earnings per share

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share"

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|-----------------------------|-----------------------------|
| Net profit/ (loss) after tax attributable to equity shareholders (in Lacs) | 1,08,133.93 | (5,004.50) |
| Weighted average number of equity shares in calculating basic EPS | 3,99,59,142 | 3,99,59,142 |
| Basic earning per share (₹) | 270.61 | (12.52) |
| Diluted earning per share* (₹) | 270.61 | (12.52) |

* There are no potential equity shares

Notes to the Standalone Financial Statements for the year ended 31st March, 2018**Note: 38 Segment Reporting**

(₹ in Lacs)

The Company's Chief Operational Decision Makers consisting of Chief Executive Officer and Chief Finance Officer examines the company's performance both from product and geographic perspective and has identified two segments, i.e., Graphite electrodes (including other carbon products) and power. The business segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment.

"The Reportable Segments are:

- Graphite Electrodes (including other carbon products)- The segment comprises of manufacturing of graphite electrodes
- Power Generation - The segment comprises of generation of power for captive consumption and sale.

Segment Measurement

The measurement principles for segment reporting are based on IND AS 108. Segment's performance is evaluated based on segment revenue and profit and loss from operating activities. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Sales between segments are carried out at arm's length price and are eliminated on consolidation.

1) Segment Revenue :

(₹ in Lacs)

| Particulars | Graphite (including other carbon products) | | Power | | Unallocable items/ Others | | Company Total | |
|--|--|------------|------------|------------|---------------------------|------------|---------------|-------------|
| | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 |
| a) Segment Revenue | | | | | | | | |
| External Turnover | 2,73,882.80 | 87,024.73 | 21,379.58 | 21,693.34 | 0.70 | 9.69 | 2,95,263.08 | 1,08,727.76 |
| Less: Inter Segment turnover | - | - | 19,422.65 | 19,125.43 | - | - | 19,422.65 | 19,125.43 |
| Turnover | 2,73,882.80 | 87,024.73 | 1,956.93 | 2,567.92 | 0.70 | 9.69 | 2,75,840.43 | 89,602.33 |
| b) Segment Result before Interest & taxes | | | | | | | | |
| | 1,61,302.93 | (7,680.46) | 4,859.02 | 9,059.88 | (23.06) | 15.17 | 1,66,138.89 | 1,394.58 |
| Less: Financial Expenses | | | | | | | 5,667.92 | 5,471.76 |
| Profit Before Tax | | | | | | | 1,60,470.97 | (4,077.17) |
| Less: Income Tax (including Deferred tax) | | | | | | | 52,337.04 | 927.33 |
| Net Profit for the year | | | | | | | 1,08,133.93 | (5,004.50) |

2) Secondary Revenue (By Geographical Location) :

(₹ in Lacs)

| Particulars | Within India | | Outside India | | Total | |
|--------------------|--------------|------------|---------------|------------|-------------|------------|
| | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 |
| a) Segment Revenue | 81,146.08 | 35,698.07 | 1,94,694.35 | 53,904.27 | 2,75,840.43 | 89,602.34 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

3) Segment Assets & Liabilities :

(₹ in Lacs)

| Particulars | Graphite (including other carbon products) | | Power | | Unallocable items/ Others | | Company Total | |
|---------------------------------------|--|-------------|------------|------------|---------------------------|------------|---------------|-------------|
| | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 |
| Segment Assets | 2,31,129.71 | 1,44,174.83 | 16,607.03 | 17,083.18 | 15,820.58 | 15,916.25 | 2,63,557.32 | 1,77,174.28 |
| Segment Liabilities | 73,757.97 | 59,062.80 | 3,370.55 | 3,187.36 | 5,567.06 | 512.64 | 82,695.58 | 62,762.80 |
| Capital Exp. incurred during the year | 1,925.33 | 290.74 | 5.19 | 5.86 | 72.91 | 334.28 | 2,003.44 | 630.88 |
| Depreciation | 5,988.21 | 6,080.03 | 1,225.11 | 1,273.57 | 42.44 | 38.13 | 7,255.76 | 7,391.73 |

4) Details of Unallocated Items

(₹ in Lacs)

| Segment Assets | FY 2017-18 | FY 2016-17 |
|--|------------|------------|
| Fixed Assets | 554.41 | 523.94 |
| Investments | 14,925.88 | 14,983.78 |
| Inventories | 12.03 | 8.76 |
| Sundry Debtors | 0.12 | 3.96 |
| Cash and Cash Equivalents | 16.91 | 156.16 |
| Bank balances other than Cash & Cash equivalents | 245.28 | 196.42 |
| Loans & Advances | 65.95 | 43.31 |

(₹ in Lacs)

| Segment Liabilities | FY 2017-18 | FY 2016-17 |
|------------------------|------------|------------|
| Deferred Tax Liability | 7.36 | 6.75 |
| Other Liabilities | 5,559.70 | 505.88 |

5) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is as follows:

(₹ in Lacs)

| Revenue from External Customers | FY 2017-18 | FY 2016-17 |
|---------------------------------|--------------------|------------------|
| India | 81,146.08 | 35,698.07 |
| Saudi Arabia | 1,804.32 | 1,935.71 |
| USA | 21,067.45 | 2,881.71 |
| Iran | 18,243.32 | 5,281.20 |
| KOREA (SOUTH) | 5,855.12 | 5,663.22 |
| TURKEY | 40,106.15 | 4,078.86 |
| SPAIN | 18,753.03 | 20.91 |
| Others* | 88,864.96 | 34,042.65 |
| Total | 2,75,840.43 | 89,602.34 |

*Others includes revenue from countries having less than 10% of total revenue from outside India

6) The Company's major sales are export based which is diversified in different countries and none of the customer contributes 10% or more of the total company's revenue for the financial year 2017-18 and 2016-17.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018**Note: 39 Commitment & Contingencies****1) CONTINGENT LIABILITIES**

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|--|------------------------|------------------------|
| For Taxation matters | | |
| a) Excise duty under appeal | 232.95 | 235.73 |
| b) Service Tax | 1,166.58 | 1,958.27 |
| c) Income Tax | 7,691.21 | 7,691.21 |
| d) Sales Tax | 481.56 | 445.67 |
| Other than Taxation matters | | |
| a) Electricity Charges | 2,276.91 | 5,530.99 |
| b) RPO Obligation (Net of REC certificate benefit previous year ₹1,079.18) | - | 479.21 |
| c) Parallel Operation Charges | 264.29 | 198.54 |
| d) Labour related matters | 42.60 | 40.10 |
| e) Others | 116.00 | 116.00 |

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favor in respect of all the items listed above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

Further Company has deposited amount to the tax authorities against the cases, which shown as payment under protest in note 12 of Other assets.

2) COMMITMENT OUTSTANDING

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹721.37 Lacs, (previous year ₹NIL Lacs.)] | 481.82 | - |

3) FINANCIAL GUARANTEE

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| The Company has with RSWM Ltd on joint and several basis provided Guarantee in favor of International Finance Corporation (IFC) on behalf of M/s AD Hydro Power Ltd.* | 600.00 | 600.00 |

*Note- Since the loss allowance was estimated to be nil, the guarantee is not recognised in the books

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note: 40 Related Party Disclosure

a) Names of related parties where control exists and with whom transactions have taken place during the year

| Relationship | Related Parties | |
|---|---|---|
| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
| A) Subsidiary | (i) HEG Graphite Products and Services Ltd. (up to 20th December 2017) * | HEG Graphite Products and Services Ltd |
| B) Associates | (i) Bhilwara Energy Limited (ii) Bhilwara Infotechnology Ltd | Bhilwara Energy Limited Bhilwara Infotechnology Ltd |
| C) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual. | Sh. L.N. Jhunjunwala Sh. Ravi Jhunjunwala Sh. Riju Jhunjunwala | Sh. L.N. Jhunjunwala Sh. Ravi Jhunjunwala Sh. Riju Jhunjunwala |
| D) Key Management Personnel | Sh. Ravi Jhunjunwala-CMD and CEO Sh. Riju Jhunjunwala-Non-Executive Director Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer Sh. Vivek Chaudhary-Company Secretary | Sh. Ravi Jhunjunwala-CMD and CEO Sh. Riju Jhunjunwala-Non-Executive Director Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer Sh. Ashish Sabharwal-Company Secretary Sh. D S Ravindra Raju-Executive Director |
| E) Trust Under Common Control | (a) Hindustan Electro Graphites Staff Gratuity Fund Trust (b) Hindustan Electro Graphites Officers Contributory P.F. Trust (c) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust | (a) Hindustan Electro Graphites Staff Gratuity Fund Trust (b) Hindustan Electro Graphites Officers Contributory P.F. Trust (c) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust |
| F) Enterprises over which any person described in (c) or (d) is able to exercise significant influence. | RSWM Ltd Malana Power Company Ltd Giltedged Industrial Securities Ltd Purvi Vanijya Niyojan Ltd Shashi Commercial Co Ltd | RSWM Ltd Malana Power Company Ltd Giltedged Industrial Securities Ltd Purvi Vanijya Niyojan Ltd Shashi Commercial Co Ltd |

* Note: *HEG Graphite Products and Services Ltd, a wholly owned subsidiary ("WOS") of the Company, the name of which has been struck-off under Section 248 (5) of the Companies Act, 2013, upon the application made by WOS under Section 248(2) of the Companies Act, 2013, from the Register of Companies and WOS stands dissolved w.e.f. 21st December, 2017.

B Transaction during the year with related parties

(₹ in Lacs)

| Relationship | Name of the Related Party | Nature of Transaction | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|--|--|---|-----------------------------|
| 1) Associates | M/s Bhilwara Energy Ltd | Reimbursement received | - | 0.03 |
| | | Reimbursement made | 6.88 | - |
| 2) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual. | Sh. L.N. Jhunjunwala | Dividend Paid | 53.92 | - |
| | Sh Ravi Jhunjunwala | Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)# | 237.03 | 233.51 |
| | | Commission | 4,095.94 | - |
| | | Dividend Paid | 105.23 | - |
| | Sh Riju Jhunjunwala | Director sitting fee | 4.75 | 4.20 |
| | | Dividend Paid | 69.99 | - |
| 3) Key Management Personnel | Sh Ravi Jhunjunwala-CMD and CEO | Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)# | 237.03 | 233.51 |
| | | Commission | 4,095.94 | - |
| | | Dividend | 105.23 | - |
| | Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer | Salary and Allowances(Including perquisites and Contribution in PF and Superannuation)# | 114.90 | 71.84 |
| | | Dividend | - | - |
| | Sh. Ashish Sabharwal-Company Secretary | Salary and Allowances (Including perquisites and Contribution in PF and Superannuation) | - | 39.15 |
| | | Dividend | - | - |
| | Sh. Vivek Chaudhary-Company Secretary | Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)# | 21.59 | - |
| | | Dividend | - | - |
| | Sh D S Ravindra Raju-ED | Salary and Allowance (Including perquisites and Contribution in PF and Superannuation) | - | 35.57 |
| | | Dividend | - | - |
| | 4) Trust Under Common Control | (a) Hindustan Electro Graphites Staff Gratuity Fund Trust | Contribution in Employee Benefit Scheme | - |
| Payment received on retirement and termination | | | - | 3.18 |
| (b) Hindustan Electro Graphics Officers Contributory P.F. Trust | | Contribution in Employee Benefit Scheme | 65.33 | 58.20 |
| | | Payment received on retirement and termination | - | - |

(₹ in Lacs)

| Relationship | Name of the Related Party | Nature of Transaction | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|--|--|-----------------------------|-----------------------------|
| | (c) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust | Contribution in Employee Benefit Scheme | 158.46 | 179.23 |
| | | Payment received on retirement and termination | - | 62.52 |
| 5) Enterprises over which any person described in (b) or (c) is able to exercise significant influence. | RSWM Ltd | Rent Paid | 43.25 | 49.63 |
| | | Rent Received | 7.39 | 11.91 |
| | | Reimbursement received | 13.12 | 41.99 |
| | | Reimbursement made | 36.28 | 156.43 |
| | | Dividend Paid | 293.40 | - |
| | Shashi Commercial Co. Ltd. | Rent Paid | 27.64 | 31.30 |
| | | Dividend Paid | 214.56 | - |
| | Purvi Vanijaya Niyojan Ltd. | Rent Paid | 3.48 | 3.46 |
| | | Dividend Paid | 523.61 | - |
| | Giltedged Industrial Securities Ltd. | Rent Paid | 22.55 | 21.42 |
| Dividend Paid | | 151.40 | - | |
| | Malana Power Co.Ltd. | Reimbursement received | 0.21 | 1.84 |

C) Details of Outstanding Balance

(₹ in Lacs)

| SL No | Related Party | Name of the Related Party | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|-------|--|---|----------------------|------------------------|------------------------|
| 1 | Subsidiary | HEG Graphite Products and Services Ltd. | Investments | - | 2.56 |
| 2 | Associates | Bhilwara Energy Ltd. | Investments | 14,506.88 | 14,506.88 |
| | | | Loan and Advances | 0.11 | 0.11 |
| | | Bhilwara Infotechnology Ltd | Investments | 419.00 | 419.00 |
| 3 | Enterprises over which any person described in (b) or (c) is able to exercise significant influence. | RSWM Ltd | Loan and Advances | 0.18 | 0.18 |
| | | | Malana Power Co.Ltd. | Loan and Advances | 1.90 |

D) Commitments with Related Parties

(₹ in Lacs)

| Particulars | As at 31st March,2018 | As at 31st March,2017 |
|---|-----------------------|-----------------------|
| The Company has with RSWM Ltd. on joint and several basis provided guarantee in favor of International Finance Corporation (IFC) on behalf of Ad Hydro Power Ltd. | 600.00 | 600.00 |

E) Key Managerial Person

| Particulars | As at 31st March,2018 | As at 31st March,2017 |
|----------------------------|-----------------------|-----------------------|
| Short term benefits | 4,435.23 | 329.35 |
| Post employment benefits# | 38.99 | 54.93 |
| - Other Long Term Benefits | - | - |
| Share based payments | - | - |
| Dividend | 175.22 | - |
| Total | 4,649.44 | 384.28 |

Remuneration does not include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Note: 41 Indian Accounting Standard-19 "Employee Benefits"

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

(₹ in Lacs)

| | FY 2017-18 | FY 2016-17 |
|--|------------|------------|
| Employer's contribution to Provident Fund | 233.42 | 220.70 |
| Employer's contribution to Superannuation Fund | 155.44 | 165.90 |
| Employer's contribution to ESIC | 59.93 | 42.36 |

Defined Benefit Plan

The Following table set out the funded status of the gratuity plan and amounts recognised in the Balance Sheet: (₹ in Lacs)

| Particulars | Gratuity (Funded) | |
|--|-------------------|------------|
| | FY 2017-18 | FY 2016-17 |
| I. Change in Defined Benefit Obligation (DBO): | | |
| Present Value of Defined benefit obligation at the beginning of the year | 1,134.68 | 1,100.22 |
| 1. Interest Cost | 83.40 | 88.02 |
| 2. Current Service Cost | 66.02 | 63.87 |
| 3. Past Service Cost including curtailment (Gains)/Losses | 33.91 | - |
| 4. Benefits paid | (224.08) | (3.19) |
| 5. Actuarial Changes (Gain)/Loss | 62.42 | (114.24) |
| Present Value of Defined benefit obligation at the end of the year | 1,156.35 | 1,134.68 |

(₹ in Lacs)

| Particulars | Gratuity (Funded) | |
|---|--------------------------|--------------------------|
| | FY 2017-18 | FY 2016-17 |
| II. Change in Fair Value of Assets: | | |
| Fair Value of Plan Assets at the beginning of the year: | 1,193.82 | 1,029.60 |
| 1. Expected Return | 114.17 | 96.78 |
| 2. Actual Company Contribution | - | 70.62 |
| 4. Benefits paid | - | (3.19) |
| Fair Value of Plan Assets at the end of the year | 1,307.99 | 1,193.82 |
| III. Net Assets/(liability) recognized in Balance Sheet: | | |
| 1. Present value of Defined Benefit Obligation | 1,156.35 | 1,134.68 |
| 2. Fair Value on Plan Assets | 1,307.99 | 1,193.82 |
| Net Assets/(Liability) recognized in balance sheet (2-1) | 151.64 | 59.14 |
| IV. Expenses recognised during the year | | |
| In Statement of Profit and Loss | | |
| Current Service Cost | 99.92 | 63.87 |
| Net Interest on net defined benefit liability / (asset) | (4.35) | 5.65 |
| Net Cost | 95.57 | 69.52 |
| In Other Comprehensive Income | | |
| Actuarial Gain/ (Loss) on Obligation | (62.42) | 114.24 |
| Actuarial Gain /(Loss) for the year on Asset | 26.43 | 14.41 |
| Net Income/(Expense) for the period Recognised in OCI | (35.99) | 128.66 |
| V. Recognised in Other Comprehensive Income for the year | | |
| 1. Actuarial changes arising from changes in demographic assumptions (Gain/ (Loss)) | - | - |
| 2. Actuarial changes arising from changes in financial assumptions (Gain/ (Loss)) | 37.79 | (49.04) |
| 3. Actuarial changes arising from changes in experience adjustments (Gain/ (Loss)) | (100.21) | 163.29 |
| 4. Return on plan assets excluding interest income (Gain/ (Loss)) | 26.43 | 14.41 |
| 5. Recognised in Other Comprehensive Income- (Gain/ (Loss)) | (35.99) | 128.66 |
| VI. The major categories of plan assets as a percentage of the fair value of total plan assets : | | |
| Insurer Management Fund | 1.00 | 1.00 |
| VII. Actuarial Assumptions: | | |
| Discount Rate (per annum) | 7.80 | 7.35 |
| Salary escalation (per annum) | 5.50 | 5.50 |
| Expected Rate of Return (per annum) | 7.80 | 7.35 |
| Retirement age | 58/60 | 58/60 |
| Mortality Rate during employment | 100% of ALM (2006-08) | 100% of ALM (2006-08) |

(₹ in Lacs)

| Particulars | Gratuity (Funded) | |
|--|-------------------|------------|
| | FY 2017-18 | FY 2016-17 |
| VIII. Withdrawal rates: | | |
| Age: | | |
| Upto 30 years | 3.00 | 3.00 |
| From 31 to 44 years | 2.00 | 2.00 |
| Above 44 years | 1.00 | 1.00 |
| IX. Sensitivity Analysis of the defined benefit obligation. | | |
| a) Impact of the change in discount rate | | |
| Impact due to increase of 0.50%-Increase(Decrease) in obligation | (39.46) | (38.12) |
| Impact due to decrease of 0.50 %-Increase(Decrease) in obligation | 42.20 | 40.77 |
| b) Impact of the change in salary increase | | |
| Impact due to increase of 0.50%-Increase(Decrease) in obligation | 39.95 | 41.30 |
| Impact due to decrease of 0.50 %-Increase(Decrease) in obligation | (37.82) | (38.95) |
| X. Maturity profile of Defined Benefit Obligation | | |
| a) 0-1 year | 147.40 | 128.78 |
| b) 1-2 year | 66.30 | 17.58 |
| c) 2-3 year | 95.92 | 55.19 |
| d) 3-4 years | 80.54 | 109.60 |
| e) 4-5 years | 122.38 | 94.70 |
| f) More than 5 years | 643.81 | 728.83 |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note: 42 Operating Leases

(₹ in Lacs)

The Company had entered into operating leases on premises. These leasing arrangements are cancellable, range between 3 to 5 years and usually renewable by mutual consent on mutually agreeable terms.

| Particulars | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|-------------|--------------------------------|--------------------------------|
| Rent Paid | 85.97 | 94.79 |

Note: 43 Events after the Reporting Period

The Board of Directors have recommended dividend of ₹50 per Equity Share of ₹10 each, aggregating ₹24,406.94 including ₹4,067.37 dividend distribution tax for the financial year 2017-18

Note: 44 Corporate Social Responsibility (CSR)

As per section 135 of the Company Act, 2013, a company meeting the applicable threshold, need to spend atleast 2% of the average net profit for the immediate preceding three financial years on CSR activities as defined in schedule VII of the Companies Act 2013.

