



STRIVING FOR EXCELLENCE

ANNUAL REPORT 2018-19

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Between the intent to excel and the final
consequence, there's always a journey
that must be covered.



The little developments which are made everyday, the strategies that are applied, the progress that is slow but quite sure.

It requires a tremendous amount of foresight to put in place the systems that you know will bring in the results, when it's time.

It takes a quiet yet steady persistence to believe that it is all taking shape, even if it's not obvious right now.

It takes an ironclad will to keep on striving for excellence, even when the results aren't immediate.



And why do so? Because excellence isn't really a destination; it is more of a mindset.

The mindset that acknowledges every progress – no matter how small.

That sees a scope of betterment, in everything.

That's committed to go beyond 'what has been' and improve 'what is', with eyes firmly on 'what can be'.

Striving for excellence

AT THE SHOPFLOOR

At HEG, we started the journey towards excellence when the sector was reeling under the pressure of over-supply, when peers were considering a shut down, and when our chips were down. But, we patiently persevered, determined to make our tomorrow better than our today.

- We infused the 'fire to perform' into our team by on-boarding enthusiasm, energy and passion.
- We altered man-machine performance monitoring system from a monthly basis to an hourly basis. We maintained disciplined control on achieving daily, weekly and monthly production targets.
- We continued to make small refinements to our processes to improve product quality and equipment productivity. We implemented innovative methods to reduce the production cycle time of nipples (a time guzzling process).
- We analysed our power requirement for every hour and made path-breaking alterations.
- We accorded the highest priority to preventive maintenance which optimised the baking cycle of the electrode and improved plant/equipment availability.
- We negotiated a mutually-beneficial term with the government utility company which optimised the Company's power cost.
- We continued to cement the TQM culture across the organisation, which delivered a positive bearing on product and process quality.

And when demand spiked, our plant operated at its peak.

90%

Capacity utilisation

Going forward, we are expanding our capacity by 20,000 TPA. This will catapult HEG into a new orbit.

1st

Largest single site graphite electrode plant in the world

3rd

Largest graphite electrodes producer in the world after expansion



Striving for excellence

AT THE CORPORATE OFFICE

At HEG, we initiated our journey towards liquidity when our cash reserves were particularly low and cash flow ebbed to a trickle, when profits turned to losses, and when each expense invoice assumed a 'larger than real' liability. Then, we resolved to strengthen our solidity by growing business liquidity - with each passing day.

- We transformed our paper wealth into liquid funds - liquidated export incentive claims into cash.
- We maintained a stable production regime which helped maintain predictable inventory - this moderated our working capital requirement.
- We negotiated with our funding partners, utilized low-cost funding options, replaced risky loans (dollar-denominated) with stable debt (rupee denominated) - this lowered our annual interest liability.
- We reduced our operating costs which strengthened cash flow from operations.
- We deployed organizational liquidity in strengthening our financial statements.

And when industry fortunes turned in our favour, we achieved what we had dreamt of.

Now that we have the luxury of liquidity, we are funding our investment through internal accruals. Something we had never envisaged even a couple of years ago.

0

A zero-debt position as on
March 31, 2019

1,200

Investment (₹ crore) for capacity
expansion



Striving for excellence

IN THE MARKET PLACE

At HEG, we began our journey towards volumes even when demand had dwindled, inventories piled, manufacturing units were shutting down and most felt that we would go the same way. But, we decided, that we would keep our operations running, come what may.

- We added new customers by entering new geographies even as we increased wallet share with existing clients
- We continued to cater to our clients' HP grade Graphite Electrode requirement, even when we focused on growing volumes of our value-added UHP grade.
- We zealously stuck by our commitments; this enabled us to modify the terms of trade with clients when the external ecosystem changed significantly
- We continued to keep a close watch on global ecosystem even as we sustained our efforts in strengthening business relations with all our customers.

And when winds of change altered the sagging sentiment into a burgeoning opportunity, we were able to maximise business profitability.

71%

EBIDTA margin in 2018-19

75%

Exports to more than 30 nations

As we move up the global ranking, we will be able to enhance the wallet share with leading global steel manufacturers, securing our growth momentum over the medium-term.





An overview

HEG LIMITED

The flagship of the LNJ Bhilwara Group, HEG Limited is engaged in manufacturing Graphite Electrodes. Its manufacturing facility at Mandideep (Madhya Pradesh) is the world's largest single-location facility with the capability of producing UHP and HP variants. Approximately 75% of the Company's output is exported across 30 nations; it enjoys business relations with global steel majors for more than 10 years. The Company also has power generation assets cumulating 76.5 MW (thermal, hydel and solar) which provide continuous supply of quality power, essential for manufacturing Graphite Electrodes. The Company is managed by a team of professionals rich in expertise in their areas of operations.

BSE Code: 509631

NSE Code: HEG

Face Value: ₹10/-

Earnings per share: ₹763.60



Vision

A vibrant globally acknowledged top league player in Graphite Electrode & allied business with commitment to growth, innovation, quality & customer focus.



Mission

To become a leading international player in Graphite Electrodes & related businesses by leveraging our core competence and thereby enhancing value to our customers, shareholders, employees & society.



The year under review

THE BEST IN OUR JOURNEY.

Net Revenue (₹ crore)



EBIDTA (₹ crore)



Net Profit (₹ crore)



Net cash from operations (₹ crore)



Network (₹ crore)



106%
growth (y-o-y)

EBIDTA margin (%)



Return on network (%)



*Return on capital employed (%)



*Return on capital employed = $\frac{\text{Net profit}}{\text{Capital employed}} \times 100$

OUR VALUE CREATION MODEL

How we do it

What we do

WE MANUFACTURE

GRAPHITE
ELECTRODES

Capacity

80,000

TPA

Capacity Utilisation
(2018-19) 90%

Experience

We have more than four decades of experience in the Graphite Electrode space.

Technology

We possess technology and expertise in manufacturing UHP electrodes, restricted to a handful of players globally.

Scale

The largest single location facility provides economies of scale.

Quality

Aligned systems and processes with global benchmarks.

Team

A team of experts and experienced professionals managing business operations.





What value we created

Customers

We sold Graphite Electrodes to more than 100 Indian and Global steel manufacturers.

Bankers

We repaid our outstanding long term debt to become a zero-debt company.

Shareholders

Our performance helped the market capitalisation increase significantly over this period.

Employees

We continued to enhance the expertise of our team.

Community

We reached out to communities through various programmes on health, education, environment and infrastructure.

From the Chairman's desk



"Given the focus on environmental friendly Electric Arc Furnace (EAF) based expansions in Steel industry World over, leading to a stable growth in demand of our products, a high consolidation in our industry, and a long gestation time required to build new capacities in our industry, we strategised on a brownfield expansion."

Dear shareholders,

It gives me great pleasure to ink this statement as your Company experienced the best performance since its inception - a year never envisaged and an experience worth living for.

Year 2018-19 was a watershed in the history of the Company as the winds of change completely altered the dynamics of the sector, spiralling the Company's performance to an all-time high. While revenue increased by 142% to ₹6,702 crore, EBIDTA and Net Profit leapfrogged by 175% and 182% respectively.

The most standout features of this momentous period were:

- An EBIDTA margin of ~71% - a number which has not been achieved by many in India
- A Net Profit of ₹3,050 crore, which

is higher than our revenue from operations in the previous year

These opportunities don't come often. And, we tried to make the best of it by spotting the emerging trend early, maintaining our poise, sticking to our strategy undeterred, keeping focus on our quality and productivity and continuing our disciplined operations.

Graphite electrode has become a strategic product from its earlier tag of a commodity. Because this sector, which in the recent past, was reeling under an oversupply pressure, is currently delicately balanced between demand and supply, with large capacity closures that happened in the previous 5-6 years and with demand picking up in the Western

World due to a massive drop in export of steel by China to the Rest of the World, thus necessitating higher production of steel through EAF in the Western World.

With strong entry barriers in the industry, India's strong positioning in the world market over the past 20 years leading to an International market share of around 23%, a growing market for our products, a long lead time even for a brown field expansion, we decided to increase the capacity of our plant by about 20,000 Mt to reach 1,00,000 Mt at an investment on ₹1,200 crore, which, once complete, will outstrip the next largest plant by a significant margin besides making us the 3rd largest graphite company in the world, thus giving us a meaningful competitive advantage.

While our expansion is going on full steam, we continue to look at other avenues for growth, synergic to our existing business.

Going forward... the optimism continues

At this juncture, shareholders would have the all-important question 'What Next?'

Geo political conditions in the world remain confusing due to the growing protectionism and prospects of a trade war between some of the large economies of the world. The trade sanctions on Iran and uncertain economic developments in Turkey, also have had an effect on our business.

Though the demand over the past few months has somewhat muted, I am optimistic about the sector and our prospects going forward. My optimism rests on the growing steel demand across the globe.

Global steel demand will continue to grow. As per most of the experts in the Steel Industry, including the World Steel Association, growth is expected to be in the region of 1% to 1.50% p.a. in the medium term.

Interestingly, global steel has to be viewed from two aspects – 1) the Rest of the World and 2) China.

Rest of the World: Rest of the world excluding China, which produced (~50% of global steel output), about 880 MMT of steel. Of this, approximately, 45% comes through the EAF route (EAF accounts for about 45% of the global steel production excluding China). This will lead to a proportionate increase in the demand of graphite electrodes, even though it looks small. However, as per our estimates Demand / Supply is currently more or less in balance (leaving some inventory adjustment and some blips in the market which we are currently seeing), our expanded production which is only likely to be available by end of 2021 / early 2022 should find a market.

Within the Rest of the World category, the US is an exciting prospect. More than 68% of the steel produced here is through the EAF route. Substantial new EAF capacities, both Greenfield and Brownfield totalling between 12 to 15 million tons per annum have been announced by the US Steel companies a large part of which should be in operation in the next 2-3 years, in time with our own expanded electrode capacities. Once these new capacities are operational, the percentage of EAF based steel production in US would reach somewhere in the region of 75%, the largest in the World.

In India also, we see a sustain growth in the EAF capacity, with the on-going consolidation of some of the sick steel plants getting acquired by larger steel companies, thus raising the demand for graphite electrodes.

As such, we believe that by the time our expansion is operational, there would be enough increase in the demand of electrodes. Besides closures of substantial electrodes capacities in the Western World in the last 5 years, we have also seen some consolidation in our industry, reducing the number of players to a handful.

This suggests a balanced demand-supply scenario for graphite electrodes over the coming years.

China: Since China accounts for 50% of the global steel production, a slight shift in the dynamics of their steel sector causes a global imbalance. So it would be relevant to touch upon the key facets of China's steel industry going forward.

China has reduced its presence in global trade. Steel exports declined by 30% in 2017 and again by 8% in 2018. This augurs well for the global steel sector in terms of operations and prices.

Furthermore, China remains committed to its 'Blue Sky' policy, which promises to shut environmentally unfriendly polluting operations of BOF and Induction furnaces in favour of environment-friendly

technologies like EAF. As a result, China continues to focus on moving a large part of its steel production to electric arc furnaces. In 2016, the electric arc furnace segment in China accounted for just 6% of its total steel production. This went up to 9% in 2017 and 12% in 2018. The Chinese Government remains committed to taking this number to 20% by 2020-21.

This would mean that Chinese EAF steel production will increase by more than three times between 2016 & 2020-21, thereby increasing their own electrode demand by more than 3x.

Acknowledgment

It is sheer endurance that has brought us here. We have stayed the course and believed in our business model. We have successfully navigated the business cycles in the past few years in a fast-changing world.

As we move forward into FY20, I would like to express my sincere gratitude to my fellow Directors for their commitment and professionalism in paving HEG's long-term path. I want to thank our esteemed shareholders, partners, and other stakeholders for believing in our business and reposing their confidence in our capability and extending their support in our long journey of endurance.

Lastly, I would like to thank the management team and each and every staff of the Company for their valuable and ongoing dedication in contributing to HEG's growth.

Warm regards,

Ravi Jhunjhunwala

Chairman and a fellow shareholder

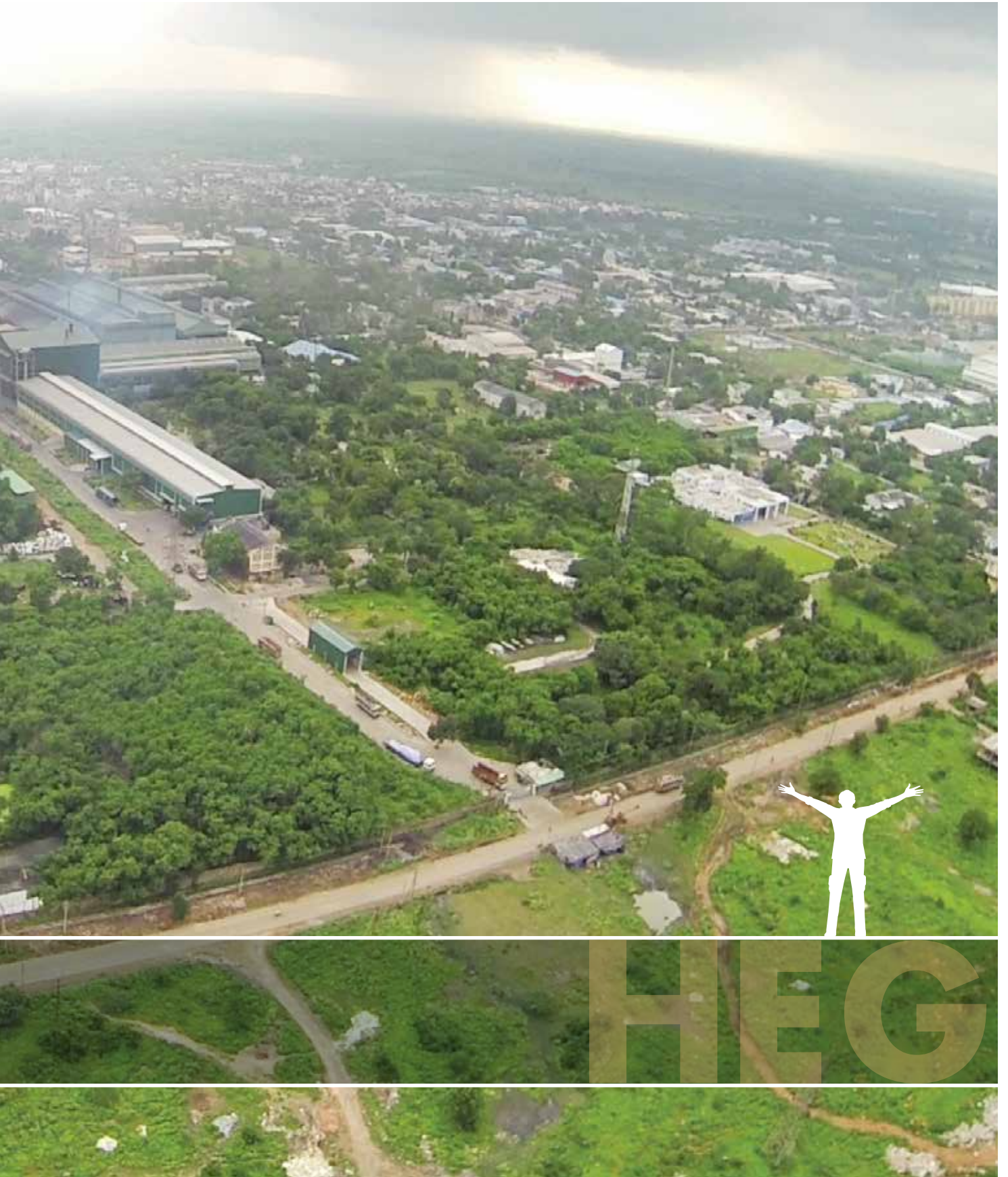
MANAGEMENT DISCUSSION AND ANALYSIS



ECONOMY AND SECTOR

HEG's growth is closely dovetailed to the economic progress and sectoral progress. In this backdrop, it has become important to provide a narrative, which provides fair and balanced information of the economic and sectoral performance and prospects going forward.







An economic overview

Global economy

A year ago economic activity was accelerating in almost all regions of the world, and the global economy was projected to grow at 3.9% in 2018 and 2019. In this one year, a lot has changed which has contributed to a significantly weakened global expansion, especially in the second half of 2018. With this weakness expected to persist into the first half of 2019, the World Economic Outlook projects a decline in growth in 2019 for 70% of the global economy. Global growth, which peaked at close to 4% in 2017, softened to 3.6% in 2018 and is projected to decline further to 3.3% in 2019.

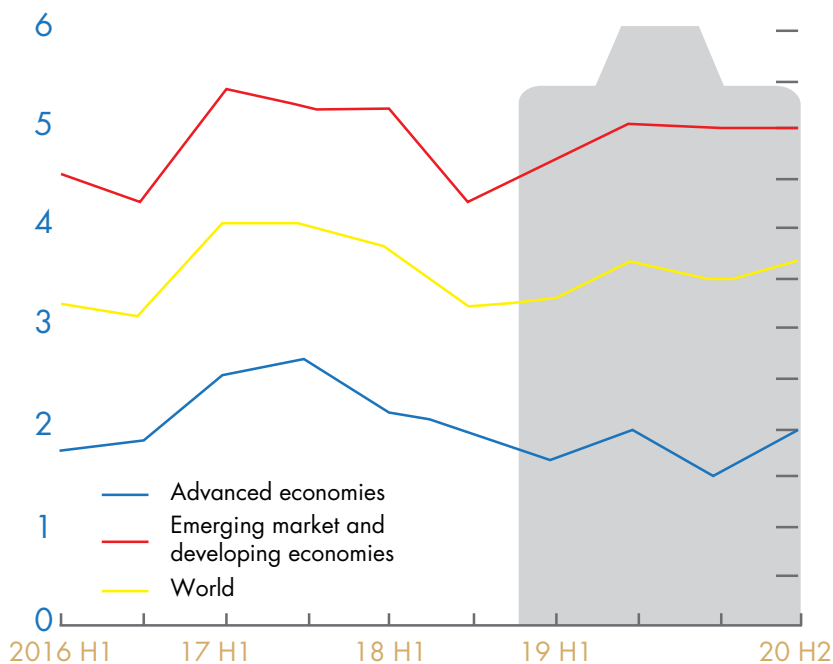
Changes that derailed the world from becoming better

- The escalation of US-China trade tensions
- Macroeconomic stress in Turkey and Argentina
- Disruptions to the auto sector in Germany
- Tighter credit policies in China
- Financial tightening in the larger advanced economies

Half-yearly growth rates

(Annualised semi-annual percent change)

Global growth is expected to level off in the first half of 2019 and firm up after that.





- Household savings have declined, these have pulled down investments by ten basis points during the period 2012-2018.
- Direct tax collections fell short by ₹50,000 crore on account of poor personal income tax collections, thereby failing to meet the revised target of ₹12 lakh crore for 2018-19
- IIP contracted by 0.1% in March 2019, the lowest in 21 months, mainly due to the manufacturing sector slowdown.
- Sale of passenger vehicles in the domestic market declined by 2.96% on a year-on-year basis in March to 291,806 units
- Foreign Direct Investment (FDI) into India contracted by 1% to US\$44.4 billion during fiscal 2018-19 – the first time in six years.

While the performance indicators may appear dismal, the prospects for the Indian economy have considerably improved considering the resounding victory of the incumbent party at the Centre because it suggests the continuing of favourable policies which will fuel economic progress.

Going forward: The International Monetary Fund (IMF) cut India's GDP growth forecast for 2019-20. They project growth to pick up to 7.3% in 2019 (2019-20) and 7.5% in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

Also, ADB and RBI cut their 2019-20 growth projection for India to 7.2% from 7.4% earlier, owing to growing risks to the global economic growth as well as weakening domestic investment activity.

Indian economy

Fiscal 2018-19 belied expectations. For a period, which started out with the promise of robust economic growth (GDP growth in Q1 was 8%) ended on a sub-optimal note as India's GDP growth slid to under 7% in 2018-19 against 7.2% in 2017-18 and considerably lower than the 7.4% estimate set out by the Government agencies at the year-start.

This was primarily owing to the lacklustre performance of the economy in the second half of the fiscal (Oct'18-Mar'19) – GDP growth under 7%. This was mainly due to the poor performance of farm, mining, and manufacturing sectors.

India's industrial production (IIP) growth slowed to a three-year low of 3.6% in 2018-19 as against 4.4% in the previous fiscal.

However, behind this subdued performance, there were some important positives

- Improvement in investment rate was the most positive development in 2018-19, increasing by 0.3 percentage points to 28.9%.
- Continued improvement in the fiscal discipline has been another major positive of 2018-19. Although government consumption increased in relation to GDP, the combined fiscal deficit of central and state governments is projected to reduce by 0.6 percentage points to 5.8% of GDP in 2018-19.

The Ministry of Finance in its Monthly Economic Report of March 2019 warned that India's economy appears to have slowed down in 2018-19. The proximate factors responsible for this slowdown include declining growth of private consumption, a tepid increase in fixed investment, and muted exports.

Economy experts are also of the same opinion owing to a drop in several key economic indicators.

The steel industry

Steel is indispensable to our modern way of life and critical to economic growth. The intrinsic benefits of steel make it a sustainable choice in a growing number of applications.

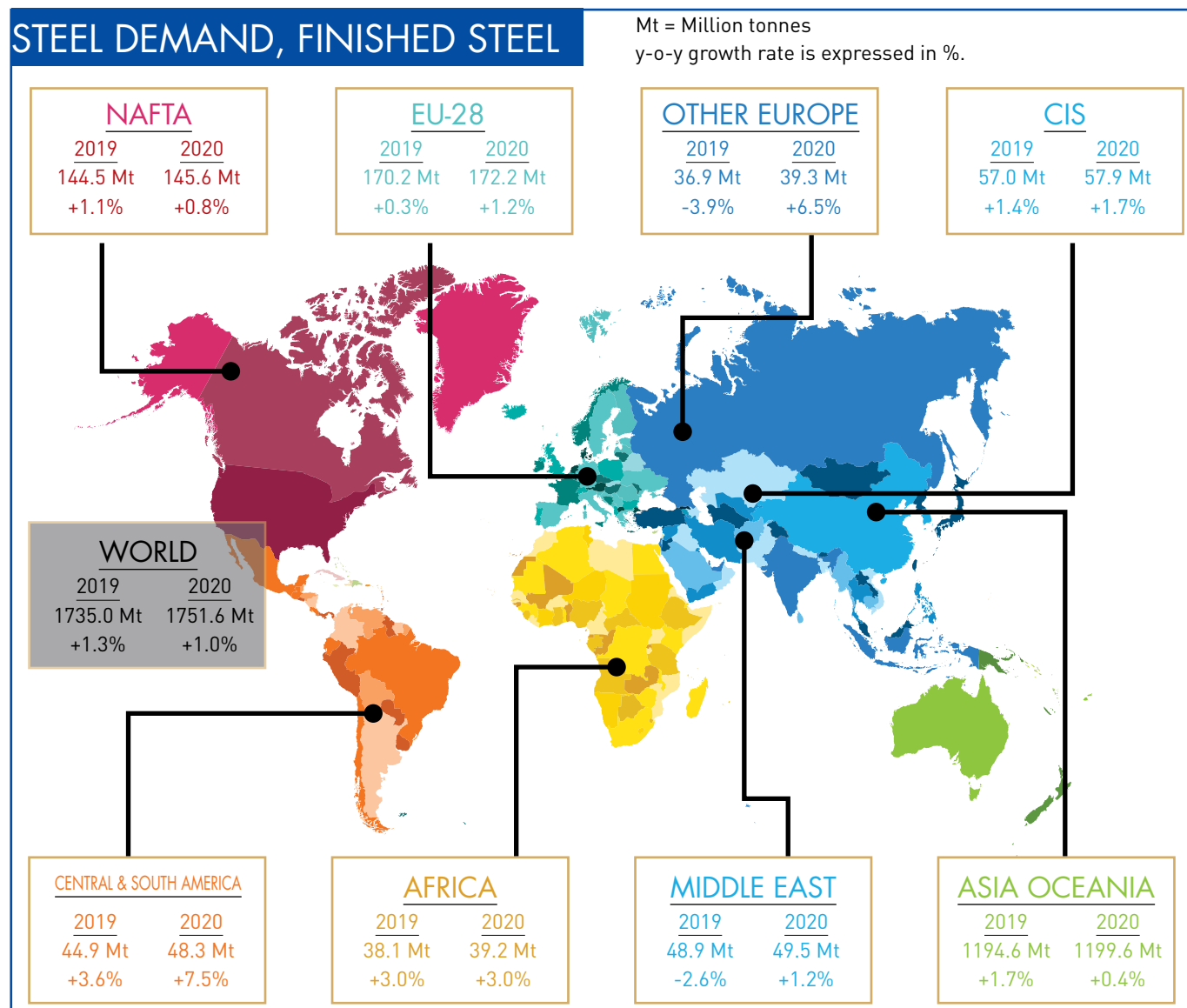
Almost everything that we use is either made from or manufactured with steel. It is a uniquely versatile material and is widely regarded as a high performance, contemporary engineering material continuously being improved to meet new market demands.

