

Independent Auditor's Certificate on the proposed accounting treatment in the composite scheme of arrangement, pursuant to section 230 to 232 of the Companies Act, 2013, relevant rules thereunder and Master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by Securities and Exchange Board of India

The Board of Directors,
HEG Limited,
Mandideep, Near Bhopal, District Raisen,
Bhopal, Madhya Pradesh - 462046

Dear Sirs,

1. This Certificate is issued in accordance with the terms of our service scope letter dated May 15, 2024 with HEG Limited ("the Company").
2. We, SCV & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company have examined the proposed accounting treatment specified in clause 9.1 and clause 18 of the composite scheme of arrangement amongst HEG Limited ("Demerged Company or Transferee Company") and New Co Limited, a company to be incorporated as wholly-owned subsidiary company of HEG Limited ("Resulting Company") and Bhilwara Energy Limited ("Transferor Company") and their respective shareholders and creditors ("the Scheme"), in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), the Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI (the "Master Circular"), the applicable Accounting Standards specified under Section 133 of the Act and Other Generally Accepted Accounting Principles. For ease of reference, the proposed accounting treatment, in respect of the Company, as specified in clause 9.1 and clause 18 of the Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure-I to this certificate ("the Statement") and has been initialed by us for identification purposes only.

Management's Responsibility

3. The responsibility for the preparation of the Scheme and its compliance with the Act, the SEBI Listing Regulations and the Master Circular, including the applicable Accounting Standards and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Company.



Auditor's Responsibility

4. Our responsibility is to examine and report whether the accounting treatment, in respect of the Company, as specified in clause 9.1 and clause 18 of the Scheme as reproduced in the Statement, is in compliance with the SEBI Listing Regulations, the Master Circular, the applicable Accounting Standards specified under Section 133 of the Act and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

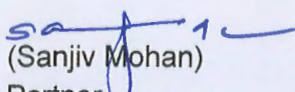
Opinion

7. Based on our examination and according to the information and explanations given to us, we confirm that the proposed accounting treatment, in respect of the Company, as specified in clause 9.1 and clause 18 of the Scheme as reproduced in the Statement, is in compliance with the SEBI Listing Regulations, the Master Circular, the applicable Accounting Standards specified under Section 133 of the Act and Other Generally Accepted Accounting Principles.

Restriction on Use

8. This certificate has been issued at the request of the management of the Company and is addressed to and provided to the Board of Directors, pursuant to the requirements of Act, the SEBI Listing Regulations and the Master Circular, for onwards submission to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) ("together referred as the Stock exchanges"), Securities and Exchange Board of India (SEBI), National Company Law Tribunal and any other regulatory authorities in connection with the Scheme and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come.

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


(Sanjiv Mohan)
Partner
Membership no. 086066



Date: May 22, 2024
Place: Noida

UDIN: 24086066BKD9BB1244

Annexure-I

Extract of Proposed accounting treatment, in respect of HEG Limited, as specified in clause 9.1 and clause 18 of the composite scheme of arrangement amongst HEG Limited (“Demerged Company” or “Transferee Company”) and New Co Limited (“Resulting Company”) and Bhilwara Energy Limited (“Transferor Company”) and their respective shareholders and creditors (“the Scheme”), approved by the Board of Directors of HEG Limited in their meeting held on May 22, 2024

9. ACCOUNTING TREATMENT

9.1 Accounting treatment in the books of account of the Demerged Company: -

Upon coming into effect of Part II of the Scheme, the same shall be accounted for in books of accounts of Demerged Company in the following manner:

- 9.1.1 The Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Demerged Undertaking transferred to the Resulting Company from its books of accounts.
- 9.1.2 The investment in the equity share capital of the Resulting Company held by Demerged Company, if any, as appearing in the books of account of Demerged Company shall stand cancelled.
- 9.1.3 The surplus/deficit, if any, arising between the carrying value of assets and liabilities and reserves pertaining to the Demerged undertaking transferred to the Resulting Company, after providing for adjustments as stated in clause 9.1.2 above, shall be adjusted in capital reserve of the Demerged Company. Any negative capital reserve shall be adjusted against the retained earnings in the books of account of the Demerged Company.