(a) Gross amount required to be spent by the company during the year NIL (₹97.73 Lacs)

(b) Amount spent during the year on :

(₹ in Lacs)

| CSR Activities | In cash | Yet to be paid in cash | Total |
|--|---------|------------------------|---------|
| (i) Construction/acquisition of any assets | - | - | - |
| | - | - | - |
| (ii) On purpose other than (i) above | 92.10 | - | 92.10 |
| | (31.40) | - | (31.40) |

(Figures in brackets pertain to 2016-17)

Note: 45 Capitalization Of Pre-Operative Expenditure (₹ in Lacs)

| The following expenditure has been capitalized / included under Capital work in progress: | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| Insurance Expenses | - | 0.51 |
| Financial Expenses - Interest on term loans | - | 423.80 |
| Administrative Overheads & Other Cost | - | 132.07 |
| Foreign currency fluctuation | 1,672.53 | 151.10 |
| Total | 1,672.53 | 707.48 |
| The same has been capitalized / is lying under Capital work in progress as under: | | |
| Building | 270.06 | - |
| Plant & Machinery | 1,402.47 | 707.48 |
| Capital work in progress | - | - |
| Total | 1,672.53 | 707.48 |

Note: 46 Details Of Loans Given, Investments Made And Guarantee Given Covered U/S 186(4) Of The Companies Act, 2013

| | Amount Outstanding | |
|-----------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Loan given | | |
| Guarantee given | ₹600 Lacs | ₹600 Lacs |
| Investment made | ₹14,925.88 Lacs | ₹14,928.45 Lacs |

Loan, guarantee and investments made during the Financial Year 2017-18

The Company has not given any Loan, Guarantee and not made any investments during the financial year 2017-18.

Note: 47 Financial risk management and objective policies

The company is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(A) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and deposits. The company is exposed to interest rate risk on variable rate long term and short term borrowings.

(i) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO

a) Foreign currency forward contracts outstanding as at the balance sheet date

| Category | Currency | Nature | As at 31st March, 2018 | | As at 31st March, 2017 | | Purpose |
|---------------------------------|-----------|--------|------------------------|------------|------------------------|------------|---------|
| | | | (USD) (Millions) | (INR Lacs) | (USD) (Millions) | (INR Lacs) | |
| Plain Vanilla Forwards (Sold) | USD/ INR | Sold | 36.00 | 23,680.30 | 10.00 | 6889 | Hedging |
| Plain Vanilla Forwards(Bought) | USD/ INR | Bought | | | 0.70 | 474.11 | Hedging |
| Plain Vanilla Forwards(Bought) | USD/ INR | Bought | | | 10.56 | 6989.17 | Hedging |
| Plain Vanilla Forwards | EURO/ USD | Sold | 3.50 | USD 1.2555 | 4.50 | USD 1.0824 | Hedging |

b) Particulars of foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

| Particulars | Currency | As at 31st March, 2018 | As at 31st March, 2017 |
|--|----------|---------------------------|---------------------------|
| | | Amount in INR (₹ in Lacs) | Amount in INR (₹ in Lacs) |
| Financial Liabilities | | | |
| Secured Loan | USD | - | 2,766.09 |
| | Euro | - | - |
| Creditors(Net of Advances) | USD | 11,418.87 | 4,928.66 |
| | Euro | 38.21 | 122.39 |
| Other payables | USD | 1,116.99 | 551.00 |
| | Euro | 1,375.28 | 364.02 |
| Net exposure to foreign currency risk (liabilities) | USD | 12,535.86 | 8,245.75 |
| Net exposure to foreign currency risk (liabilities) | Euro | 1,413.49 | 486.41 |
| Debtors(Net of Advances) | USD | 36,110.71 | 10,577.07 |
| | Euro | 31,098.34 | 4,556.28 |
| Net exposure to foreign currency risk (assets) | USD | 36,110.71 | 10,577.07 |
| Net exposure to foreign currency risk (assets) | Euro | 31,098.34 | 4,556.28 |

(c) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

The following table demonstrates the sensitivity in the USD and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

(₹ in Lacs)

| Particulars | Impact on Profit | |
|------------------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| USD Sensitivity | | |
| Increase by 1% (Previous year 5%) | 235.75 | (154.80) |

(₹ in Lacs)

| Particulars | Impact on Profit | |
|--------------------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Decrease by 1% (Previous year 5%) | (235.75) | 154.80 |
| EURO Sensitivity | | |
| Increase by 4% (Previous year 3.5%) | 1,187.39 | 50.19 |
| Decrease by 4% (Previous year 3.5%) | (1,187.39) | (50.19) |

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

(a) Interest Risk Exposure:

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|--------------------------|------------------------|------------------------|
| Variable Rate Borrowings | 29,745.49 | 68,378.65 |
| Fixed Rate Borrowings | - | - |
| Total Borrowings | 29,745.49 | 68,378.65 |

As at the end of the reporting period, the company has the following variable rate borrowings outstanding:

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|---|--------------------------------|---------------------|------------------|--------------------------------|---------------------|------------------|
| | Weighted Average Interest Rate | Balance (₹ in Lacs) | % of Total Loans | Weighted Average Interest Rate | Balance (₹ in Lacs) | % of Total Loans |
| Term loans from banks and other parties | | 0.00 | 0.00 | 8.19% | 27,195.05 | 39.77 |
| Working Capital Loans from banks | 6.32% | 29,745.49 | 100.00 | 7.79% | 41,183.59 | 60.23 |
| Total | 6.32% | 29,745.49 | 100 | 7.95% | 68,378.64 | 100 |

An analysis of the maturities is provided in note - 47 (C) below. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total

(b) Sensitivity:

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Lacs)

| Particulars | Impact on Profit | |
|---|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Interest Rate - increase by 60 basis points | (178.47) | (251.13) |
| Interest Rate - decrease by 60 basis points | 178.47 | 251.13 |

(iii) Price risk:

The company is not exposed to any price risk as there is no investment in equities outside the group and the company doesn't deal in commodities.

(B) Credit Risk:

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, unsecured loan to subsidiary company and other financial instruments.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

(a) Expected Credit Loss for Financial Assets

For the year ending 31st March 2018

(₹ in Lacs)

| Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL) | Gross Carrying Amount | Expected Probability of Default | Expected Credit Loss | Carrying amount net of impairment provision |
|--|-----------------------|---------------------------------|----------------------|---|
| Loans to Employees | 107.12 | 0% | - | 107.12 |
| Security Deposits | 721.72 | 0% | - | 721.72 |
| Other Financial Assets | 109.43 | 0% | - | 109.43 |

(₹ in Lacs)

| Financial assets to which loss allowance is measured using lifetime Expected credit loss(ECL) | Not Due | Less than 12 months | 12 to 15 months | 15 to 18 months | 18 to 21 months | 21 to 24 months | More than 24 months | Total |
|---|-----------|---------------------|-----------------|-----------------|-----------------|-----------------|---------------------|-----------|
| Trade Receivables- | | | | | | | | |
| Other than ECGC | 72,073.60 | 24,482.89 | 415.27 | 6.97 | 46.84 | 23.68 | 390.13 | 97,439.37 |
| Due under ECGC | - | - | - | - | - | - | 288.47 | 288.47 |
| Expected Loss Rate | | | 10% | 20% | 30% | 50% | 100% | |
| Expected Credit Losses | - | - | 41.53 | 1.39 | 14.05 | 11.84 | 390.13 | 458.94 |
| Carrying amount of Trade receivables | 72,073.60 | 24,482.89 | 373.74 | 5.58 | 32.79 | 11.84 | 288.47 | 97,268.90 |

For the year ending 31st March 2017

(₹ in Lacs)

| Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL) | Gross Carrying Amount | Expected Probability of Default | Expected Credit Loss | Carrying amount net of impairment provision |
|--|-----------------------|---------------------------------|----------------------|---|
| Loans to Employees | 183.14 | 0% | - | 183.14 |
| Security Deposits | 201.36 | 0% | - | 201.36 |
| Other Financial Assets | 134.90 | 0% | - | 134.90 |

(₹ in Lacs)

| Financial assets to which loss allowance is measured using lifetime Expected credit loss(ECL) | Not Due | Less than 12 months | 12 to 15 months | 15 to 18 months | 18 to 21 months | 21 to 24 months | More than 24 months | Total |
|---|-----------|---------------------|-----------------|-----------------|-----------------|-----------------|---------------------|-----------|
| Trade Receivables- | | | | | | | | - |
| Other than ECGC | 17,813.36 | 14,954.59 | 1,313.97 | 937.11 | 407.84 | 499.28 | 551.11 | 36,477.27 |
| Due under ECGC | - | - | - | - | - | - | 843.45 | 843.45 |
| Expected Loss Rate | - | - | 10% | 20% | 30% | 50% | 100% | |
| Expected Credit Losses | - | - | 131.40 | 187.42 | 122.35 | 249.64 | 551.11 | 1,241.92 |
| Carrying amount of Trade receivables | 17,813.36 | 14,954.59 | 1,182.58 | 749.69 | 285.49 | 249.64 | 843.45 | 36,078.79 |

Provisioning Norms of Debtors

| Ageing of debtor on the basis of invoice date | Provision in % |
|---|----------------|
| Upto 12 Months | Nil |
| 12 to 15 months | 10% |
| 15 to 18 months | 20% |
| 18 to 21 months | 30% |
| 21 to 24 months | 50% |
| More than 24 months | 100% |

(b) Reconciliation of loss allowance provision - Trade receivables

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model: (₹ in Lacs)

| Particulars | Current Year | Previous Year |
|-----------------------------|--------------|---------------|
| As at the beginning of year | 1,241.92 | 1130.24 |
| Provided during the year | - | 111.68 |
| Reversal of provisions | (782.98) | - |
| As at the end of the year | 458.94 | 1,241.92 |

(C) Liquidity Risk:

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

Prudent liquidity risk management implies maintaining sufficient availability of standby funding through an adequate line up committed credit facilities of ₹28,754.51 Lacs (previous year ₹8,069 Lacs) to meet obligation when due and close out market position.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in Lacs)

| As at 31st March, 2018 | Less than 3 months | 3 to 6 months | 6-12 months | 12 months to 3 years | More than 3 years | Total |
|-----------------------------|--------------------|---------------|-------------|----------------------|-------------------|-----------|
| Borrowings(Non-Current) | - | - | - | - | - | - |
| Borrowings(Current) | 29,745.49 | - | - | - | - | 29,745.49 |
| Trade payables | 21,970.74 | 2,673.69 | - | - | - | 24,644.43 |
| Other financial liabilities | 3,442.35 | 4,057.38 | 456.77 | - | - | 7,956.50 |

(₹ in Lacs)

| As at 31st March, 2017 | Less than 3 months | 3 to 6 months | 6-12 months | 12 months to 3 years | More than 3 years | Total |
|-----------------------------|--------------------|---------------|-------------|----------------------|-------------------|-----------|
| Borrowings(Non-Current) | - | - | - | 6,841.01 | 6,723.04 | 13,564.05 |
| Borrowings(Current) | 22,454.56 | 15,976.79 | 1,418.01 | 1,334.23 | - | 41,183.59 |
| Trade payables | 4,967.99 | 3,680.57 | - | - | - | 8,648.56 |
| Other financial liabilities | 10,226.97 | 4,717.50 | 2,957.98 | 67.08 | 117.25 | 18,086.78 |

Note: 48 Capital Management**(a) Risk Management**

The companies objective when managing capital are to:

- i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital
In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(i) The gearing ratios were as follows:

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------------------------------|------------------------|------------------------|
| a) Debt* | 29,745.49 | 68,378.65 |
| b) Cash & Cash Equivalents | (517.18) | (628.54) |
| (c) Net Debt (a)+(b) | 29,228.31 | 67,750.11 |
| (d) Total equity | 1,80,861.73 | 87,179.45 |
| Net Debt to Equity Ratio [(c)/(d)] | 0.16 | 0.78 |

* Debt is defined as long- term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), refer note 18 and 20 for the breakup of borrowings.

(ii) Loan Covenants:

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- 1) Total Outside Liability (TOL) to Tangible Net Worth (TNW) ratio not be more than 3
- 2) Current Ratio not be less than 1.0
- 3) Interest Coverage Ratio not be less than 2.0
- 4) Gross Debt Service Coverage Ratio(DSCR) not be less than 1
- 5) Total Debt to EBIDTA less than 5.5

The company has complied with all the covenants as on 31st March,2018

(b) Dividends

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|--|------------------------|------------------------|
| i) Equity Shares | | |
| Interim Dividend paid for the year ended 31st March, 2018 of ₹30 per fully paid equity share (Nil previous year) | 11,987.74 | - |
| ii) Dividends not recognised at the end of the reporting year | | |
| In addition to above dividends, since year end the directors have recommended the payment of a final dividend of ₹50 per equity share (Previous year NIL). | | |
| This Proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 19,979.57 | - |

Note: 49 Financial Instruments- Accounting Classification And Fair Value Measurement (₹ in Lacs)

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|--|------------------------|----------|------------------|------------------------|----------|------------------|
| | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| -Equity instruments | 0.01 | - | - | 0.01 | - | - |
| -Mutual Funds | - | - | - | 55.34 | - | - |
| Loans | - | - | 828.84 | - | - | 384.50 |
| Others | - | - | 85.04 | - | - | 373.10 |
| Derivative financial assets | 24.39 | - | | 243.54 | - | |
| Trade Receivables | - | - | 97,268.90 | - | - | 36,078.79 |
| Cash and Cash Equivalents | - | - | 517.18 | - | - | 628.54 |
| Bank balances other than cash & Cash equivalents | - | - | 245.28 | - | - | 196.42 |
| Total Financial Assets | 24.40 | - | 98,945.24 | 298.89 | - | 37,661.35 |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 29,745.49 | - | - | 54,747.65 |
| Trade Payables | - | - | 24,644.43 | - | - | 8,648.56 |
| Other Financial Liabilities | - | - | 7,956.50 | - | - | 18,086.78 |
| Total Financial Liabilities | - | - | 62,346.42 | - | - | 81,482.99 |

(i) Fair value hierarchy

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates evaluated by the Company based on the parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities

Level 2: Other techniques for which all the inputs have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31st March, 2017

(₹ in Lacs)

| Particulars | Carrying amount | Fair value | | |
|---|-----------------|---------------|----------|----------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets at Fair value through profit or loss | | | | |
| Investments-Mutual Funds | 55.34 | 55.34 | - | - |
| Quoted equity investment | 0.01 | 0.01 | - | - |
| Derivative financial assets | 243.54 | 243.54 | - | - |
| Total | 298.89 | 298.89 | - | - |

As at 31st March, 2018

(₹ in Lacs)

| Particulars | Carrying amount | Fair value | | |
|---|-----------------|--------------|----------|----------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets at Fair value through profit or loss | | | | |
| Investments-Mutual Funds | - | - | - | - |
| Quoted equity investment | 0.01 | 0.01 | - | - |
| Derivative financial assets | 24.39 | 24.39 | - | - |
| Total | 24.40 | 24.40 | - | - |

(ii) Valuation technique used to determine fair value

The following methods and assumptions were used to estimate the fair values

- Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Note: 50 Carrying Amount of pledged Assets

(i) The gearing ratios were as follows:

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|-----------------------------|------------------------|------------------------|
| First Charge | | |
| Property, Plant & Equipment | 82,814.06 | 88,349.73 |
| Total (A) | 82,814.06 | 88,349.73 |
| Secondary Charge | | |
| Current Assets | | |
| (a) Trade receivables | 97,268.90 | 36,078.79 |
| (b) Inventories | 51,143.57 | 25,779.76 |
| Total (B) | 1,48,412.47 | 61,858.55 |
| Total (A+B) | 2,31,226.53 | 1,50,208.28 |

Note: 51

In accordance with Ind AS 18 "Revenue Recognition" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 and for the period 1 April to 30 June 2017 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes.

Note: 52 Recent Accounting pronouncements

"On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, "Foreign Currency Transactions and Advance Consideration" which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment is applicable for annual reporting periods beginning on or after April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

"On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Note: 53 Reconciliation of Cash flow from financing Activities

In Pursuant to amendment in the Companies(Indian Accounting Standards) Rules,2017 via MCA notification G.S.R 258(E) dated 17th March, 2017 Para 44A to Para 44E has been inserted after para 44 in Indian Accounting Standard -7 "Statement of Cash Flows", following reconciliation required from annual periods beginning on or after 1st April,2017

(₹ in Lacs)

| Particulars | Amount | |
|---|-------------------------|-----------------------------|
| | Borrowings (Current) | Borrowings (Non-Current) |
| Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement | 41,183.59 | 27,195.05 |
| Changes during the year add(less) | | |
| a) Changes from financing cash flow | (11,438.10) | (27,195.05) |
| b) Changes arising from obtaining or losing control of subsidiaries or other business | - | - |
| c) the effect of changes in foreign exchanges rates- (Gain)/Loss | | |
| d) Changes in fair value | - | - |
| e) Other Changes | - | - |
| Closing Balance of Financial liabilities coming under the financing activities of Cash Flow Statement | 29,745.49 | 0.00 |

Note: 54

Previous year figures have been regrouped/reclassified , wherever necessary to conform the current year classification.