Global steel

Production: Global crude steel production reached 1,808.6 million tonnes (Mt) for the year 2018, up by 4.6% compared to 2017. Crude steel production increased in all regions in 2018 except in the EU, which saw a 0.3% contraction.

Demand: In 2018, global steel demand increased by 2.1% (after adjusting for Chinese induction furnace closures) growing slightly slower than 2017.

Going forward: In 2019, growth is expected at a muted pace owing to a less favourable economic environment. China's deceleration, a slowing global economy, and uncertainty surrounding trade policies and political turmoil in many regions suggest a possible moderation in business confidence and investment. As such the World Steel Association has forecasted global steel demand to reach 1,735 Mt in 2019, an increase of 1.3% over 2018. In 2020, demand is projected to grow by 1.0% to reach 1,752 Mt.



Source: Worldsteel.org



Asia steel

Asia produced 1,271.1 Mt of crude steel in 2018, an increase of 5.6% compared to 2017. China's crude steel production in 2018 reached 928.3 Mt, up by 6.6% in 2017. China's share of global crude steel production increased from 50.3% in 2017 to 51.3% in 2018. India's crude steel production for 2018 was 106.5 Mt, up by 4.9% in 2017 - India replaced Japan as the world's second-largest steel producing country.

The Chinese steel sector: China is the world's largest producer and consumer of steel. Given this dominant market share, any slowdown in the Chinese economy will have a significant impact on the global steel industry.

Performance in 2018: Despite the government's promise to cut excess capacity, China still produces over half the world's steel, with national production up 6.6% year-on-year to a record 928 Mt, according to government statistics.

However, towards the end of 2018, the Chinese steel sector appears to have entered into a bear phase owing to the following realities:

- Weak economic data
- A slump in demand from consumer segments
- The realisation that the steel production cuts over winter may not be as pronounced

Hence, the cumulative industry profits for 2018 reached 470.4 billion yuan (US\$70.07 billion) in 2018, up 39.3% year-on-year. It could have been considerably higher had it not been for a sharp dip in profits for the steel mills since November 2018 (by about 60%) on a stronger-than-expected supply after Beijing relaxed measures to cut industrial production over the winter.

Prospects in 2019: Going into 2019, there is a risk of steel supply out-racing demand as producers become leaner and more efficient than before. This seems to be unfolding: in the first four months of 2019, production rose to 599 million tons, an increase of 4.6% year-on-year.

This does not augur well for the global steel industry. For when China's domestic demand for steel slows down, it will build inventories. So, Chinese producers and traders will export surplus steel, depressing international prices.

To avoid this situation, Beijing is pushing for more policies to boost domestic demand in major steel consumption sectors like infrastructure, vehicles, and white goods.

The Indian steel industry: Compared to the global slowdown, Indian demand has shown resilience. Data from the Joint Plant Committee showed a 7.8% rise in steel consumption from April 2018 to January 2019.

After almost two years of a strong steel cycle, aided by disciplined Chinese production/exports, steel prices globally slumped towards the end of Q3 FY19, with impacts visible in Q4 FY19. During this period, demand in India was primarily driven by the infrastructure sector.

Challenges: The slowdown in the automobile segment (constituting ~20% of steel demand) in the second half of 2018 is expected to prevail in the coming months – this appears to be a challenge for the steel industry going forward.

Another important challenge is the slowdown in China. This demand slowdown in China is driving imports to India. The sharp fall in international prices is also weighing on domestic prices – impacting the profitability of domestic steel players.

Optimism: India's apparent steel use per capita for finished steel products stood at 66.2 kg, way below the world average of 212.3 kg in 2017, which suggests that India has a significant unrealised potential for steel demand growth.

Recently, India has been trying to unleash this through an extensive reform agenda to clear institutional bottlenecks. Also, there is an ongoing push for infrastructure development.

These factors, along with the favourable demographics, are improving the macroeconomic fundamentals, which could translate into sustained growth in steel use.

According to Worldsteel's October Short Range Outlook, India will likely become #2 in steel use by the end of 2019 as its steel demand is expected to grow by 7.3%.

Steel through the EAF route

Electric arc furnace is an environmentally efficient way of manufacturing steel. As such, about 45% of the steel produced globally is through this process – except in China, where, until three years ago, only 6% of its steel was manufactured through the EAF route.

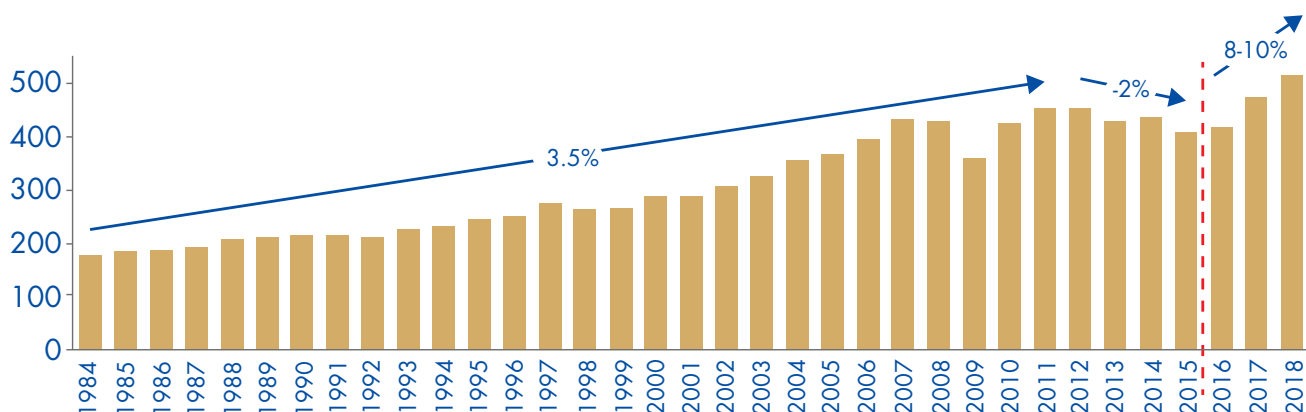
Globally, EAF steel production grew at the CAGR of 3.5% from 1984-2011. But, the global financial meltdown led to a sudden surge in large BOF capacities in China between 2010-15. As a result, global EAF steel production dropped

at the CAGR of 2% during that period. Currently, EAF steel production is growing at about 8-10% from 2016.

Interestingly, this increase in global EAF steel production is a result of China's 'Blue Sky' policy. The Chinese Government's clamp down on environment polluting industries led to the closure of 155 Mn Mt unaccounted and polluting Induction Furnaces and 115 Mn Mt of inefficient Blast Furnace (BOF) based steel capacities in favour of the environment-friendly EAF technology. As a result, EAF steel capacity as a proportion of overall steel capacity in China increased to 12% by the end of 2018.

Going forward, the Chinese Government has set stiffer pollution management norms for the coming years, whereby additional steel capacities (BOF and induction furnaces) are expected to shut operations in favour of the EAF-based infrastructure. In doing so, China plans to achieve 20% of steel production through the EAF route by 2020.

Global EAF steel production





Graphite electrode sector

Graphite electrode is a key component for Electric Arc Furnaces (EAFs) that turn scrap into steel. They are presently the only products available that have high levels of electrical conductivity and the capability of sustaining the extremely high levels of heat generated in the EAF's demanding environment.

The graphite electrode sector, until three years ago, was in the dumps with every sectoral participant reporting substantial losses – resulting in shuttered capacities. The recent upsurge in this sector in the last two years has been consequent to China implementing the Blue Sky Policy.

This policy mandated the shutdown of inefficient steel manufacturing infrastructure in China (BOF and induction furnaces). The resultant shortfall of steel production in China led to a vacuum in the global steel ecosystem. As a result, EAF capacities in other global steel manufacturing hubs were reignited – leading to a surge in demand for graphite electrodes.

Currently, there are 19 plants in 15 countries comprising 7,25,000 tons capacity, which are operating at 85-90% capacity utilisation. However, with EAF capacities increasing every year across

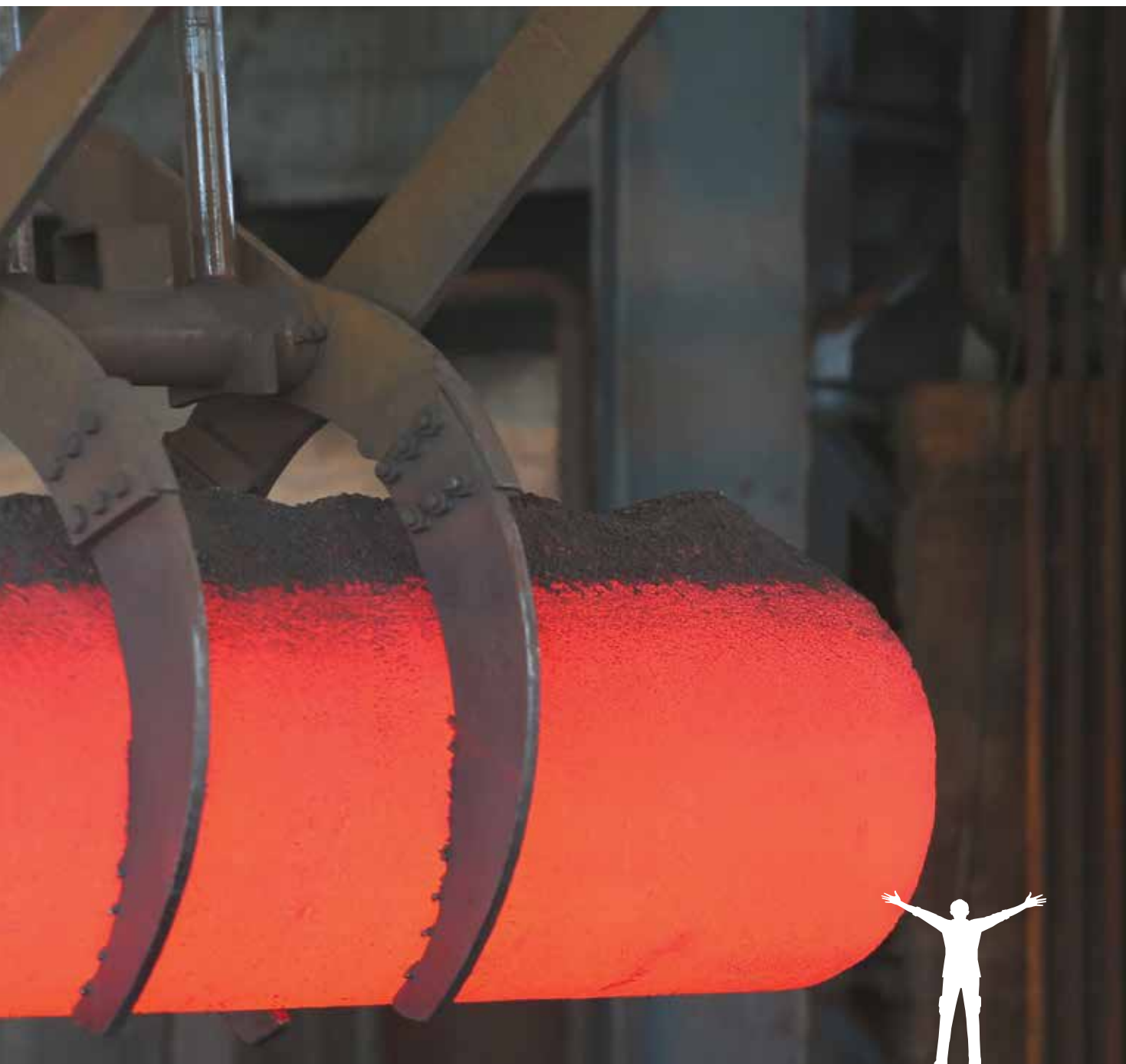
the globe, the graphite electrode supply may remain tight.

Having said that, China could play the proverbial spoil sport. They have installed and commissioned new needle coke and graphite electrode capacity. If they do not shore up their Arc Furnace Steel capacity to absorb these additional volumes, the resultant excess could dampen the prospects of the graphite electrode market.



BUSINESS PERFORMANCE

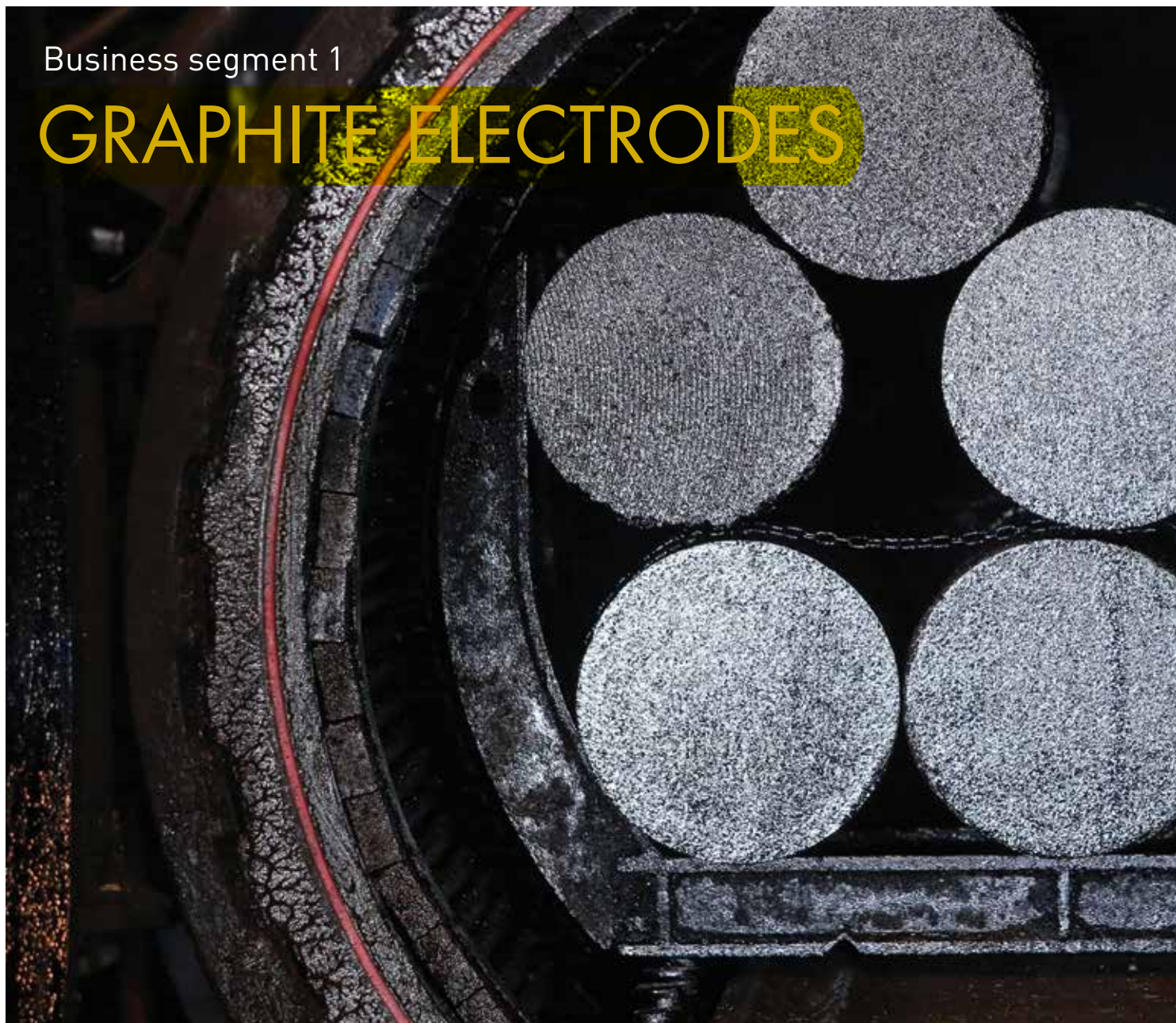
HEG Limited is a leading graphite electrode manufacturer & exporter with more than 70% of its production exported across more than 30 nations. The Company manufactures two grades of graphite electrodes - Ultra High Power (UHP) & High Power (HP) at its manufacturing facility at Mandideep, India. The Company has a Captive power generation capacity of around 76.5 MW (2 thermal power plants & 1 hydropower plant).



HEG

Business segment 1

GRAPHITE ELECTRODES

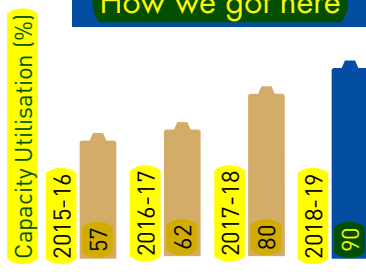


Where we stand

90

Capacity utilisation (%)

How we got here

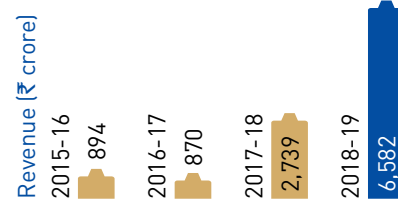


Where we stand

6,582

Revenue (₹ crore)

How we got here





Performance

The Company continued its stellar performance for the second year in succession aided by a favourable industry scenario. Robust demand resulted in growth in business volumes. An increase in prices of graphite electrodes owing to a shortage of the product facilitated in a 140% growth in revenue – from ₹2,739 crore in 2017-18 to ₹6,582 crore in 2018-19.

Operational improvements

Even as demand surged, and there was an urgency to increase production, the team continued to maintain its operational discipline to maintain product quality – an essential prerequisite for product acceptance. Besides, the team worked on streamlining shop floor operations to maximise productivity and optimise costs.

Key operational improvements include

- Fine-tuned processes to facilitate consistency in product quality and man-machine productivity.
- Strengthened process control by involving front-line operators and Engineers.

Marketing successes

The team analysed the external market conditions correctly. As a result, even as it continued to honour its commitments to its business partners, it remained watchful on profitable short-term growth opportunities. This combination helped in strengthening business profitability. The team continued to strengthen business relations with all its key customers by regular interaction at multiple platforms.

Prospects

Graphite Electrodes, over the last two years, have transformed from being a commodity to a strategic consumable owing to the structural changes in the industry. Moreover, with the environment emerging as the predominant theme across the globe, EAF technology for steel making is becoming increasingly prevalent across global steel manufacturing hubs. This augurs well for the graphite electrodes industry – demand is expected to remain resilient over the medium term.

Business segment 2

POWER GENERATION



The performance of the vertical remained subdued owing to strategic reasons.

The Company negotiated a mutually beneficial term with the government utility company which replaced part of the high-cost self-generated power with power from the government utility.

This initiative reduced the volume of captive generation and transfer to graphite, and reduced the average realisation in the power segment as the revenue in power segment is booked based on the corresponding rate of power defined by the state and utilities.

This step though has reduced revenue and bottom line in the power segment

but had a very favourable impact on the overall cost of power consumed in graphite electrode business.

Moreover, coal availability under a fuel supply agreement with Coal India was acutely short. This mandated sourcing coal from the open market - it adversely impacted the division's bottom line.

FINANCIAL PERFORMANCE

(Based on Standalone Financial Statements)

HEG reported a stellar performance, the best in its journey so far, primarily owing to the structural change in the graphite electrode industry across the globe.

Statement of Profit and Loss

Total revenue shot up by 142% - from ₹2,771 crore in 2017-18 to ₹6,702 crore in 2018-19. This huge growth was largely owing to a global shortage in supply of graphite electrodes leading to an unprecedented rise in the prices of graphite electrodes.

Total operating costs also increased by 74% - from ₹1,166 crore in 2017-18 to ₹2,025 crore in 2018-19 primarily due to an increase in the cost of materials consumed.

EBIDTA increased from ₹1,734 crore in 2017-18 to ₹4,767 crore in 2018-19 while EBIDTA margin stood at 71% against 63%

in 2017-18.

Interest liability reduced from ₹56 crore in 2017-18 to ₹18 crore in 2018-19 owing to the repayment of debt and reduced utilisation of the sanctioned working capital limit. As a result, the interest coverage ratio jumped from 29 in 2017-18 to 261 in 2018-19.

Net profit for the year stood at ₹3,050 crore in 2018-19 against ₹1,081 crore in 2017-18. The Company declared a dividend of 800% for 2018-19, which if approved, will result in a payout of ₹313 crore in 2018-19 against ₹320 crore in 2017-18.

Balance Sheet

Shareholders' Fund increased from ₹1,809 crore as on March 31, 2018, to ₹3,719 crore as on March 31, 2019 - owing to the addition of surplus profit during the year. As a result, return on

networth jumped from 60% in 2017-18 to 82% in 2018-19 and the book value per share increased from ₹453 to ₹964 over the same period.

Having repaid all its long-term debts during the year, the Company achieved a zero-long term debt position. Working capital increased significantly as the balances in the trade receivables and inventories ballooned by more than 22% and 156% respectively - primarily due to the increase in the value of the raw materials and finished goods.

Cash Flow Statement

Net cash from operating activities increased from ₹594 crore in 2017-18 to ₹1,488 crore in 2018-19 showcasing growing organisational liquidity. This enabled the Company to invest in capacity augmentation by 20,000 Mt at ₹1,200 crore. (through internal accruals) over a period of 3 years.

Significant changes (i.e. change of 25% or more as compared to the immediately previous financial years) in Key Financial Ratios, along with explanation are as under:

Particulars	2018-19	2017-18	Change
Debtors Turnover Ratio	6.11	4.14	48%
Inventory Turnover Ratio	1.23	1.26	(3)%
Interest Coverage Ratio*	261.29	29.44	787%
Current Ratio	2.82	2.29	23%
Debt-Equity Ratio	0.18	0.16	9%
Operating Profit Margin (%)	71%	60%	18%
Net Profit Margin (%)	46%	39%	18%
Return on Net Worth (%)	82%	60%	37%

* Interest is paid on working capital limits utilisation

The change is due to a better profit margin during this year as compared to last year.

Transaction of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company is given below :-

S.no	Name of Entity	Shareholding % of total shares of the Company	Final Dividend Paid for FY 2017-18	Interim Dividend Paid for FY 2018-19
1.	Norbury Investments Ltd	13.90%	₹2,681.50 Lakhs	₹1,608.90 Lakhs
2.	Microlight Investments Ltd	12.09%	₹2,332.79 Lakhs	₹1,399.67 Lakhs



BUSINESS ENABLERS

HEG's success is strongly pivoted on its knowledge capital whose unwavering passion is reflected in its impeccable product quality, disciplined adherence to processes and standards and innovative zeal to continuously improve upon every benchmark.







Quality management

Quality has been the hallmark of HEG, which manifests itself in an important reality – a significant part of the Company's output goes to the top global steel manufacturers with whom the Company enjoys a business relation extending for more than a decade.

The Company's quality passion is visible in the institutionalising of the TQM culture across the organisation, which continues to deliver a positive bearing on product and process quality.

Further, the operational team rigorously implements the preventive maintenance discipline at all of its operating units, resulting in minimising equipment breakdown – thereby sustaining its quality promise.

Besides, the Company successfully reduced quality deviations through active customer engagement. It reduced dispersions across operational areas;

it reduced the resistivity of larger-sized electrodes and nipples; it strengthened procedural discipline and invested in best-in-class equipment.

The team implemented a significant number of trials to sustain superior product quality even as they focused on augmenting production volumes under the constraint of coke availability.

Human resource

HEG firmly believes that its intellectual capital plays a fundamental role in sustaining profitable business growth. In keeping with this conviction, the Company continues to invest in dedicated programs for its people to nurture skill and build capabilities that will help them in addressing current and future business needs.

With an average age of 41 years, the 900 strong team (March 31, 2019) represents an invigorating combination of energy and experience which reflects itself in

an important matrix – Productivity per person increased from 45 Mt/person in 2015-16 to 80 Mt/person in 2018-19

During the year, the Company continued to enhance the intellectual capital of its team through its comprehensive learning & development calendar, which provided technical and behavioural skills to the team members. This also helped in building the leadership pipeline.

Further, the Company intensified its engagement initiatives (leveraging



HEG invested 17,096-manhours towards the knowledge building of its team.

multiple tools) to enable the team to make a more meaningful contribution to operational improvement. In addition, the management team members periodically interacted with the team to update them on the Company's performance and prospects going forward.

Going forward, the HR team will focus on strengthening its leadership pipeline. Besides, the team will work closely with the IT team to deploy IT-based solutions for improving the working environment.