18. ACCOUNTING TREATMENT

Upon coming into effect of Part III of the Scheme, the Transferee Company shall account for amalgamation of the Transferor Company in its books of account in accordance with principles laid down in Appendix C to the Indian Accounting Standard “Business Combination” in the following manner:



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
GSTN No.: 09AAACH6184K2Z6
Website: www.lnjbhilwara.com

Regd. Office :

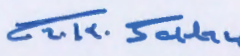
Mandideep (Near Bhopal) Distt. Raisen - 462046
(Madhya Pradesh), India
Tel.: +91-7480-405500, 233524 to 233527
Fax: +91-7480-233522
GSTN No.: 23AAACH6184K1ZH
Website: www.heg ltd.com

E-mail: heg.investor@lnjbhilwara.com

Corporate Identification No.: L23109MP1972PLC008290

- 18.1 All assets and liabilities of the Transferor Company shall be recorded by the Transferee Company at their respective book values as appearing in the books of account of the Transferor Company.
- 18.2 The balance of the reserves appearing in the books of account of the Transferor Company shall be aggregated with the corresponding balance appearing in the books of account of the Transferee Company.
- 18.3 The Transferee Company shall credit the share capital in its books of account with the aggregate face value of the equity shares issued by it to the shareholders of the Transferor Company pursuant to Clause 17 of the scheme.
- 18.4 The investment in the equity share capital of the Transferor Company held by Transferee Company, as appearing in the books of account of Transferee Company, shall stand cancelled.
- 18.5 The inter-company loans and advances, other dues, receivables and payables outstanding between the Transferee Company and the Transferor Company shall stand cancelled and there shall be no further obligation/ outstanding in that regard.
- 18.6 The surplus/deficit, if any, arising between the carrying value of assets and liabilities and reserves pertaining to the Transferor Company and the face value of shares issued by the Transferee Company, after providing for adjustments as stated in clause 18.4 and 18.5 above, shall be adjusted in capital reserve. Any negative capital reserve shall be adjusted against the retained earnings in the books of account of the Transferee Company.
- 18.7 In case of any differences in accounting policies of the Transferor Company and the Transferee Company, the accounting policies of the Transferee Company shall prevail and the difference shall be quantified and adjusted in the capital reserve to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- 18.8 The comparative financial information in the financial statements of the Transferee Company shall be restated as if the merger had occurred from the beginning of the comparative period presented in the financial statements, irrespective of the actual date of the merger.

For and on behalf of HEG Limited


(Gulshan Sakhuja)
Chief Financial Officer
M.No. 504626



Independent Auditor's Certificate on the proposed accounting treatment in the composite scheme of arrangement, pursuant to section 230 to 232 of the Companies Act, 2013, relevant rules thereunder and Master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by Securities and Exchange Board of India

The Board of Directors,
HEG Graphite Limited,
C/o HEG Limited, NH-12, Dist Raisen, Near Bhopal,
Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046

Dear Sirs,

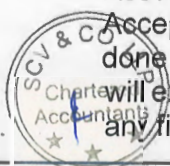
1. This Certificate is issued in accordance with the terms of our service scope letter dated June 07, 2024 with HEG Graphite Limited ("the Company").
2. We, SCV & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company have examined the proposed accounting treatment specified in clause 9.2 of the composite scheme of arrangement amongst HEG Limited ("Demerged Company or Transferee Company") and HEG Graphite Limited ("Resulting Company") and Bhilwara Energy Limited ("Transferor Company") and their respective shareholders and creditors ("the Scheme"), in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), the Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI (the "Master Circular"), the applicable Accounting Standards specified under Section 133 of the Act and Other Generally Accepted Accounting Principles. For ease of reference, the proposed accounting treatment, in respect of the Company, as specified in clause 9.2 of the Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure-I to this certificate ("the Statement") and has been initialed by us for identification purposes only.