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)

Dated: 8th May, 2018

Consolidated Financial Statements

Independent Auditors' Report

To the *Members* of HEG Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of HEG Limited ("the Company") and its associates (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information .

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are

required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Ind AS and other accounting principles generally accepted in India, of the consolidated financial position of the Group, as at 31 March 2018 and its consolidated financial performance including other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows for the year then ended.

Material uncertainty related to going concern of a subsidiary of an associate

The material uncertainty related to going concern of a subsidiary of Bhilwara Energy Limited, an associate of the Company, reported in the Auditor's Report on Consolidated

financial statements of the associate is being reproduced hereunder:

In case of Chango Yangthang Hydro Power Limited, a subsidiary of the associate

The Board of directors of Chango Yangthang Hydro Power Limited has decided to surrender the Chango Yangthang HEP (180 MW) project to Directorate of Energy, Government of Himachal Pradesh due to delay and uncertainty in project execution and long delay in Government approvals and licences lapse. Further, the Company has written off capital work in progress during the year amounting to ₹ 2,713.18 lacs. These events or conditions 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. Our opinion is not modified in respect of this matter.

Emphasis of Matter

The Emphasis of matter reported in the Auditor's Report on Consolidated financial statements of Bhilwara Energy Limited, an associate of the Company, is being reproduced hereunder:

In case of Chango Yangthang Hydro Power Limited, a subsidiary of the associate

The company has asked for refund of upfront premium of ₹3,789.45 lacs and security deposit of Rs.180.00 lacs with interest, the Government of Himachal Pradesh has not considered the Company's contention for surrender of project. The company on 16th February, 2018 has reaffirmed its 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. The response from the Directorate of Energy, Government of Himachal Pradesh is awaited and the management is confident of recovering the Upfront Fees and Security Deposit paid on account of surrender of project, in full.

In NJC Hydro Power Limited, a subsidiary of the associate

The viability of the Nyamjang Ch-hu HEP power project is dependent on the outcome of the approval to be granted by National Green Tribunal and Ministry of Environment & Forest and Climate Change.

Our opinion is not modified in respect of the above matters.

Other Matters

The consolidated financial statements include the group's share of total comprehensive income of ₹1,813.80 Lac for the year ended 31st March, 2018, as considered in the Consolidated Financial Statements, in respect of two associates, whose financial statement/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated statement of changes in equity and consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the Directors of the Company as on 31 March 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a Director of that company in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial

controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the auditor's reports of the Company and its associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting and;

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

- ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies incorporated in India.

For SCV & Co;
Chartered Accountants
Firm Reg. No.000235N

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 08th May, 2018

ANNEXURE - A to the Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HEG Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of HEG Limited ("the Company") and its associate companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its associates incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its associate companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting and its associates, which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its associates incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two associates incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For SCV & Co;
Chartered Accountants
Firm Reg. No.000235N

Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 08th May, 2018

Consolidated Balance Sheet as at 31st March, 2018

(₹ in Lacs)

| Particulars | Note No. | As at 31st March, 2018 | As at 31st March, 2017 |
|---|----------|------------------------|------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| a) Property, Plant and Equipment | 4 | 82,930.10 | 88,502.62 |
| b) Capital work-in-progress | 5 | 161.45 | 120.40 |
| c) Investment Property | 6 | 371.80 | 385.51 |
| d) Goodwill | | - | - |
| e) Other Intangible assets | 7 | 34.82 | 1.81 |
| f) Intangible assets under development | | - | - |
| g) Biological Assets other than bearer plants | | - | - |
| h) Financial assets | | | |
| (i) Investments | 8 | 24,816.56 | 23,002.75 |
| (ii) Trade receivables | | - | - |
| (iii) Loans | 10 | 737.54 | 231.48 |
| (iv) Other Financial asset | 11 | - | 238.20 |
| i) Deferred tax assets(net) | | - | - |
| j) Other non-current assets | 12 | 2,903.23 | 2,723.14 |
| (2) Current assets | | | |
| (a) Inventories | 13 | 51,143.57 | 25,779.76 |
| (b) Financial assets | | | |
| (i) Investments | 8 | - | 55.34 |
| (ii) Trade receivables | 9 | 97,268.90 | 36,078.79 |
| (iii) Cash & cash equivalents | 14 | 517.18 | 631.21 |
| (iv) Bank balances other than (iii) above | 15 | 245.28 | 196.42 |
| (v) Loans | 10 | 91.30 | 153.02 |
| (vi) Other Financial asset | 11 | 109.43 | 378.44 |
| (c) Current Tax Assets(Net) | | | |
| (d) Other current assets | 12 | 12,116.83 | 6,772.35 |
| Total Assets | | 2,73,447.98 | 1,85,251.25 |
| EQUITY & LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 16 | 3,995.95 | 3,995.95 |
| (b) Other equity | 17 | 1,86,756.45 | 91,260.37 |
| LIABILITIES | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | - | 13,564.06 |
| (ii) Trade Payables | | - | - |
| (iii) Other financial liabilities | 20 | 42.50 | 43.63 |
| (b) Provisions | 21 | 340.90 | 342.95 |
| (c) Deferred tax liabilities (Net) | 22 | 11,916.80 | 6,089.12 |
| (d) Other non-current liabilities | 23 | 208.08 | 188.10 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 29,745.49 | 41,183.59 |
| (ii) Trade Payables | 19 | 24,644.43 | 8,648.67 |
| (iii) Other financial liabilities | 20 | 7,913.99 | 18,043.15 |
| (b) Other current liabilities | 23 | 4,734.26 | 1,821.18 |
| (c) Provisions | 21 | 68.75 | 70.47 |
| (d) Current Tax Liabilities (Net) | 24 | 3,080.38 | - |
| Total Equity and Liabilities | | 2,73,447.98 | 1,85,251.25 |

The accompanying notes(1-55) are integral part of the financial statements

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 8th May, 2018

Consolidated **Statement of Profit and Loss** for the year ended 31st March, 2018

(₹ in Lacs)

| Particulars | Note No. | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|----------|-----------------------------|-----------------------------|
| I. Revenue from Operations | 25 | 2,75,840.43 | 89,602.34 |
| II. Other Income | 26 | 1,236.82 | 712.81 |
| III. Total Income (I + II) | | 2,77,077.25 | 90,315.15 |
| IV. Expenses: | | | |
| Cost of materials consumed | 27 | 57,580.79 | 32,984.88 |
| Purchases of Stock-in-Trade | 28 | - | 1,292.60 |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 29 | (9,782.44) | 9,261.22 |
| Employee benefits expense | 30 | 11,256.40 | 5,878.11 |
| Finance costs | 31 | 5,667.92 | 5,471.76 |
| Depreciation and amortization expense | 32 | 7,255.76 | 7,391.73 |
| Excise Duty | 33 | 833.82 | 3,598.07 |
| Other expenses | 34 | 43,794.04 | 28,513.94 |
| Total expenses (IV) | | 1,16,606.29 | 94,392.31 |
| V. Profit Before Exceptional items and Tax (III-IV) | | 1,60,470.97 | (4,077.17) |
| VI. Exceptional items | | - | - |
| VII. Profit Before Tax (V - VI) | | 1,60,470.97 | (4,077.17) |
| VIII. Tax expense: | | | |
| (1) Current tax | 35 | 51,355.90 | 112.13 |
| (2) Deferred tax | 35 | 981.14 | 815.20 |
| IX Share of profit/(Loss) of Associates | | 1,809.05 | 596.07 |
| X Profit/(Loss) for the year from continuing operations (VII-VIII+IX) | | 1,09,942.98 | (4,408.43) |
| XI Profit/(Loss) from discontinued operation | | - | - |
| XII Tax Expense of discontinued operation | | - | - |
| XIII Profit/(Loss) for the year from discontinued operations(after tax) (XI-XII) | | - | - |
| XIV Profit/(Loss) for the period (X+XIII) | | 1,09,942.98 | (4,408.43) |
| XV Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit/(loss) | 36 | (35.99) | 128.67 |
| (ii) Income tax relating to items that will not be reclassified to profit/(loss) | 35 | (12.46) | 44.31 |
| B (i) Items that will be reclassified to profit/(loss) | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit/(loss) | | - | - |
| XVI Other Comprehensive Income of Associates | | 4.76 | (5.35) |
| XVII Total Comprehensive Income for the period (XIV+XV+XVI) (Comprising Profit/(Loss) and Other Comprehensive Income for the period) | | 1,09,924.20 | (4,324.08) |
| XVIII Earnings per equity share (for continuing operations) : | | | |
| (1) Basic (₹) | 37 | 275.14 | (11.03) |
| (2) Diluted (₹) | 37 | 275.14 | (11.03) |
| XIX Earnings per equity share (for discontinued operations) : | | | |
| (1) Basic (₹) | | - | - |
| (2) Diluted (₹) | | - | - |
| XX Earnings per equity share (for discontinued and continuing operations) : | | | |
| (1) Basic (₹) | 37 | 275.14 | (11.03) |
| (2) Diluted (₹) | 37 | 275.14 | (11.03) |

The accompanying notes(1-55) are integral part of the financial statements

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 8th May, 2018

Consolidated **Statement of Changes in Equity** For the year ended 31st March, 2018**A) Equity Share Capital**

(₹ in Lacs)

| | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| Balance at the beginning of reporting period | 3,995.91 | 3,995.91 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of reporting period | 3,995.91 | 3,995.91 |

B) Other Equity

(₹ in Lacs)

| | Reserves and Surplus | | | | Other Comprehensive Income | Total |
|---|----------------------|----------------------------|---|------------------|--|-------------|
| | Capital Reserve | Securities Premium Reserve | Other Reserves (Capital Redemption Reserve) | Retained Earning | Remeasurement of Defined benefit obligations | |
| Balance at the beginning of reporting period i.e. 1st April, 2017 | 10,726.49 | 1,269.61 | 1,893.57 | 77,279.57 | 91.12 | 91,260.37 |
| Profit for the year | - | - | - | 1,09,942.98 | - | 1,09,942.98 |
| Other Comprehensive Income for the year | - | - | - | - | (18.78) | (18.78) |
| Other Comprehensive Income of associates | - | - | - | - | - | - |
| Total Comprehensive Income for the year | - | - | - | 1,09,942.98 | (18.78) | 1,09,924.20 |
| Interim Dividend (including dividend distribution tax) | - | - | - | (14,428.11) | - | (14,428.11) |
| Transfer to retained earnings | - | - | - | - | - | - |
| Any other changes | - | - | - | - | - | - |
| Balance at the end of reporting period i.e. 31st March, 2018 | 10,726.49 | 1,269.61 | 1,893.57 | 1,72,794.43 | 72.34 | 1,86,756.45 |

| | Reserves and Surplus | | | | Other items of other Comprehensive Income | Total |
|---|----------------------|----------------------------|---|------------------|--|------------|
| | Capital Reserve | Securities Premium Reserve | Other Reserves (Capital Redemption Reserve) | Retained Earning | Remeasurement of Defined benefit obligations | |
| Balance at the beginning of reporting period i.e. 1st April, 2016 | 10,726.49 | 1,269.61 | 1,893.57 | 81,688.00 | 12.11 | 95,589.78 |
| Profit for the year | - | - | - | (4,408.43) | - | (4,408.43) |
| Other Comprehensive Income for the year | - | - | - | - | 79.00 | 79.00 |
| Total Comprehensive Income for the year | - | - | - | (4,408.43) | 79.00 | (4,329.43) |
| Balance at the end of reporting period i.e. 31st March, 2017 | 10,726.49 | 1,269.61 | 1,893.57 | 77,279.57 | 91.12 | 91,260.37 |

The accompanying notes(1-55) are integral part of the financial statements

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 8th May, 2018

Consolidated Cash Flow Statement For the year ended 31st March, 2018

(₹ in Lacs)

| PARTICULARS | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax | 1,60,470.97 | (4,077.17) |
| Adjustment for non operating and non cash transactions | | |
| Depreciation and Amortisation | 7,255.76 | 7,391.73 |
| Interest Paid | 5,667.92 | 5,471.76 |
| Net(Profit)/Loss on property plant and equipment sold / discarded | (321.47) | 54.94 |
| Provision for doubtful debts | (782.98) | 327.48 |
| Bad Debts | 205.02 | 60.41 |
| Interest received | (42.07) | (21.97) |
| Adjustments for changes in assets and liabilities | | |
| (Increase)/Decrease in Trade receivables | (60,612.15) | (4,618.19) |
| (Increase)/Decrease in Inventories | (25,363.82) | 11,339.52 |
| (Increase)/Decrease in Loans, financial and Other assets | (5,762.81) | (3,182.79) |
| Increase/(Decrease) in Liabilities and provisions | 30,220.78 | 3,929.85 |
| Cash generated from operations | 1,10,935.13 | 16,675.56 |
| Income tax paid | 52,337.04 | 971.65 |
| Net Cash generated from operating activities (A) | 58,598.10 | 15,703.91 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Addition in Property plant and Equipments (net) | (2,003.44) | (410.82) |
| Sale of Property Plant and Equipments | 581.35 | 147.86 |
| (Increase)/Decrease in advances for Capital Expenditure | 251.27 | 0.00 |
| Increase/(Decrease) in Creditors for Capital Expenditure | 98.28 | 113.94 |
| Purchase/(Sale) of Investments | 55.34 | (8.22) |
| Interest received | 91.93 | 21.97 |
| Net Cash used in investing activities (B) | (925.26) | (135.26) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowings (Non-Current) (Refer Note 53) | - | 14,000.00 |
| Repayment of Borrowings (Non-Current) (Refer Note 53) | (27,195.06) | (12,967.79) |
| Repayment of Borrowings(Current) (working capital) (Refer Note 53) | (11,438.11) | (10,816.24) |
| Interest Paid | (4,676.69) | (5,471.76) |
| Dividend Paid | (11,987.74) | - |
| Dividend distribution Tax paid | (2,440.42) | - |
| Net Cash used in financing activities (C) | (57,738.02) | (15,255.78) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | (65.17) | 312.87 |
| Cash and cash equivalents at the beginning of the period | 827.63 | 514.76 |
| Cash and cash equivalents at the end of the period | 762.46 | 827.63 |

The accompanying notes(1-55) are integral part of the financial statements

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjhunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjhunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 8th May, 2018

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

1. Corporate Information

"HEG Limited (the 'Company'), incorporated in 1972, is a leading manufacturer and exporter of graphite electrodes in India and operates world's largest single-site integrated graphite electrodes plant. The Company also operates three power generation facilities with a total rated capacity of about 76.5 MW.

The Company is a public limited company incorporated and domiciled in India, has its registered office at Mandideep , Bhopal Dist Raisen, Madhya Pradesh and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). "

Basis of preparation of financial statement

The financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act 2013 (the Act) (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

Effective April 1, 2016, the company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards with effect from 01st April, 2015 as the transition date. The transition was carried out from Indian accounting principles generally accepted in India as prescribed under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules 2014 (GAAP) which was previous GAAP.

Amount for year ended and as at 31st March, 2017 were audited by previous auditors S.S.Kothari Mehta & Co. and Doogar & Associates jointly. The financial statements are authorized for issue by the Company's Board of Directors on 08th May 2018.

2. Summary of Significant Accounting Policies

2.1 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, estimates and assumptions those affect the reported amounts of assets and liabilities,

disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.2 Revenue Recognition Sale of Goods

(i) Graphite Electrodes

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- In accordance with Ind AS 18 "Revenue Recognition" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 and for the period 1 April to 30 June 2017 were reported gross of Excise Duty and net of VAT/CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18.

(ii) Power

Revenue from power generation is recognized on transmission of electricity to SEB or third parties

- Power generated at the power plants is primarily consumed by the manufacturing units and excess power is sold to SEBs/IEX which is included in the sales as below:
 - Power transferred to Graphite unit at MPEB rate.
 - Excess power generated is sold to SEB's at rate stipulated by SEB's and/or IEX at market rate equivalent.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

- (ii) Inter-divisional sales comprising of sale of power from power plants to Graphite unit is reduced from revenue from operations in deriving net revenue.

Other Income

- (i) Revenue in respect of Export Incentives is accounted on post export basis.
- (ii) Entitlements to Renewal Energy Certificates owing to generation of power at Tawa hydel plant are recognized to the extent sold at actual rate of net realization.
- (iii) Revenue in respect of interest from customers is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof. Other Interest income is recognized using the effective interest rate (EIR).
- (iv) Revenue in respect of other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof

Dividends

Dividend income is recognized when the right to receive payment is established.

2.3 Inventories

Inventories are valued at cost or net realizable value, whichever is lower except by products which are valued at net realizable value. The cost in respect of the various items of inventory is computed as under:

- (i) In case of finished goods and work-in-progress, cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.
- (ii) In case of stores, spares and raw material at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- (iii) Obsolete stocks are identified at each reporting date on the basis of technical evaluation and are charged off to revenue.

2.4 Property, Plant and Equipment

Property, Plant and Equipment are stated at Historical cost less accumulated depreciation and impairment, if any. Historical Cost includes its purchase price (net of CENVAT/GST or any duty credits wherever applicable), after deducting trade discounts and rebates. It includes other costs directly

attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditures relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

An item of Property, Plant and Equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset measured as the difference between the net disposal proceeds and the carrying amount of the asset is included in the income statement when the asset is derecognized.

2.5 Investment property

Investment Properties comprises freehold land and building (including property under construction) that are held for long-term rental yields and/or for capital appreciation. Investment properties are measured initially at cost, comprising the purchase price and directly attributable transaction cost. Subsequently investment property is carried at cost model, which is cost less accumulated depreciation and impairment losses if any in similar lines of Ind AS 16.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal.

2.6 Intangible Assets

An Intangible Assets are recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are stated at cost less accumulated amortization and impairment, if any.