Innovation

The Company's R&D Centre is its innovation hub that passionately and patiently works on enhancing the quality and productivity benchmarks through process innovation. The 5-member team relentlessly seeks to break new ground in multiple areas, namely developing advanced carbon materials for energy management, thermal management, and environment management.

Besides, the team is also seeking new pastures that can leverage resident expertise and emerge as attractive flanking revenue verticals for the Company.

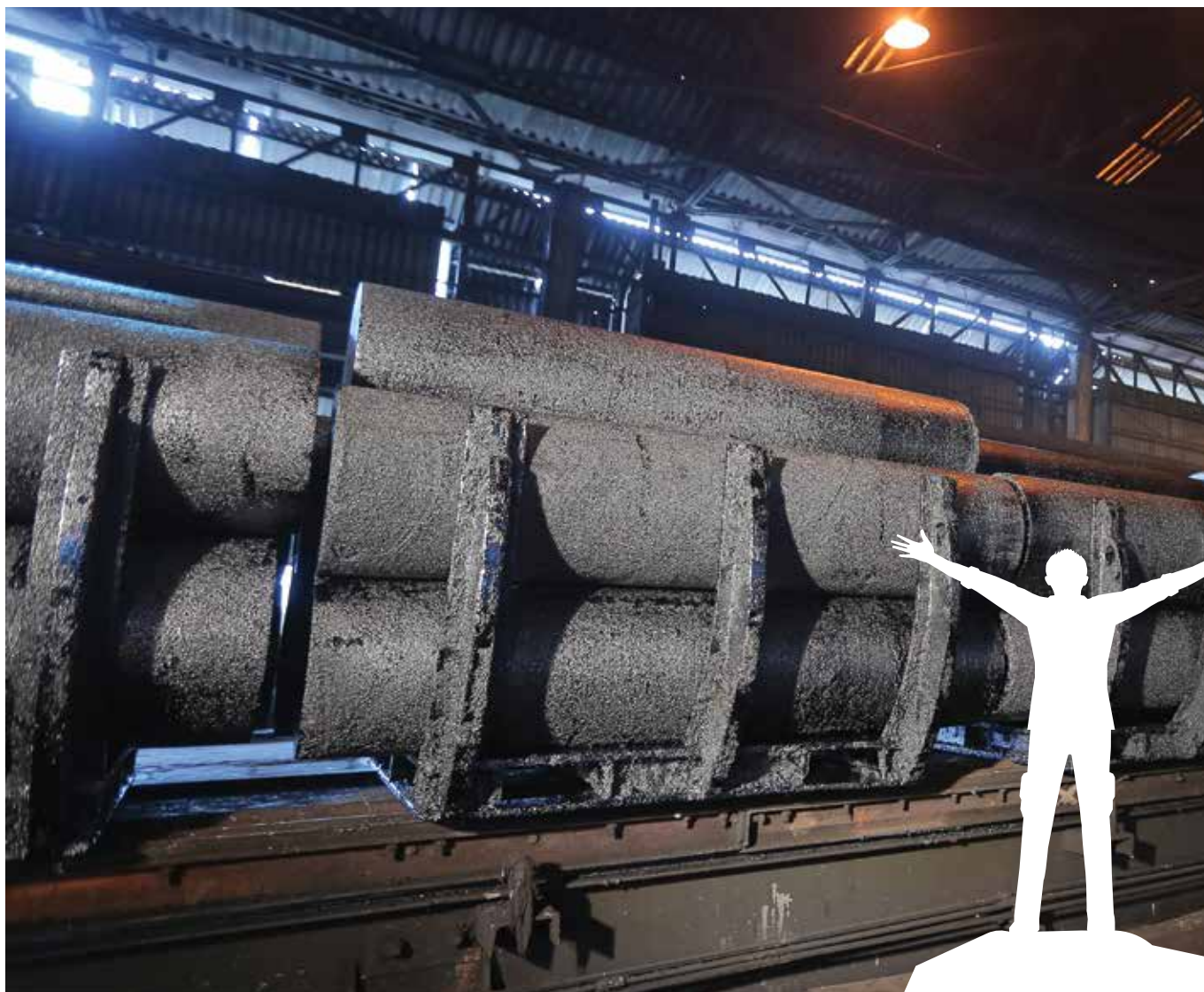
The team continues to work closely with reputed national and international research institutes, to develop environment friendly approaches and identify alternative/ regenerative carbon feedstock for sustainable growth.



Moving up the order

India Ratings and Research upgraded HEG Limited's (HEG) Long-Term Issuer Rating to 'IND AA' from 'IND A+' on 20th April 2018. All credit ratings obtained by the Company are disclosed on the website of the Company i.e., www.hegltd.com. No Credit rating has been obtained for any fixed deposit programme during the financial year 2018-19.





Opportunity & threat

Opportunity: The growth opportunity in the graphite electrode market is far from over. It will continue to play out over the medium term. This optimism is based on credible analysis, which suggests that graphite electrode supply will not be able to keep pace with the increase in EAF steel capacities globally. Moreover, even as demand is expected to remain resilient, the realisation is expected to seek a new normal.

Threat: Even as the demand for graphite electrodes increased substantially, the needle coke prices (key input for

graphite electrodes) could emerge as an issue as supply is expected to remain largely stable. This could exert pressure on business margins.

Internal control and adequacy

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 the safeguarding of assets, compliance with all regulatory norms, and procedural

and systemic improvements periodically. The Company uses an ERP (Enterprise Resource Planning) package supported by in-built controls. This guarantees timely 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 further reviewed by the Audit Committee of the Board of Directors.

RISK MANAGEMENT

HEG's risk management approach focuses on mitigating the adverse impact of external risks on its business objectives. The framework comprises a combination of centrally issued policies and divisionally-evolved procedures that are regularly reviewed for their alignment with sectoral dynamics and evolving trends.

Profitability risk

Rising costs will weigh down on business profitability.

Mitigation: The profitability margins achieved in 2018-19 will not sustain going forward for that is a once in a lifetime achievement. But the margins could settle down at par with global sectoral players. This reduction would be primarily owing to a decrease in realisation from graphite electrodes. Cost-push increase (owing to needle coke price increase) would be marginal and would impact the entire industry. The Company is working tirelessly to minimise wastages and utilise the fines in a meaningful manner to maximise the value realisation there-from.

Expansion risk

Expansion of capacity could be ill-timed, which could emerge as a drag on business fortunes over the coming years.

Mitigation: With environment management emerging as the predominant theme across the globe, the industrial world per se is seeking cleaner technologies to remain relevant. The same holds true for the steel sector. As a result, the EAF route for steel making is gaining credence in the global steel ecosystem. Currently, the graphite electrode capacity is delicately balanced – additional capacity will take anywhere between 2-3 years to become operational.

Also, while EAF capacities are expected to increase gradually over the coming years, there is no announced significant capacity increase for graphite electrode

(UHP variant). This suggests that graphite electrode demand will remain resilient even when the Company's additional capacity of 20,000 TPA comes on stream.

China risk

The rapid increase of graphite electrode capacity in China could lead to an imbalance in the graphite electrode sector.

Mitigation: Globally, EAFs are large-sized and technologically advanced – they only use UHP electrodes. Moreover, China is not an established manufacturer of UHP electrodes for the global market. Their factories mainly manufacture HP electrodes (smaller and commodity products), which cannot be used in the EAF infrastructure globally. Their output is best suited to the EAF infrastructure being set up in their own country. Moreover, with EAF capacity in China said to increase significantly, China will not have large volumes of graphite electrode as surplus. Also, their ability to grow their electrode capacity will be constrained by the availability of needle

coke – there are only 2-3 suppliers globally for this product.

Cash utilisation risk

Efficient utilisation of the large cash reserve at the end of 2018-19 could become a challenge.

Mitigation: The Company will primarily utilise its the cash reserves for expanding its capacity of graphite electrode by 20,000 TPA at an investment of ₹1,200 crore. Further, the Company is also analysing prospects and challenges of various business avenues that are synergic with its core business.

Foreign currency risk

Foreign exchange fluctuation could impact business profitability.

Mitigation: HEG is a net exporter of goods. As such, it has a natural hedge against extreme currency volatility. As a de-risking strategy, the Company has also formulated a foreign exchange hedging policy, the compliance of which is monitored regularly by internal and external audit teams.





NURTURING
INCLUSIVE
GROWTH





We believe that, collaborative efforts are essential to achieve our Sustainability Goals.

While we are in our sustainable growth journey, we encourage stakeholder inclusivity across our operations to create shared value for all our stakeholders.

Continuing our sustainable growth journey from previous year, our endeavour is towards 'Nurturing Inclusive Growth' amongst stakeholders.



We are committed to work for the upliftment of the community. Our work is predominantly focused on healthcare, education, removing hunger, working for the benefit of armed forces veterans and martyrs' community development and environmental conservation.

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 to economically weaker sections in neighbouring villages, in collaboration with Sewa Bharti, Bhopal

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 goods to the attendant of the patients visiting AIIMS, Delhi



- Worked on the mid-day meal programme partnering with Akshaya Patra.
- Aspires to work with the local government for creating infrastructure for Government School upgradation and safe drinking water etc.

Education

- Provided safe and law-abiding commuting facilities to children and teachers.
- Continued to subsidize the annual school fees for more than 200 BPL category students.
- Introduced a new scholarship program for children of below poverty line 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, in Mandideep area to children of artisans working in Mandideep Industrial Area.
- Conducted computer training workshops at Tawa Nagar to provide basic computer education to 100 to 120 local underprivileged students through Data Nuts Private Ltd., Bhopal.
- Supported meritorious but financially weaker/poor students by providing professional coaching in Bhopal for science and commerce students to help them to prepare for their competitive examinations.
- Assisted in education of physically disabled students.
- Promoted sports in various schools

Environmental Conservation

- Conducted an afforestation drive by planting more than 4000 plants at Tawa Nagar area in coordination

with local government bodies along the NH-69 to combat air pollution.

- Planted 100+ grown up trees inside HEG's plant, both for environmental reasons as well as aesthetic look and working for plantation of more than 300 plants along the boundaries of HEG Limited.
- Contribution to Clean India Mission.

Financial Assistance

The Company 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 measures for the benefit of armed forces, veterans, war widows, and their dependants.

Corporate Information

CHAIRMAN-EMERITUS

L. N. Jhunjunwala

BOARD OF DIRECTORS

Ravi Jhunjunwala

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 Jhunjunwala, Director

Ramni Nirula*, Director

CHIEF OPERATING OFFICER & CHIEF MARKETING OFFICER

Manish Gulati

GROUP CHIEF FINANCIAL OFFICER

O. P. Ajmera

CHIEF HUMAN RESOURCE OFFICER

Sudhir Sood

CHIEF FINANCIAL OFFICER

Gulshan Kumar Sakhuja

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 Ltd.

ICICI Bank Ltd.

AUDITORS

SCV & Co. LLP

Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

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.

National 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)

Distt. 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. 31st October, 2018

Board's Report



Dear Members,

Your Directors have the pleasure of presenting their 47th Annual Report and audited statements of accounts for the year ended 31st March, 2019.

1. Financial Results

(₹ in Crores)

Financial Results	2018-19	2017-18
Net sales	6436.32	2,672.07
Other operating income	156.51	86.34
Total income from operations (Net)	6592.83	2,758.40
Other income	109.19	12.37
Total income	6702.02	2,770.77
Profit before finance cost, depreciation and amortisation	4767.44	1,733.69
Finance cost	17.97	56.42
Profit before depreciation and amortisation	4749.47	1,677.27
Depreciation and amortisation	72.39	72.56
Profit/Loss before tax	4677.08	1,604.71
Provision for taxation:-		
Current tax	1619.35	513.56
Deferred tax	7.30	9.81
Net Profit for the period	3050.43	1,081.34
EPS (Basic) ₹	763.60	270.61

Note : No amount was proposed to transfer to reserves.

2. Overall Performance

The Company recorded net sales of ₹6,436.32 Crores during the financial year 2018-19 as compared to ₹2,672.07 Crores in the previous financial year. The Net Profit during the financial year 2018-19 was at ₹3,050.43 Crores as compared to a net profit of ₹1,081.34 Crores in financial year 2017-18 translating to Basic Earnings Per Share at ₹763.60 for the financial year 2018-19 as against ₹270.61 in financial year 2017-18.

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 down between 2010 to 2016 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% year on year so far in 2018. This was a fallout of reduced exports of steel products from China (steel export quantity for 2018 declined by around 8% year-on-year) over the 30% decline between 2018 vs 2017) 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 the 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 to 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 to consumers.

The turnover of Power Segment is reduced from ₹19.56 Crores in FY 2017-2018 to ₹10.55 Crores in FY 2018-19 due to following reasons:

- a. Lower generation in thermal
- b. Increase intake from Madhya Pradesh Electricity Board (MPEB) and reduced captive power from thermal for availing ₹2/kwh rebate.

4. Change In Share Capital

During the Financial Year 2018-19, the paid up share capital of the Company was reduced from ₹39,95,91,420 to ₹38,59,55,060 owing to Buyback of 13,63,636 Equity Shares of ₹10 each under the tender offer route in terms of SEBI (Buyback) Regulations, 2018.

5. 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.

6. Change In The Nature Of Business

There is no change in the nature of business during the financial year 2018-19.

7. Subsidiary, 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 ₹50.91 Crores and Net Profit was ₹4.59 Crores in the financial year 2018-19. Bhilwara Energy Ltd. had a consolidated turnover of ₹366.12 Crores and Net Loss was ₹88.13 Crores as per their financial statements (audited & consolidated) for the financial year 2018-19. The Company has no Subsidiaries and Joint Ventures.

The Board of Directors of the Company on 2nd April, 2019

had decided to purchase additional 3,23,51,004 shares in Bhilwara Energy Ltd., an Associate Company for an aggregate consideration of ₹162.05 Crores based on the valuation report of M/s Walker Chandio & Co. LLP at a price of ₹50.09 per share.

Post the acquisition of shares, the holding of the Company in Bhilwara Energy Ltd, an Associate Company would increase from 29.48% to 49%.

No Company has become/ceased to be an Associate or Joint Venture during the financial year 2018-19.

Performance of Associate Companies and their contribution to overall performance of the Company has been mentioned in the Notes to Accounts to the consolidated financial statements.

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 statements and hence not repeated here for the sake of brevity.

8. Consolidated Financial Statements

The Consolidated Financial Statements have been prepared by the Company in accordance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

9. Dividend

Your Directors are pleased to recommend a final dividend at the rate of ₹50 per equity share on 3,85,95,506 equity shares of ₹10 each for the financial year ended 31st March, 2019 in addition to the interim dividend at the rate of ₹30 per equity share on 3,99,59,142, equity shares of ₹10 each, already paid.

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.

10. 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 2018-19 does not contain any qualifications, reservations or adverse remarks.

11. Management Discussion And Analysis

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

12. 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.

13. 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 top management. The Company has a well-defined organisational structure, authority levels and internal rules and guidelines for conducting business transactions.

Further, the Internal Financial Control framework 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 operations was observed.

14. 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.

15. Public Deposits

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

16. 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 2018-19 which would impact the going concern status of the Company and its future operations.

17. 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.

18. Directors And Key Managerial Personnel

i. DIRECTORS

Shri Ravi Jhunjhunwala (holding DIN 00060972) was re-appointed upon the recommendation of Nomination and Remuneration Committee as a Managing Director in the Board Meeting held on 12th February, 2019 subject to Shareholders approval for a period of 5 years i.e. 13th February, 2019 to 12th February, 2024. He will continue to act as Chairman and Chief Executive officer of the Company in accordance with the Articles of Association and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Riju Jhunjhunwala (holding DIN 00061060) and Shri Shekhar Agarwal (holding DIN 00066113) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment in the ensuing Annual General Meeting.

Smt. Vinita Singhania (DIN 00042983) has resigned as an Independent Director w.e.f 1st October, 2018 due to inter-locking provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Smt. Vinita Singhania (DIN 00042983) was appointed by the Board of Directors on 31st October, 2018 upon the recommendation of Nomination and Remuneration Committee as an Additional Non-Executive Director, liable to retire by rotation subject to approval of Shareholders.

Smt. Ramni Nirula was appointed upon the recommendation of Nomination and Remuneration Committee as an Additional Independent Women Director by Board of Directors on 31st October, 2018 for first term of 5 consecutive years subject to approval of Shareholders in the ensuing Annual General Meeting.

The first term of office of Dr. Kamal Gupta (DIN: 00038490), Dr. Om Parkash Bahl (DIN: 02643557) and Shri Dharmendar Nath Davar (DIN: 0002008), as Independent Directors, are expiring on 29th August, 2019. The Board has recommended the re-appointment of following Independent Directors upon the recommendation of Nomination and Remuneration Committee, for a second term, subject to approval of Shareholders at the ensuing Annual General Meeting:

Sl.No.	Name of Director	Tenure for second term
1	Shri Dharmendar Nath Davar (DIN: 0002008)	For a period of 2 years w.e.f. 30th August, 2019 to 29th August, 2021.
2	Dr. Om Parkash Bahl (DIN: 02643557)	For a period of 2 years w.e.f. 30th August, 2019 to 29th August, 2021.
3	Dr. Kamal Gupta (DIN: 00038490)	For a period of 5 years w.e.f. 30th August, 2019 to 29th August, 2024.

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.

In the opinion of Board, Independent Directors fulfil the conditions specified in Companies Act, 2013 read with schedules and rules thereto as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Independent Directors are independent of management.

The Board hereby recommends all the above appointment/re-appointment for approval of shareholders in the ensuing Annual General Meeting.

The brief profile, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2, of the Directors eligible for appointment/ re-appointment forms part of the Notice of Annual General Meeting and Corporate Governance Report.

ii. KEY MANAGERIAL PERSONNEL

Shri Raju Rustogi, Chief Financial Officer & Chief Operating Officer passed away on 26th January, 2019 due to heart disease.

Shri Manish Gulati, Chief Marketing Officer has been designated as Key Managerial Personnel w.e.f. 31st October, 2018 in terms of Section 2(51) of the Companies Act, 2013.

Shri Manish Gulati, Chief Marketing Officer who has been associated with the Company since 1993 has been re-designated as Chief Operating Officer & Chief Marketing Officer of the Company by Board on 12th February, 2019.

Shri Gulshan Kumar Sakhuja, who has been associated with the Company since 2009 is re-designated as Chief Financial Officer by Board on 12th February, 2019.

In accordance with the provisions of Section 2 (51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following are the Key Managerial Personnel of the Company-

- Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO
- Shri Manish Gulati, Chief Operating Officer & Chief Marketing Officer
- Shri Gulshan Kumar Sakhuja, Chief Financial Officer
- Shri Vivek Chaudhary, Company Secretary

19. 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 were adjudged satisfactory.

20. Nomination And Remuneration Policy

The Nomination & Remuneration Policy of the Company is in place and is attached as Annexure – III to this Report. The policy was amended in line with amendments in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approved by the Board of Directors in its meeting held on 31st October, 2018.

21. Meetings Of The Board

The Board of Directors met seven times in the financial year 2018-2019. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

22. 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, Internal Auditor and Chief Financial Officer.

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/2018/12/Related-Party-Transaction-31-10-2018.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.

23. 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 2018-19.

24. Auditors

M/s SCV & Co LLP having (Firm Registration No-000235N), Chartered Accountants, the Statutory Auditors of the Company will hold office until the conclusion of the 50th Annual General Meeting of the Company to be held in the year 2022.

Pursuant to the notification dated May, 7, 2018 issued by Ministry of Corporate Affairs, the requirement for ratification of appointment of Auditors by the shareholders at every Annual General Meeting has been done away with. Further, the Auditors have confirmed their eligibility under Section 141 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.

No fraud has been reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

25. 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.

26. Cost Auditors

The Cost Audit for financial year ended March 31, 2018 was conducted by M/s. N.D. Birla & Co. (M. No. 7907). The said Cost Audit Report was filed on 28th August, 2018.

No fraud has been reported by the Cost Auditors under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

Based on the recommendation of Audit Committee at its meeting held on 20th May, 2019, 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 2019- 2020 on a remuneration of ₹2,00,000/- plus applicable taxes 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 ensuing Annual General Meeting.

27. 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 2018-19. The Secretarial Audit Report is annexed herewith as Annexure V. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. No fraud has been reported by the Secretarial Auditors under Section 143 (12) of the Companies Act, 2013 and the rules made thereunder. The Board has re-appointed M/s. GSK & Associates, Company Secretaries in practice as Secretarial Auditor of the Company for the financial year 2019-20.

28. 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, Smt. Vinita Singhania and Shri Satish Chand Mehta.

Shri Satish Chand Mehta was co-opted as member of the CSR Committee on 12th February, 2019.

The CSR policy may be accessed on the Company's website at the link mentioned below:

<http://hegltd.com/wp-content/uploads/2018/12/csr-policy-on-31-10-2018.pdf>

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

29. Internal Auditors

Based on the recommendation of Audit Committee at its meeting held on 20th May, 2019, the Board has approved the re-appointment of M/s. S.L. Chhajer & Co, as the Internal Auditors of the Company for the financial year 2019-2020.

30. 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 2018-19 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 safeguarding 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.

31. Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named "Whistle Blower Policy" in place. The policy is posted on the website of the Company, the weblink of which is as under:

<http://hegltd.com/wp-content/uploads/2018/07/whistle-blower-policy-08.05.2018.pdf>

32. 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.

33. Buyback

The Company after obtaining Shareholders approval, had bought back 13,63,636 (Thirteen Lakh Sixty Three Thousand Six Hundred and Thirty Six) fully paid-up equity shares of face value of ₹10 (Rupees Ten Only) each, representing approximately 3.41% of the total number of equity shares in the paid-up equity share capital of the Company as at 30th September 2018, from the shareholders / beneficial owners of equity shares of the Company as on the record date i.e. 9th February, 2019 on a proportionate basis, through the "tender offer" under stock exchange mechanism route at a price of ₹5,500 (Rupees Five Thousand Five Hundred only) per equity share for an amount of ₹7,49,99,98,000/- (Rupees Seven Hundred Forty Nine Crore Ninety Nine Lakh Ninety Eight Thousand only) excluding expenses incurred in this connection thereto.

The break up of number of equity shares bought back and extinguished are as under:

A) Demat	13,63,019
B) Physical	617
Total	13,63,636

The extinguishment of shares have been completed on 29th April, 2019

The Buyback of 13,63,636 equity shares had been completed on 29th March, 2019 and post completion of same, the paid up capital was reduced from ₹39,95,91,420 (3,99,59,142 equity shares of ₹10 each) to ₹38,59,55,060 (3,85,95,506 equity shares of ₹10 each).

34. Insider Trading

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Regulations), your Company has adopted the following-

- Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders- The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.
- Code of Practices and Procedures of Fair Disclosures of Unpublished Price Sensitive Information- The Code ensures fair disclosure of events and occurrences that could impact price discovery in the market
- Policy for dealing with Unpublished Price Sensitive Information (UPSI) and Whistle Blower Policy for employees to report any leak or suspected leak of UPSI- The policy aims to enable the employees of the Company to report any leak or suspected leak of UPSI, procedures for inquiry in case of leak of UPSI or suspected leak of UPSI and initiate appropriate action and informing the SEBI promptly of such leaks, inquiries and results of such inquiries.
- Internal Control Mechanism to prevent Insider Trading- The Internal Control Mechanism is adopted to ensure compliances with the requirements given in the regulations and to prevent Insider Trading.

35. Extract of Annual Return

The extract of Annual Return in form MGT-9 as required

under Section 92 (3) and Rule 12 of the Companies (Management & Administration) Rules, 2014 is appended as Annexure VII to this report.

The same is available on the website of the Company at www.hegltd.com

36. General Disclosure

- The Company has maintained Cost Records in accordance with Section 148(1) of the Companies Act, 2013.
- 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. The Company has complied with the provisions of abovesaid act. The Company has undertaken five workshops or awareness programmes against sexual harassment of women at the workplace. No complaint of Sexual Harassment was received during the financial year 2018-19.
- The Company is in compliance of all applicable secretarial standards issued by The Institute of Company Secretaries of India from time to time.

37. 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

Ravi Jhunjunwala
Chairman,
Managing Director & CEO
DIN 00060972

Place: Noida (U.P.)
Dated: 20th May, 2019

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

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director / KMP for financial year 2018-19 (₹ in Lakhs)	% increase in Remuneration in the financial year 2018-19	Ratio of Remuneration of each Director/ to median Remuneration of employees
1	Ravi Jhunjunwala (Chairman, Managing Director & CEO)	12,127.48*	180**	4045:1
2	Raju Rustogi (Chief Financial Officer & Chief Operating Officer)***	161.14	N.A.	N.A.
3	Manish Gulati (Chief Operating Officer & Chief Marketing Officer)#	119.72	46.52	N.A.
4	Gulshan Kumar Sakhuja (Chief Financial Officer)##	44.90	28.08	N.A.
5	Vivek Chaudhary (Company Secretary)	30.76	N.A.###	N.A.