Management's Responsibility

3. The responsibility for the compliance with the Act, the SEBI Listing Regulations and the Master Circular, including the applicable Accounting Standards and Other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the Company.

Auditor's Responsibility

4. Our responsibility is to examine and report whether the accounting treatment, in respect of the Company, as specified in clause 9.2 of the Scheme as reproduced in the Statement, is in compliance with the SEBI Listing Regulations, the Master Circular, the applicable Accounting Standards specified under Section 133 of the Act and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.



5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

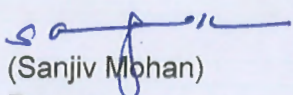
Opinion

7. Based on our examination and according to the information and explanations given to us, we confirm that the proposed accounting treatment, in respect of the Company, as specified in clause 9.2 of the Scheme as reproduced in the Statement, is in compliance with the SEBI Listing Regulations, the Master Circular, the applicable Accounting Standards specified under Section 133 of the Act and Other Generally Accepted Accounting Principles.

Restriction on Use

8. This certificate has been issued at the request of the management of the Company and is addressed to and provided to the Board of Directors, pursuant to the requirements of Act, the SEBI Listing Regulations and the Master Circular, for onwards submission to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) ("together referred as the Stock exchanges"), Securities and Exchange Board of India (SEBI), National Company Law Tribunal and any other regulatory authorities in connection with the Scheme and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come.

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


(Sanjiv Mohan)
Partner
Membership no. 086066



Date: June 12, 2024
Place: Noida

UDIN: 24086066BKDGDBD3053

HEG GRAPHITE LIMITED



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

Annexure-I

Extract of Proposed accounting treatment, in respect of HEG Graphite Limited, as specified in clause 9.2 of the composite scheme of arrangement amongst HEG Limited ("Demerged Company" or "Transferee Company") and HEG Graphite Limited ("Resulting Company") and Bhilwara Energy Limited ("Transferor Company") and their respective shareholders and creditors ("the Scheme"), approved by the Board of Directors of HEG Limited in their meeting held on May 22, 2024

9. ACCOUNTING TREATMENT

9.2 Accounting treatment in the books of account of the Resulting Company:-

Upon coming into effect of Part II of the Scheme, the Resulting Company shall account for the Demerged Undertaking in its books of account in accordance with principles laid down in Appendix C to the Indian Accounting Standard 103 "Business Combination" in the following manner:

- 9.2.1 The Resulting Company shall record the assets, liabilities and reserves pertaining to the Demerged Undertaking transferred to and vested in it, pursuant to the Scheme, at the same value as appearing in the books of account of the Demerged Company. The identity of the reserves shall be preserved and shall appear in the books of account of the Resulting Company in the same form and manner, in which they appeared in the books of account of the Demerged Company.
- 9.2.2. The Resulting Company shall credit the share capital in its books of account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company pursuant to Clause 8 of the Scheme.
- 9.2.3 The shareholding of the Demerged Company in the Resulting Company, if any, shall stand cancelled.



HEG GRAPHITE LIMITED
CIN: U23994MP2024PLC071568

Corporate Office:
Bhilwara Towers, A-12, Sector - 1,
Noida - 201301 (NCR-Delhi), India
Tele.: +91 120-4390300 (EPABX)
Fax.: 91-120-4277841

Registered Office:
C/o HEG Limited, NH-12, Dist. Raisen Near Bhopal,
Mandideep, Bhopal, Huzur Madhya Pradesh, India,
462046
Tel.: +91-7480-405500, 233524 to 233527
Fax: + 917480-233522

E- Mail: investor.heggraphite@lnjbhilwara.com

- 9.2.4 The surplus/deficit, if any, arising between the carrying value of assets and liabilities and reserves pertaining to the Demerged undertaking and the face value of shares issued by the Resulting Company, after providing for adjustments as stated in clause 9.2.3 above, shall be adjusted in capital reserve. Any negative capital reserve shall be adjusted against the retained earnings in the books of account of the Resulting Company.
- 9.2.5 In case of any differences in accounting policies of the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference shall be adjusted in capital reserve of the Resulting Company, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.
- 9.2.6 The comparative financial information in the financial statements of the Resulting Company shall be restated as if the demerger had occurred from the beginning of the comparative period presented in the financial statements, irrespective of the actual date of the demerger.