The cost and related accumulated amortization are eliminated from financial statement upon disposal or retirement of the assets and the resulted gain or losses are recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.7 Depreciation

(A) Property, Plant and Equipments

Based on internal assessment and independent technical evaluation carried out by external valuer, The Management believes that the useful life of the assets as stated below best represents the life over which the management expects to use the assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The method of depreciation and useful life considered on different assets is as below:

- (i) Depreciation on all the assets at Hydel Power Project at Tawa is provided on Straight Line Method. The useful life of assets determined is as below:

| Sl. No. | Description of Asset | Rate of Depreciation (%) | Useful Life (Approx) |
|---------|---|--------------------------|----------------------|
| 1 | Factory Building | 3.02 | 33 |
| 2 | Non Factory Building | 3.02 | 33 |
| 3 | Plant and Machinery | | |
| | i) Dams, Spillways weirs, canals, reinforced concrete Flumes and symphons | 1.95 | 51 |
| | ii) Hydraulic control valves and other hydraulic works | 3.40 | 30 |
| | iii) Transformers having a rating of 100 KVA and over | 7.81 | 13 |
| 4 | Electrical Installation | | |
| | i) Batteries | 33.40 | 3 |

| | | | |
|---|--|-------|----|
| | ii) Lines on Fabricated steel operating at normal voltages higher than 66 kv | 5.27 | 19 |
| | iii) Residual | 7.84 | 13 |
| 5 | Furniture and Fixtures | 12.77 | 8 |
| 6 | Office Equipment and other assets | 12.77 | 8 |
| 7 | Vehicles | 33.40 | 3 |

- (ii) On the assets other than those mentioned at (i) above, depreciation is provided on following basis:

In case of Plant and machinery, depreciation is provided on Straight Line Method and in case of other assets on Written Down Method. The useful life of assets determined is as below

| Assets description | Useful Life |
|--|---------------|
| Building | 20 - 60 Years |
| Plant and Machinery | 1-24 Years |
| Railway Siding | 9 Years |
| Office Equipment(Includes Computers and data processing units) | 5-20 Years |
| Electrical Installation | 5-20 Years |
| Furniture and Fixtures | 15 Years |
| Vehicle | 5-10 Years |

- (iii) Cost of acquisition and improvement of lease hold land is amortized over the lease period.
- (iv) Assets costing upto ₹5,000 are fully depreciated in the year of purchase.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

(B) Investment property

On assets classified as investment property, on written down value method, over the useful life prescribed in Schedule II.

2.8 Amortization

Intangible Assets

Intangible assets are amortized over their respective individual useful lives on a straight line basis from date they are available. The estimated useful life is based on number of factors including effect of obsolesce and other economic factors.

Amortisation method, useful lives and residual value are reviewed periodically, including at each financial year end.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

2.9 Impairment of Non-Financial Assets

Intangible assets, Investment property and Property, Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

2.10 Foreign Exchange Transactions/Translation

(a) Functional Currency

The Financial statements are presented in INR, which is company's functional currency.

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Non monetary items denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transition.

The exchange differences arising on reporting of long term

foreign currency monetary items at rates different from those at which they were initially recorded, in so far as they relate to the acquisition of depreciable capital assets, are shown by addition to/deduction from the cost of the assets as per exemption provided under IndAS-101.

2.11 Employee Benefits

(i) Provident Fund

The Company makes contribution to statutory Provident Fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(ii) Superannuation

The Company makes contribution to Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(iii) Gratuity

The Company provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the respective employees salary and the tenure of employment with the company.

Liability with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

The company fully contributes all ascertained liabilities to the Hindustan Electro Graphite's Staff Gratuity Fund Trust (The Trust), trustees administer contributions made to the Trust and contribution are invested in a scheme with Life Corporation of India as permitted by Indian Law.

Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income. The effect of any plan amendments are recognized in net profits in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

The company recognized the net obligation in the balance sheet as an asset or liability

(iv) Compensated Absences

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Expense in respect of non accumulated absences is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(v) Other Short Term Benefits

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

2.12 Leases

Where the Company is a lessee

- (i) Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.
- (ii) Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is a lessor

Rental Income from operating leases is recognized on a straight-line basis over the term of the relevant lease, Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are recognized immediately in the Statement of Profit and Loss.

2.13 Segment Accounting and Reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and

loss in the financial statements.

The Operating Segments have been identified on the basis of the nature of products/ services.

- (1) Segment Revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
- (2) Expenses that are directly identifiable with/ allocable to the segments are considered for determining the segment result. Expenses not allocable to segments are included under unallocable expenditure.
- (3) Income not allocable to the segments is included in unallocable income.
- (4) Segment results includes margin on inter segment and sales which are reduced in arriving at the profit before tax of the company.
- (5) Segment assets and Liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

2.14 Taxes on Income

Tax expense comprises of current and deferred income tax.

Current income tax

Current income tax for current and prior period is recognized at the amount expected to be paid to the tax authorities using tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to the items recognized directly in equity and other comprehensive income.

Deferred Income Tax

Deferred Income Tax assets and liabilities are recognized using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in financial statement.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that related tax benefits will be realized to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset. The said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement grouped with deferred tax assets (net) in the financial statement.

2.15 Government grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

2.16 Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of items of Property plant and equipment that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

2.17 Provisions, Contingent Liabilities

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

As the timing of outflow of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be accrued/ realised.

2.18 Earning Per Share

Basic earnings per equity share is computed by dividing the net profit for the period attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders is divided by the weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares if any.

2.19 Financial instruments

(i) Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement

For the purpose of subsequent measurement financial

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

assets are classified in three broad categories:-

A. Non-derivative financial instruments

(a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(e) Investment in Subsidiaries, Associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures is carried at cost in the separate financial statements.

B. Derivative financial instruments

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

(b) Cash flow hedge

Company designates certain foreign exchange forward contracts and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

(iii) Impairment of Financial Assets

The company recognizes loss allowances using the expected

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

(iv) Derecognition

A financial asset (or, a part of a financial asset) is primarily derecognized when:

- (i) The contractual right to receive cash flows from the financial assets expire, or
- (ii) The company transfers the financial assets or its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

A financial liability (or, a part of financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

(v) Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment

gains or losses) or interest.

C. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

2.20 Fair Value Measurement

The Company measures financial instruments such as derivatives and certain investments, at the fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability. Or
- (ii) In the absence of a principal market, in the most advantageous market for the assets or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial assets takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as whole:

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.21 Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 “Statement of Cash flows” using the indirect method for operating activities.

2.22 Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

3 Critical accounting estimates and Judgments

a. Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team and external advisor. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company believes that the useful life best represents the period over which the Company expects to use these assets.

b. Contingent liability

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

c. Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews, at each balance sheet date, the carrying amount of deferred tax assets.

d. Defined benefit plans

The cost of the defined benefit gratuity plan and leave encashment benefit and their present value is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| Note:4 | | Property, Plant and Equipment | | | | | | | | | (₹ in Lacs) |
|--|---------------|-------------------------------|----------------------------------|-----------|---------------------|------------------------|----------|------------------|-------------------------|-----------------|-------------|
| | | Land | | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Electrical Installation | Railway Sidings | Total |
| | | Free-hold | Leasehold Refer Note (a) and (c) | | | | | | | | |
| Gross Carrying amount as at 1st April 2016 | | 302.88 | 830.98 | 25,282.43 | 1,30,755.15 | 652.15 | 1,033.38 | 1,142.58 | 3,208.77 | 921.69 | 1,64,130.01 |
| Additions | Refer Note(b) | - | 24.11 | 56.04 | 2,667.59 | 1.97 | 36.72 | 39.07 | 22.22 | - | 2,847.73 |
| Disposals | | - | - | (27.43) | (423.29) | (63.72) | (228.58) | (61.53) | (38.43) | - | (842.98) |
| Gross Carrying amount as at 31st March 2017 (A) | | 302.88 | 855.09 | 25,311.04 | 1,32,999.45 | 590.40 | 841.52 | 1,120.12 | 3,192.56 | 921.69 | 1,66,134.76 |
| Additions | Refer Note(b) | - | - | 609.80 | 838.28 | 5.31 | 312.07 | 106.05 | 48.67 | - | 1,920.18 |
| Disposals | | - | - | (313.06) | (581.71) | (39.58) | (119.64) | (82.27) | (69.46) | - | (1,205.72) |
| Gross Carrying amount as at 31st March 2018 (B) | | 302.88 | 855.09 | 25,607.78 | 1,33,256.02 | 556.13 | 1,033.95 | 1,143.90 | 3,171.77 | 921.69 | 1,66,849.22 |
| Accumulated Depreciation as at 1st April 2016 | | - | 153.37 | 10,778.51 | 56,348.24 | 471.62 | 516.92 | 844.92 | 1,500.19 | 277.74 | 70,891.51 |
| Depreciation for the year | Refer Note(b) | - | 23.39 | 1,176.47 | 5,681.26 | 28.56 | 131.55 | 79.92 | 217.66 | 41.98 | 7,380.79 |
| Disposals | | - | - | (8.05) | (342.89) | (58.23) | (156.64) | (53.84) | (20.51) | - | (640.16) |
| Accumulated Depreciation as at 31st March 2017 (C) | | - | 176.76 | 11,946.93 | 61,686.61 | 441.95 | 491.83 | 871.00 | 1,697.34 | 319.72 | 77,632.14 |
| Depreciation for the year | Refer Note(b) | - | 14.15 | 1,103.39 | 5,683.27 | 23.23 | 104.74 | 62.72 | 199.72 | 41.59 | 7,232.81 |
| Disposals | | - | - | (129.49) | (568.12) | (33.57) | (86.69) | (75.95) | (52.02) | - | (945.83) |
| Accumulated Depreciation as at 31st March 2018 (D) | | - | 190.90 | 12,920.82 | 66,801.77 | 431.62 | 509.87 | 857.77 | 1,845.03 | 361.31 | 83,919.12 |
| Net Carrying amount as at 31st March 2017 (A)-(C) | | 302.88 | 678.33 | 13,364.11 | 71,312.84 | 148.45 | 349.69 | 249.12 | 1,495.22 | 601.97 | 88,502.62 |
| Net Carrying amount as at 31st March 2018 (B)-(D) | | 302.88 | 664.19 | 12,686.95 | 66,454.25 | 124.51 | 524.08 | 286.13 | 1,326.73 | 560.38 | 82,930.10 |

- a) Assets amounting to ₹83.13 Lacs (Previous Year ₹83.13 Lacs) (Gross) are owned jointly with RSWM Ltd.
- b) The Company continues to had 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, an amount of ₹49.83 Lacs (Realized Loss being adjusted against respective assets),(Previous Year ₹219 Lacs (Unrealized Gain) & ₹88.10 Lacs (Realized Loss being adjusted against respective assets)) 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.
- c) Leased Assets

The lease term in respect of leasehold land generally expire with in 30 to 99 years. The ground rent shall be liable to be increased on the expiry of 10 to 30 years depending on the term of lease from the date of execution of this deed and also at

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

subsequent interval of 10 to 30 years, provided that the increase on each occasion shall not exceed one quarter of the rent fixed for the preceding 10 to 30 years. The above lease hold land or any part thereof or any building erected thereon cannot be sublet, assign or otherwise transferred without any previous sanction in writing of the lessor.

Following are the details of year wise minimum lease obligation under leasehold land

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| | Minimum Payments | Present value of payments | Minimum Payments | Present value of payments |
| With in one year | 5.45 | 4.95 | 5.32 | 4.84 |
| After one year but not more than 5 years | 21.79 | 15.69 | 21.15 | 15.34 |
| More than 5 years | 108.56 | 22.95 | 121.79 | 24.83 |
| Total Minimum lease payments | 135.79 | 43.59 | 148.26 | 45.13 |
| Less: Amount representing finance charges | 92.20 | | 103.13 | - |
| Present value of minimum lease payments | 43.59 | 43.59 | 45.13 | 45.13 |

d) Property, Plant & Equipment pledged as security

Refer to note no. 50 for information on Property, Plant and Equipment pledged as security by the company.

| Note: 5 Capital Work In Progress | | (₹ in Lacs) | |
|---|------------------------|------------------------|--|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | |
| Plant and Equipment under erection/installation | 161.45 | 120.40 | |

Capital work in progress includes NIL (Previous year ₹1.49 Lacs) being preoperative expenditure and ₹23.43 Lacs (Previous year ₹18.66 Lacs) being capital stores.

| Note: 6 Investment Property | | (₹ in Lacs) | | |
|-----------------------------|-------|-------------|-----------------------------|----------|
| | | Building | Property under construction | Total |
| Gross Block | | | | |
| As at 1st April, 2016 | | 59.55 | 266.11 | 325.66 |
| Additions | | 332.04 | 112.03 | 444.07 |
| Disposals | | - | (332.04) | (332.04) |
| As at 31st March, 2017 | (a) | 391.59 | 46.09 | 437.68 |
| Additions | | 49.23 | 3.14 | 52.37 |
| Disposals/Capitalized | | - | (49.23) | (49.23) |
| As at 31st March, 2018 | (b) | 440.83 | (0.00) | 440.83 |
| Amortisation | | | | |
| As at 1st April, 2016 | | 44.37 | - | 44.37 |
| Charge for the year | | 7.80 | | 7.80 |
| Disposals | | - | - | - |
| As at 31st March, 2017 | (c) | 52.17 | 0.00 | 52.17 |
| Charge for the year | | 16.86 | | 16.86 |
| Disposals | | - | - | - |
| As at 31st March, 2018 | (d) | 69.03 | - | 69.03 |
| Net Block | | | | |
| As at 31st March, 2017 | (a-c) | 339.43 | 46.09 | 385.51 |
| As at 31st March, 2018 | (b-d) | 371.80 | (0.00) | 371.80 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(i) Amounts recognised in profit or loss for Investment properties

(₹ in Lacs)

| Particulars | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|--|--------------------------------|--------------------------------|
| Rental income | 52.37 | 46.57 |
| Direct operating expenses from property that generated rental income | 4.31 | 5.05 |
| Profit from Investment properties before depreciation | 48.06 | 41.52 |
| Depreciation | 16.86 | 7.80 |
| Profit from Investment properties | 31.20 | 33.72 |

(ii)

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|-----------------------------------|------------------------|------------------------|
| Fair value of Investment property | 2,294.12 | 2,029.02 |

The Company obtains independent valuation for its properties at least annually. The best evidence of fair value is current market prices in an active market for similar properties.

The fair values of Investment properties have been determined by the independent chartered valuer. All fair value estimates for Investment properties are included in level 1.

| Note: 7 | Intangible Assets (Computer Software's) | (₹ in Lacs) |
|---------------------|---|-------------|
| Gross Block | | |
| | As at 1st April, 2016 | 451.37 |
| | Additions | 0.31 |
| | Disposals | - |
| | As at 31st March, 2017 (a) | 451.68 |
| | Additions | 39.10 |
| | Disposals | - |
| | As at 31st March, 2018 (b) | 490.78 |
| Amortisation | | |
| | As at 1st April, 2016 | 446.73 |
| | Charge for the year | 3.14 |
| | Disposals | - |
| | As at 31st March, 2017 (c) | 449.87 |
| | Charge for the year | 6.09 |
| | Disposals | - |
| | As at 31st March, 2018 (d) | 455.96 |
| Net Block | | |
| | As at 31st March, 2017 (a-c) | 1.81 |
| | As at 31st March, 2018 (b-d) | 34.82 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| Note: 8 | | Investments | | | (₹ in Lacs) |
|-------------|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | | Non - current | | Current | |
| | | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| (a) | Equity Instruments in Associate Companies (Unquoted) | | | | |
| 4,88,81,556 | (Previous year 4,88,81,556) Equity Shares of ₹10/- each fully paid up of Bhilwara Energy Ltd. | 14506.88 | 14,506.88 | | |
| 12,62,048 | (Previous year 12,62,048) Equity Shares of ₹10/- each fully paid up of Bhilwara Infotechnology Ltd (erstwhile Bhilwara Infotech Ltd.) | 419.00 | 419.00 | | |
| | Add: Share of profit in Associates up to reporting date | 9890.67 | 8,076.87 | | |
| | Total | 24816.55 | 23002.75 | | |
| (b) | Investments carried at Fair value through profit or loss | | | | |
| (a) | Equity Instruments in Other Companies (Quoted) | | | | |
| 18 | (Previous year 18) Equity Shares of ₹2/-each of Ballarpur Ind. Ltd. (Refer Note 3) | 0.01 | 0.01 | | |
| (b) | Investments in Mutual Funds(Quoted) | | | | |
| NIL | (Previous year 2,50,000)Units of LIC Mutual Fund Dhan Samriddhi of ₹10/- each | | | - | 55.34 |
| | Total | 24,816.56 | 23,002.75 | - | 55.34 |
| | Aggregate amount of quoted investments | 0.01 | 0.01 | - | 55.34 |
| | Market value of quoted investments | ** | ** | - | 55.34 |
| | Aggregate amount of unquoted investments | 24,816.56 | 23,002.75 | | |

Note 1 :-The company has opted for carrying value as per previous GAAP as the deemed cost of investment in subsidiary and associates, however it has impaired its investment in subsidiary company by ₹0.32 Lacs during the financial year 2016-17, routing through Profit and loss.

Note 2 :-The Name of M/s HEG Graphite Product and Service Pvt Ltd has been struck off from the registrar of Companies under the provision of sub section (5) of section 248 of the Companies Act 2013. Therefore the company stand dissolved. In view thereof the Investment made in the equity of M/s HEG Graphite Product and Service Pvt Ltd a subsidiary of the company has been written off during the year.

Note 3 :-Refer Note: 49 for Classification of Financial Assets

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| Note: 9 Trade Receivables | | (₹ in Lacs) | |
|--|---------------------------|---------------------------|--|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | |
| a) Secured, considered good | - | - | |
| b) Unsecured, considered good | 97,727.84 | 37,320.71 | |
| c) Considered Doubtful | - | - | |
| Less: Loss allowance for doubtful receivables (other than covered under ECGC cover) | (458.94) | (1,241.92) | |
| d) Debts due from directors or other Officer of the company or any of them either severally or jointly with any other person or debts due by firms or private company respectively in which any director is a partner or a director or a member. | - | - | |
| Total | 97,268.90 | 36,078.79 | |

Refer Note: 49 for Classification of Financial Assets

| Note: 10 Financial Assets-Loans | | (₹ in Lacs) | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------|
| Particulars | Non-Current | | Current | | |
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 | |
| Security deposits | 721.72 | 201.36 | | | |
| Loans and advances to employees | | - | | | - |
| Unsecured, considered good | 15.82 | 30.12 | 91.30 | | 153.02 |
| Total | 737.54 | 231.48 | 91.30 | | 153.02 |

Refer Note: 49 for Classification of Financial Assets

| Note: 11 Other Financial Assets | | (₹ in Lacs) | | | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------|
| Particulars | Non-Current | | Current | | |
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 | |
| Interest accrued but not due | - | - | 85.04 | | 134.90 |
| Fixed deposit with maturity more than one year* | - | 238.20 | - | | - |
| Derivative Financial Instruments | | | 24.39 | | 243.54 |
| Total | - | 238.20 | 109.43 | | 378.44 |

* Pledged with bank against long term loans and bank guarantee to shipping line.