*Includes commission of ₹11,881.00 Lakhs.

** Including Commission at the rate of 2.5% of the Net Profits as computed in accordance with Section 198 of the Companies Act, 2013.

*** Demised on 26th January, 2019.

Re-designated w.e.f. 12th February, 2019

Re-designated w.e.f. 12th February, 2019

Appointed w.e.f. 30th May, 2017.

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

(₹ In Lakhs)

Sl. No.	Name of Director	Remuneration of non- executive & Independent Director for financial year 2018-19	% increase in remuneration* in the Financial year 2018-19
1	Riju Jhunjunwala (Non-Executive Director)	31.65	566
2	Shekhar Agarwal (Non-Executive Director)	34.00	623
3	Dharmendar Nath Davar (Non-Executive & Independent Director)	43.40	268
4	Kamal Gupta (Non-Executive & Independent Director)	44.40	247
5	Satyendra Nath Bhattacharya (Non-Executive Director)	28.00 **	833
6	Om Parkash Bahl (Non-Executive & Independent Director)	40.20	328
7	Vinita Singhania (Non-Executive Director)	28.75	858
8	Satish Chand Mehta (Non-Executive & Independent Director)	32.50	622
9	Ramni Nirula (Non-Executive & Independent Director) ***	3.00	N.A.

*The Non-Executive Directors are paid sitting fee for attending meetings of the Board of Directors, Independent Directors and various Committees of Directors, hence the ratio of remuneration of such Directors to median remuneration of employees has not been given.

Shareholders in their 46th Annual General Meeting held on 23rd July, 2018 have approved 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 of the Companies Act, 2013 and distributed

amongst Non-Executive Directors (including Independent Directors) of the Company or some or any of them such amount 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 years starting from the financial year 2017-18, in addition to the sitting fee for attending the meeting of the Board of Directors / Committees thereof.

** Including commission i.e ₹25 lakhs in respect of Shri Satyendra Nath Bhattacharya representative of Life Insurance Corporation of India (LIC) was paid to LIC in accordance with the terms and conditions of appointment.

*** Appointed on 31st October, 2018 (only sitting fee paid is considered).

(c) The median remuneration of the employees of the Company for the financial year is ₹2,99,832 per annum.

(d) Percentage increase in the median remuneration of employees in the financial year was 10%.

(e) Number of permanent employees on payroll of the Company were 900 nos. as on 31st March, 2019.

(f) The average increase of employee's salary for the FY 2018-19 (other than Shri Ravi Jhunjhunwala, Chairman, and Managing Director & CEO of the Company) was at the rate of 9% per annum. The remuneration paid to Shri Ravi Jhunjhunwala in the financial year 2018-19 was worked out as the approved terms and conditions.

(g) 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

Sl. No.	Name of Employee	Designation	Remuneration (₹ in Lakhs)	Qualification	Experience	Age	Date of Commencement of Employment	Last Employment held, Organisation, Designation & Duration
1	Ravi Jhunjhunwala	Chairman, Managing Director & CEO	12,127.48*	B.Com (Hons.), MBA	39	63	08.09.1979	-
2	Raju Rustogi	Chief Financial Officer & Chief Operating Officer	161.14**	FCA	27	51	16.04.2013	SRF Limited, Sr. Vice President, 6.5 Yrs.
3	Manish Gulati	Chief Operating Officer & Chief Marketing Officer***	119.72	MBA (Marketing), BE (Electronics)	26	50	10.05.1993	J.N.Marshall Ltd., Pune, Senior Executive, 0.5 Yr.
4	Ranadeep Chakraborty	Vice President-Project/Design/ESLI/R & D/ Specialty	86.16	BE (ELECTRICAL & ELECTRONICS)	27	49	23.08.2004	Hindalco Industries-Renukoot, DGM, 12.2 Yrs.
5	Mahesh Kumar Gupta	Associate Vice President-CPP	67.39	BE (Mech)	29	54	27.07.2009	Shriram Alkali & Chemicals, Bharuch, AGM, 0.7 Yr.
6	Sanjay Kumar Singh	Sr. General Manager-HR & Admin	60.08	MSW (Social Work), BA (Hons) (Economics)	30	53	10.07.2013	Raymond VCO Denim Pvt. Ltd, GM, 3.5 Yrs.
7	Atul Laxman Moghe	Sr. General Manager-Plant Maintenance	59.05	BE (Electronics)	26	49	17.05.1999	MP Iron & Steel Co. Pvt. Ltd., Malanpur, Engineer, 6.3 Yrs.

Sr. No.	Name of Employee	Designation	Remuneration (₹ in Lakhs)	Qualification	Experience	Age	Date of Commencement of Employment	Last Employment held, Organisation, Designation & Duration
8	Dr Mukul Kumar	Associate Vice President-R&D	55.82 up to 7 March-2019	P.HD (Physics), B.Sc (PCM), M.Sc (Physics)	29	54	24.12.2012	Mijo University Nogoyo, Japan, Scientist, 12 Yrs.
9	Sanjay Gupta	Deputy General Manager-ESLI	51.69	MBA (Finance), BE (Mech), Distance Learning (Post Graduate Diploma In Financial Management)	35	55	20.11.1996	Nagpur Alloy Castings Limited, Siltara, Raipur, Manager, 3.1 Yrs.
10	Virendra Shrivastava	Sr. General Manager-Manufacturing	48.70	B.Sc. (PCM), BE-Mechanical,	28	52	14.05.1991	Hindustan Enterprises, Teleganj, Allahabad, Production Engineer, 0.6 Yr.
11	Prashant Kumar Jha	Deputy General Manager - Commercial	48.50	ICWA, PGDBM	19	46	15.07.2011	M/s. Timex Group Ind. Limited, Noida, Manager, 2.9 Yrs.
12	Bipin Rechhariya	General Manager CES/QC	46.39	BE (MECH), DIPLOMA (MECHANICAL ENGINEERING)	36	57	24.04.1984	MS Divya Industrial Products, Govindpura, Incharge, 1.4 Yrs.

* Includes commission of ₹11,881.00 Lakhs.

** Demised on 26th January, 2019.

*** Re-designated w.e.f. 12th February, 2019.

b) Statement related to employee employed throughout the year and in receipt of remuneration aggregating ₹1.02 Crores or more during the FY 2018-19

Sl. No.	Name of Employee	Designation	Remuneration (₹ in Crores)	Qualification	Experience	Age	Date of Commencement of Employment	Last Employment held, Organisation, Designation & Duration
1	Ravi Jhunjhunwala	Chairman, Managing Director & CEO	121.27*	B.Com (Hons.), MBA	39	63	08.09.1979	-
2	Manish Gulati	Chief Operating Officer & Chief Marketing Officer**	1.20	MBA (Marketing) BE (Electronics)	26	50	10.05.1993	J.N. Marshal Limited, Pune Senior Executive, 0.5 Yr.

* Includes commission of ₹11,881.00 Lakhs.

** Re-designated w.e.f. 12th February, 2019.

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

Sl. No.	Name of Employee	Designation	Remuneration (₹ in Lakhs)	Qualification	Experience	Age	Date of Commence-ment of Employment	Last Employment held, Organisation, Designation & Duration
1	Raju Rustogi	Chief Financial Officer & Chief Operating Officer	161.14 up to 26 Jan-2019*	FCA	27	51	16.04.2013	SRF Limited, Sr. Vice President, 6.5 Yrs.

* Demised on 26th January, 2019.

Notes:

1. Shri Ravi Jhunjhunwala is a relative of Shri Riju Jhunjhunwala.
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.
4. No employee drew remuneration at a rate in excess of that drawn by the Chairman, Managing Director & CEO.

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.	For Hall 6 & 8 Flohe side PFE cooling Circuit previously 2 pumps of 75 KW were running. Now modification done in circuit and operating the system with one pump of 75 KW . Similarly one pump running of 75 KW for Shunt side PFE circuit in place of 2 nos after Circuit modification of cooling Circuit.		
2.	2 nos. pumps of 30 KW were operating for Flohe Trolley cooling circuit. Now, we have installed VFD and operating only one pump of 30 KW for Flohe Ckt.		
3.	NCI-1 – 25 nos. of LED Lights installed replacing HPSV Lamps. GEP Old Tower - 160 nos LED Lights installed replacing HPSV Lamp		
4.	In Inrema electrode chain rejection conveyer Power Pack Pump 4 KW was continuously operating. Modification done in logic so that it will run only when required.		
(b) the steps taken by the Company for utilising alternate sources of energy;		Solar Power Plant of Total capacity 3 MW installed .	
(c) the capital investment on energy conservation equipments;		-	
(B) TECHNOLOGY ABSORPTION			
(i)	the efforts made towards technology absorption	1. Trials of New Cokes like HRG which are a challenge to process 2. New Recipes developed in view of shortage of imported cokes 3. Microfines introduced in Nipple recipe (Trials underway) to improve mechanical properties 4. 800 x 400 mm square blocks successfully processed	
(ii)	the benefits derived like product improvement, cost reduction, product, development or import substitution:	1. 10% usage of Graphite Fines in recipe replacing CPC (for all Indian coke products) implemented successfully. 2. Die Optimisation underway (to save CPC) , Die Inserts introduced in smaller sizes (350 mm & below) 3. High tonnage nipple firings successfully tried in LWG 5 & 6 (from 20 mt to 30 & 50 mt) 4. Improved cooling systems introduced in LWG 6 to prevent care scrap 5. Lightweight covers introduced in RH1 to improve furnace conditions	
(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	₹187.16 Lakhs	
(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 Lakhs)		2018-19	2017-18
i)	Foreign Exchange Earned	4,76,326.66	1,86,157.67
ii)	Foreign Exchange Used	1,25,919.72	27,866.48

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 specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee and review its implementation and compliance.
- c) to recommend to the Board on Remuneration in whatever form 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;
 - (v) such other officer not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
 - (vi) such other officer as may be prescribed.
- d) **Senior management** shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors. This would also include all members of management one level below Chief Executive Officer/Managing Director/Whole Time Director/Manager (including CEO/Manager, in case they are not part of the Board) and shall specifically include Company Secretary & Chief Financial Officer.

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, in whatever form/fee payable to the Directors/ KMPs/Senior Management 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 & 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) Either two (2) members or one-third of the members of the Committee whichever is greater, with at least one independent director 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) The Chairman of Nomination and Remuneration Committee shall attend the General Meeting or in his absence any member of the Committee authorized by him in this behalf shall attend the General Meeting of the Company.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a year or 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 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 contract.
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 in whatever form/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 the net profit of the Company in accordance with the provisions of the Companies Act, 2013 and rules thereto.

3. KEY MANAGERIAL PERSONNEL /SENIOR MANAGEMENT PERSONNEL ETC.

The Remuneration to be paid to Key Managerial Personnel/ 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/ 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.A

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 shall evaluate/assess each of the Independent Directors on the aforesaid parameters which shall also include the following:

- (a) Performance of the Directors; and
- (b) Fulfillment of the independence criteria as specified in LODR Regulations, 2015, as amended from time to time and their independence from the management.

Only the Independent Director being evaluated shall not participate in the said evaluation discussion.

13B.

MANNER FOR EFFECTIVE EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS.

- a) The Performance Evaluation of Directors, the Board as a whole, its Committees be carried out on Annual Basis.
- b) The Performance Evaluation be carried out in the manner as enumerated in the Nomination and Remuneration Policy of the Company.
- c) Nomination and Remuneration Committee should carry out the performance evaluation of all Directors, Key Managerial Personnel and Senior Officers of the Company and report to the Board of Directors for further evaluation.

- d) The Board should carry out the Performance Evaluation of Independent Directors, Board as a whole and its Committees and individual Directors.
- e) Only the Director being evaluated will not participate in evaluation discussions.
- f) Review of implementation and monitoring of the above manner of Performance Evaluation be done as and when required.

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:

- i) 'Company' shall mean HEG Limited.
- ii) 'Board' shall mean Board of Directors of the Company
- iii) 'Members' shall mean shareholders of the Company who hold shares of the Company.
- iv) '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, 2019

[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, Distt. Raissen
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, 2019, 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, 2019 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, 2018;

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 & 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 upto 1960
- The Indian Electricity Act, 2003, amendment up to 2007 and The Indian Electricity Rule 1956, amended up to 2000
- 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

- 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
- Goods and Services Tax Act, 2017

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 atleast 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 in the meetings 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, as per Regulation 34 of SEBI LODR, Regulations, 2015, the Company falls under top 500 listed companies based on market capitalization at BSE Limited and National Stock Exchange Limited, and has presented its Business Responsibility Report.

We further report that, Ms. Vinita Singhania resigned from the Directorship of the Company on 1st October, 2018 due to the applicability of Regulation 16 of SEBI (LODR) Regulations, 2015 and was re-appointed as Non Executive Director on 31st October, 2018.

We further report that, the Board of Directors appointed Ms. Ramni Nirula as an Additional Director (Independent) of the Company on 31st October, 2018 subject to the approval of Shareholders.

We further report that, the Board of Directors designated Mr. Manish Gulati (Chief Marketing Officer) as Key Managerial Personnel of the Company on 31st October, 2018 and re-designated him as Chief Operating Officer and Chief Marketing Officer on 12th February, 2019.

We further report that due to sudden demise of Mr. Raju Rustogi, Mr. Gulshan Kumar Sakhuja was designated as Chief Financial Officer of the Company with effect from 12th February, 2019.

We further report that, Mr. Ravi Jhunjhunwala was re-appointed as Managing Director of the Company subject to the approval of Shareholders for a period of five years with effect from 13th February, 2019 to 12th February, 2024.

We further report that, the Company has passed special resolutions, through postal ballot on 27th January 2019,

approving Buyback of 13,63,636 Equity Shares at a price of ₹5500/- each through tender offer route and approval for making investments in giving loans and guarantees to and providing securities in connection with the loans to persons and body corporate for a limit of upto ₹3,500 Crores.

We further report that, after Buyback of shares, the Paid-up Share Capital stands at ₹38,59,55,060 consisting of 3,85,95,506 equity shares of ₹10/- each.

We further report that the Company had 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 ₹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 during the year under review.

**For GSK & Associates
(Company Secretaries)**

**Saket Sharma
Partner
(Membership No.: F4229)
(CP No.: 2565)**

Date: 20th May, 2019
Place: Noida

Annexure – VI to the Board's Report

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2018-2019

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. 28 on Corporate Social Responsibility in Board's Report.
2	Average Net Profit of the Company for last three financial years:	₹51,830.41 Lakhs
3	Prescribed CSR Expenditure (two percent of the amount as mentioned in item 2 above):	₹1,036.61 Lakhs
4	Details of CSR spent during the financial year 2018-19:	
	a. Total amount to be spent for the financial year 2018-19:	₹1,075.00 Lakhs
	b. Total amount spent during the financial year 2018-19:	₹827.92 Lakhs
	c. Amount unspent, if any:	₹208.69 Lakhs (Reason for not spending given in Part B)
	d. Manner in which the amount spent during the financial year:	As detailed below

Manner in which the amount spent during the financial year 2018-19

Sl. 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) project or programs wise - (₹ in Lakhs)	Amount spent on the projects or programs. (₹ in Lakhs) Subheads: 1. Direct expenditure on projects or programs. 2. Overheads:	Cumulative expenditure upto the reporting period (₹ In Lakhs)	Amount spent directly or through implementing agency
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. Educational help to handicap students 5. Promotion of sports	Promotion of Education	Mandideep-Distt. Raisen (M.P.) / Tawa Nagar, Distt - Hoshangabad (M.P.) / Bhopal (M.P.) / Azamgarh (U.P.)	465.00	771.19	1,042.20	Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas/ directly by the Company
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-Distt. Raisen (M.P.) / Tawa Nagar, Distt - Hoshangabad (M.P.) / New Delhi / NCR.	580.00	52.33	214.58	Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas/ directly by the Company

Sl. 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) project or programs wise - (₹ in Lakhs)	Amount spent on the projects or programs. (₹ in Lakhs) Subheads: 1. Direct expenditure on projects or programs. 2. Overheads:	Cumulative expenditure upto the reporting period (₹ In Lakhs)	Amount spent directly or through implementing agency
	2(a) Healthcare	Promoting health care including preventive health care	(Medicines to Seva Bharti) Charities Aid Foundation India Mandideep-Distt. Raissen (M.P)		5.00	38.12	Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas *
	2(b) Feeding Hunger	Eradicating hunger, poverty and malnutrition	(Delhi Langar Seva Society) Delhi NCR		8.00	30.10	Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas
	2(c) Rural Development / Vocational Skill	Employment enhancing vocational skills	Tawa Nagar (M.P.)/Arpana Research & charities trust, Karnal (Haryana)		5.00	5.00	Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas
	2 (d) Plantation & Environment Development	Clean India Mission	(Clean India Mission) Mandideep-Distt. Raissen (M.P) / Tawa Nagar , Distt - Hoshangabad (M.P.)		15.56	36.59	Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas
	2 (e) Animal Welfare	Animal Welfare	(People for Animal Trust), Delhi NCR		-	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		8.41	40.41	Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas
	2 (g) Protection / Promotion and Development of Art & Culture	Promoting art and culture / language	(Art for Art, Delhi Natyasampada Pratishthan, Mumbai, Rekhta Foundation, Delhi NCR		10.36	12.36	Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas
	2(h)Measures for the benefit of armed forces veterans,war widows and their dependents	Community Welfare	Bharat Ke Veer, Delhi		-	50.00	Through Implementing Agency - LNJ Bhilwara HEG Lok Nyas
	Overheads			30.00	4.40	24.68	
	TOTAL			1,075.00	827.92	1,281.46	

Note: Amount to be spent as per CSR requirement for the Financial Year 2018-19 is ₹1,036.61 Lakhs

*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, anywhere in India but more specifically in MP, Bhopal and District of Raissen.

PART-B

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

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. This dedicated commitment towards inclusive growth is manifested through the Company's CSR initiatives undertaken around the manufacturing facilities as well as across many places in India. During the financial year 2018-19, as part of its initiative under Corporate Social Responsibility (CSR), the CSR Committee has identified the projects in the area of promotion of education, eradicating hunger & poverty, initiatives towards community development & rural development etc., and accordingly spent ₹8.28 Crores out of ₹10.36 Crores. Please refer to page no. 62-63 of Annual Report, where we have provided the details of activities on which amount of CSR amount has been spent during FY 2018-19.

Besides, the CSR Committee has also identified following projects as a part of its Corporate Social Responsibility:

- a) Project "THE AWAKENED CITIZEN PROGRAM (ACP)" of Ramakrishna Mission, New Delhi. Under this program the workshops/seminars would be conducted for the benefit of teachers and students of Schools. The amount of ₹10 Crores had already been earmarked for the same. Out of ₹10 Crores, an amount of ₹5.00 Crores had been included in the amount spent during financial year 2018-19 and balance ₹5 Crore, will be spent during the financial year 2019-20.
- b) Project in the field of water conservation and horticulture with a view to increase the poor farmers income and an amount of ₹1 Crore had already earmarked for financial year 2019-20.
- c) Mid-day meal programme through setting up of a centralized kitchen with a capacity of 25K meals a day to feed the school children of Government Schools at Bhopal. For the said project, the Company has received an expression interest from The Akshaya Partra Foundation, Bangalore in March, 2019 for submission of tender on behalf of HEG Limited to Government of Madhya Pradesh. However, the same is postponed due to election Code of Conduct kicking in and the process is expected to be completed in the financial year 2019-20.
- d) Participation through collaboration with Dalmia Bharat Limited (DBL) for the Heritage Project, floated by the Ministry of Tourism in association with the Ministry of Culture and the Archaeological Survey of India. The contribution of HEG will be ₹25 crores over a period of five years i.e ₹5 Crores each year.

Moreover, the Company is also considering various proposals for undertaking long term infrastructure development for its ongoing CSR initiatives. The above initiatives, when implemented, will go a long way in fulfilling the obligations of the Company towards its Corporate Social Responsibilities.

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 Jhunjunwala

Chairman, Managing Director & CEO

Chairman, CSR Committee

DIN: 00060972

20th May, 2019

Annexure – VII to the Board's Report

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[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 Limited, F-65, First Floor, Okhla Industrial Area, Phase -I, New Delhi - 110020 Phone: 011 -41406149, Fax: 011-41709881, E- mail: mcssta@rediffmail.com, helpdeskdelhi@mcsregistrars.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	99.89%

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	Bhilwara Energy Limited Bhilwara Bhawan 40-41, Community Centre, New Friends Colony, New Delhi - 110065.	U31101DL2006PLC148862	Associate	29.49%	2(6)
2	Bhilwara Infotechnology Limited 40-41, Community Centre, New Friends Colony, New Delhi - 110065.	U74899DL2000PLC104401	Associate	38.59%	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2018)				No. of shares held at the end of the year (as on 31.03.2019)				
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	% change during the year
A. Promoters									
(1) Indian									
a. Individual/HUF	12,99,188	0	12,99,188	3.25	12,27,163	0	12,27,163	3.18	-0.19
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.	1,12,72,684	0	1,12,72,684	28.21	1,06,47,700	0	1,06,47,700	27.59	-1.62
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)	1,25,71,872	0	1,25,71,872	31.46	1,18,74,863	0	1,18,74,863	30.77	-1.81
(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	1,17,60,959	0	1,17,60,959	30.47	-0.15
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	1,17,60,959	0	1,17,60,959	30.47	-0.15
Total shareholding of Promoter (A)=A(1)+(A)(2)	2,43,89,979	0	2,43,89,979	61.04	2,36,35,822	0	2,36,35,822	61.24	-1.95

Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2018)				No. of shares held at the end of the year (as on 31.03.2019)				
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	% change during the year
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds	8,77,957	2,950	8,80,907	2.20	55,921	2,950	58,871	0.15	-2.13
b. Banks/FI	2,488	222	2,710	0.01	5,744	222	5,966	0.01	0.01
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	38,22,082	0	38,22,082	9.56	36,19,075	0	36,19,075	9.38	-0.53
g. FIs	15,86,406	0	15,86,406	3.97	22,19,074	0	22,19,074	5.75	1.64
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)	62,88,933	3,172	62,92,105	15.75	58,99,814	3,172	59,02,986	15.29	-1.01
(2) Non-institutions									

Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2018)				No. of shares held at the end of the year (as on 31.03.2019)				
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	% change during the year
a. Bodies Corp. Indian	35,93,952	7,146	36,01,098	9.01	24,24,596	6,265	24,30,861	6.30	-3.03
b. Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 Lakh	36,89,550	7,15,888	44,05,438	11.02	53,63,642	5,33,617	58,97,259	15.28	3.87
ii) Individual shareholders holding nominal share capital in excess of ₹1 Lakh	9,50,020	0	9,50,020	2.38	3,15,740	0	3,15,740	0.82	-1.64
c. Others (specify)									
NBFC Registered with RBI	13,385	0	13,385	0.03	18,897	0	18,897	0.05	0.01
Cooperative Societies	0	0	0	0	130	0	130	0.00	0.00
NRI	1,35,104	1,561	1,36,665	0.34	1,98,276	1,235	1,99,511	0.52	0.16
Trusts	290	200	490	0.00	443	200	643	0.00	0.00
IEPF	1,69,962	0	1,69,962	0.43	1,93,657	0	1,93,657	0.50	0.06
Sub-total (B)(2)	85,52,263	7,24,795	92,77,058	23.22	85,15,381	5,41,317	90,56,698	23.47	-0.57
Total Public Shareholding (B) = (B)(1) + (B)(2)	1,48,41,196	7,27,967	1,55,69,163	38.96	1,44,15,195	5,44,489	1,49,59,684	38.76	-1.58
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3,92,31,175	7,27,967	3,99,59,142	100	3,80,51,017	5,44,489	3,85,95,506	100	-3.53

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	13.90	0	0
2	Microlight Investments Ltd.	46,65,579	11.68	0	46,65,579	12.09	0	0
3	Bharat Investments Growth Ltd.	26,09,598	6.53	0	24,64,913	6.39	0	-0.37
4	Purvi Vanijya Niyojan Ltd.	17,45,350	4.37	0	16,48,583	4.27	0	-0.25
5	Raghav Commercial Ltd.	15,33,166	3.84	0	14,48,163	3.75	0	-0.22
6	Mekima Corporation	17,89,537	4.48	0	17,32,389	4.49	0	-0.15
7	RSWM Ltd.	9,78,000	2.45	0	9,23,777	2.39	0	-0.14
8	LNJ Financial Services Ltd.	14,27,465	3.57	0	13,48,323	3.49	0	-0.21