For and on behalf of HEG Graphite Limited


(Manish Gulati)
Director
DIN: 08697512



DOOGAR & ASSOCIATES

Chartered Accountants

Independent Auditor's Certificate on the accounting treatment in the proposed scheme of arrangement under section 230 to 232 of the Companies Act, 2013, relevant rules thereunder and SEBI Master circular SEBI SEBI/HO/CFD/POD-2/P/CIR/2023/93

Private and confidential

To,
The Board of Directors
Bhilwara Energy Limited
Corporate Office-Bhilwara Tower-I,
A-12, Sector-I,
Noida - 201301 (U.P)

Dear Sirs,

1. This Certificate is issued in accordance with the terms of our service scope letter dated 22nd May 2024 with Bhilwara Energy Limited (hereinafter the "Company") pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Securities and Exchange Board of India (SEBI), National Company Law Tribunal (NCL T) and other regulatory authorities in connection with the scheme of arrangement as mentioned in paragraph 2 below.
2. We, Doogar & Associates, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the management of the Company, to examine the proposed accounting treatment given in para 9 & 18 of the proposed scheme of arrangement amongst HEG Limited ("Demerged Company" or "Transferee Company") And HEG Graphite Limited ("Resulting Company") and Bhilwara Energy Limited ("Transferor Company") and their respective shareholders and creditors (hereinafter the "Scheme"), in terms of the provisions of sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 ('SEBI Master Circular'), for compliance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended and other generally accepted accounting principles in India (collectively referred to as 'applicable accounting standards').

Management Responsibilities

3. The preparation of the Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Scheme has been approved by the Board of Directors.
4. The Management is also responsible for ensuring that the Company complies with the relevant laws and regulations, including the applicable accounting standards as aforesaid and circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provide relevant information to the NCLT and any other regulatory authority in connection with the Scheme.



Auditors Responsibility

5. Our responsibility is to provide reasonable assurance in the form of an opinion [pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Master Circular] on whether the accounting treatment as contained in the Annexure B is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and the applicable accounting standards prescribed under Section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended and Other Generally Accepted Accounting Principles in India.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. Our examination did not extend to any aspects of legal or propriety nature of the scheme and other compliances thereof. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria. mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following:
 - a. Obtained and read the Scheme and the proposed accounting treatment specified therein.
 - b. Obtained copy of resolution passed by the Board of Directors of the Company dated May 22nd 2024 approving the Scheme.
 - c. Examined whether the proposed accounting treatment as per clause 9 and 18 of the Scheme is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and the applicable accounting standards prescribed under Section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended and Other Generally Accepted Accounting Principles in India.
 - d. Performed necessary inquiries with the management and obtained necessary representations from the management.



DOOGAR & ASSOCIATES

CHARTERED ACCOUNTANTS

Opinion

10. Based on our examination and according to the information and explanations given to us, we understand that pursuant to the Scheme becoming effective, the Transferor Company will be dissolved without being wound up and hence the question of accounting treatment in the books of the Transferor Company, in compliance with all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013, does not arise.


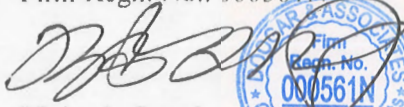
Restriction on Use

11. This certificate has been issued at the request of the Company and is addressed to and provided to the Board of Directors pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the BSE, NSE, SEBI, NCLT and any other regulatory authority in connection with the Scheme, and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Our examination relates to the matters specified in this certificate and does not extend to the Company as a whole. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For Doogar & Associates

Chartered Accountants

Firm Regn. No.: 000561N



Mukesh Goyal

Partner

M.No: 081810

UDIN: 24081810.BK.F.M.Q.K.1928

Place: New Delhi

Date: 22nd May 2024