Refer Note: 49 for Classification of Financial Assets

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**Note: 12 Other Assets** (₹ in Lacs)

| Particulars | Non-Current | | Current | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Unsecured, considered good unless stated otherwise | | | - | - |
| Capital advances | 251.27 | - | - | - |
| Other Advances-Unsecured, considered good | - | - | 2,047.85 | 2,070.49 |
| Advances to related parties | - | - | 2.19 | 5.01 |
| Prepaid expenses | - | - | 877.52 | 509.30 |
| Balances with statutory authorities | - | - | 2,092.67 | 616.07 |
| Excise rebates / refunds receivable | - | - | 692.00 | 1,996.37 |
| Direct taxes refund receivable (net of provisions) | 2,348.15 | 2,296.63 | - | - |
| Payments under protest (other than direct taxes) | 303.81 | 426.51 | - | - |
| Export benefits receivable | - | - | 6,252.96 | 1,515.97 |
| Other Receivables | - | - | 151.64 | 59.14 |
| Total | 2,903.23 | 2,723.14 | 12,116.83 | 6,772.35 |

a) Direct taxes refundable represent amounts recoverable from the Income Tax Department for various assessment years. In respect of disputed demands, Company has filed appeals which are pending at various levels .

b) Detail of payments under protest (other than direct taxes) is as follows:

| Particulars | (₹ in Lacs) | |
|-------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Entry Tax | 197.22 | 197.22 |
| Central Sales Tax | 24.53 | 24.53 |
| Excise duty/Service Tax | 59.92 | 204.30 |
| MPST/MPCT | 3.29 | 0.46 |
| Tax deducted at source | 18.85 | - |
| Total | 303.81 | 426.51 |

Based on legal advice, discussions with the solicitors, etc., the management believes that there are fair chances of decisions in Company's favor in respect of all the items listed above and no value adjustment is considered necessary.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| Note: 13 Inventories (Valued At Lower Of Cost Or Net Realizable Value) (₹ in Lacs) | | |
|---|------------------------|------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| Raw materials [Includes material in transit ₹7017 lacs; Previous year: ₹2,226.46 lacs] | 19,959.18 | 3,996.84 |
| Finished goods (Refer Note (a)) | 10,166.41 | 6,501.88 |
| Work-in-progress | 17,528.15 | 11,845.08 |
| Stores and Spares [Includes stores in transit ₹183.97 ; Previous year: ₹29.85] | 3,489.80 | 3,431.94 |
| Others (Refer Note (b)) | 0.03 | 4.02 |
| Total | 51,143.57 | 25,779.76 |

(a) Finished goods are written down from its cost to Net Realisable value by ₹NIL (Previous year ₹384.51 Lacs).

(b) Others include Renewable Energy Credits in hand.

(c) The cost of inventories recognised as an expense during the years in respect of continuing operation was ₹57,010.98 (Previous years ₹51,774.28)

| Note: 14 Cash And Cash Equivalents (₹ in Lacs) | | |
|---|------------------------|------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| Balances with banks | | |
| In Current accounts | 161.01 | 409.54 |
| In Cash Credit accounts | 17.18 | - |
| Cheques, drafts on hand | 333.96 | 216.32 |
| Cash on hand | 5.02 | 5.28 |
| Postage and Stamps | 0.00 | 0.07 |
| Total | 517.18 | 631.21 |

Refer Note: 49 for Classification of Financial Assets

| Note: 15 Other Bank Balances (₹ in Lacs) | | |
|---|------------------------|------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| Earmarked Balances with banks* | 245.28 | 196.42 |
| Total | 245.28 | 196.42 |

* Earmarked balances with banks pertain to unpaid dividend accounts with banks.

Refer Note: 49 for Classification of Financial Assets

| Note: 16 Equity Share Capital (₹ in Lacs) | | |
|--|------------------------|------------------------|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
| Authorised | | |
| 5,50,00,000 Equity Shares of ₹10/- each | 5,500.00 | 5,500.00 |
| Total | 5,500.00 | 5,500.00 |
| Issued, subscribed and fully paid-up | | |
| 3,99,59,142 Equity Shares of ₹10/- each | 3,995.91 | 3,995.91 |
| 1,150 Forfeited Equity Shares | 0.04 | 0.04 |
| Total | 3,995.95 | 3,995.95 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

| Particulars | 2017-18 | | 2016-17 | |
|------------------------------------|---------------|-----------|---------------|-----------|
| | No. of Shares | ₹ in Lacs | No. of Shares | ₹ in Lacs |
| Equity Shares | | | | |
| At the beginning of the year | 3,99,59,142 | 3,995.91 | 3,99,59,142 | 3,995.91 |
| Changes during the year | - | - | - | - |
| Outstanding at the end of the year | 3,99,59,142 | 3,995.91 | 3,99,59,142 | 3,995.91 |

b) Terms/Rights attached to equity shares

Company has only one class of equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. The dividend (if any) proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31st March, 2018, the Company has paid an amount of Rs.30 per Equity Share (300%) as Interim Dividend for the financial year 2017-18 to the equity shareholders of the Company.

c) Detail of Shareholders holding more than 5% Shares in the Company

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|-------------------------------------|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares | | | | |
| Norbury Investments Limited | 53,62,991 | 13.42 | 53,62,991 | 13.42 |
| Microlight Investments Limited | 46,65,579 | 11.68 | 46,65,579 | 11.68 |
| Life Insurance Corporation of India | 33,33,963 | 8.34 | 33,33,963 | 8.34 |
| Bharat Investments Growth Limited | 26,09,598 | 6.53 | 26,09,598 | 6.53 |
| GPC Mauritius II LLC | - | - | 28,93,888 | 7.24 |

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d) During the five years immediately preceding the date at which the Balance Sheet is prepared, the company has neither issued any bonus shares nor issued any shares for consideration other than cash. Further the company has not bought back any shares during five years immediately preceding the date at which the Balance Sheet is prepared.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| Note: 17 | Other Equity | | (₹ in Lacs) |
|---|-----------------------|-----------------------|-------------|
| Particulars | As at 31st March 2018 | As at 31st March 2017 | |
| Capital Reserves | | | |
| Balance as per the last financial statements | 10,726.49 | 10,726.49 | |
| Add: Additions during the year | - | - | |
| Closing balance | 10,726.49 | 10,726.49 | |
| Capital Redemption Reserve | | | |
| Balance as per the last financial statements | 1,893.57 | 1,893.57 | |
| Add: Current year transfers | - | - | |
| Closing balance | 1,893.57 | 1,893.57 | |
| Securities Premium Account | | | |
| Balance as per the last financial statements | 1,269.61 | 1,269.61 | |
| Add : Received during the year | - | - | |
| Closing balance | 1,269.61 | 1,269.61 | |
| Retained Earnings | | | |
| General Reserve | | | |
| Balance as per the last financial statements | 39,823.38 | 39,823.38 | |
| Add: Transfer from Statement of Profit and Loss during the year | - | - | |
| Closing balance | 39,823.38 | 39,823.38 | |
| Surplus/(Deficit) balance in Statement of Profit and Loss | | | |
| Balance as per the last financial statements | 37,456.19 | 41,864.62 | |
| Add: Amount transferred from Statement of Profit and Loss | 1,09,942.98 | (4,408.43) | |
| Less: Dividend Paid | 11,987.74 | - | |
| Less: Dividend distribution tax paid on dividend | 2,440.42 | - | |
| Closing balance | 1,32,971.06 | 37,456.19 | |
| Items of other comprehensive income | | | |
| Balance as per the last financial statements | 91.12 | 12.11 | |
| Add: Amount transferred during the year | (18.78) | 79.00 | |
| Closing balance | 72.34 | 91.12 | |
| Total | 1,86,756.45 | 91,260.37 | |
| Preference share capital | | | |
| Authorised Preference share capital | | | |
| 15,00,000 (Previous year 15,00,000) Equity Shares of ₹10/- each | 1,500.00 | 1,500.00 | |
| Total | 1,500.00 | 1,500.00 | |

The company has not issued any Preference shares till 31st March 2018.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**NATURE AND PURPOSE OF RESERVES****1) Capital Reserve:**

The Company created part of Capital Reserve on account of warrant money forfeited and part on profit made on hive off of Steel business .

2) Securities Premium Reserve:

Securities Premium reserve is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act 2013.

3) Capital Redemption Reserve:

The Company created Capital Redemption Reserve at the time of redemption of Preference Shares and buy back of its own shares. The reserve can be utilised for issuing bonus shares.

| Particulars | Non-Current | | Current | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Term loans (Secured) | | | | |
| From Banks | | | | |
| Rupee Loans from Banks | - | 4,600.00 | - | - |
| Foreign currency Loans from Banks | - | 0.00 | - | - |
| From Others | | | | |
| Rupee Loans from others | - | 8,964.06 | - | - |
| Loans repayable on demand from banks (Secured) | | | | |
| Working Capital loans from banks | - | - | 29,745.49 | 41,183.59 |
| Total | - | 13,564.06 | 29,745.49 | 41,183.59 |

Non current borrowings are net of Current maturities which has been disclosed in Note no. 20

Refer Note: 49 for Classification of Financial Liabilities

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Additional Information as per Schedule III

(₹ in Lacs)

NON CURRENT BORROWINGS

| Particulars | Maturity date | Terms of Repayment | Interest Rate | As at 31st March, 2018 | As at 31st March, 2017 |
|--|---------------|--------------------|------------------|------------------------|------------------------|
| Secured | | | | | |
| Term loans | | | | | |
| Rupee loans from banks | | | | | |
| - IDBI bank | * | * | BBR + 50 bps | - | 3,850.00 |
| - State bank of India | * | * | BR + 1% | - | 2,308.25 |
| - ICICI Bank | * | * | BR +0.45% | - | 4,869.65 |
| | | | | - | 11,027.90 |
| Foreign currency loans from banks | | | | | |
| - Kotak Mahindra bank | * | * | 6M Libor + 2.60% | - | 2,411.50 |
| - DBS-ECB | * | * | Libor + 2.30% | - | 4,791.59 |
| | | | | - | 7,203.09 |
| From Others | | | | | |
| Aditya Birla Finance Ltd | * | * | BR + 2.30% | - | 8,964.06 |
| | | | | | |
| Total non current borrowings | | | | - | 27,195.06 |
| Less: Current Maturities | - | - | - | - | 13,631.00 |
| Non Current borrowings (as per balance sheet) | | | | - | 13,564.06 |

* The loans have been repaid during the year ended 31st March, 2018 and therefore, the disclosure of maturity date and terms of repayments is no longer applicable.

Term Loans from Financial Institutions and Banks/other lending Institutions are/shall be secured by way of joint equitable mortgage of all the immovable properties (present and future) of Graphite and Thermal Power units at Mandideep and Hydel unit at Tawa Nagar ranking on pari- passu basis and hypothecation of all movable assets of the Company (except book debts) subject to prior charge of the company's bankers on specified movable assets in respect of working capital borrowings. (Refer Note No. 50 for carrying amount of assets pledged as security for borrowings.)

CURRENT BORROWINGS

(₹ in Lacs)

| Particulars | Maturity date | Terms of Repayment | Interest Rate | As at 31st March, 2018 | As at 31st March, 2017 |
|----------------------------------|-------------------|--------------------|---------------------|------------------------|------------------------|
| LOANS REPAYABLE ON DEMAND | | | | | |
| Secured | | | | | |
| Working Capital from Banks | Payable on Demand | Payable on Demand | At negotiated rates | 29,745.49 | 41,183.59 |
| Total | | | | 29,745.49 | 41,183.59 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

- a) Working Capital Borrowings from Banks are secured by hypothecation of all stocks present and future, stores, spare parts, packing materials, raw materials, finished goods, goods in transit / process, book debts, outstanding monies receivable, claims, bills etc.
- b) Second charge by way of joint equitable mortgage of immovable properties of the Company in respect of Graphite & Thermal Power units at Mandideep and Hydel unit at Tawanagar. The said charge in favor of bank shall rank sub-ordinate and subservient to the existing charges created by the Company in favor of financial Institutions and banks for their term loans.
(Refer Note No. 50 for carrying amount of assets pledged as security for borrowings.)

| Note: 19 Trade Payables | | (₹ in Lacs) | |
|---|------------------------|------------------------|--|
| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | |
| (A) Total outstanding dues of micro enterprises and small enterprises | 245.97 | 157.14 | |
| (B) Total outstanding dues of Other Creditors | 24,398.46 | 8,491.53 | |
| (C) Total outstanding dues of Other Creditors-Related Parties | - | - | |
| Total | 24,644.43 | 8,648.67 | |

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under:

Refer Note: 49 for Classification of Financial Liabilities

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | |
|--|------------------------|------------------------|--|
| (1) Principal amount remaining unpaid as at end of the year | 245.97 | 157.14 | |
| (2) Interest due on above | - | - | |
| a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year(1+2) | 245.97 | 157.14 | |
| b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - | |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - | |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - | |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - | |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Note: 20 Other Financial Liabilities (₹ in Lacs)

| Particulars | Non-Current | | Current | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Security Deposits | | | | |
| - From Outsiders | - | - | 134.02 | 77.22 |
| Current maturities of Borrowings | - | - | - | 13,631.00 |
| Interest accrued but not due on borrowings | - | - | 141.80 | 234.64 |
| Unpaid dividends-Unclaimed# | - | - | 245.28 | 196.42 |
| Other payables | | | | |
| Employees Related | - | - | 4,057.53 | 663.30 |
| Others | 42.50 | 43.63 | 3,335.36 | 3,240.58 |
| Total | 42.50 | 43.63 | 7,913.99 | 18,043.15 |

Unpaid dividend do not include any amount due and outstanding required to be credited to the Investor's Education and Protection Fund.

Refer Note: 49 for Classification of Financial Liabilities

Note: 21 Provisions (₹ in Lacs)

| Particulars | Non-Current | | Current | |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Provision for employee benefits | | | | |
| Compensated absences | 340.90 | 342.95 | 68.75 | 70.47 |
| Total | 340.90 | 342.95 | 68.75 | 70.47 |

Note: 22 Deferred Tax Liabilities (Net) (₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| Deferred tax liabilities (A) | | |
| Property Plant and Equipments | 12,221.24 | 11,780.93 |
| Deferred tax assets (B) | | |
| Items deductible on payment basis | 145.61 | 360.19 |
| Provision for doubtful debts and others | 158.83 | 472.63 |
| Unused tax credit (MAT credit) (C) | - | 4,858.98 |
| Net Deferred tax Liability (A)-(B)-(C) | 11,916.80 | 6,089.12 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**Note: 23 Other Liabilities** (₹ in Lacs)

| Particulars | Non-Current | | Current | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2018 | As at 31st March, 2017 |
| Deposits from employees against various schemes | 208.08 | 188.10 | 79.03 | 49.24 |
| Advance from Customers | | | 1,485.65 | 500.45 |
| Statutory dues payable (Including PF and TDS) | | | 2,656.97 | 748.53 |
| Others | | | 512.61 | 522.96 |
| Total | 208.08 | 188.10 | 4,734.26 | 1,821.18 |

Note: 24 Current Tax Liabilities (Net) (₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| Provision for Income Tax(Net of advance tax of ₹44,500 Lacs) | 3,080.38 | - |
| Total | 3,080.38 | - |

Note: 25 Revenue From Operations (₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | | Year Ended 31st March, 2017 | |
|--|-----------------------------|--------------------|-----------------------------|------------------|
| Sale of Products | | | | |
| Manufactured goods | | | | |
| Graphite Electrodes (Refer note 51) | 2,66,542.40 | | 85,226.17 | |
| Power (Net of inter-divisional sales of ₹19,422.65 Lacs, Previous year ₹19,125.43 Lacs) | 664.32 | 2,67,206.72 | 1,689.30 | 86,915.47 |
| Other Operating Income | | | | |
| REC sales | 1,080.82 | | 625.31 | |
| Fly Ash Income | 225.28 | | 271.09 | |
| Export Incentives | 7,327.61 | | 1,790.47 | |
| | | 8,633.71 | | 2,686.87 |
| Total | | 2,75,840.43 | | 89,602.34 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Note: 26 Other Income (₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|--------------------------------|--------------------------------|
| Interest Income | 42.07 | 21.97 |
| Rent received | 59.75 | 54.68 |
| Gain on sale of investment (Net) | 5.21 | 7.90 |
| Liabilities / provisions no longer required, written back | 428.54 | 306.46 |
| Profit on sale of Property Plant and Equipments | 321.47 | - |
| Miscellaneous Sales / Receipts | 379.78 | 321.80 |
| Total | 1,236.82 | 712.81 |

Note: 27 Cost Of Material Consumed (₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|----------------------------------|-----------------------------|-----------------------------|
| Raw Material Consumed | | |
| Opening Stock | 1,770.38 | 4,380.39 |
| Add : Purchases | 68,752.58 | 30,374.87 |
| | 70,522.96 | 34,755.26 |
| Less: Closing Stock | 12,942.18 | 1,770.38 |
| Cost of Material Consumed | 57,580.79 | 32,984.88 |

Note: 28 Purchase of Stock in Trade (₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|----------------------------|-----------------------------|-----------------------------|
| Purchase of Stock in Trade | | 1,292.60 |
| Total | - | 1,292.60 |

Note: 29 Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade (₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|-----------------------------|-----------------------------|
| Inventories at the end of the year | | |
| Finished Goods | 10,166.41 | 6,501.88 |
| Work-in-progress | 17,528.15 | 11,845.08 |
| Total (A) | 27,694.56 | 18,346.96 |
| Inventories at the beginning of the year | | |
| Finished Goods | 6,501.88 | 15,574.56 |
| Work-in-progress | 11,845.08 | 12,886.93 |
| Total (B) | 18,346.96 | 28,461.49 |
| Excise duty on increase/(decrease) of finished goods (C) | (434.84) | (853.31) |
| Total [(B) - (A) + (C)] | (9,782.44) | 9,261.22 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| Note: 30 Employee Benefit Expense (₹ in Lacs) | | |
|--|-----------------------------|-----------------------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
| Salaries and Wages | 10,291.35 | 4,706.08 |
| Contribution to Provident and other Funds | 584.96 | 761.82 |
| Staff Welfare expenses | 380.09 | 410.21 |
| Total | 11,256.40 | 5,878.11 |

| Note: 31 Finance Cost (₹ in Lacs) | | |
|---|-----------------------------|-----------------------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
| Interest Expense | | |
| Term Loans (Refer Note (a) Below) | 2,417.28 | 1,797.24 |
| Working Capital Borrowings | 2,078.66 | 3,510.63 |
| Exchange difference regarded as an adjustment to borrowing cost | (3.79) | 43.43 |
| Interest Cost on Employee Benefit Plans | 26.04 | 38.66 |
| Interest Cost on Income tax | 1,084.06 | - |
| Others | 65.67 | 81.80 |
| Total | 5,667.92 | 5,471.76 |

(a) Interest Expenses are net of Interest Capitalized of ₹ NIL (Previous Year ₹35.31 Lacs)

| Note: 32 Depreciation And Amortisation Expenses (₹ in Lacs) | | |
|--|-----------------------------|-----------------------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
| Depreciation of tangible assets* | 7,249.67 | 7,388.59 |
| Amortisation of intangible assets** | 6.09 | 3.14 |
| Total | 7,255.76 | 7,391.73 |