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	
9	Shashi Commercial Company Ltd.	7,15,187	1.79	0	6,75,536	1.75	0	-0.10
10	Giltedged Industrial Securities Ltd.	5,04,668	1.26	0	4,76,689	1.24	0	-0.07
11	Riju Jhunjunwala	2,33,290	0.58	0	2,20,356	0.57	0	-0.03
12	Rita Jhunjunwala	2,24,312	0.56	0	2,11,876	0.55	0	-0.03
13	India Texfab Marketing Ltd.	2,18,851	0.55	0	2,06,718	0.54	0	-0.03
14	Ravi Jhunjunwala –HUF	2,14,710	0.54	0	2,02,806	0.53	0	-0.03
15	Rishabh Jhunjunwala	1,86,126	0.47	0	1,75,807	0.46	0	-0.03
16	Lakshmi Niwas Jhunjunwala	1,79,740	0.45	0	1,69,775	0.44	0	-0.03
17	Ravi Jhunjunwala	1,36,060	0.34	0	1,28,517	0.33	0	-0.02
18	Mani Devi Jhunjunwala	1,03,350	0.26	0	97,621	0.25	0	-0.01
19	Nivedan Vanijya Niyojan Ltd.	70,597	0.18	0	66,684	0.17	0	-0.01
20	Investors India Ltd.	38,382	0.10	0	36,254	0.09	0	-0.01
21	Sandhu Auto Deposits Ltd.	5,67,226	1.42	0	5,35,779	1.39	0	-0.08
22	M.L. Finlease Pvt Ltd.	3,66,797	0.92	0	3,46,461	0.90	0	-0.05
23	Deepak Pens & Plastic Pvt Ltd.	4,97,397	1.24	0	4,69,820	1.22	0	-0.07
24	Nivedan Churiwal	11,250	0.03	0	10,627	0.03	0	-0.00
25	Shubha Churiwal	7,850	0.02	0	7,416	0.02	0	-0.00
26	Sudha Churiwal	2,500	0.01	0	2,362	0.01	0	-0.00
	Total	2,43,89,979	61.04	0	2,36,35,822	61.24	0	-1.95

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	2,43,89,979	61.04	2,43,89,979	61.04
2	At the end of the year	2,36,35,822	61.24	2,36,35,822	61.24

There are following changes in Promoters' shareholding during the Financial year 2018-19:

Sl. No.	Name	Shareholding		Date	Increase / Decrease In shareholding	Reason	Cumulative shareholding during the Year (01-04-18 to 31-03-19)	
		No. of shares at beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Bharat Investments Growth Ltd.	26,09,598	6.53					
				29.03.2019	-1,44,685	Buyback	24,64,913	6.39
		24,64,913	6.39	31.03.2019			24,64,913	6.39
2	Purvi Vanijya Niyojan Ltd.	17,45,350	4.37					
				29.03.2019	96,767	Buyback	16,48,583	4.27
		16,48,583	4.27	31.03.2019			16,48,583	4.27
3	Raghav Commercial Ltd.	15,33,166	3.84					
				29.03.2019	85,003	Buyback	14,48,163	3.75
		14,48,163	3.75	31.03.2019			14,48,163	3.75
4	Mekima Corporation	17,89,537	4.48					
				29.03.2019	57,148	Buyback	17,32,389	4.49
		17,32,389	4.49	31.03.2019			17,32,389	4.49
5	RSWM Ltd.	9,78,000	2.45					
				29.03.2019	54,223	Buyback	9,23,777	2.39
		9,23,777	2.39	31.03.2019			9,23,777	2.39
6	LNJ Financial Services Ltd.	14,27,465	3.57					
				29.03.2019	79,142	Buyback	13,48,323	3.49
		13,48,323	3.49	31.03.2019			13,48,323	3.49
7	Shashi Commercial Company Ltd.	7,15,187	1.79					
				29.03.2019	39,651	Buyback	6,75,536	1.75
		6,75,536	1.75	31.03.2019			6,75,536	1.75
8	Giltedged Industrial Securities Ltd.	5,04,668	1.26					
				29.03.2019	27,979	Buyback	4,76,689	1.24
		4,76,689	1.24	31.03.2019			4,76,689	1.24
9	Riju Jhunjunwala	2,33,290	0.58					
				29.03.2019	12,934	Buyback	2,20,356	0.57
		2,20,356	0.57	31.03.2019			2,20,356	0.57

Sl. No.	Name	Shareholding		Date	Increase / Decrease In shareholding	Reason	Cumulative shareholding during the Year (01-04-18 to 31-03-19)	
		No. of shares at beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of shares	% of total shares of the Company
10	Rita Jhunjhunwala	2,24,312	0.56					
				29.03.2019	12,436	Buyback	2,11,876	0.55
		2,11,876	0.55	31.03.2019			2,11,876	0.55
11	India Texfab Marketing Ltd.	2,18,851	0.55					
				29.03.2019	12,133	Buyback	2,06,718	0.54
		2,06,718	0.54	31.03.2019			2,06,718	0.54
12	Ravi Jhunjhunwala -HUF	2,14,710	0.54					
				29.03.2019	11,904	Buyback	2,02,806	0.53
		2,02,806	0.53	31.03.2019			2,02,806	0.53
13	Rishabh Jhunjhunwala	1,86,126	0.47					
				29.03.2019	10,319	Buyback	1,75,807	0.46
		1,75,807	0.46	31.03.2019			1,75,807	0.46
14	Lakshmi Niwas Jhunjhunwala	1,79,740	0.45					
				29.03.2019	9,965	Buyback	1,69,775	0.44
		1,69,775	0.44	31.03.2019			1,69,775	0.44
15	Ravi Jhunjhunwala	1,36,060	0.34					
				29.03.2019	7,543	Buyback	1,28,517	0.33
		1,28,517	0.33	31.03.2019			1,28,517	0.33
16	Mani Devi Jhunjhunwala	1,03,350	0.26					
				29.03.2019	5,729	Buyback	97,621	0.25
		97,621	0.25	31.03.2019			97,621	0.25
17	Nivedan Vanijya Niyojan Ltd.	70,597	0.18					
				29.03.2019	3,913	Buyback	66,684	0.17
		66,684	0.17	31.03.2019			66,684	0.17
18	Investors India Ltd.	38,382	0.10					
				29.03.2019	2,128	Buyback	36,254	0.09
		36,254	0.09	31.03.2019			36,254	0.09

Sl. No.	Name	Shareholding		Date	Increase / Decrease In shareholding	Reason	Cumulative shareholding during the Year (01-04-18 to 31-03-19)	
		No. of shares at beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of shares	% of total shares of the Company
19	Sandhu Auto Deposits Ltd.	5,67,226	1.42					
				29.03.2019	31,447	Buyback	5,35,779	1.39
		5,35,779	1.39	31.03.2019			5,35,779	1.39
20	M.L. Finlease Pvt. Ltd.	3,66,797	0.92					
				29.03.2019	20,336	Buyback	3,46,461	0.90
		3,46,461	0.90	31.03.2019			3,46,461	0.90
21	Deepak Pens & Plastic Pvt. Ltd.	4,97,397	1.24					
				29.03.2019	27,577	Buyback	4,69,820	1.22
		4,69,820	1.22	31.03.2019			4,69,820	1.22
22	Nivedan Churiwal	11,250	0.03					
				29.03.2019	623	Buyback	10,627	0.03
		10,627	0.03	31.03.2019			10,627	0.03
23	Shubha Churiwal	7,850	0.02					
				29.03.2019	434	Buyback	7,416	0.02
		7,416	0.02	31.03.2019			7,416	0.02
24	Sudha Churiwal	2,500	0.01					
				29.03.2019	138	Buyback	2,362	0.01
		2,362	0.01	31.03.2019			2,362	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 (01-04-18 to 31-03-19)	
		No. of shares at the Beginning (01-04-18) /end of the Year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company
1	Life Insurance Corporation of India	33,33,963	8.34	01-04-2018				
				29-03-2019	-1,01,917	Buyback	32,32,046	8.37
		32,32,046	8.37	31-03-2019				
2	The New India Assurance Company Limited	4,86,969	1.22	01-04-2018				
				18-05-2018	-27,296	Sale	4,59,673	1.15
				25-05-2018	-22,704	Sale	4,36,969	1.09
				15-06-2018	-21,038	Sale	4,15,931	1.04
				22-06-2018	-4,529	Sale	4,11,402	1.03
				17-08-2018	-1,516	Sale	4,09,886	1.03
				24-08-2018	-1,000	Sale	4,08,886	1.02
				31-08-2018	-6,627	Sale	4,02,259	1.01
				07-09-2018	-2,857	Sale	3,99,402	1.00
				29-03-2019	-12523	Buyback	3,86,879	1.00
		3,86,879	1.00	31-03-2019				
3	Pacific Management Pvt. Ltd.	5,73,034	1.43	01-04-2018				
				30-11-2018	-15,000	Sale	5,58,034	1.40
				21-12-2018	-23,137	Sale	5,34,897	1.34
				28-12-2018	-15,000	Sale	5,19,897	1.30
				31-12-2018	-9,731	Sale	5,10,166	1.28
				04-01-2019	-25,000	Sale	4,85,166	1.21
				11-01-2019	-80,000	Sale	4,05,166	1.01
				01-02-2019	573	Buy	4,05,739	1.02
				08-02-2019	20,791	Buy	4,26,530	1.07
				15-02-2019	-34,716	Sale	3,91,814	0.98
				08-03-2019	-75,000	Sale	3,16,814	0.79
				15-03-2019	41,000	Buy	3,57,814	0.90
				29-03-2019	-21,884	Buyback	3,35,930	0.87
		3,35,930	0.87	31-03-2019				

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the Beginning (01-04-18) /end of the Year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company
4	Stichting Depository APG Emerging Markets Equity Pool	1,54,913	0.39	01-04-2018				
				06-04-2018	-22,716	Sale	1,32,197	0.33
				27-04-2018	-38,045	Sale	94,152	0.24
				18-05-2018	79,841	Buy	1,73,993	0.44
				25-05-2018	9,944	Buy	1,83,937	0.46
				15-06-2018	6,335	Buy	1,90,272	0.48
				20-07-2018	12,665	Buy	2,02,937	0.51
				27-07-2018	157	Buy	2,03,094	0.51
				03-08-2018	20,280	Buy	2,23,374	0.56
				10-08-2018	10,414	Buy	2,33,788	0.59
				17-08-2018	27,835	Buy	2,61,623	0.65
				24-08-2018	54,581	Buy	3,16,204	0.79
				31-08-2018	15,299	Buy	3,31,503	0.83
				07-09-2018	28,735	Buy	3,60,238	0.90
				14-09-2018	12,235	Buy	3,72,473	0.93
				21-09-2018	13,749	Buy	3,86,222	0.97
				29-09-2018	14,300	Buy	4,00,522	1.00
				05-10-2018	15,437	Buy	4,15,959	1.04
				19-10-2018	5,073	Buy	4,21,032	1.05
				26-10-2018	-2,695	Sale	4,18,337	1.05
				02-11-2018	8,044	Buy	4,26,381	1.07
				09-11-2018	-12,054	Sale	4,14,327	1.04
				16-11-2018	25,288	Buy	4,39,615	1.10
				23-11-2018	-10,971	Sale	4,28,644	1.07
				30-11-2018	12,577	Buy	4,41,221	1.10
				07-12-2018	-9,928	Sale	4,31,293	1.08
				14-12-2018	9,486	Buy	4,40,779	1.10
				25-01-2019	-9,290	Sale	4,31,489	1.08
				01-02-2019	-51,209	Sale	3,80,280	0.95
				08-02-2019	-82,914	Sale	2,97,366	0.74
				15-02-2019	9,284	Buy	3,06,650	0.77
				01-03-2019	-3,672	Sale	3,02,978	0.76
				08-03-2019	-1,199	Sale	3,01,779	0.76
				22-03-2019	-3,238	Sale	2,98,541	0.75
				29-03-2019	-16,486	Buyback	2,82,055	0.73
		2,82,055	0.73	31-03-2019				

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the Beginning (01-04-18) /end of the Year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company
5	Inter Globe Infralog Ltd.	2,64,495	0.66	01-04-2018				
				29-03-2019	-14,663	Buyback	2,49,832	0.65
		2,49,832	0.65	31-03-2019				
6	Vanguard Total International Stock Index Fund	2,12,941	0.53	01-04-2018				
				06-07-2018	9,888	Buy	2,22,829	0.56
				19-10-2018	9,544	Buy	2,32,373	0.58
				01-03-2019	17,315	Buy	2,49,688	0.62
				29-03-2019	-8,411	Buyback	2,41,277	0.63
		2,41,277	0.63	31-03-2019				
		2,43,474	0.61	01-04-2018				
7	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index-Fund			04-05-2018	-540	Sale	2,42,934	0.61
				11-05-2018	-513	Sale	2,42,421	0.61
				01-06-2018	-405	Sale	2,42,016	0.61
				22-06-2018	-1,107	Sale	2,40,909	0.60
				29-06-2018	-1,782	Sale	2,39,127	0.60
				06-07-2018	-729	Sale	2,38,398	0.60
				13-07-2018	-1,161	Sale	2,37,237	0.59
				01-02-2019	1,508	Buy	2,38,745	0.60
				08-02-2019	4,810	Buy	2,43,555	0.61
				29-03-2019	-8,816	Buyback	2,34,739	0.61
		2,34,739	0.61	31-03-2019				
		0	0.00	01-04-2018				
8	Government Pension Fund Global			11-01-2019	37,355	Buy	37,355	0.09
				18-01-2019	19,631	Buy	56,986	0.14
				25-01-2019	59,406	Buy	1,16,392	0.29
				15-02-2019	60,599	Buy	1,76,991	0.44
				22-02-2019	12,800	Buy	1,89,791	0.47
				01-03-2019	38,264	Buy	2,28,055	0.57
				08-03-2019	13,052	Buy	2,41,107	0.60
				29-03-2019	-6,453	Buyback	2,34,654	0.61
		2,34,654	0.61	31-03-2019				
		2,12,000	0.53	01-04-2018				
9	JDM Financial Services Ltd.			29-03-2019	-11,752	Buyback	2,00,248	0.52
		2,00,248	0.52	31-03-2019				

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the Beginning (01-04-18) /end of the Year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company
10	Chancellor Commodore Private Limited	1,50,000	0.38	01-04-2018				
				29-03-2019	-8,337	Buyback	1,41,663	0.37
		1,41,663	0.37	31-03-2019				
11	Kotyark Distributors Pvt. Ltd.	3,03,363	0.76	01-04-2018				
				01-06-2018	-20,500	Sale	2,82,863	0.71
				29-06-2018	11,250	Buy	2,94,113	0.74
				24-08-2018	-68,531	Sale	2,25,582	0.56
				31-08-2018	-81,695	Sale	1,43,887	0.36
				07-09-2018	-90,000	Sale	53,887	0.13
				29-09-2018	7,180	Buy	61,067	0.15
				12-10-2018	-40,000	Sale	21,067	0.05
				16-11-2018	13,166	Buy	34,233	0.09
				30-11-2018	-10,000	Sale	24,233	0.06
				21-12-2018	16,322	Buy	40,555	0.10
				29-03-2019	-2,248	Buyback	38,307	0.10
		38,307	0.10	31-03-2019				
12	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	4,57,700	1.15	01-04-2018				
				11-05-2018	25,000	Buy	4,82,700	1.21
				08-06-2018	10,000	Buy	4,92,700	1.23
				03-08-2018	-1,10,000	Sale	3,82,700	0.96
				10-08-2018	-73,266	Sale	3,09,434	0.77
				17-08-2018	-2,255	Sale	3,07,179	0.77
				31-08-2018	-7,918	Sale	2,99,261	0.75
				07-09-2018	-1,052	Sale	2,98,209	0.75
				05-10-2018	72,756	Buy	3,70,965	0.93
				12-10-2018	5,244	Buy	3,76,209	0.94
				19-10-2018	7,000	Buy	3,83,209	0.96
				21-11-2018	-1,17,749	Sale	2,65,460	0.66
				30-11-2018	-26,340	Sale	2,39,120	0.60
				21-12-2018	-22,112	Sale	2,17,008	0.54
				28-12-2018	-37,307	Sale	1,79,701	0.45
				04-01-2019	-4,973	Sale	1,74,728	0.44
				11-01-2019	-11,967	Sale	1,62,761	0.41
				18-01-2019	-44,023	Sale	1,18,738	0.30
				25-01-2019	-61,765	Sale	56,973	0.14
				01-02-2019	-1,289	Sale	55,684	0.14
				08-02-2019	-34,174	Sale	21,510	0.05
				15-02-2019	-21,510	Sale	0	0

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the Beginning (01-04-18) /end of the Year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company
		0	0.00	31-03-2019				
13	Morgan Stanley (France) S.A.	3,46,704	0.87	01-04-2018				
				06-04-2018	-82,909	Sale	2,63,795	0.66
				13-04-2018	-34,505	Sale	2,29,290	0.57
				27-04-2018	-39,555	Sale	1,89,735	0.47
				04-05-2018	-2,720	Sale	1,87,015	0.47
				11-05-2018	-2,905	Sale	1,84,110	0.46
				18-05-2018	1,90,294	Buy	3,74,404	0.94
				25-05-2018	59,262	Buy	4,33,666	1.09
				01-06-2018	5,696	Buy	4,39,362	1.10
				08-06-2018	17,072	Buy	4,56,434	1.14
				15-06-2018	13,453	Buy	4,69,887	1.18
				22-06-2018	-2,439	Sale	4,67,448	1.17
				29-06-2018	-6,387	Sale	4,61,061	1.15
				06-07-2018	-2,546	Sale	4,58,515	1.15
				13-07-2018	-14,618	Sale	4,43,897	1.11
				20-07-2018	-3,606	Sale	4,40,291	1.10
				27-07-2018	5,209	Buy	4,45,500	1.11
				03-08-2018	24,834	Buy	4,70,334	1.18
				10-08-2018	12,864	Buy	4,83,198	1.21
				17-08-2018	1,813	Buy	4,85,011	1.21
				24-08-2018	1,910	Buy	4,86,921	1.22
				31-08-2018	14,093	Buy	5,01,014	1.25
				07-09-2018	21,280	Buy	5,22,294	1.31
				14-09-2018	4,002	Buy	5,26,296	1.32
				21-09-2018	-2,754	Sale	5,23,542	1.31
				29-09-2018	-4,405	Sale	5,19,137	1.30
				05-10-2018	10,826	Buy	5,29,963	1.33
				12-10-2018	-12,204	Sale	5,17,759	1.30
				19-10-2018	-49,613	Sale	4,68,146	1.17
				26-10-2018	-61,248	Sale	4,06,898	1.02
				02-11-2018	-27,203	Sale	3,79,695	0.95
				09-11-2018	-31,522	Sale	3,48,173	0.87
				23-11-2018	-17,178	Sale	3,30,995	0.83
				30-11-2018	-20,993	Sale	3,10,002	0.78
				07-12-2018	-32,336	Sale	2,77,666	0.69
				14-12-2018	-10,295	Sale	2,67,371	0.67
				21-12-2018	1,063	Buy	2,68,434	0.67

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the Beginning (01-04-18) / end of the Year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company
				28-12-2018	-4,372	Sale	2,64,062	0.66
				31-12-2018	-1,011	Sale	2,63,051	0.66
				04-01-2019	-4,204	Sale	2,58,847	0.65
				11-01-2019	-211	Sale	2,58,636	0.65
				18-01-2019	-19	Sale	2,58,617	0.65
				25-01-2019	-41,414	Sale	2,17,203	0.54
				01-02-2019	-1,11,363	Sale	1,05,840	0.26
				08-02-2019	-29,484	Sale	76,356	0.19
				15-02-2019	-18,598	Sale	57,758	0.14
				22-02-2019	-57,758	Sale	0	0
		0	0.00	31-03-2019				

v) Shareholding of Directors and key Managerial Personnel:

Sl. No.	Name of Director/ KMPs	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during the Year (01-04-18 to 31-03-19)	
		No. of shares at beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				Shares	% of total shares of the Company
1	Shri Ravi Jhunjunwala Chairman, Managing Director & CEO	3,50,770	0.88	01.04.2018			3,50,770	0.88
				29.03.2019	19,447	Buyback	3,31,323	0.86
		3,31,323*	0.86	31.03.2019			3,31,323	0.86
2	Shri Dharmendar Nath Davar, Independent Director	1,500	0.00	01.04.2018	0	Nil movement during the year	1,500	0.00
		1,500	0.00	31.03.2019			1,500	0.00
3	Dr. Kamal Gupta, Independent Director	200	0.00	01.04.2018			200	0.00
				29.03.2019	11	Buyback	189	0.00
		189	0.00	31.03.2019			189	0.00
4	Shri Riju Jhunjunwala Non Executive Director	2,33,290	0.58	01.04.2017			2,33,290	0.58
				29.03.2019	12,934	Buyback	2,20,356	0.57
		2,20,356	0.57	31.03.2018			2,20,356	0.57

* Includes 2,02,806 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	297.45	0.00	0.00	297.45
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1.42	0.00	0.00	1.42
Total (i+ii+iii)	298.87	0.00	0.00	298.87
Change in Indebtedness during the financial year				
Addition	244.49	123.00	0.00	367.49
Reduction	0.00	0.00	0.00	0.00
Net change	244.49	123.00	0.00	367.49
Indebtedness at the end of the financial year				
i) Principal amount	543.36	123.00	0.00	666.36
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	543.36	123.00	0.00	666.36

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lakhs)

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	192.00
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	54.48
	(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 2.5%	11,881.00
	- others, specify	-
	Others, please specify	-
	Total (A)	12,127.48
	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 per approved terms and conditions.

B. Remuneration to other Directors:

1. Independent Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total amount
		Shri Dharmendar Nath Davar	Dr. Kamal Gupta	Dr. Om Parkash Bahl	Smt. Ramni Nirula	Shri Satish Chand Mehta	
1	Fee for attending board / committee meetings	18.40	19.40	15.20	3.00	7.50	63.50
2	Commission	25.00	25.00	25.00	-	25.00	100.00
3	Others	-	-	-	-	-	-
	Total (1)	43.40	44.40	40.20	3.00	32.50	163.50

2. Other Non-Executive Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total amount
		Shri Shekhar Agarwal	Shri Riju Jhunjhunwala	Smt. Vinita Singhania	Shri Satyendra Nath Bhattacharya	
1	Fee for attending board/committee meetings	9.00	6.65	3.75	3.00	22.40
2	Commission	25.00	25.00	25.00	25.00	100.00
3	Others	-	-	-	-	-
	Total (2)	34.00	31.65	28.75	28.00	122.40
	Total (B) = (1 + 2)					285.90
	Total Managerial Remuneration & overall Ceiling as per the Act					

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Shri Raju Rustogi,* Chief Financial Officer & Chief Operating Officer	Shri Manish Gulati,**Chief Operating Officer & Chief Marketing Officer	Shri Gulshan Kumar Sakhuja***, Chief Financial Officer	Shri Vivek Chaudhay, Company Secretary	
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	101.50	89.37	41.75	28.69	261.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.88	0.54	0.10	-	5.52
	(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 (one time incentive)	25.00	25.00	-	-	50.00
5	Others, please specify incl. PF & SA	29.76	4.81	3.05	2.07	39.69
	Total	161.14	119.72	44.90	30.76	356.52

*Demised on 26th January, 2019

**Re-designated on 12th February, 2019

***Re-designated on 12th February, 2019

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:

There were no penalties, punishments or compounding of offences during the financial year ended 31st March, 2019.

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 a part of the 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 Second Business Responsibility Report of HEG Limited 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.hegltd.com
- 5) E-mail id : heg.investor@lnjbhilwara.com
- 6) Financial Year reported : 2018-19
- 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, Europe, Korea, Saudi Arabia, Turkey, Egypt, UAE, South Africa.

Section B: Financial Details Of The Company

- 1) Paid up Capital (INR) : 38.60 Crores

- 2) Total Turnover (INR) : 6592.83 Crores
- 3) Total Profit after Taxes (INR) : 3050.43 Crores
- 4) Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) - Please refer to Annexure VI of the Board's 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.
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 Jhunjunwala
 - iii) Designation : Chairman, Managing Director & CEO
- b) Details of the BR head :

No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Manish Gulati*
3.	Designation	Chief Operating Officer & Chief Marketing Officer
4.	Telephone number	07480-405500, 233524 to 233527
5.	e-mail id	Manish.gulati@lnjbhilwara.com

* Late Shri Raju Rustogi, Chief Financial Officer and Chief Operating Officer was BR head upto 26th Janury 2019.