* Refer note 4

** Refer note 7

| Note: 33 Excise Duty (₹ in Lacs) | | |
|---|-----------------------------|-----------------------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
| Excise Duty (Refer note 51) | 833.82 | 3,598.07 |
| Total | 833.82 | 3,598.07 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| Note: 34 | Other Expenses | | (₹ in Lacs) |
|--|--------------------------------|--------------------------------|-------------|
| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 | |
| Consumption of stores and spare parts(Including Refractory Blocks) | 7,603.22 | 6,901.90 | |
| Job/Process Charges | 314.12 | 231.96 | |
| Power and fuel | 35,858.39 | 26,323.08 | |
| Less: Interdivisional Purchases | (19,422.65) | (19,125.43) | |
| Repairs and maintenance | | | |
| Plant and Machinery | 4,406.94 | 2,474.72 | |
| Building | 343.31 | 342.57 | |
| Others | 603.09 | 538.93 | |
| Insurance | 363.89 | 265.37 | |
| Rent (Refer Note 42) | 85.97 | 94.79 | |
| Rates and taxes | 88.79 | 109.79 | |
| Directors' sitting fees and incidental expenses | 57.13 | 56.24 | |
| Freight & forwarding | 8,675.89 | 5,691.86 | |
| Packing Expenses (including Packing material consumption) | 1,608.51 | 1,333.67 | |
| Commission | 3,174.54 | 861.01 | |
| Claims, Rebates and Discount | 223.37 | 120.03 | |
| Donations | 2.25 | 0.05 | |
| Power generation charges | 67.70 | 223.51 | |
| Travelling Expenses | 232.45 | 313.50 | |
| Postage and Communication | 68.47 | 94.72 | |
| Payment to auditors (Refer details below*) | 19.18 | 20.05 | |
| Expenditure on CSR Activities (Refer Note 44) | 92.10 | 31.40 | |
| Legal and Professional Expenses | 416.50 | 517.57 | |
| Vehicle Running & Maintenance | 90.04 | 77.09 | |
| Provision for doubtful debts and advances | (782.98) | 327.48 | |
| Bad debts | 205.02 | 60.41 | |
| Duties and Taxes | 31.42 | (17.07) | |
| Loss on sale/discard of Property Plant and Equipments | - | 54.94 | |
| Foreign Currency Fluctuation | (1,473.35) | (51.87) | |
| Miscellaneous Expenses | 840.72 | 641.67 | |
| Total | 43,794.04 | 28,513.94 | |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

*Payments to the statutory auditors (excluding service tax)

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---------------------------|-----------------------------|-----------------------------|
| As auditor | | |
| Statutory audit | 12.50 | 14.00 |
| Other Services | | |
| Tax Audit | 2.00 | |
| Management Services | | 2.00 |
| Certification fees | 0.17 | 0.35 |
| Reimbursement of expenses | 4.51 | 3.70 |
| Total | 19.18 | 20.05 |

Note: 35 Tax expense

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|-----------------------------|-----------------------------|
| A) Tax Expense Recognised in Profit and Loss | | |
| 1) Current Tax | | - |
| Income tax | 51,355.30 | - |
| Income tax -previous Year | 0.60 | 112.13 |
| 2) Deferred tax | 981.14 | 815.20 |
| B) Tax Expense on Other Comprehensive Income | | |
| 1) Current Tax | - | - |
| 2) Deferred tax | (12.46) | 44.31 |
| Total | 52,324.58 | 971.65 |

(a) Effective Tax Reconciliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|-----------------------------|-----------------------------|
| Accounting profit before tax from continuing operations | 1,60,470.97 | (4,077.17) |
| Profit/Loss before tax from a discontinued operation | | |
| Accounting Profit before Income Tax | 1,60,470.97 | (4,077.17) |
| At India's statutory income tax rate of 30% | 34.608% | 34.608% |
| Tax as per accounting profit | 55,535.79 | - |
| Tax impact of amounts which are not deductible in calculating taxable income: | | |
| Donations and CSR Expenditure | 16.33 | |
| Provision for doubtful debts and other disallowances | (312.97) | |
| Difference on account of Depreciation | (562.73) | |
| Loss/(Gain) on sale of asset | (111.25) | |
| Others | (3,209.87) | |
| | 51,355.30 | - |
| Less: MAT credit | - | - |
| Income Tax Expenses reported in the statement of Profit and Loss | 51,355.30 | - |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(b) Reconciliation of Deferred tax asset/(liability)

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|-----------------------------|-----------------------------|
| Deferred tax liability at the beginning of the year | (10,948.11) | (10,088.59) |
| Tax income/(expense) during the period recognised in profit or loss | (981.14) | (815.20) |
| Tax income/(expense) during the period recognised in OCI | 12.46 | (44.31) |
| Deferred tax liability at the end of the year | (11,916.80) | (10,948.11) |

(c) Items on which Deferred Tax Asset has not been created

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|-----------------|-----------------------------|-----------------------------|
| Business Losses | - | 382.07 |

Note: 36 Other Comprehensive Income

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|---|-----------------------------|-----------------------------|
| (i) Items that will not be reclassified to profit or loss | | |
| -Remeasurement of Defined Benefits Plans | (35.99) | 128.67 |
| Total | (35.99) | 128.67 |

Note: 37 Earnings per share

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share"

| Particulars | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|--|-----------------------------|-----------------------------|
| Net profit/ (loss) after tax attributable to equity shareholders (in Lacs) | 1,09,942.98 | (4,408.43) |
| Weighted average number of equity shares in calculating basic EPS | 3,99,59,142 | 3,99,59,142 |
| Basic earning per share (₹) | 275.14 | (11.03) |
| Diluted earning per share (₹)* | 275.14 | (11.03) |

* There are no potential equity shares

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**Note: 38 Segment Reporting**

(₹ in Lacs)

The Company's Chief Operational Decision Makers consisting of Chief Executive Officer and Chief Finance Officer examines the company's performance both from product and geographic perspective and has identified two segments, i.e., Graphite electrodes (including other carbon products) and power. The business segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment.

"The Reportable Segments are:

- Graphite Electrodes (including other carbon products)- The segment comprises of manufacturing of graphite electrodes
- Power Generation - The segment comprises of generation of power for captive consumption and sale.

Segment Measurement

The measurement principles for segment reporting are based on IND AS 108. Segment's performance is evaluated based on segment revenue and profit and loss from operating activities. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

Sales between segments are carried out at arm's length price and are eliminated on consolidation.

1) Segment Revenue :

(₹ in Lacs)

| Particulars | Graphite (including other carbon products) | | Power | | Unallocable items/ Others | | Company Total | |
|---|--|------------|------------|------------|---------------------------|------------|---------------|-------------|
| | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 |
| a) Segment Revenue | | | | | | | | |
| External Turnover | 2,73,882.80 | 87,024.73 | 21,379.58 | 21,693.34 | 0.70 | 9.69 | 2,95,263.08 | 1,08,727.76 |
| Less: Inter Segment turnover | - | - | 19,422.65 | 19,125.43 | - | - | 19,422.65 | 19,125.43 |
| Turnover | 2,73,882.80 | 87,024.73 | 1,956.93 | 2,567.92 | 0.70 | 9.69 | 2,75,840.43 | 89,602.33 |
| b) Segment Result before Interest & taxes | 1,61,302.93 | (7,680.46) | 4,859.02 | 9,059.88 | (23.06) | 15.17 | 1,66,138.89 | 1,394.58 |
| Less: Financial Expenses | | | | | | | 5,667.92 | 5,471.76 |
| Profit Before Tax | | | | | | | 1,60,470.97 | (4,077.17) |
| Less: Income Tax (including Deferred tax) | | | | | | | 52,337.04 | 927.33 |
| Net Profit for the year | | | | | | | 1,08,133.93 | (5,004.50) |
| Share of Profit of Associates | | | | | | | 1,809.05 | 596.07 |
| Net Profit for the year | | | | | | | 1,09,942.98 | (4,408.43) |

2) Secondary Revenue (By Geographical Location) :

(₹ in Lacs)

| Particulars | Within India | | Outside India | | Total | |
|--------------------|--------------|------------|---------------|------------|-------------|------------|
| | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 |
| a) Segment Revenue | 81,146.08 | 35,698.07 | 1,94,694.35 | 53,904.27 | 2,75,840.43 | 89,602.34 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

3) Segment Assets & Liabilities :

(₹ in Lacs)

| Particulars | Graphite (including other carbon products) | | Power | | Unallocable items/ Others | | Company Total | |
|---------------------------------------|--|-------------|------------|------------|---------------------------|------------|---------------|-------------|
| | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 | FY 2017-18 | FY 2016-17 |
| Segment Assets | 2,31,129.71 | 1,44,174.83 | 16,607.03 | 17,083.18 | 15,820.58 | 15,916.25 | 2,63,557.32 | 1,77,174.28 |
| Segment Liabilities | 73,757.97 | 59,062.80 | 3,370.55 | 3,187.36 | 5,567.06 | 512.64 | 82,695.58 | 62,762.80 |
| Capital Exp. incurred during the year | 1,925.33 | 290.74 | 5.19 | 5.86 | 72.91 | 334.28 | 2,003.44 | 630.88 |
| Depreciation | 5,988.21 | 6,080.03 | 1,225.11 | 1,273.57 | 42.44 | 38.13 | 7,255.76 | 7,391.73 |

4) Details of Unallocated Items

(₹ in Lacs)

| Segment Assets | FY 2017-18 | FY 2016-17 |
|--|------------|------------|
| Fixed Assets | 554.41 | 523.94 |
| Investments | 14,925.88 | 14,983.78 |
| Inventories | 12.03 | 8.76 |
| Sundry Debtors | 0.12 | 3.96 |
| Cash and Cash Equivalents | 16.91 | 156.16 |
| Bank balances other than Cash & Cash equivalents | 245.28 | 196.42 |
| Loans & Advances | 65.95 | 43.31 |

(₹ in Lacs)

| Segment Liabilities | FY 2017-18 | FY 2016-17 |
|------------------------|------------|------------|
| Deferred Tax Liability | 7.36 | 6.75 |
| Other Liabilities | 5,559.70 | 505.88 |

5) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is as follows:

(₹ in Lacs)

| Revenue from External Customers | FY 2017-18 | FY 2016-17 |
|---------------------------------|--------------------|------------------|
| India | 81,146.08 | 35,698.07 |
| Saudi Arabia | 1,804.32 | 1,935.71 |
| USA | 21,067.45 | 2,881.71 |
| Iran | 18,243.32 | 5,281.20 |
| KOREA (SOUTH) | 5,855.12 | 5,663.22 |
| TURKEY | 40,106.15 | 4,078.86 |
| SPAIN | 18,753.03 | 20.91 |
| Others* | 88,864.96 | 34,042.65 |
| Total | 2,75,840.43 | 89,602.34 |

*Others includes revenue from countries having less than 10% of total revenue from outside India

6) The Company's major sales are export based which is diversified in different countries and none of the customer contributes 10% or more of the total company's revenue for the financial year 2017-18 and 2016-17.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**Note: 39 Commitment & Contingencies****1) CONTINGENT LIABILITIES**

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|--|------------------------|------------------------|
| For Taxation matters | | |
| a) Excise duty under appeal | 232.95 | 235.73 |
| b) Service Tax | 1,166.58 | 1,958.27 |
| c) Income Tax | 7,691.21 | 7,691.21 |
| d) Sales Tax | 481.56 | 445.67 |
| Other than Taxation matters | | |
| a) Electricity Charges | 2,276.91 | 5,530.99 |
| b) RPO Obligation (Net of REC certificate benefit previous year ₹1,079.18) | - | 479.21 |
| c) Parallel Operation Charges | 264.29 | 198.54 |
| d) Labour related matters | 42.60 | 40.10 |
| e) Others | 116.00 | 116.00 |

Based on legal advice, discussions with the solicitors, etc., the management believes that there is fair chance of decisions in the company's favor in respect of all the items listed above and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

Further Company has deposited amount to the tax authorities against the cases, which shown as payment under protest in note 12 of Other assets.

2) COMMITMENT OUTSTANDING

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹721.37 Lacs, (previous year ₹NIL Lacs.)] | 481.82 | - |

3) FINANCIAL GUARANTEE

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| The Company has with RSWM Ltd on joint and several basis provided Guarantee in favor of International Finance Corporation (IFC) on behalf of M/s AD Hydro Power Ltd.* | 600.00 | 600.00 |

*Note- Since the loss allowance was estimated to be nil, the guarantee is not recognised in the books

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Note: 40 Related Party Disclosure

a) Names of related parties where control exists and with whom transactions have taken place during the year

| Relationship | Related Parties | |
|---|---|---|
| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
| A) Subsidiary | (i) HEG Graphite Products and Services Ltd. (up to 20th December 2017) * | HEG Graphite Products and Services Ltd |
| B) Associates | (i) Bhilwara Energy Limited (ii) Bhilwara Infotechnology Ltd | Bhilwara Energy Limited Bhilwara Infotechnology Ltd |
| C) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual. | Sh. L.N. Jhunjhunwala Sh. Ravi Jhunjhunwala Sh. Riju Jhunjhunwala | Sh. L.N. Jhunjhunwala Sh. Ravi Jhunjhunwala Sh. Riju Jhunjhunwala |
| D) Key Management Personnel | Sh. Ravi Jhunjhunwala-CMD and CEO Sh. Riju Jhunjhunwala-Non-Executive Director Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer Sh. Vivek Chaudhary-Company Secretary | Sh. Ravi Jhunjhunwala-CMD and CEO Sh. Riju Jhunjhunwala-Non-Executive Director Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer Sh. Ashish Sabharwal-Company Secretary Sh. D S Ravindra Raju-Executive Director |
| E) Trust Under Common Control | (a) Hindustan Electro Graphites Staff Gratuity Fund Trust (b) Hindustan Electro Graphites Officers Contributory P.F. Trust (c) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust | (a) Hindustan Electro Graphites Staff Gratuity Fund Trust (b) Hindustan Electro Graphites Officers Contributory P.F. Trust (c) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust |
| F) Enterprises over which any person described in (c) or (d) is able to exercise significant influence. | RSWM Ltd Malana Power Company Ltd Giltedged Industrial Securities Ltd Purvi Vanijya Niyojan Ltd Shashi Commercial Co Ltd | RSWM Ltd Malana Power Company Ltd Giltedged Industrial Securities Ltd Purvi Vanijya Niyojan Ltd Shashi Commercial Co Ltd |

* Note: *HEG Graphite Products and Services Ltd, a wholly owned subsidiary ("WOS") of the Company, the name of which has been struck-off under Section 248 (5) of the Companies Act, 2013, upon the application made by WOS under Section 248(2) of the Companies Act, 2013, from the Register of Companies and WOS stands dissolved w.e.f. 21st December, 2017.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**B Transaction during the year with related parties**

| | Relationship | Name of the Related Party | Nature of Transaction | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|----------|--|--|--|-----------------------------------|-----------------------------------|
| 1) | Associates | M/s Bhilwara Energy Ltd | Reimbursement received | - | 0.03 |
| | | | Reimbursement made | 6.88 | - |
| 2) | Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual. | Sh. L.N. Jhunjhunwala | Dividend Paid | 53.92 | - |
| | | Sh Ravi Jhunjhunwala | Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)# | 237.03 | 233.51 |
| | | | Commission | 4,095.94 | - |
| | | | Dividend Paid | 105.23 | - |
| | | Sh Riju Jhunjhunwala | Director sitting fee | 4.75 | 4.20 |
| | | Dividend Paid | 69.99 | - | |
| 3) | Key Management Personnel | Sh Ravi Jhunjhunwala- CMD and CEO | Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)# | 237.03 | 233.51 |
| | | | Commission | 4,095.94 | - |
| | | | Dividend | 105.23 | - |
| | | Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer | Salary and Allowances(Including perquisites and Contribution in PF and Superannuation)# | 114.90 | 71.84 |
| | | | Dividend | - | - |
| | | Sh. Ashish Sabharwal- Company Secretary | Salary and Allowances (Including perquisites and Contribution in PF and Superannuation) | - | 39.15 |
| | | | Dividend | - | - |
| | | Sh. Vivek Chaudhary- Company Secretary | Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)# | 21.59 | - |
| | | | Dividend | - | - |
| | | Sh D S Ravindra Raju-ED | Salary and Allowance(Including perquisites and Contribution in PF and Superannuation) | - | 35.57 |
| Dividend | - | | - | | |
| 4) | Trust Under Common Control | (a) Hindustan Electro Graphites Staff Gratuity Fund Trust | Contribution in Employee Benefit Scheme | - | - |
| | | | Payment received on retirement and termination | - | 3.18 |
| | | (b) Hindustan Electro Graphics Officers Contributory P.F. Trust | Contribution in Employee Benefit Scheme | 65.33 | 58.20 |
| | | | Payment received on retirement and termination | - | - |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| | Relationship | Name of the Related Party | Nature of Transaction | Year Ended 31st March, 2018 | Year Ended 31st March, 2017 |
|----|--|--|--|-----------------------------|-----------------------------|
| | | (c) Hindustan Electro Graphites Ltd Senior Executive Superannuation Fund Trust | Contribution in Employee Benefit Scheme | 158.46 | 179.23 |
| | | | Payment received on retirement and termination | - | 62.52 |
| 5) | Enterprises over which any person described in (b) or (c) is able to exercise significant influence. | RSWM Ltd | Rent Paid | 43.25 | 49.63 |
| | | | Rent Received | 7.39 | 11.91 |
| | | | Reimbursement received | 13.12 | 41.99 |
| | | | Reimbursement made | 36.28 | 156.43 |
| | | | Dividend Paid | 293.40 | - |
| | | Shashi Commercial Co. Ltd. | Rent Paid | 27.64 | 31.30 |
| | | | Dividend Paid | 214.56 | |
| | | Purvi Vanijaya Niyojan Ltd. | Rent Paid | 3.48 | 3.46 |
| | | | Dividend Paid | 523.61 | |
| | | Giltedged Industrial Securities Ltd. | Rent Paid | 22.55 | 21.42 |
| | | | Dividend Paid | 151.40 | |
| | Malana Power Co.Ltd. | Reimbursement received | 0.21 | 1.84 | |