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

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

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
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. (UPSI). 4. Policy on Related Party Transaction 5. Policy on Disclosure on Material Events and Information 6. Policy for dealing with any leak in UPSI and Whistle Blower Policy for Employee to report any leak or suspected leak of UPSI.		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 the 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 COO & CMO 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 PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION http://hegltd.com/wp-content/uploads/2019/04/Code-of-Fair-Discloures-and-Conduct-final1-1.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/2018/07/Whistle-Blower-Policy-08.05.2018.pdf

	POLICY ON RELATED PARTY TRANSACTIONS
	http://hegltd.com/wp-content/uploads/2018/12/Related-Party-Transaction-31-10-2018.pdf
	POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION AND DISCLOSURE TO STOCK EXCHANGES.
	http://hegltd.com/wp-content/uploads/2019/05/Policy-on-Determination-Materiality-of-Events12022019.pdf
	QUALITY AND SAFETY POLICY
	http://hegltd.com/quality-safety-policy/
	PREVENTION, PROHIBITION AND REDRESSAL AGAINST SEXUAL HARASSMENT OF WOMEN EMPLOYEES
	http://hegltd.com/wp-content/uploads/2018/06/Policy-on-Prevention-of-Sexual-Harassment-at-Workplace.pdf
	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 :	<p>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.</p> <p>The CSR Committee meets every quarter.</p>
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	<p>This is the Second Business Responsibility Report and is published annually as part of the Annual Report. Previous report can be assessed at http://hegltd.com/wp-content/uploads/2019/06/BRR-2017-18.pdf</p>

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. The Company responds to the complaints in efficient and effective manner and efforts are in place to satisfactorily resolve them. 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.

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) Graphite Electrodes

(b) Graphite Fines, Flakes and Lumps

Refer to Schedule – I of Business Responsibility Report.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(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?

- Does the Company have procedures in place for sustainable sourcing (including transportation)?

Yes.

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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 input materials like pitch and fillers are sourced from Indian manufacturers, which are common for both graphite and aluminium industry. Sourcing from both domestic and import sources has been

consistent since last 36 years.

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.

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes.

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Indian government came up with the MSMED Act in the year 2006 to protect the interest of Micro, Small and Medium Enterprises (MSME) in India. During the year 2018-19, the Company also got itself registered at Treds Platform of Receivables Exchange of India Ltd. under membership code:HE0001004.

Towards supporting this cause of the government and community at large, the list of MSME used for sourcing/job contracting were 113 vendors in 2018-19 which included 67 new vendors added to the list of MSME and that their interests are adequately taken care off.

- 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

Yes, 100% of the waste generated after the first process

(GEP) is reusable and is 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 carburizer) as well as to the lithium Iron battery 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.

(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 subsidize the annual school fees for more than 200 BPL category students
- Introduced a new scholarship program for children of below poverty line 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
- Conducted a computer training at Tawa Nagar to provide basic education to 100 to 120 local underprivileged students through Datanuts Private Ltd., Bhopal 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.

Principle 3

Businesses should promote the well-being of all employees

1. Please indicate the total number of employees: Total employees strength stood at 900 as on 31st March, 2019.
2. Please indicate the total number of employees hired on temporary/ contractual/ casual basis: 815 Nos.
3. Please indicate the number of permanent women employees: 17 Nos.
4. Please indicate the number of permanent employees with disabilities : 1 No.
5. Do you have an employee association that is recognized by management : Yes, 3 Nos.
6. What percentage of your permanent employees are members of this recognized employee association? 74% (24% in BMS, 32% 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

The Company had undertaken five Workshops/Awareness programs for prevention against Sexual Harassment at Workplace. The Company has an Internal Complaint Committee (ICC) to deal with complaints related to Sexual Harassment.

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

(a) Permanent Employees : 94%

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 was 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

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 have calculated overall GHG emissions and have taken initiatives like solar power project, LNG use, LED lighting, tree plantations apart from operation and maintenance of air and water pollution control devices across the plant, like Effluent Treatment Plant, Electrostatic Tar Precipitators, Electrostatic Precipitators, 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, it is within the permissible norms.

7. Number of showcase/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? Y/N 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 a member of various industrial and trade bodies and is a 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 a 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 distributing medicines in villages and to economically weaker sections, in collaboration with Sewa Bharti, Bhopal

b) Community Development

- The Company is working on the programme of mid-day meal through Akshaya Patra.
- Associated itself with an organisation providing free and hygienic food to the attendants of the patients visiting AIIMS, Delhi.
- Aspires to work with the local government for creating infrastructure for Government School upgradation and safe drinking water etc.

c) Education

- Provided safe and law-abiding commuting facilities to children and teachers.
- Continued to subsidize the annual school fees for more than 200 BPL category students.
- Introduced a new scholarship program for children of below poverty line 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, in Mandideep area and also to children of artisans working in Mandideep industrial area.
- conducted a computer training at Tawa Nagar to provide basic computer education to 100 to 120 local underprivileged students through Data Nuts Private Ltd., Bhopal and had completed two batches.
- Supporting meritorious but financially weaker/poor students (who are having annual family income less than ₹2.0 lakh) by way of providing professional coaching in Bhopal for science and commerce students to help them to prepare for their competitive examinations.
- Help in education of physically disabled students.
- Promotion of sports in the school .

d) Environmental Conservation

- Conducted an afforestation drive by planting more than 4000 plants at Tawa Nagar area in coordination with local government bodies along the NH-69 to combat air pollution.

- Planted 100+ grown up trees inside HEG's plant, both for environmental reasons as well as aesthetic look and working for plantation of more than 300 plants along the boundaries of HEG Limited.
- Contribution to Clean India Mission.

e) Financial Assistance

- In 2018-19, 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 measures for the benefit of armed forces, veterans, war widows, and their dependents.
- 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.

- Have you done any impact assessment of your initiative?

Yes, the Company internally performs an impact assessment of its initiatives at the end of 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.

- 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.

- 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 of our businesses and manufacturing units at Mandideep and Tawa Nagar are continuously engaged 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 and 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 the financial year.
4% 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

Hazards 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 the body gets pressed against the sharp edge of the electrode, 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 cause irritation in the eyes along with skin problems. Ingestion of dust 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 off 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 habits 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 - No 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 Regulations on the transport of dangerous goods.

SL. No.	Contents in crate	Material	Product Life Cycle Plan		
			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		
3	Thermocol Cap	Expanded Polystyrene	Recyclable		Handover only to authorised recyclers
4	Thermocol Plug	Expanded Polystyrene	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 Independent Directors constitute half of the total strength of Board as per the details hereunder:

Category of Directors	No. of Directors	% of total Directors
Independent Directors	5	50
Non Independent Non Executive Directors	4	40
Executive Directors	1	10
Total	10	100

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	6	No
Shri Shekhar Agarwal	Vice-Chairman-Promoter Non-executive	4	3	0	7	No
Shri Dharmendar Nath Davar	Independent	7	4	2	7	No
Dr. Kamal Gupta	Independent	6	4	4	7	No
Shri Satyendra Nath Bhattacharya	Non-Executive	1	2	0	4	No
Dr. Om ParkashBahl	Independent	0	0	0	7	Yes
Smt. Vinita Singhanian #	Non-Executive	5	0	0	5	No
Shri Riju Jhunjunwala	Promoter Non-Executive	6	2	0	7	No
Shri Satish Chand Mehta	Independent	0	0	0	6	No
Smt. Ramni Nirula##	Independent	6	4	1	3	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 ("Listing Regulations").

***Re-appointed in the Board Meeting held on 12th February, 2019 subject to approval of Shareholders for a period of 5 years i.e. 13th February, 2019 to 12th February, 2024.

#Resigned as an Independent Director w.e.f. 1st October, 2018 due to inter-locking provisions in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and appointed by Board of Directors on 31st October, 2018 as an Additional Non-Executive Director, liable to retire by rotation, subject to approval of shareholders in the ensuing Annual General Meeting.

##Appointed as an Additional Independent Women Director by Board on 31st October, 2018 for first term of five consecutive years, subject to approval of Shareholders in the ensuing Annual General Meeting.

All Directors are in compliance with the limit on Directorships as prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are related to each other except Shri Ravi Jhunjunwala and Shri Riju Jhunjunwala, being relatives.

Independent Director means Director as mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Section 149(6) of the Companies Act, 2013. All the Independent Directors 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) Directorship in other listed entities including category of Directorship

Name of Director	Category of Directorship	Listed Entities
Shri Ravi Jhunjunwala	Chairman, Promoter - Non-Executive Non-Executive Independent Promoter Non-executive Independent	RSWM Limited Maral Overseas Limited India Glycols Limited BSL Limited JK Lakshmi Cement Limited
Shri Shekhar Agarwal	Non-Executive Managing Director & CEO Chairman, Managing Director & CEO – Promoter Executive Promoter Non-Executive	RSWM Limited Maral Overseas Limited Bhilwara Technical Textiles Limited BSL Limited
Shri Dharmendar Nath Davar	Chairman, Non-Executive Independent Independent Independent Non-Executive	Sandhar Technologies Limited Maral Overseas Limited RSWM Limited Titagarh Wagons Limited Dalmia Bharat Limited
Dr. Kamal Gupta	Independent Independent Independent	Maral Overseas Limited PNB Gilts Limited RSWM Limited
Shri Satyendra Nath Bhattacharya	Independent	Gloster Limited
Dr. Om Parkash Bahl	-	-
Smt. Vinita Singhania	Vice Chairman, Managing Director Non-Executive Non-Executive Non-Executive	JK Lakshmi Cement Limited JK Paper Limited Bengal & Assam Company Limited Udaipur Cement Works Limited
Shri Riju Jhunjunwala	Managing Director, Promoter Executive Promoter–Non-Executive	RSWM Limited Bhilwara Technical Textiles Limited
Shri Satish Chand Mehta	-	-
Smt. Ramni Nirula	Independent Independent Independent Non-Executive Independent	PI Industries Limited Eveready Industries India Limited Mcleod Russel India Limited DCM Shriram Limited CG Power and Industrial Solutions Limited

iii) 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	189*
Shri Riju Jhunjunwala	2,20,356*

*Under Buyback Offer of the Company (Tender Offer Route) through the Stock Exchange mechanism 11 shares of Dr. Kamal Gupta and 12,934 shares of Shri Riju Jhunjunwala have been accepted and payment @ ₹5,500 per share was made to them.

iv) Board Meetings

The Board meets at least once in every quarter to review quarterly results and other items on the agenda. Additional meetings are held when necessary. Seven Board Meetings were held during the financial year ended the 31st March, 2019. These were held on 8th May, 2018, 31st May, 2018, 1st August, 2018, 31st October, 2018, 26th November, 2018, 30th January, 2019 and 12th February, 2019. 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. One resolution by circulation was passed by the Board of Directors on 29th March, 2019 in accordance with Section 175 of the Companies Act, 2013 and rules made thereunder.

3. Audit Committee

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

(i) Terms of Reference

- 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 committee;

Provided that occasionally the Audit Committee may meet without the presence of any of the executives of the Company.

- 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;
- The chairperson of the Audit Committee shall be an Independent Director and shall be present at Annual General Meeting to answer the shareholder's queries;
- 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;

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - 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
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Modified opinion(s) in the draft Audit Report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transaction of the Company with related party;
- Scrutiny of inter-corporate loans and investments;
- 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 a qualifications and experience

and registered as a valuer in such a 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 the 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 thereon;
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
5	Shri Satish Chand Mehta *	Member	Independent Director

*Appointed on 1st August, 2018 as a member of the Committee

All these Directors possess knowledge of corporate finance, accounts and corporate laws. The Statutory Auditors, Cost 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, 2019, six meetings were held on 8th May, 2018, 1st August, 2018, 31st October, 2018, 26th November, 2018, 30th January, 2019 and 11th February, 2019. The attendance at the above Meetings was as under:

Sl. No.	Name of Director	No. of meetings attended
1	Shri Dharmendar Nath Davar	6
2	Shri Shekhar Agarwal	5
3	Dr. Kamal Gupta	6
4	Dr. Om Parkash Bahl	6
5	Shri Satish Chand Mehta *	3

*Appointed on 1st August, 2018 as a member of the Committee

4. Nomination And Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

(i) Terms of Reference

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 and remuneration, in whatever form, payable to senior management.

- 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;
- to devise a policy on Board's diversity;
- to develop a succession plan for the Board and Senior Management and to regularly review the plan;
- Specify the manner of effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by Board, the Nomination and Remuneration Committee or by independent external agency and review its implementation and compliance.
- 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, 2019, six meetings were held on 8th May, 2018, 31st May, 2018, 1st August, 2018, 31st October, 2018, 4th February, 2019 and 11th February, 2019

The attendance at the above Meetings was as under:

Sl. No.	Name of Director	No. of meetings attended
1	Shri Dharmendar Nath Davar	6
2	Dr. Kamal Gupta	6
3	Dr. Om Parkash Bahl	6

(iv) Details of Remuneration paid to the Directors for the financial year ended 31st March, 2019.

(₹ in Lakhs)

Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
Shri Ravi Jhunjunwala	192.00	54.48	11,881.00	-	12,127.48
Shri Shekhar Agarwal	-	-	25.00	9.00	34.00
Shri Dharmendar Nath Davar	-	-	25.00	18.40	43.40
Dr. Kamal Gupta	-	-	25.00	19.40	44.40
Shri Satyendra Nath Bhattacharya	-	-	25.00	3.00	28.00
Dr. Om Parkash Bahl	-	-	25.00	15.20	40.20
Smt. Vinita Singhania*	-	-	25.00	3.75	28.75
Shri Riju Jhunjunwala	-	-	25.00	6.65	31.65
Shri Satish Chand Mehta	-	-	25.00	7.50	32.50
Smt. Ramni Nirula #	-	-	-	3.00	3.00

*Appointed as a Non-Executive Director w.e.f. 31st October, 2018

Appointed on 31st October, 2018

During the financial year 2018-19, the tenure of Shri Ravi Jhunjunwala, Managing Director and Chief Executive Officer has expired on 12th February, 2019. The Board upon recommendation of Nomination and Remuneration Committee had re-appointed Shri Ravi Jhunjunwala as Managing Director for the period of five years w.e.f 13th February, 2019 subject to the shareholders' approval. Shri Ravi Jhunjunwala will continue to act as Chairman and Chief Executive Officer of the Company in accordance with the Articles of Association and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shareholders at the 46th Annual General Meeting of the Company approved the payment of commission to the Non Executive Directors (including Independent Directors) within the ceiling of 1% of net profits of the Company as computed under applicable provisions of Companies Act, 2013. The said commission is decided each year by the Board of Directors and distributed among them based on their attendance, responsibility as Chairman/Member of committee as well as time spent on operational matters.

In addition to above, the Company also pays sitting fees and reimburses out of pocket expenses incurred for attending the meeting of the Board to the Non-Executive Directors including Independent Directors of the Company.

Commission in respect of Shri Satyendra Nath Bhattacharya, representative of Life Insurance Corporation of India (LIC) was paid to LIC in accordance with the terms and conditions of the appointment.

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.

(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/2018/08/Criteria-of-making-payments-to-Non-Executive-Directors.pdf>

5. Performance Evaluation Criteria Of Independent Directors

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

The Evaluation criteria for Independent Directors forms part of the 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/2019/04/Familiarisation-Programmes-for-independent-Directors-2018-2019.pdf>

7. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

(i) Broad Terms of Reference

[1] Resolving the grievances of the security holders

including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports, statutory notices by the shareholders of the Company.

(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, 2019, Four meetings were held on 8th May, 2018, 1st August, 2018, 31st October, 2018 and 11th February, 2019.

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 71 complaints from Shareholders during the financial year 2018-19. Out of which 69 were resolved to the satisfaction of the shareholders and 2 were pending at the end of the financial year 2018-19. The pending 2 shareholders' complaints were replied on 4th April, 2019 and 17th April, 2019 respectively.

8. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

(i) Broad Terms of Reference

- a) 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;
- b) Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) 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
4	Shri Satish Chand Mehta*	Member	Independent Director

*Appointed on 12th February, 2019, as a member of the Committee.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2019, Four meetings were held on 8th May, 2018, 1st August, 2018, 31st October, 2018, 11th February, 2019.

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
4	Shri Satish Chand Mehta	-

9. Risk Management Committee

The Securities and Exchange Board of India as part of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has mandated the constitution of Risk Management Committee for top 500 listed entities based on the market

capitalization, effective from 1st April, 2019. The Board has constituted Risk Management Committee in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 31st October, 2018.

(i) Broad Terms of Reference

- (i) To understand and assess various kinds of risks associated with the running of business;
- (ii) Suggesting/implementing ways & means for eliminating / minimizing risks to the business of the Company;
- (iii) Periodic review of the management control procedures/ tools used to mitigate such risks; and
- (iv) Revision/updation/implementation of SOP's related to cyber security.
- (v) Any other functions as may deem fit by the Risk Management Committee/ Board or as may be necessitated by any regulatory framework as amended from time to time in connection with the risk management of the Company.

(ii) Composition of the Committee

Sl. No.	Name of Director	Designation	Category
1	Shri Ravi Jhunjunwala	Chairman	Executive Promoter Director
2	Shri Dharmendar Nath Davar	Member	Independent Director
3	Dr. Kamal Gupta	Member	Independent Director
4	Smt. Ramni Nirula*	Member	Independent Director

*Appointed as an Additional Independent Women Director by Board on 31st October, 2018 for first term of five consecutive years, subject to approval of Shareholders in the ensuing Annual General Meeting.

10. 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 12th February, 2019

13. 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
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
23 rd July, 2018	2017-2018	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 2018-19.

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 & its Committees which is necessary to effectively and reasonably perform and discharge their duties.

11. List of Core Skills/ Expertise/ Competencies of Directors in context of business of the Company

The following is the list of core skills / expertise /competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities, the industry in which the Company operates and advising on domestic market and overseas market.
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company's business
- vi) Environment, Health and Safety and Sustainability-Knowledge of working on environment, health and safety and sustainability activities.

12. 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/2018/07/Whistle-Blower-Policy-08.05.2018.pdf>

14. Postal Ballot

- (i) In compliance with Regulation 44 of the SEBI (LODR Regulations) and in compliance with the applicable provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014, Members were provided with the facility to cast their vote electronically through the e-voting services provided by National Securities Depository Limited (NSDL), on all special resolutions set forth in the Postal Ballot Notice dated 26th November, 2018. Members were also given an option to vote by Physical Ballot.
- (ii) The voting rights were reckoned as on the paid-up value of the shares registered in the names of the members as on December 14, 2018. The Physical Ballots were returnable by January 27, 2019.
- (iii) Facility for voting through Postal Ballot and electronic means was available during the following period-

Item No.-1

Approval for Buyback of Equity shares of the Company.

Method of voting	Voted in favour of resolution	Voted against the resolution	Invalid	Percentage of total favourable votes cast (valid)
Remote E-Voting	30240933	34279	0	-
By Post	518394	575	1452	-
Total	30759327	34854	1452	99.89

Item No-2

Approval for Investments/Loans/Guarantees/Securities.

Method of voting	Voted in favour of resolution	Voted against the resolution	Invalid	Percentage of total favourable votes cast (valid)
Remote E-Voting	27442317	2358421	-	-
By Post	514135	581	1452	-
Total	27956452	2359002	1452	92.22

- Commencement of voting: 9:00 A.M. (IST) on Saturday, December 29, 2018.
- End of voting 5:00 P.M. (IST) on Sunday, January 27, 2019.
- (iv) The Company had appointed Mr. Saket Sharma (C .P. No. 2565), GSK & Associates, Practicing Company Secretaries as the Scrutiniser to conduct the postal ballot/ e-voting process in a fair and transparent manner.
- (v) The Results of the Postal Ballot was declared on January 29, 2019 and resolutions were passed by requisite majority, deemed to be passed on the 27th January, 2019 i.e. last date specified for receipt of duly completed Postal Ballot forms and remote e-voting.
- (vi) No special resolution requiring postal ballot is being proposed for the ensuing Annual General Meeting.
- (vii) Consolidated summary of results of Postal Ballot is as under-

15. 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 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/2018/12/Related-Party-Transaction-31-10-2018.pdf>
- b) There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis 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) 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 a 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.

The Risk Management Framework includes inter-alia risk identification of raw material availability and cost, the markets for its products, foreign exchange etc. The functional heads / location heads are responsible for managing risk on various parameters and ensure implementation of appropriate and timely risk mitigation measures. Risks affecting the entire Company are discussed at Head Office. Risk perception and mitigation plan is presented to the Board on half yearly basis. With the constitution of the Risk Management Committee, the same would also be discussed at the committee level and then placed before the Board.

There is no hedging mechanism for Company's material inputs as well as finished products in terms of price. The suppliers of Calcined Petroleum Needle coke (which is the key input) usually resort to annual quantity contract which is subject to the pricing to be discussed and mutually agreed on quarterly / half yearly basis. Therefore, it is not practically possible to provide data in the format as prescribed by SEBI circular dated 15th November, 2018. The pricing of electrodes (which is the key finished product) is usually fixed at the time of procuring order and do not vary in normal circumstances. In any case, the market conditions for Calcined Petroleum Needle coke and for finished electrodes are similar, such that changes in the prices of Calcined Petroleum Needle coke tend to remain in tandem (except for short transitional periods) with the price of the relevant finished electrodes. Therefore, there are no hedging arrangements with regard to future prices of Calcined Petroleum Needle coke. In view of the above factors, the price risk exposure is not material.

Company usually has foreign exchange exposure in the form of export receivables and payables for import, foreign currency loans and certain expenditure. The foreign currency risk exposures usually gets balanced and the resultant net asset / liability is not material. The position of unhedged currency wise foreign exchange risk exposure as on 31st March, 2019 is incorporated in note no. 46 to the Standalone Financial Statements.

- 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://hegltd.com/wp-content/uploads/2018/12/Material-subsidiary-31-10-2018.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, 2019. 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.
- m) No sexual harassment complaint has been received during the financial year 2018-19.
- n) Total fee paid to Statutory Auditor for all services rendered is ₹29.50 Lakhs.
- o) No funds have been raised through preferential allotment or qualified institutions placement.
- p) During the financial year 2018-19, the Board of Directors have accepted all the recommendations of its committees.
- q) Certificate from GSK & Associates (CP No.: 2565) has been obtained that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI or Ministry of Corporate Affairs or any such authority. The certificate is reproduced as under:

CERTIFICATE UNDER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We have checked the records of HEG Limited (CIN: L23109MP1972PLC008290), information available at the official website of Ministry of Corporate Affairs and the Securities and Exchange Board of India. On the basis of such checks, information provided, documents furnished and explanations given by the Company, we hereby certify that the none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority as may be specified.

For GSK & Associates
Company Secretaries

Saket Sharma
(Partner)
CP No: 2565
Membership No: F4229
Date: 09.05.2019
Place: Kanpur

- r) The Company has obtained Directors & Officer insurance (D & O) policy for all the Directors including Independent Directors of the Company.

16. 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.hegltd.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 2018-19."

17. 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.

18. Disclosures Regarding Re-Appointment/Appointment Of Directors

Re-appointment/Appointment of the following Directors are placed for Shareholders approval in the ensuing Annual General Meeting of the Company.

- Shri Ravi Jhunjunwala (DIN: 00060972), Chairman, Managing Director & CEO of the Company was re-

appointed as the Managing Director, not liable to retire by rotation, in the Board Meeting held on 12th February, 2019 subject to approval of Shareholders, for a period of 5 years i.e. 13th February, 2019 to 12th February, 2024.

- Smt. Ramini Nirula (DIN: 00015330) has been appointed as an Additional Independent Women Director by Board on 31st October, 2018 and hold office upto the date of ensuing Annual General Meeting. The Board recommends her appointment as an Independent Director of the Company for first term of 5 (five) consecutive years with effect from 31st October, 2018 to 30th October, 2023.
- The first term of office of Dr. Kamal Gupta (DIN: 00038490), Dr. Om Parkash Bahl (DIN: 02643557) and Shri Dharmendar Nath Davar (DIN: 00002008), as Independent Directors, are expiring on 29th August, 2019. The Board has recommended the re-appointment of following Independent Directors upon the recommendation of Nomination and Remuneration Committee, for a second term, subject to approval of Shareholders at the ensuing Annual General Meeting:

Sl. No.	Name of Director	Tenure for second term
1	Shri Dharmendar Nath Davar (DIN: 00002008)	For a period of 2 years w.e.f. 30 th August, 2019 to 29 th August, 2021.
2	Dr. Om Parkash Bahl (DIN: 02643557)	For a period of 2 years w.e.f. 30 th August, 2019 to 29 th August, 2021.
3	Dr. Kamal Gupta (DIN: 00038490)	For a period of 5 years w.e.f. 30 th August, 2019 to 29 th August, 2024.

- Smt. Vinita Singhania (DIN: 00042983) has resigned w.e.f. 1st October, 2018 due to interlocking provisions of Listing Regulations.
- Smt. Vinita Singhania (DIN: 00042983) has been appointed as an Additional Non-Executive Director by Board on 31st October, 2018 subject to approval of shareholders.
- Shri Riju Jhunjunwala (DIN: 00061060) and Shri Shekhar Agarwal (DIN: 00066113), Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered themselves for re-appointment.

All the above appointments/ reappointments have been recommended by Nomination and Remuneration Committee.

The Board hereby recommends all the above appointment/ re-appointment for approval of shareholders in the ensuing Annual General Meeting.

The requisite disclosures in respect of the above is attached as Annexure I to this report:

Annexure-I

Name of Director	Ravi Jhunjhunwala	Riju Jhunjhunwala	Vinita Singhania*	Dharmendar Nath Davar	Kamal Gupta	Om Parkash Bahl	Ramni Nirula**	Shekhar Agarwal
Category of Directorship	Chairman, Managing Director & CEO	Promoter Non-Executive	Non-Executive	Independent	Independent	Independent	Independent	Promoter Non-Executive
Date of Birth	28.10.1955	13.01.1979	12.03.1952	08.08.1934	12.02.1946	5.10.1939	27.05.1952	09.10.1952
Age	63 Years	40 years	67 years	84 years	73 years	79 years	67 years	66 years
Date of Appointment on the Board	08.09.1979	30.04.2009	31.10.2018	10.11.1994	10.11.1994	30.04.2009	31.10.2018	15.07.1996
Qualification	B.Com. (Hons), MBA	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. in Business Management.	M.Sc. and Ph.D.	B. Com(HI), MBA	B.Tech (Mech), IIT Kanpur, Master of Science Degree in Industrial & Systems Engineering from Illinois Institute of Technology, Chicago, USA
DIN	00060972	00061060	00042983	00002008	00038490	02643557	00015330	00066113

Name of Director	Ravi Jhunjunwala	Riju Jhunjunwala	Vinita Singhania*	Dharmendar Nath Davar	Kamal Gupta	Om Parkash Bahl	Ramni Nirula**	Shekhar Agarwal
Experience	Shri Ravi Jhunjunwala, age 63 years, is the Chairman, Managing Director and CEO of HEG Limited, which is one of the entities of LNJ Bhiwara Group. LNJ Bhiwara Group is a diversified conglomerate with interests in Textiles, Graphite Electrodes, Power and IT enabled services. Shri Ravi Jhunjunwala holds a B.Com (Hons.) Degree (1976 batch) from Hindu College and Masters in Business Administration (Corp. Finance) from the Centre D etudes Industrielles (CEI), Geneva (1980-81). He is Director on Board of various Companies, mostly listed entities. He is also Independent Director on Board of two listed entities outside the group. Shri Ravi Jhunjunwala has been associated with the Company since 1979 when he was inducted in the Board of the Company. Shri Jhunjunwala became the Managing Director of the Company in 1989 and took over as Chairman of the Company in 1996. He has taken Company to greater heights since his association with the Company.	Shri Riju Jhunjunwala is an Industrialist with diversified business experience. He is the Managing Director of BSWM Limited and Bhiwara Energy Ltd. He is also active in industry and social associations. He has been the past president of the Entrepreneur's Organization (Delhi Chapter) among some others. He is an avid reader of history and biographies and has a keen interest in general affairs and politics.	Smt. Vinita Singhania is an Industrialist with diversified business experience. She is the Vice Chairman and Managing Director of JK Lakshmi Cement Limited 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 Davar, a distinguished professional development banker with innate expertise in corporate management, has the degree of B. Com (Hons.), M.A. (Economics), Certified Associate of the Indian Institute of Bankers, and is a Fellow of the Economic Development Institute of the World Bank. After serving the Punjab National Bank (PNB) in senior management position(s) upto 1968, he joined Industrial Finance Corporation of India (IFCI), a well known national level premier financial institution, and retired on completion of two terms spreading over eight years as its Executive Chairman in 1992. He had also been on the Boards and Executive Committees of IDBI and IRBI for nearly 8 years and also on the Board of LIC Housing Finance Co. He had been, for several years, a part time Consultant to the World Bank, UNIDO and KFW. Presently, he is on the Boards of several reputed companies, training institutions and Non-Governmental (Social) Organizations.	Dr. Kamal Gupta was earlier Technical Director of Institute of Chartered Accountants of India, and was instrumental in introducing Accounting and Auditing Standards in India. He has also represented India on various international professional bodies. He has expertise in the areas of Finance, Accounting and Corporate Laws and is at present a freelance consultant in these areas. He is also the renowned author of various books on Auditing and other subjects.	After finishing Post graduation and PhD (in the area of CARBON) from Gujarat in the year 1966, Dr. O.P. Bahl undertook Post Doctoral studies in the area of Carbon under a fellowship from Ministry Of Aviation U.K, in North Wales. Dr. Bahl began his distinguished career from the National Physical Lab; New Delhi where he took up the challenge of developing Technologies required desperately by the Ministry of Defence in particular and the Society in general. Dr. Bahl's outstanding work in the development of Advanced/Strategic Carbon Products has been instrumental in making India self-reliant in the defence sector particularly. Superannuated as Director Grade Scientist from NPL in the year 1999 and thereafter worked as an EMIR-ATUS SCIENTIST of CSIR till 2004. In between, Dr. Bahl worked as U.N. Chief Technical Adviser [for Carbon Fibre Project] in Brazil in addition to being UNIDO Consultant to Poland, Romania. Dr. Bahl is an established Carbon Expert in the country, having published more than 150 original Research papers in International journals of repute in addition to 12 Patents, developed and transferred to Industry 10 Carbon related Technologies etc. Rightly, Dr. Bahl has been named as "CARBON MAN OF INDIA " by a leading national publication. Dr. Bahl has won numerous National as well as International Awards. Dr. Bahl, a passionate, innovative and forward thinking scientist in the area of Science and Technology of Carbon Materials, is a Fellow of the National Academy of Sciences and President of the Indian Carbon Society.	Smt Ramni Nirula, retired as Senior General Manager of ICICI Bank Limited. She had more than 4 decades of experience in the financial services sector; beginning her career with the erstwhile ICICI Limited in the project appraisal division. Since then she had held various leadership positions in the areas of Project Financing, Strategy, Planning & Resources and Corporate Banking.	Mr. Shekhar Agarwal is the Group Vice Chairman of the LNJ Bhiwara Group, industrial conglomerate with 70 per cent concentrated in textiles. The textiles operations are very diversified with spinning, weaving, knitting, processing and garments manufacturing in different fabrics. More than 50% of the manufactured goods are exported to more than 40 countries. He worked as a Senior Industrial & System Engineer with Rego Co., Chicago from December 1976 to May 1980, having trained & practiced MOST, the Maynard Operations Sequencing Technique for manufacturing high quality valves & regulators for the LPG & Compressed gas industries. Formerly, he was the President of the Northern India Textile Mills Association. Presently he is on the National Committee on Textiles of the Confederation of Indian Industry (CII), and past Chairman of the Confederation of Indian Textile Industry (formerly ICMFI).
No. of other Directorships in Public Limited Companies	8	6	5	7	6	0	7	4
Chairman/Member of the Committees of the Board of Directors of the Company.#	Stakeholders Relationship Committee-Member	Stakeholders Relationship Committee-Chairman	-	Audit Committee- Chairman	Audit Committee- Member	Audit Committee-Member	-	Audit Committee-Member

Name of Director	Ravi Jhunjunwala	Riju Jhunjunwala	Vinita Singhania*	Dharmendar Nath Davar	Kamal Gupta	Om Parkash Bahl	Ramni Nirula**	Shekhar Agarwal
Chairman/ Member of the Committee of Directors of other Companies. #								
Audit Committees	AD Hydro Power Limited- Chairman India Glycols Limited- Member Jk Lakshmi Cement Limited- Member	Bhilwara Technical Textiles Limited- Member	0	Hero Fincorp Limited- Chairman Titagarh Wagons Limited- Chairman Maral Overseas Limited- Member RSWM Limited- Member	Maral Overseas Limited- Chairman RSWM Limited- Chairman PNB Gilts Limited- Member Malana Power Company Limited- Member AD Hydro Power Limited- Member Bhilwara Energy Limited- Member	0	Utkarsh Coreinvest Limited- Chairman DCM Shriram Limited- Member CG Power And Industrial Solutions Limited- Member Eveready Industries India Limited- Member PI Industries Limited- Member	BSL Limited- Member
Stakeholders Relationship Committee	BSL Limited- Member	Bhilwara Technical Textiles Limited- Member	0	Maral Overseas Limited- Member RSWM Limited- Member	Maral Overseas Limited- Chairman RSWM Limited- Chairman	0	0	RSWM Limited- Member Maral Overseas Limited- Member
No. of Equity Shares held in the Company	1,28,517	2,20,356	Nil	1,500	189	Nil	Nil	Nil
Number of Board Meetings attended during the year	6/7	7/7	5/7	7/7	7/7	7/7	3/7	7/7

Name of Director	Ravi Jhunjunwala	Riju Jhunjunwala	Vinita Singhania*	Dharmendar Nath Davar	Kamal Gupta	Om Parkash Bahl	Ramni Nirula**	Shekhar Agarwal
Terms and conditions of appointment/re-appointment	Terms and Conditions of appointment are mentioned in notice	Non-Executive Director, liable to retire by rotation.	Non-Executive Director liable to retire by rotation.	Terms and Conditions of re-appointment are mentioned in draft letter of appointment.	Terms and Conditions of re-appointment are mentioned in draft letter of appointment.	Terms and Conditions of re-appointment are mentioned in draft letter of appointment.	Terms and Conditions of appointment are mentioned in draft letter of appointment.	Non-Executive Director, liable to retire by rotation.
Remuneration sought to be paid and the remuneration last drawn	Mentioned in the item no- 5 of the Notice of AGM and explanatory statement therein.	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	Shri Ravi Jhunjunwala is relative of Shri Riju Jhunjunwala.	Shri Riju Jhunjunwala is relative of Shri Ravi Jhunjunwala.	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.
Justification for choosing the Independent Director	N.A.	N.A.	N.A.	As per Explanatory Statement of Notice of AGM.	As per Explanatory Statement of Notice of AGM.	As per Explanatory Statement of Notice of AGM.	As per Explanatory Statement of Notice of AGM.	N.A.

Only Audit Committee and Stakeholders Relationship Committee have been considered.

*Smt. Vinita Singhania was an Independent Director till 30th September, 2018 since her joining. She was appointed as an Additional Non-Executive Director, liable to retire by rotation on the Board of the Company w.e.f. 31st October, 2018, subject to the approval of Shareholders.

**Smt. Ramni Nirula was appointed as an Additional Independent Director on the Board of the Company w.e.f. 31st October, 2018 for first term of consecutive five years, subject to the approval of Shareholders at the ensuing Annual General Meeting.

Note: Shareholders at 46th Annual General Meeting have given approval 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 and distributed among Non-Executive Directors (including Independent Directors) of the Company or some or any of them such amount or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payment may be made in respect of each year, for a period of five financial years starting from FY 2017-18, in addition to the sitting fee for attending the meeting of the Board of Directors/Committee thereof.

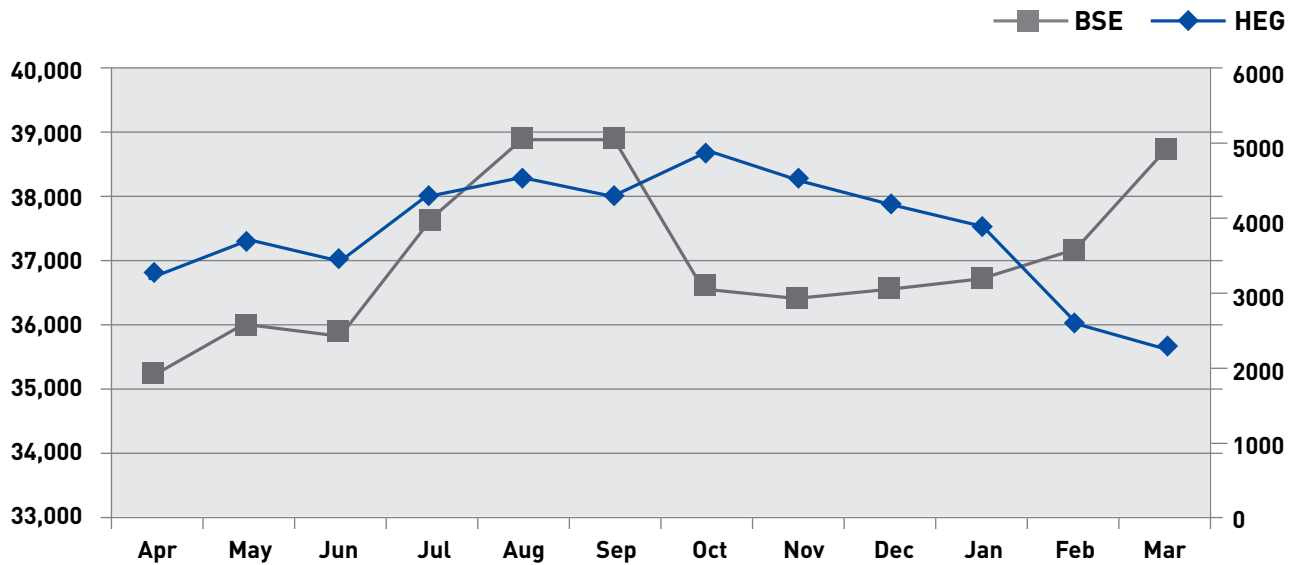
19. Shareholders' Information

a) Annual General Meeting: Date, Time & Venue	20 th August, 2019 at 3:00 P.M. at the registered office of the Company at Mandideep, Near Bhopal, Distt. Raissen, Madhya Pradesh – 462046.
b) Financial Calendar:	Financial Year: 1 st April, 2019 – 31 st March, 2020. Reporting: a) First Quarter Results: Within 45 days of end of the 1 st Quarter b) Second Quarter Results: Within 45 days of end of the 2 nd Quarter c) Third Quarter Results: Within 45 days of end of the 3 rd Quarter d) Results for Fourth Quarter & the FY: Within 60 days of end of the FY
c) Date of Book Closure	14 th August, 2019 to 20 th August, 2019 (both days inclusive).
d) Dividend payment date:	Interim dividend- 16 th November, 2018. Final dividend- 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 – 400 051 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

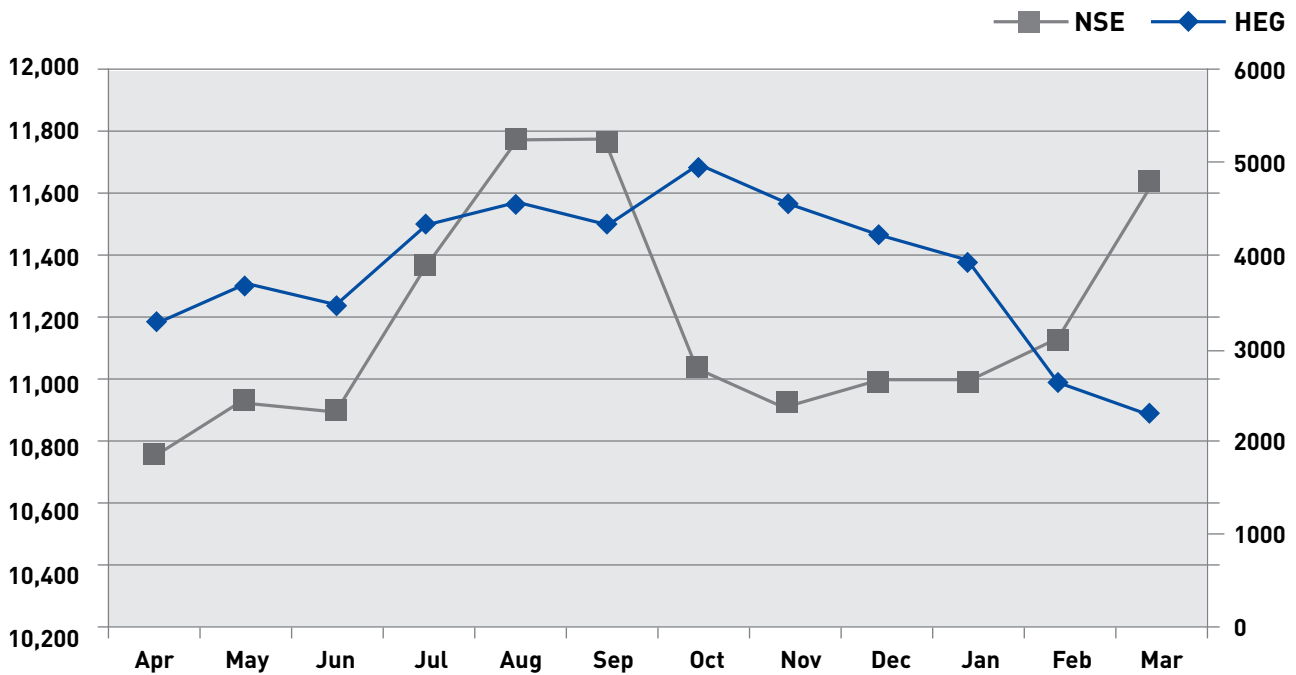
i) (i) Market Price Data: Monthly High-Low values (in ₹) at NSE & BSE and comparison with BSE Sensex and Nifty:

Month	NSE		BSE		BSE SENSEX		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2018	3,307.00	2,561.00	3,305.00	2,563.45	35,213.30	32,972.56	10,759.00	10,111.30
May, 2018	3,700.00	2,776.30	3,695.00	2,781.90	35,993.53	34,302.89	10,929.20	10,417.80
June, 2018	3,462.00	2,884.40	3,475.00	2,877.25	35,877.41	34,784.68	10,893.25	10,550.90
July, 2018	4,315.25	3,360.00	4,319.00	3,358.05	37,644.59	35,106.57	11,366.00	10,604.65
August, 2018	4,542.00	3,755.10	4,559.80	3,755.30	38,989.65	37,128.99	11,760.20	11,234.95
September, 2018	4,338.00	3,290.00	4,337.55	3,280.00	38,934.35	35,985.63	11,751.80	10,850.30
October, 2018	4,955.00	2,981.10	4,950.00	2,991.35	36,616.64	33,291.58	11,035.65	10,004.55
November, 2018	4,550.00	4,051.00	4,544.00	3,999.90	36,389.22	34,303.38	10,922.45	10,341.90
December, 2018	4,208.00	3,480.00	4,200.05	3,485.05	36,554.99	34,426.29	10,985.15	10,333.85
January, 2019	3,925.00	1,971.00	3,925.00	1,974.60	36,701.03	35,375.51	10,987.45	10,583.65
February, 2019	2,632.35	2,007.00	2,627.00	2,016.15	37,172.18	35,287.16	11,118.10	10,585.65
March, 2019	2,299.00	1,972.10	2,302.20	1,970.00	38,748.54	35,926.94	11,630.35	10,817.00

i) (ii) Comparative chart of Company's share price movement vis-a-vis the movement of BSE Sensex during FY 2018-19:



i) (iii) Comparative chart of Company's share price movement vis-à-vis the movement of Nifty during FY 2018-19:



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, 2019 :

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	1,74,345	99.05	46,68,035	12.09
501-1000	885	0.50	6,41,321	1.66
1001-2000	387	0.22	5,46,714	1.42
2001-3000	124	0.07	3,05,618	0.79
3001-4000	57	0.03	1,98,087	0.51
4001-5000	38	0.02	1,70,592	0.45
5001-10000	76	0.04	5,57,780	1.45
10001 & above	114	0.07	3,15,07,359	81.63
Total	1,76,026	100.00	3,85,95,506	100.00

m) Category of Shareholders :

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Promoters and Promoter Group	26	0.01	2,36,35,822	61.24
Mutual Funds / UTI	14	0.01	58,871	0.15
Financial Institutions / Banks	9	0.01	5,966	0.02
Insurance Companies	3	0.00	36,19,075	9.38
Foreign Institutional Investors	130	0.07	22,19,074	5.75
Bodies Corporate	1,851	1.05	24,30,861	6.30
Individuals	1,71,990	97.71	62,12,999	16.10
Others:				
I) Trusts	6	0.01	643	0.00
II) Cooperative Societies	1	0.00	130	0.00
III) IEPF	1	0.00	1,93,657	0.50
IV) NRI Individuals	1,989	1.13	1,99,511	0.51
V) NBFC's Registered with RBI	6	0.01	18,897	0.05
Total	1,76,026	100.00	3,85,95,506	100.00

n) Dematerialisation of shares and liquidity.	3,80,51,017 shares were dematerialised till 31st March, 2019 which was 98.59% 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 on equity.	There are no such instruments outstanding as on 31st March, 2019.
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@lnjbhilwara.com

s) Transfer of Shares to the Investor Education and Protection Fund (IEPF)

Attention to the members is drawn to the provisions of Section 124(6) of the Companies Act, 2013 ('the Act'), read with relevant Rules, the Company is required to transfer the shares for which dividend has not been paid or claimed for 7 consecutive years or more to Investor Education and Protection Fund (IEPF).

The Company had sent individual communication to Members whose shares were liable to be transferred under the Rules at their registered address informing them of the above and for taking appropriate action.

Accordingly, the Company has transferred the equity shares in respect of which dividend upto 2010-11 has not been claimed or paid for a period of seven consecutive years or more to the IEPF.

The details are also available on our website at www.hegltd.com and www.iepf.gov.in. No claim shall lie against the Company in respect of unclaimed dividend amounts and the corresponding shares transferred to IEPF, pursuant to relevant Rules. Members should note that both the unclaimed dividend and the shares transferred to IEPF can be claimed back by them from IEPF.

Tentative schedule for transfer to IEPF is as under:

Date of Declaration of Dividend	Financial Year	Tentative Schedule for transfer to IEPF
21-09-2012	2011-12	27-10-2019
21-09-2013	2012-13	22-10-2020
30-08-2014	2013-14	30-09-2021
22-09-2015	2014-15	23-10-2022
08-02-2018	2017-18 (Interim)	12-03-2025
23-07-2018	2017-18 (Final)	23-08-2025
31-10-2018	2018-19 (Interim)	05-12-2025

t) Credit Rating

India Ratings and Research has upgraded HEG Limited's (HEG) Long-Term Issuer Rating to 'IND AA' from 'IND A+' on 20th April, 2018. All credit ratings obtained by the Company are disclosed on the website of the Company i.e. www.hegltd.com. No credit rating has been obtained for any fixed deposit programme during the financial year 2018-19.

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, 2019 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 Jhunjhunwala
Chairman, Managing Director & CEO
DIN: 00060972

Gulshan Kumar Sakhuja
Chief Financial Officer

Place : Noida (U.P.)
Date : 20th May, 2019

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
HEG Limited

We, SCV & Co. LLP, Chartered Accountants, the Statutory Auditors of HEG Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

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

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2019.

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. LLP**
Chartered Accountants
Firm Reg. No: 000235N/N500089

Sanjiv Mohan
Partner
Membership No.: 086066

Place: Noida
Dated: 20.05.2019



Financial Statements

Independent Auditors' Report



To the Members of
HEG Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HEG Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, and 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 ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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; selection and application of appropriate accounting policies; making judgements 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary

companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

1. 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 purpose 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, Statement of Changes in Equity and the Statement of Cash Flows 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 specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the Directors as on 31st March 2019 taken on record by the Board of directors, none of the Directors is disqualified as on 31st March 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
 - (g) With respect to the other matters to be included in the
- (h) 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 38 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.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 20th May, 2019

Annexure – “A” to the Independent Auditors Report

(Referred to in paragraph 1(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 2019 in conjunction with our audit of standalone financial statements of the 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, including adherence to respective 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 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 judgement, 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 of the Company.

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.

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.

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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential

Place: Noida

Date: 20th May, 2019

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089
(Sanjiv Mohan)
Partner
M. No. 086066

Annexure – “B” to the Independent Auditors’ Report

(Referred to in paragraph 2 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, the 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 partnerships 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, prima 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 and therefore the provisions of the clause 3 (v) of the order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records 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 cost 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, goods and services tax, service tax, duty of custom, duty of excise, value added tax, cess, tax and other statutory dues applicable to it with the appropriate authorities.

(b) 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, 2019.

(c) According to the information and explanations given to us, there are no dues of duty of custom and entry tax which have not been deposited with the appropriate authorities on account of any dispute. However according to the information and explanations given to us, the following dues of service tax, value added tax, sales tax, duty of excise and income tax which have not been deposited by the company with the appropriate authorities on account of dispute.