C) Details of Outstanding Balance

| SL No | Related Party | Name of the Related Party | Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|-------|--|---|-------------------|------------------------|------------------------|
| 1 | Subsidiary | HEG Graphite Products and Services Ltd. | Investments | - | 2.56 |
| 2 | Associates | Bhilwara Energy Ltd. | Investments | 14,506.88 | 14,506.88 |
| | | | Loan and Advances | 0.11 | 0.11 |
| | | Bhilwara Infotechnology Ltd | Investments | 419.00 | 419.00 |
| 3 | Enterprises over which any person described in (b) or (c) is able to exercise significant influence. | RSWM Ltd | Loan and Advances | 0.18 | 0.18 |
| | | Malana Power Co.Ltd. | Loan and Advances | 1.90 | 1.69 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**D) Commitments with Related Parties**

| Particulars | As at 31st March,2018 | As at 31st March,2017 |
|---|-----------------------|-----------------------|
| The Company has with RSWM Ltd. on joint and several basis provided guarantee in favor of International Finance Corporation (IFC) on behalf of Ad Hydro Power Ltd. | 600.00 | 600.00 |

E) Key Managerial Person

(₹ in Lacs)

| Particulars | As at 31st March,2018 | As at 31st March,2017 |
|----------------------------|-----------------------|-----------------------|
| Short term benefits | 4,435.23 | 329.35 |
| Post employment benefits# | 38.99 | 54.93 |
| - Other Long Term Benefits | | |
| Share based payments | | |
| Dividend | 175.22 | - |
| Total | 4,649.44 | 384.28 |

Remuneration does not include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Note: 41 Indian Accounting Standard-19 "Employee Benefits"**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised as expense for the year are as under : (₹ in Lacs)

| | FY 2017-18 | FY 2016-17 |
|--|------------|------------|
| Employer's contribution to Provident Fund | 233.42 | 220.70 |
| Employer's contribution to Superannuation Fund | 155.44 | 165.90 |
| Employer's contribution to ESIC | 59.93 | 42.36 |

Defined Benefit Plan

The following table set out the funded status of the gratuity plan and amounts recognised in the Balance Sheet: (₹ in Lacs)

| Particulars | Gratuity (Funded) | |
|--|-------------------|------------|
| | FY 2017-18 | FY 2016-17 |
| I. Change in Defined Benefit Obligation (DBO): | | |
| Present Value of Defined benefit obligation at the beginning of the year | 1,134.68 | 1,100.22 |
| 1. Interest Cost | 83.40 | 88.02 |
| 2. Current Service Cost | 66.02 | 63.87 |
| 3. Past Service Cost including curtailment (Gains)/Losses | 33.91 | - |
| 4. Benefits paid | (224.08) | (3.19) |
| 5. Actuarial Changes (Gain)/Loss | 62.42 | (114.24) |
| Present Value of Defined benefit obligation at the end of the year | 1,156.35 | 1,134.68 |
| II. Change in Fair Value of Assets: | | |
| Fair Value of Plan Assets at the beginning of the year: | 1,193.82 | 1,029.60 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| Particulars | Gratuity (Funded) | |
|---|--------------------------|--------------------------|
| | FY 2017-18 | FY 2016-17 |
| 1. Expected Return | 114.17 | 96.78 |
| 2. Actual Company Contribution | - | 70.62 |
| 4. Benefits paid | - | (3.19) |
| Fair Value of Plan Assets at the end of the year | 1,307.99 | 1,193.82 |
| III. Net Assets/(liability) recognized in Balance Sheet: | | |
| 1.Present value of Defined Benefit Obligation | 1,156.35 | 1,134.68 |
| 2.Fair Value on Plan Assets | 1,307.99 | 1,193.82 |
| Net Assets/(Liability) recognized in balance sheet (2-1) | 151.64 | 59.14 |
| IV. Expenses recognised during the year | | |
| In Statement of Profit and Loss | | |
| Current Service Cost | 99.92 | 63.87 |
| Net Interest on net defined benefit liability / (asset) | (4.35) | 5.65 |
| Net Cost | 95.57 | 69.52 |
| In Other Comprehensive Income | | |
| Actuarial Gain/ (Loss) on Obligation | (62.42) | 114.24 |
| Actuarial Gain /(Loss) for the year on Asset | 26.43 | 14.41 |
| Net Income/(Expense) for the period Recognised in OCI | (35.99) | 128.66 |
| V. Recognised in Other Comprehensive Income for the year | | |
| 1. Actuarial changes arising from changes in demographic assumptions (Gain/ (Loss)) | - | - |
| 2. Actuarial changes arising from changes in financial assumptions (Gain/ (Loss)) | 37.79 | (49.04) |
| 3. Actuarial changes arising from changes in experience adjustments (Gain/ (Loss)) | (100.21) | 163.29 |
| 4. Return on plan assets excluding interest income (Gain/ (Loss)) | 26.43 | 14.41 |
| 5. Recognised in Other Comprehensive Income- (Gain/ (Loss)) | (35.99) | 128.66 |
| VI. The major categories of plan assets as a percentage of the fair value of total plan assets : | | |
| Insurer Management Fund | 1.00 | 1.00 |
| VII. Actuarial Assumptions: | | |
| Discount Rate (per annum) | 7.80 | 7.35 |
| Salary escalation (per annum) | 5.50 | 5.50 |
| Expected Rate of Return (per annum) | 7.80 | 7.35 |
| Retirement age | 58/60 | 58/60 |
| Mortality Rate during employment | 100% of ALM (2006-08) | 100% of ALM (2006-08) |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Lacs)

| Particulars | Gratuity (Funded) | |
|--|-------------------|------------|
| | FY 2017-18 | FY 2016-17 |
| VIII. Withdrawal rates: | | |
| Age: | | |
| Upto 30 years | 3.00 | 3.00 |
| From 31 to 44 years | 2.00 | 2.00 |
| Above 44 years | 1.00 | 1.00 |
| IX. Sensitivity Analysis of the defined benefit obligation. | | |
| a) Impact of the change in discount rate | | |
| Impact due to increase of 0.50%-Increase(Decrease) in obligation | (39.46) | (38.12) |
| Impact due to decrease of 0.50 %-Increase(Decrease) in obligation | 42.20 | 40.77 |
| b) Impact of the change in salary increase | | |
| Impact due to increase of 0.50%-Increase(Decrease) in obligation | 39.95 | 41.30 |
| Impact due to decrease of 0.50 %-Increase(Decrease) in obligation | (37.82) | (38.95) |
| X. Maturity profile of Defined Benefit Obligation | | |
| a) 0-1 year | 147.40 | 128.78 |
| b) 1-2 years | 66.30 | 17.58 |
| c) 2-3 years | 95.92 | 55.19 |
| d) 3-4 years | 80.54 | 109.60 |
| e) 4-5 years | 122.38 | 94.70 |
| f) More than 5 years | 643.81 | 728.83 |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note: 42 Operating Leases

(₹ in Lacs)

The Company had entered into operating leases on premises. These leasing arrangements are cancellable, range between 3 to 5 years and usually renewable by mutual consent on mutually agreeable terms.

| Particulars | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|-------------|--------------------------------|--------------------------------|
| Rent Paid | 85.97 | 94.79 |

Note: 43 Events after the Reporting Period

The Board of Directors have recommended dividend of ₹50 per Equity Share of ₹10 each, aggregating ₹24,406.94 including ₹4,067.37 dividend distribution tax for the financial year 2017-18

Note: 44 Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a company meeting the applicable threshold, need to spend atleast 2% of the average net profit for the immediate preceding three financial years on CSR activities as defined in schedule VII of the Companies Act 2013.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(a) Gross amount required to be spent by the company during the year NIL (₹97.73 Lacs)

(b) Amount spent during the year on :

(₹ in Lacs)

| CSR Activities | In cash | Yet to be paid in cash | Total |
|--|---------|------------------------|---------|
| (i) Construction/acquisition of any assets | - | - | - |
| | - | - | - |
| (ii) On purpose other than (i) above | 92.10 | - | 92.10 |
| | (31.40) | - | (31.40) |

(Figures in brackets pertain to 2016-17)

Note: 45 Capitalization Of Pre-Operative Expenditure (₹ in Lacs)

| The following expenditure has been capitalized / included under Capital work in progress: | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| Insurance Expenses | - | 0.51 |
| Financial Expenses - Interest on term loans | - | 423.80 |
| Administrative Overheads & Other Cost | - | 132.07 |
| Foreign currency fluctuation | 1,672.53 | 151.10 |
| Total | 1,672.53 | 707.48 |
| The same has been capitalized / is lying under Capital work in progress as under: | | |
| Building | 270.06 | - |
| Plant & Machinery | 1,402.47 | 707.48 |
| Capital work in progress | - | - |
| Total | 1,672.53 | 707.48 |

Note: 46 Details Of Loans Given, Investments Made And Guarantee Given Covered U/S 186(4) Of The Companies Act, 2013

| | Amount Outstanding | |
|-----------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Loan given | - | - |
| Guarantee given | ₹600 Lacs | ₹600 Lacs |
| Investment made | ₹14925.88 Lacs | ₹14928.45 Lacs |

Loan, guarantee and investments made during the Financial Year 2017-18

The Company has not given any Loan, Guarantee and not made any investments during the financial year 2017-18.

Note: 47 Financial risk management and objective policies

The company is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

(A) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and deposits. The company is exposed to interest rate risk on variable rate long term and short term borrowings.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**(i) Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO

a) Foreign currency forward contracts outstanding as at the balance sheet date

| Category | Currency | Nature | As at 31st March, 2018 | | As at 31st March, 2017 | | Purpose |
|---------------------------------|-----------|--------|------------------------|------------|------------------------|------------|---------|
| | | | (USD) (Millions) | (INR Lacs) | (USD) (Millions) | (INR Lacs) | |
| Plain Vanilla Forwards (Sold) | USD/ INR | Sold | 36.00 | 23,680.30 | 10.00 | 6889 | Hedging |
| Plain Vanilla Forwards(Bought) | USD/ INR | Bought | | | 0.70 | 474.11 | Hedging |
| Plain Vanilla Forwards(Bought) | USD/ INR | Bought | | | 10.56 | 6989.17 | Hedging |
| Plain Vanilla Forwards | EURO/ USD | Sold | 3.50 | USD 1.2555 | 4.50 | USD 1.0824 | Hedging |

b) Particulars of foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

| Particulars | Currency | As at 31st March, 2018 | As at 31st March, 2017 |
|--|----------|---------------------------|---------------------------|
| | | Amount in INR (₹ in Lacs) | Amount in INR (₹ in Lacs) |
| Financial Liabilities | | | |
| Secured Loan | USD | - | 2,766.09 |
| | Euro | - | - |
| Creditors(Net of Advances) | USD | 11,418.87 | 4,928.66 |
| | Euro | 38.21 | 122.39 |
| Other payables | USD | 1,116.99 | 551.00 |
| | Euro | 1,375.28 | 364.02 |
| Net exposure to foreign currency risk (liabilities) | USD | 12,535.86 | 8,245.75 |
| Net exposure to foreign currency risk (liabilities) | Euro | 1,413.49 | 486.41 |
| Debtors(Net of Advances) | USD | 36,110.71 | 10,577.07 |
| | Euro | 31,098.34 | 4,556.28 |
| Net exposure to foreign currency risk (assets) | USD | 36,110.71 | 10,577.07 |
| Net exposure to foreign currency risk (assets) | Euro | 31,098.34 | 4,556.28 |

(c) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts, foreign exchange option contracts designated as cash flow hedges.

The following table demonstrates the sensitivity in the USD and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

(₹ in Lacs)

| Particulars | Impact on Profit | |
|------------------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| USD Sensitivity | | |
| Increase by 1% (Previous year 5%) | 235.75 | (154.80) |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Lacs)

| Particulars | Impact on Profit | |
|--------------------------------------|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Decrease by 1% (Previous year 5%) | (235.75) | 154.80 |
| EURO Sensitivity | | |
| Increase by 4% (Previous year 3.5%) | 1,187.39 | 50.19 |
| Decrease by 4% (Previous year 3.5%) | (1,187.39) | (50.19) |

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

(a) Interest Risk Exposure:

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|--------------------------|------------------------|------------------------|
| Variable Rate Borrowings | 29,745.49 | 68,378.65 |
| Fixed Rate Borrowings | - | - |
| Total Borrowings | 29,745.49 | 68,378.65 |

As at the end of the reporting period, the company has the following variable rate borrowings outstanding:

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|---|--------------------------------|---------------------|------------------|--------------------------------|---------------------|------------------|
| | Weighted Average Interest Rate | Balance (₹ in Lacs) | % of Total Loans | Weighted Average Interest Rate | Balance (₹ in Lacs) | % of Total Loans |
| Term loans from banks and other parties | | 0.00 | 0.00 | 8.19% | 27,195.05 | 39.77 |
| Working Capital Loans from banks | 6.32% | 29,745.49 | 100.00 | 7.79% | 41,183.59 | 60.23 |
| Total | 6.32% | 29,745.49 | 100 | 7.95% | 68,378.64 | 100 |

An analysis of the maturities is provided in note - 47 (C) below. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total

(b) Sensitivity:

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Lacs)

| Particulars | Impact on Profit | |
|---|------------------------|------------------------|
| | As at 31st March, 2018 | As at 31st March, 2017 |
| Interest Rate - increase by 60 basis points | (178.47) | (251.13) |
| Interest Rate - decrease by 60 basis points | 178.47 | 251.13 |

(iii) Price risk:

The company is not exposed to any price risk as there is no investment in equities outside the group and the company doesn't deal in commodities.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**(B) Credit Risk:**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, unsecured loan to subsidiary company and other financial instruments.

To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

(a) Expected Credit Loss for Financial Assets

For the year ending 31st March 2018

(₹ in Lacs)

| Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL) | Gross Carrying Amount | Expected Probability of Default | Expected Credit Loss | Carrying amount net of impairment provision |
|--|-----------------------|---------------------------------|----------------------|---|
| Loans to Employees | 107.12 | 0% | - | 107.12 |
| Security Deposits | 721.72 | 0% | - | 721.72 |
| Other Financial Assets | 109.43 | 0% | - | 109.43 |

(₹ in Lacs)

| Financial assets to which loss allowance is measured using lifetime Expected credit loss(ECL) | Not Due | Less than 12 months | 12 to 15 months | 15 to 18 months | 18 to 21 months | 21 to 24 months | More than 24 months | Total |
|---|-----------|---------------------|-----------------|-----------------|-----------------|-----------------|---------------------|-----------|
| Trade Receivables- | | | | | | | | |
| Other than ECGC | 72,073.60 | 24,482.89 | 415.27 | 6.97 | 46.84 | 23.68 | 390.13 | 97,439.37 |
| Due under ECGC | - | - | - | - | - | - | 288.47 | 288.47 |
| Expected Loss Rate | - | - | 10% | 20% | 30% | 50% | 100% | - |
| Expected Credit Losses | - | - | 41.53 | 1.39 | 14.05 | 11.84 | 390.13 | 458.94 |
| Carrying amount of Trade receivables | 72,073.60 | 24,482.89 | 373.74 | 5.58 | 32.79 | 11.84 | 288.47 | 97,268.90 |

For the year ending 31st March 2017

(₹ in Lacs)

| Financial assets to which loss allowance is measured using 12 months Expected credit loss(ECL) | Gross Carrying Amount | Expected Probability of Default | Expected Credit Loss | Carrying amount net of impairment provision |
|--|-----------------------|---------------------------------|----------------------|---|
| Loans to Employees | 183.14 | 0% | - | 183.14 |
| Security Deposits | 201.36 | 0% | - | 201.36 |
| Other Financial Assets | 134.90 | 0% | - | 134.90 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Lacs)

| Financial assets to which loss allowance is measured using lifetime Expected credit loss(ECL) | Not Due | Less than 12 months | 12 to 15 months | 15 to 18 months | 18 to 21 months | 21 to 24 months | More than 24 months | Total |
|---|-----------|---------------------|-----------------|-----------------|-----------------|-----------------|---------------------|-----------|
| Trade Receivables- | | | | | | | | - |
| Other than ECGC | 17,813.36 | 14,954.59 | 1,313.97 | 937.11 | 407.84 | 499.28 | 551.11 | 36,477.27 |
| Due under ECGC | - | - | - | - | - | - | 843.45 | 843.45 |
| Expected Loss Rate | - | - | 10% | 20% | 30% | 50% | 100% | |
| Expected Credit Losses | - | - | 131.40 | 187.42 | 122.35 | 249.64 | 551.11 | 1,241.92 |
| Carrying amount of Trade receivables | 17,813.36 | 14,954.59 | 1,182.58 | 749.69 | 285.49 | 249.64 | 843.45 | 36,078.79 |

Provisioning Norms of Debtors

| Ageing of debtor on the basis of invoice date | Provision in % |
|---|----------------|
| Upto 12 Months | Nil |
| 12 to 15 months | 10% |
| 15 to 18 months | 20% |
| 18 to 21 months | 30% |
| 21 to 24 months | 50% |
| More than 24 months | 100% |

(b) Reconciliation of loss allowance provision - Trade receivables

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model: (₹ in Lacs)

| Particulars | Current Year | Previous Year |
|-----------------------------|--------------|---------------|
| As at the beginning of year | 1,241.92 | 1130.24 |
| Provided during the year | - | 111.68 |
| Reversal of provisions | (782.98) | - |
| As at the end of the year | 458.94 | 1,241.92 |

(C) Liquidity Risk:

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

Prudent liquidity risk management implies maintaining sufficient availability of standby funding through an adequate line up committed credit facilities of ₹28,754.51 Lacs (previous year ₹8,069 Lacs) to meet obligation when due and close out market position.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in Lacs)

| As at 31st March, 2018 | Less than 3 months | 3 to 6 months | 6-12 months | 12 months to 3 years | More than 3 years | Total |
|-----------------------------|--------------------|---------------|-------------|----------------------|-------------------|-----------|
| Borrowings(Non-Current) | - | - | - | - | - | - |
| Borrowings(Current) | 29,745.49 | - | - | - | - | 29,745.49 |
| Trade payables | 21,970.74 | 2,673.69 | - | - | - | 24,644.43 |
| Other financial liabilities | 3,442.35 | 4,057.38 | 456.77 | - | - | 7,956.50 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in Lacs)

| As at 31st March, 2017 | Less than 3 months | 3 to 6 months | 6-12 months | 12 months to 3 years | More than 3 years | Total |
|-----------------------------|--------------------|---------------|-------------|----------------------|-------------------|-----------|
| Borrowings(Non-Current) | - | - | - | 6,841.01 | 6,723.04 | 13,564.05 |
| Borrowings(Current) | 22,454.56 | 15,976.79 | 1,418.01 | 1,334.23 | - | 41,183.59 |
| Trade payables | 4,967.99 | 3,680.57 | - | - | - | 8,648.56 |
| Other financial liabilities | 10,226.97 | 4,717.50 | 2,957.98 | 67.08 | 117.25 | 18,086.78 |

Note: 48 Capital Management**(a) Risk Management**

The companies objective when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital
In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(i) The gearing ratios were as follows:

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|------------------------------------|------------------------|------------------------|
| a) Debt* | 29,745.49 | 68,378.65 |
| b) Cash & Cash Equivalents | (517.18) | (631.21) |
| (c) Net Debt (a)+(b) | 29,228.31 | 67,747.44 |
| (d) Total equity | 1,90,752.40 | 95,256.33 |
| Net Debt to Equity Ratio [(c)/(d)] | 0.15 | 0.71 |

* Debt is defined as long- term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), refer note 18 and 20 for the breakup of borrowings.

(ii) Loan Covenants:

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- Total Outside Liability (TOL) to Tangible Net Worth (TNW) ratio not be more than 3
- Current Ratio not be less than 1.0
- Interest Coverage Ratio not be less than 2.0
- Gross Debt Service Coverage Ratio(DSCR) not be less than 1
- Total Debt to EBIDTA less than 5.5

The company has complied with all the covenants as on 31st March,2018

(b) Dividends

(₹ in Lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|--|------------------------|------------------------|
| i) Equity Shares | | |
| Interim Dividend paid for the year ended 31st March, 2018 of ₹30 per fully paid equity share (Nil previous year) | 11,987.74 | - |
| ii) Dividends not recognised at the end of the reporting year | | |
| In addition to above dividends, since year end the directors have recommended the payment of a final dividend of ₹50 per equity share (Previous year NIL). | | |
| This Proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 19,979.57 | - |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Note: 49 Financial Instruments- Accounting Classification And Fair Value Measurement (₹ in Lacs)

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|--|------------------------|----------|------------------|------------------------|----------|------------------|
| | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | | | | | | |
| -Equity instruments | 0.01 | - | - | 0.01 | - | - |
| -Mutual Funds | - | - | - | 55.34 | - | - |
| Loans | - | - | 828.84 | - | - | 384.50 |
| Others | | | 85.04 | | | 373.10 |
| Derivative financial assets | 24.39 | - | | 243.54 | - | |
| Trade Receivables | - | - | 97,268.90 | - | - | 36,078.79 |
| Cash and Cash Equivalents | - | - | 517.18 | - | - | 631.21 |
| Bank balances other than cash & Cash equivalents | | | 245.28 | | | 196.42 |
| Total Financial Assets | 24.40 | - | 98,945.24 | 298.89 | - | 37,664.03 |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 29,745.49 | - | - | 54,747.65 |
| Trade Payables | - | - | 24,644.43 | - | - | 8,648.67 |
| Other Financial Liabilities | - | - | 7,956.50 | - | - | 18,086.78 |
| Total Financial Liabilities | - | - | 62,346.42 | - | - | 81,483.10 |

(i) Fair value hierarchy

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying value largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates evaluated by the Company based on the parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in the active markets for identical assets or liabilities

Level 2: Other techniques for which all the inputs have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

As at 31st March, 2017

(₹ in Lacs)

| Particulars | Carrying amount | Fair value | | |
|---|-----------------|---------------|----------|----------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets at Fair value through profit or loss | | | | |
| Investments-Mutual Funds | 55.34 | 55.34 | - | - |
| Quoted equity investment | 0.01 | 0.01 | - | - |
| Derivative financial assets | 243.54 | 243.54 | - | - |
| Total | 298.89 | 298.89 | - | - |

As at 31st March, 2018

(₹ in Lacs)

| Particulars | Carrying amount | Fair value | | |
|---|-----------------|--------------|----------|----------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets at Fair value through profit or loss | | | | |
| Investments-Mutual Funds | - | - | - | - |
| Quoted equity investment | 0.01 | 0.01 | - | - |
| Derivative financial assets | 24.39 | 24.39 | - | - |
| Total | 24.40 | 24.40 | - | - |

(ii) Valuation technique used to determine fair value

The following methods and assumptions were used to estimate the fair values

- Fair value of cash, deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Note: 50 Carrying Amount of pledged Assets

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 |
|-----------------------------|------------------------|------------------------|
| First Charge | | |
| Property, Plant & Equipment | 82,814.06 | 88,349.73 |
| Total (A) | 82,814.06 | 88,349.73 |
| Secondary Charge | | |
| Current Assets | | |
| (a) Trade receivables | 97,268.90 | 36,078.79 |
| (b) Inventories | 51,143.57 | 25,779.76 |
| Total (B) | 1,48,412.47 | 61,858.55 |
| Total (A+B) | 2,31,226.53 | 1,50,208.28 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

Note: 51

In accordance with Ind AS 18 "Revenue Recognition" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 and for the period 1 April to 30 June 2017 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, certain expenses where credit of GST is available are also being reported net of taxes.

Note: 52 Recent Accounting pronouncements

"On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, "Foreign Currency Transactions and Advance Consideration" which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment is applicable for annual reporting periods beginning on or after April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

"On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**Note: 53 Reconciliation of Cash flow from financing Activities**

In Pursuant to amendment in the Companies(Indian Accounting Standards) Rules,2017 via MCA notification G.S.R 258(E) dated 17th March, 2017 Para 44A to Para 44E has been inserted after para 44 in Indian Accounting Standard -7 "Statement of Cash Flows", following reconciliation required from annual periods beginning on or after 1st April,2017

(₹ in Lacs)

| Particulars | Amount | |
|---|----------------------|--------------------------|
| | Borrowings (Current) | Borrowings (Non-Current) |
| Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement | 41,183.59 | 27,195.05 |
| Changes during the year add(less) | | |
| a) Changes from financing cash flow | (11,438.10) | (27,195.05) |
| b) Changes arising from obtaining or losing control of subsidiaries or other business | - | - |
| c) the effect of changes in foreign exchanges rates- (Gain)/Loss | | |
| d) Changes in fair value | - | - |
| e) Other Changes | - | - |
| Closing Balance of Financial liabilities coming under the financing activities of Cash Flow Statement | 29,745.49 | 0.00 |

Note: 54a Interest in Other Entities

The Consolidated Financial Statements present the Consolidated Accounts of HEG Ltd with its following Subsidiaries, & Associates.

| Name of Company | Country of Incorporation | Activities | Proportion of Ownership of Interest | |
|---|--------------------------|--|-------------------------------------|------------------------|
| | | | As at 31st March, 2018 | As at 31st March, 2017 |
| A. Subsidiaries | | | | |
| HEG Graphite Products and Services Ltd. | India | Manufacture, deal, research and development of Graphite Electrodes and its allied/ancillary products | * | 100% |
| B. Associates | | | | |
| Bhilwara Infotechnology Limited | India | IT enabled services | 38.59% | 38.59% |
| Bhilwara Energy Limited | India | Power Generation and Power Consultancy | 29.49% | 29.49% |

* The name of M/s HEG Graphite Product and Service Pvt Ltd has been struck off from the register of Companies under the provisions of sub section (5) of section 248 of the Companies Act 2013 and stands dissolved w.e.f. 21st December, 2017. Accordingly, M/s HEG Graphite Products and Services Ltd. has ceased to be subsidiary of the Company.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

| Note: 54b | | Summarised Financial Information of Associates | | | (₹ in Lacs) |
|--------------------------------------|---------------------------|---|---------------------------------|---------------------------|-------------|
| Particulars | Bhilwara Energy Limited | | Bhilwara Infotechnology Limited | | |
| | As at 31st March, 2018 | As at 31st March, 2017 | A at 31st March, 2018 | As at 31st March, 2017 | |
| I. Assets | | | | | |
| (A) Non Current Assets | 2,00,808.73 | 2,51,825.86 | 668.70 | 705.11 | |
| (B) Current Assets | | | | | |
| i) Cash and cash equivalent | 4,080.43 | 14,354.23 | 467.73 | 662.28 | |
| ii) Others | 32,528.86 | 22,350.72 | 3,114.83 | 1,985.76 | |
| Total Current Asset | 36,609.29 | 36,704.95 | 3,582.56 | 2,648.03 | |
| Total Asset (A+B) | 2,37,418.02 | 2,88,530.81 | 4,251.26 | 3,353.15 | |
| II. Liabilities | | | | | |
| (A) Non Current Liabilities | | | | | |
| i) Financial Liabilities | 90,357.45 | 1,35,447.32 | 270.58 | - | |
| ii) Non Financial Liabilities | 378.64 | 348.53 | 140.49 | 144.87 | |
| iii) Deferred Tax Liabilities | - | 3,081.17 | - | - | |
| Total Non Current Liabilities | 90,736.09 | 1,38,877.02 | 411.07 | 144.87 | |
| (B) Current Liabilities | | | | | |
| i) Financial Liabilities | 11,694.23 | 21,577.26 | 428.10 | 232.38 | |
| ii) Non Financial Liabilities | 1,285.79 | 4,414.24 | 17.81 | 14.34 | |
| iii) Current Tax Liabilities | 271.87 | 109.80 | - | - | |
| Total Current Liabilities | 13,251.89 | 26,101.30 | 445.91 | 246.72 | |
| Total Liabilities (A+B) | 1,03,987.98 | 1,64,978.32 | 856.98 | 391.59 | |
| Net Assets (I-II) | 1,33,430.04 | 1,23,552.49 | 3,394.28 | 2,961.55 | |

| Note: 54c | | Summarised Performance of Associates | | |
|--|-------------------------|---|---------------------------------|---------------|
| Particulars | Bhilwara Energy Limited | | Bhilwara Infotechnology Limited | |
| | Current Year | Previous Year | Current Year | Previous Year |
| Revenue from operations | 31,772.30 | 38,343.40 | 4,421.30 | 4,076.66 |
| Profit and Loss before Tax | 9,110.74 | 6,147.82 | 609.83 | 620.37 |
| Tax Expense | (2,431.27) | 1,411.42 | 177.16 | 219.56 |
| Profit and Loss after Tax (after non-controlling interest) | 5,568.39 | 1,496.76 | 432.67 | 400.81 |
| Other comprehensive Income | 16.06 | (11.53) | 0.05 | (5.05) |
| Total comprehensive Income | 5,584.45 | 1,485.23 | 432.73 | 395.76 |
| Depreciation and Amortisation | 8,640.87 | 9,902.82 | 58.11 | 63.13 |
| Interest Expense | 11,339.36 | 16,593.48 | 5.41 | 3.76 |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**Note: 54d** **Movement of Investment in Associates using equity method** (₹ in Lacs)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Investment as at the beginning of the Period | 8,076.87 | 7,486.15 |
| Add: Share of profit for the period | 1,809.05 | 596.07 |
| Add: Share of OCI for the period | 4.76 | (5.35) |
| Investment as at the end of the Period | 9,890.67 | 8,076.87 |

Note: 54e **Other Details mandated by Schedule III of Companies Act 2013, by way of additional information:**

| Name of entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|--|-------------|-------------------------------------|---------|---|--------|-------------------------------------|---------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| Associates (Investment as per the equity method) | | | | | | | | |
| Indian | | | | | | | | |
| 1) Bhilwara Energy Limited | 70% | 1,33,430.04 | 1.49% | 1642.09 | 10.84% | 4.74 | 1.50% | 1646.83 |
| 2) Bhilwara Infotechnology Limited | 2% | 3,394.28 | 0.15% | 166.96 | 0.05% | 0.02 | 0.15% | 166.98 |

Note: 55

Previous year figures have been regrouped/reclassified, wherever necessary to conform the current year classification.

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)
Dated: 8th May, 2018

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

FORM NO. AOC-1

Statement containing salient features of the financial statement of
Subsidiaries/Associate companies/Joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)

Part – A : Subsidiaries

Amount (₹ in Lacs)

| | | |
|----|--|---|
| 1. | Name of the subsidiary: | HEG GRAPHITE PRODUCTS AND SERVICES LIMITED* |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01.04.2017 to 31.03.2018 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: | - |
| 4 | Share capital | - |
| 5 | Reserves & surplus | - |
| 6 | Total assets | - |
| 7 | Total Liabilities | - |
| 8 | Investments | - |
| 9 | Turnover | - |
| 10 | Profit before taxation | - |
| 11 | Provision for taxation | - |
| 12 | Profit after taxation | - |
| 13 | Proposed Dividend | - |
| 14 | % of shareholding | - |

Note: *HEG Graphite Products and Services Ltd, a wholly owned subsidiary ("WOS") ceased to be subsidiary of the Company, since the name of WOS has been struck-off from the Register of Companies under Section 248 (5) of the Companies Act, 2013, upon the application made by WOS under Section 248(2) of the Companies Act, 2013 and WOS stands dissolved w.e.f. 21st December, 2017. Hence, as on 31st March, 2018, the Company does not have any subsidiary.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018**Part – B : Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Amount (₹ in Lacs)

| Name of Associates/Joint Ventures | Bhilwara Energy Ltd | Bhilwara Infotechnology Ltd |
|--|------------------------------------|------------------------------------|
| 1. Latest audited Balance Sheet Date | 31/03/2018 | 31/03/2018 |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | | |
| No. of Shares | 4,88,81,556 | 12,62,048 |
| Amount of Investment in Associates/ Joint Venture | 14,506.88 | 419.00 |
| Extend of Holding % | 29.49 | 38.59 |
| 3. Description of how there is significant influence | Due to percentage of share capital | Due to percentage of share capital |
| 4. Reason why the associate/joint venture is not consolidated | | |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet | 22,860.53 | 1,309.77 |
| 6. Profit / Loss for the year | | |
| i. Considered in Consolidation (₹ in Lacs) | 1,646.82 | 166.98 |
| ii. Not Considered in Consolidation | | |

- Names of associates or joint ventures which are yet to commence operations: N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

Signed in terms of our report of even date

For SCV & Co.
Chartered Accountants
Firm Regn. No. 000235N

Ravi Jhunjunwala
Chairman, Managing Director & CEO
DIN 00060972

Riju Jhunjunwala
Director
DIN 00061060

Shekhar Agarwal
Vice Chairman
DIN 00066113

Sanjiv Mohan
Partner
Membership No. 086066

Raju Rustogi
Chief Financial Officer
& Chief Operating Officer

D.N.Davar
Director
DIN 00002008

Vivek Chaudhary
Company Secretary
Membership No. A13263

Place : Noida (U.P.)

Dated: 8th May, 2018

CORPORATE INFORMATION

CHAIRMAN-EMERITUS

L. N. Jhunjhunwala

BOARD OF DIRECTORS

Ravi Jhunjhunwala
Chairman, Managing Director & CEO

Shekhar Agarwal, *Vice-Chairman*

D. N. Davar, *Director*

Kamal Gupta, *Director*

Vinita Singhania, *Director*

S. N. Bhattacharya, *Director*

O. P. Bahl, *Director*

Satish Chand Mehta, *Director*

Riju Jhunjhunwala, *Director*

CHIEF FINANCIAL OFFICER & CHIEF OPERATING OFFICER

Raju Rustogi

CHIEF MARKETING OFFICER

Manish Gulati

CHIEF HUMAN RESOURCE OFFICER

Sudhir Sood

COMPANY SECRETARY

Vivek Chaudhary*

BANKERS

State Bank of India

Punjab National Bank

HDFC Bank Ltd.

IDBI Bank Ltd.

Kotak Mahindra Bank Ltd.

Axis Bank Ltd.

YES Bank

ICICI Bank Ltd.

Aditya Birla Finance Ltd.

AUDITORS

SCV & Co.

Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

M/s. MCS Share Transfer Agent Ltd.,

F-65, First Floor,

Okhla Industrial Area, Phase-I

New Delhi - 110020

Phone : 011-41406149-52

Fax : 011-41709881

E-mail: helpdeskdelhi@mcsregistrars.com

STOCK EXCHANGES WHERE THE COMPANY'S SHARES ARE LISTED:

BSE Ltd.

Natioanal Stock Exchange of India Ltd.

CORPORATE OFFICE

Bhilwara Towers, A-12, Sector-1

Noida - 201301, U.P. India

Phone : +91 (0120) 4390300

Fax : +91 (0120) 4277841

Website : www.hegltd.com

E-mail : heg.investor@lnjbhilwara.com

REGISTERED OFFICE

Mandideep (Near Bhopal)

Dist. Raisen - 462046

Madhya Pradesh, India

Phone : +91 (07480) 233524 to 233527

Fax : +91 (07480) 233522

CIN No. : L23109MP1972PLC008290

WORKS

Graphite Electrode &

Thermal Power Plants

Mandideep (Near Bhopal)

Distt. Raisen - 462046

Madhya Pradesh, India

Phone : + 91 (07480) 233524 to 233527

Fax : +91 (07480) 233522

Hydro Electric Power

Village Ranipur, Tawa Nagar

Distt. Hoshangabad - 461001

Madhya Pradesh, India

Phone : +91 (07572) 272810, 272859

Fax : +91 (07572) 272849

*Appointed w.e.f. 30th May, 2017

CAUTIONARY STATEMENT

STATEMENTS IN THIS DOCUMENT THAT ARE NOT HISTORICAL FACTS ARE FORWARD LOOKING STATEMENTS. THESE 'FORWARD-LOOKING' STATEMENTS MAY INCLUDE THE COMPANY'S OBJECTIVES, STRATEGIES, INTENTIONS, PROJECTIONS, EXPECTATIONS AND ASSUMPTIONS REGARDING THE BUSINESS AND THE MARKETS IN WHICH THE COMPANY OPERATES. THE STATEMENTS ARE BASED ON INFORMATION WHICH IS CURRENTLY AVAILABLE TO US, AND THE COMPANY ASSUMES NO OBLIGATION TO UPDATE THESE STATEMENTS AS CIRCUMSTANCES CHANGE. THERE MAY BE A METERIAL DIFFERENCE BETWEEN ACTUAL RESULTS AND THOSE EXPRESSED HEREIN. THE RISKS, UNCERTAINTIES AND IMPORTANT FACTORS THAT COULD INFLUENCE THE COMPANY'S OPERATIONS AND BUSINESS ARE THE GLOBAL AND DOMESTIC ECONOMIC CONDITIONS. THE MARKET DEMAND AND SUPPLY FOR PRODUCTS, PRICE FLUCTUATIONS, CURRENCY AND MARKET FLUCTUATIONS, CHANGES IN THE GOVERNMENT'S REGULATIONS, STATUTES AND TAX REGIMES, AND OTHER FACTORS NOT SPECIFICALLY MENTIONED HEREIN BUT THOSE THAT ARE COMMON TO THE INDUSTRY.



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL



HEG LIMITED

Registered Office:

Mandideep (Near Bhopal)

Distt. Raisen- 462046, Madhya Pradesh, India

Website: www.heg ltd.com/www.lnjbhilwara.com

E-mail: heg.investor@lnjbhilwara.com

CIN No. L23109MP1972PLC008290