S.No	Name of Statute	Nature of Dues	Amount (₹ In Lakhs)	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	18.79	2016-17	CESTAT, New Delhi
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	104.17	2012-13 & 2013-14	Commissioner of Excise and Customs, Bhopal
		Service Tax and penalty	805.13	2011-12, 2012-13, 2013-14, 2014-15, 2015	CESTAT, New Delhi
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
		VAT	1.51	1992-93	Appellate Tribunal, Raipur

S.No	Name of Statute	Nature of Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
		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 to the Company.

(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 to the Company.

(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 to the Company.

(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 directors or person connected with them. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable to the Company.

(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 and hence reporting under clause 3(xvi) of the order is not applicable to the Company.

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

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 20th May, 2019

Standalone Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-current assets			
a) Property, plant and equipment	4	78,448.45	82,930.10
b) Capital work-in-progress	5	1,857.51	161.45
c) Investment property	6	354.14	371.80
d) Goodwill		-	-
e) Other intangible assets	7	35.22	34.82
f) Intangible assets under development		-	-
g) Biological assets other than bearer plants		-	-
h) Financial assets			
(i) Investments	8	75,879.91	14,925.88
(ii) Trade receivables		-	-
(iii) Loans	10	1,118.56	743.14
(iv) Other financial assets	11	-	-
i) Deferred tax assets (net)		-	-
j) Income tax assets (net)	24	3,995.09	2,810.79
k) Other non-current assets	12	1,727.04	568.15
(2) Current assets			
(a) Inventories	13	1,30,838.68	51,143.57
(b) Financial assets			
(i) Investments	8	10,823.99	-
(ii) Trade receivables	9	1,18,688.94	97,268.90
(iii) Cash & cash equivalents	14	2,915.91	517.18
(iv) Bank balances other than (iii) above	15	52,816.50	245.28
(v) Loans	10	62.01	64.55
(vi) Other financial assets	11	538.19	109.43
(c) Other current assets	12	26,866.93	12,124.91
Total Assets		5,06,967.06	2,64,019.95
EQUITY & LIABILITIES			
EQUITY			
(a) Equity share capital	16	3,859.59	3,995.95
(b) Other equity	17	3,68,040.26	1,76,865.78
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities	20	41.31	42.50
(b) Provisions	21	387.08	340.90
(c) Deferred tax liabilities (net)	22	12,612.65	11,916.80
(d) Other non-current liabilities	23	239.59	208.08
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	66,636.47	29,745.49
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	19	398.82	245.97
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	37,608.08	24,398.46
(iii) Other financial liabilities	20	13,017.49	7,251.90
(b) Other current liabilities	23	1,605.03	4,848.22
(c) Provisions	21	1,977.91	616.88
(d) Current tax liabilities (net)	24	542.77	3,543.02
Total Equity and Liabilities		5,06,960.06	2,64,019.95

The accompanying notes (1-55) are integral part of the financial statements
In terms of our report of even date

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

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Dated: 20th May, 2019

Ravi Jhunjhunwala
Chairman, Managing
Director & CEO
DIN No. 00060972

Gulshan Kumar Sakhuja
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Riju Jhunjhunwala
Director
DIN No. 00061060

Shekhar Agarwal
Vice Chairman
DIN No. 00066113

D.N.Davar
Director
DIN No. 00002008

Standalone Statement of Profit & Loss for the year ended 31st March, 2019



(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
I. Revenue from Operations	25	6,59,282.52	2,75,840.43
II. Other Income	26	10,919.18	1,236.82
III. Total Income (I + II)		6,70,201.70	2,77,077.25
IV. Expenses:			
Cost of materials consumed	27	1,61,183.97	57,580.79
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-trade	28	(49,705.69)	(9,782.44)
Employee benefits expense	29	19,756.62	11,243.85
Finance costs	30	1,796.90	5,641.88
Depreciation and amortization expense	31	7,239.20	7,255.76
Excise duty	32	-	833.82
Other expenses	33	62,222.82	43,832.62
Total expenses (IV)		2,02,493.82	1,16,606.29
V. Profit before exceptional items and tax (III-IV)		4,67,707.88	1,60,470.97
VI. Exceptional items		-	-
VII. Profit before tax (V - VI)		4,67,707.88	1,60,470.97
VIII. Tax expense:			
(1) Current tax			
- Current tax	34	1,62,032.53	51,355.30
- Prior periods	34	(97.89)	0.60
(2) Deferred tax	34	730.18	981.14
IX Profit for the year from continuing operations (VII-VIII)		3,05,043.06	1,08,133.93
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 for the period (IX+XII)		3,05,043.06	1,08,133.93
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit/ (loss)	35	(98.25)	(35.99)
(ii) Income tax relating to items that will not be reclassified to profit/ (loss)	34	34.33	12.46
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 and Other Comprehensive Income for the period)		3,04,979.14	1,08,110.40
XVI Earnings per equity share (for continuing operations) :			
(1) Basic (₹)	36	763.60	270.61
(2) Diluted (₹)	36	763.60	270.61
XVII Earnings per equity share (for discontinued operations) :			
(1) Basic (₹)		-	-
(2) Diluted (₹)		-	-
XVIII Earnings per equity share (for discontinued and continuing operations) :			
(1) Basic (₹)	36	763.60	270.61
(2) Diluted (₹)	36	763.60	270.61

The accompanying notes (1-55) are integral part of the financial statements
In terms of our report of even date

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

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Dated: 20th May, 2019

Ravi Jhunjunwala
Chairman, Managing
Director & CEO
DIN No. 00060972

Gulshan Kumar Sakhuja
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Riju Jhunjunwala
Director
DIN No. 00061060

Shekhar Agarwal
Vice Chairman
DIN No. 00066113

D.N.Davar
Director
DIN No. 00002008

Standalone Statement of Changes in Equity for the year ended 31st March, 2019

A) Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of reporting period	3,995.95	3,995.95
Buyback of shares during the year	(136.36)	-
Balance at the end of reporting period	3,859.59	3,995.95

B) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserves	Retained Earnings	Remeasurement of Defined benefit obligations	
Balance at the beginning of reporting period i.e. 1st April, 2018	3,138.24	1,269.61	1,893.57	39,823.38	1,30,667.99	72.93	1,76,865.78
Profit for the year					3,05,043.06		3,05,043.06
Other Comprehensive Income for the year						(63.92)	(63.92)
Total Comprehensive Income for the year	-	-	-		3,05,043.06	(63.92)	3,04,979.14
Dividend (including dividend distribution tax)					(38,538.23)		(38,538.23)
Transfer to/from retained earnings on account of buyback of shares			136.36		(136.36)		-
Any other changes							-
Buyback of Equity Shares (Refer Note :16(e))		(1,269.61)		(39,823.38)	(33,770.63)		(74,863.61)
Less: Buyback exp. (net of Income Tax Benefit)					(402.75)		(402.75)
Balance at the end of reporting period i.e. 31st March, 2019	3,138.24	-	2,029.93	-	3,62,863.08	9.01	3,68,040.26

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserves	Retained Earnings	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	39,823.38	36,962.22	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)					(14,428.16)	-	(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	39,823.38	1,30,667.99	72.93	1,76,865.78

The accompanying notes (1-55) are integral part of the financial statements
In terms of our report of even date

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

Ravi Jhunjhunwala
Chairman, Managing
Director & CEO
DIN No. 00060972

Riju Jhunjhunwala
Director
DIN No. 00061060

Sanjiv Mohan
Partner
Membership No. 086066

Gulshan Kumar Sakhuja
Chief Financial Officer

Shekhar Agarwal
Vice Chairman
DIN No. 00066113

Place : Noida (U.P.)
Dated: 20th May, 2019

Vivek Chaudhary
Company Secretary
Membership No. A13263

D.N.Davar
Director
DIN No. 00002008

Cash Flow Statement for the year ended 31st March, 2019



(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,67,707.88	1,60,470.97
Adjustment for non operating and non cash transactions		
Depreciation and amortisation	7,239.20	7,255.77
Interest paid	1,796.90	5,641.88
Net(Profit)/Loss on property, plant and equipment sold / discarded	335.49	(321.47)
Allowances for expected credit losses	534.52	(782.98)
Bad debts	22.30	205.02
Gain on sale/fair valuation of investments	(5,148.84)	(5.21)
Interest received	(4,974.75)	(42.07)
Adjustments for changes in assets and liabilities		
(Increase)/Decrease in trade receivables	(21,976.86)	(60,612.15)
(Increase)/Decrease in inventories	(79,695.10)	(25,363.82)
(Increase)/Decrease in loans, financial and other assets	(68,937.11)	(6,008.11)
Increase/(Decrease) in liabilities and provisions	14,584.50	31,304.95
Cash generated from operations	3,11,488.14	1,11,742.78
Income tax paid	1,62,664.83	52,337.04
Net Cash generated from operating activities (A)	1,48,823.30	59,405.75
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant and equipments (including Capital work-in-progress)	(4,878.82)	(2,003.44)
Sale of property, plant and equipments	106.99	581.35
(Increase)/Decrease in advances for capital expenditure	(1,140.28)	251.27
Increase/(Decrease) in creditors for capital expenditure	369.58	98.28
(Purchase)/Sale of investments	(66,629.17)	63.12
Interest received	4,594.00	91.93
Net Cash used in investing activities (B)	(67,577.69)	(917.49)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (non-current) (Refer Note 53)	-	(27,195.06)
Proceeds/(Repayment) of borrowings (Current) (working capital) (Refer Note 53)	36,890.98	(11,438.11)
Interest paid	(1,796.90)	(5,734.71)
Dividend paid	(31,967.31)	(11,987.74)
Dividend distribution tax paid	(6,570.92)	(2,440.42)
Buyback of equity share capital	(75,402.72)	-
Net Cash used in financing activities (C)	(78,846.87)	(58,796.04)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	2,398.74	(307.79)
Cash and cash equivalents at the beginning of the period	517.18	824.96
Cash and cash equivalents at the end of the period	2,915.91	517.18

The accompanying notes (1-55) are integral part of the financial statements
In terms of our report of even date

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

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Dated: 20th May, 2019

Ravi Jhunjunwala
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Director
DIN No. 00061060

Shekhar Agarwal
Vice Chairman
DIN No. 00066113

D.N.Davar
Director
DIN No. 00002008

1. General 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).

The financial statements are authorized for issue by the Company's Board of directors on 20th May, 2019.

2. Significant accounting policies, significant accounting judgements, estimates and assumptions and applicability of new and revised Ind AS

2.1 Basis of Preparation

(i) Compliance with Ind AS

The standalone financial statement comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment issued thereafter.

(ii) The financial statement have been prepared on historical cost basis except for the following

- Certain financial instruments (including derivative instruments) are measured at fair value

(iii) The Company has applied the following standards for the first time for their annual reporting period commencing 1st April, 2018

Ind AS 115, "Revenue from Contracts with Customers"

Adoption of Ind AS 115 did not have any significant impact on the amounts recognized in prior, current and future period.

These policies have been consistently applied to all the years presented unless otherwise stated.

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.

2.2 Revenue Recognition

The Company derives revenue primarily from sale of Graphite Electrodes.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant as the revenue is of short term nature and performance obligations are satisfied upon delivery of goods.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, discounts, value added taxes and amounts collected on behalf of third parties.

(ii) Sale of Graphite Electrodes

Revenue is recognized as and when Graphite Electrode is sold. Revenue from the sale of Graphite Electrode is recognised when control of the goods is passed to the buyer i.e. at the point of sale / delivery to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Sales is net of sales returns, discounts and goods and services tax.

(iii) Power

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

(a) 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 is 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.

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

(iii) Other Income

(a) Revenue in respect of Export Incentives is accounted on post export basis.

(b) Entitlements to Renewal Energy Certificates owing to generation of power at Tawa Hydel Power Plant are recognized to the extent sold at actual rate of net realization.

(c) 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).

- (d) 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

(iv) 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

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes its purchase price (net of taxes and duty recoverable), 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 cost relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with the item 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 Property comprises freehold land and building (including property under construction) that are held for long-term rental yields or for capital appreciation and both are classified as investment property. 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.

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 Equipment

Based on internal assessment and independent technical

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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.
- (v) Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.
- (vi) On transition to Ind AS, the company has elected to continue with the carrying value of all its Property, Plant and Equipment recognized as at 1st April, 2016 measured as per previous GAAP and use that carrying value as its deemed cost of the Property, Plant and Equipment.

(B) Investment Property

Investment Property is depreciated using written down value method over their estimated useful life. Investment property generally has a useful life of 58 years. Useful life has been determined as prescribed in Schedule II to the Companies Act, 2013.

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 and are as under

Assets description	Useful Life
Computer Software	05 Years

Amortisation method, useful lives and residual value are reviewed periodically, including at each financial year end.

On transition to Ind AS, the company has elected to continue with the carrying value of all intangible assets recognized as at 1st April, 2016, measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

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 the 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.

Effective 1st April, 2018 the Company has adopted Appendix B to Ind AS 21. Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of a related asset, expense or income where an entity has received or paid advance consideration in a foreign currency. The effect is insignificant.

2.11 Employee Benefits

(A) Post Employment Benefits

(a) Defined contribution Plan

(i) Provident Fund

The Company makes contribution to the 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.

(b) Defined Benefit Plan

(i) 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 Graphites Staff Gratuity Fund Trust (The Trust), trustees administers the contributions made to the trust and contributions 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.

The Company recognized the net obligation in the Balance Sheet as an asset or liability

(B) Short term and other long term employee benefits

A liability is recognized for the benefits accruing to employees in respect of wages and salaries, and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by the employees upto the reporting date.

(i) 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.

(ii) 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) Leases in which a significant portion of risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

Payments made under operating leases are recognised in the Statement of Profit and Loss on straight line basis over the period of the lease unless the payments are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Where the Company is a lessor

Lease income from operating leases is recognized on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

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 Income Tax

Income Tax expense comprises of current and deferred income tax.

Current Income Tax

Current income tax for current and prior periods 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 statements.

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 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.

Deferred tax assets and deferred tax liabilities have been set off as it relates to income taxes levied by the same taxation authority.

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 Earnings Per Share

Basic earnings per equity share is computed by dividing the 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 receivables 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 or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Transaction cost directly attributable to the acquisition of financial assets and financial liabilities at value through Profit or Loss are recognised immediately in Profit or Loss

(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 instrument 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 can make 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. These elected investments are initially measured at fair value plus transaction cost, subsequently 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 is 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 amount approximates 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 recognised is recognized as an impairment gain or loss in the Statement of Profit and Loss.

(iv) Derecognition

A financial asset (or a part of a financial asset) is primarily derecognized when:

- (a) The contractual right to receive cash flows from the financial assets expire, or
- (b) 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 buyback of equity 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 liabilities.

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 the 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 is 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 that the entity can access at the measurement date

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 acquisition date, which are subject to an insignificant risk of changes in value.

2.23 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note: 4 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Railway Sidings	Total
	Freehold	Leasehold Refer Note (b)								
Gross Carrying amount as at 1st April, 2017	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	-	-	609.80	838.28	5.31	312.07	106.05	48.67	-	1,920.18
Disposals/Deletions	-	-	(313.06)	(581.71)	(39.58)	(119.64)	(82.27)	(69.46)	-	(1,205.73)
Gross Carrying amount as at 31st March, 2018 (A)	302.88	855.09	25,607.78	1,33,256.02	556.13	1,033.95	1,143.90	3,171.77	921.69	1,66,849.21
Additions	-	-	118.93	2,577.32	23.58	338.51	49.25	66.71	-	3,174.29
Disposals/Deletions	-	-	(118.63)	(929.81)	(6.48)	(278.83)	(27.53)	(24.45)	-	(1,385.73)
Adjustments	14.93	(14.93)	-	-	-	-	-	-	-	-
Gross Carrying amount as at 31st March, 2019 (B)	317.81	840.16	25,608.08	1,34,903.53	573.23	1,093.63	1,165.62	3,214.03	921.69	1,68,637.77
Accumulated Depreciation as at 1st April, 2017	-	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	-	14.15	1,103.39	5,683.27	23.23	104.74	62.72	199.72	41.59	7,232.82
Disposals/Deletions	-	-	(129.49)	(568.12)	(33.57)	(86.69)	(75.95)	(52.02)	-	(945.83)
Accumulated Depreciation as at 31st March, 2018 (C)	-	190.90	12,920.82	66,801.77	431.62	509.87	857.77	1,845.03	361.31	83,919.12
Depreciation for the year	-	15.57	1,016.55	5,673.50	19.06	167.53	89.64	190.00	41.59	7,213.44
Disposals/Deletions	-	-	(93.06)	(594.18)	(4.21)	(213.84)	(25.15)	(12.80)	-	(943.24)
Accumulated Depreciation as at 31st March, 2019 (D)	-	206.47	13,844.31	71,881.10	446.48	463.56	922.26	2,022.24	402.90	90,189.32
Net Carrying amount as at 31st March, 2018 (A)-(C)	302.88	664.19	12,686.95	66,454.25	124.51	524.08	286.13	1,326.73	560.38	82,930.10
Net Carrying amount as at 31st March, 2019 (B)-(D)	317.81	633.69	11,763.77	63,022.43	126.75	630.07	243.36	1,191.79	518.79	78,448.45

a) Assets amounting to ₹83.13 Lakhs (Previous Year ₹83.13 Lakhs) (Gross) are owned jointly with RSWM Ltd.

b) Leased Assets

The lease term in respect of leasehold land generally expire within 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 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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Following are the details of year wise minimum lease obligation under leasehold land

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	5.45	4.95	5.45	4.95
After one year but not more than 5 years	21.79	15.69	21.79	15.69
More than 5 years	103.11	21.87	108.56	22.95
Total Minimum lease payments	130.35	42.51	135.79	43.59
Less: Amount representing finance charges	87.84		92.20	-
Present value of minimum lease payments	42.51	42.51	43.59	43.59

c) Property , Plant & Equipment pledged as security

Refer to note no. 49 for information on Property, Plant and Equipment pledged as security by the company.

Note: 5 Capital Work In Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Plant and Equipment under erection/installation	1,857.51	161.45

Capital work in progress includes capital stores ₹17.69 Lakhs (Previous year ₹23.43 Lakhs).

For details on Capital Commitments refer Note - 38(2)

Note: 6 Investment Property

(₹ in Lakhs)

Particulars		Building	Property under construction	Total
Gross Block				
As at 1st April, 2017		391.59	46.09	437.68
Additions		49.23	3.14	52.37
Disposals		-	(49.23)	(49.23)
As at 31st March, 2018	(a)	440.83	-	440.83
Additions		-	-	-
Disposals/Capitalized		-	-	-
As at 31st March, 2019	(b)	440.83	-	440.83
Amortisation				
At 1st April, 2017		52.17	-	52.17
Charge for the year		16.86	-	16.86
Disposals		-	-	-
As at 31st March, 2018	(c)	69.03	-	69.03
Charge for the year		17.66	-	17.66
Disposals		-	-	-
As at 31st March, 2019	(d)	86.69	-	86.69
Net Block				
As at 31 March, 2018	(a-c)	371.80	-	371.80
As at 31st March, 2019	(b-d)	354.14	-	354.14

(i) Amounts recognised in profit or loss for investment properties

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Rental income	81.06	52.37
Direct operating expenses from property that generated rental income	4.54	4.31
Profit from Investment Properties before depreciation	76.52	48.06
Depreciation	17.66	16.86
Profit from Investment Properties	58.86	31.20

(ii) Fair value of Investment Property

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fair value of Investment Property	5,344.03	2,294.12

The Company obtains independent valuation for its properties 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 Softwares)

(₹ in Lakhs)

Particulars	Amount
Gross Block	
As at 1st April, 2017	451.68
Additions	39.10
Disposals	-
As at 31st March, 2018 (a)	490.78
Additions	8.50
Disposals	-
As at 31st March, 2019 (b)	499.28
Amortisation	
As at 1st April, 2017	449.87
Charge for the year	6.09
Disposals	-
As at 31 March, 2018 (c)	455.96
Charge for the year	8.10
Disposals	-
As at 31st March, 2019 (d)	464.06
Net Block	
As at 31 March, 2018 (a-c)	34.82
As at 31st March, 2019 (b-d)	35.22

Note: 8 Investments

(₹ in Lakhs)

No. of Units	Particulars	Face Value	Non - current		Current	
			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
A.	Investments carried at cost					
	Investments in Equity instruments					
(a)	EQUITY INSTRUMENTS OF SUBSIDIARY COMPANIES (Unquoted)					
	HEG Graphite Products and Services Ltd					
NIL	NIL Equity Shares of ₹10 each fully paid up	10	-	5.00		
	Less: Provision for impairment in value of investments (Refer Note 1)		-	-	-	-
	Less: Written off during the year (Refer Note 1)		-	5.00		

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Lakhs)

No. of Units	Particulars	Face Value	Non - current		Current	
			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	Carrying Value		-	-		
	(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.	10	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.)	10	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.	2	0.01	0.01		
	(b) Investments in Fixed Maturity Plans Scheme (Quoted)					
10,00,00,000	(Previous Year-NIL) ICICI Prudential FMP Series 83 1406 Days Plan D- Direct Growth	10	10,944.90	-	-	-
2,50,00,000	(Previous Year-NIL) ICICI Prudential -FMP -Sr 83 - 1100 Days Plan	10	2,690.05	-	-	-
2,50,00,000	(Previous Year-NIL) SBI Debt Fund Series C-19 (1100 days)	10	2,685.33	-	-	-
75,00,000	(Previous Year-NIL) Axis Fixed Term Plan - Series 95 (1185 days)	10	807.20	-	-	-
1,50,00,000	(Previous Year-NIL) Kotak FMP Series 235 - 1140	10	1,610.15	-	-	-
5,00,00,000	(Previous Year-NIL) Reliance Fixed Horizon Fund-XXXVIII-Series 6	10	5,328.90	-	-	-
1,00,00,000	(Previous Year-NIL) Reliance Fixed Horizon Fund-XXXIX-Series 6	10	1,072.39	-	-	-
1,00,00,000	(Previous Year-NIL) ABSL FTP Series QN	10	1,069.90	-	-	-
1,50,00,000	(Previous Year-NIL) SDFS C20 - 1100 Days	10	1,603.65	-	-	-
2,50,00,000	(Previous Year-NIL) HDFC FMP 1105D August 2018 (1)	10	2,659.23	-	-	-
1,50,00,000	(Previous Year-NIL) HDFC FMP 1105D August 2018 (2)	10	1,595.54	-	-	-
1,50,00,000	(Previous Year-NIL) Kotak FMP Series 240-1160	10	1,599.72	-	-	-
1,70,00,000	(Previous Year-NIL) Aditya Birla Sunlife Fixed Term Plan Series QV (1100 days)	10	1,807.75	-	-	-
1,50,00,000	(Previous Year-NIL) Aditya Birla Sunlife Fixed Term Plan Series QU (1100 days)	10	1,596.11	-	-	-
3,00,00,000	(Previous Year-NIL) Aditya Birla Sunlife Fixed Term Plan Series RN (1240 days)	10	3,151.20	-	-	-
2,00,00,000	(Previous Year-NIL) ICICI Pru Fixed Maturity Plan-Sr 84 - 1245 days Plan N	10	2,103.50	-	-	-
1,50,00,000	(Previous Year-NIL) RELIANCE FX HRZ FUND XXXIX S15	10	1,580.33	-	-	-
1,00,00,000	(Previous Year-NIL) ICICI Pru Fixed Maturity Plan-Sr 84 - 1288 days Plan O	10	1,048.90	-	-	-
1,00,00,000	(Previous Year-NIL) Kotak FMP Series 251-1265 days	10	1,050.67	-	-	-

(₹ in Lakhs)

No. of Units	Particulars	Face Value	Non - current		Current	
			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
1,00,00,000	(Previous Year-NIL) HDFC FMT 1246D November, 2018 (1) - Series 43	10	1,049.51			
1,50,00,000	(Previous Year-NIL) Kotak FMP Series 242-1152	10	1,596.99	-	-	-
1,50,00,000	(Previous Year-NIL) Kotak FMP Series 243 - 1319 days	10	1,608.50	-	-	-
1,50,00,000	(Previous Year-NIL) UTI Fixed Term Income Fund Series XXX - II (1107 days)	10	1,595.91	-	-	-
1,50,00,000	(Previous Year-NIL) Reliance Fixed Horizon Fund-XXXIX Series 2	10	1,611.23	-	-	-
1,20,00,000	(Previous Year-NIL) ICICI Prudential -FMP -Series 83 - 1101 Days Plan Z	10	1,276.33	-	-	-
2,00,00,000	(Previous Year-NIL) Aditya Birla Sunlife Fixed Term Plan Series RC (1295 days)	10	2,129.74	-	-	-
1,00,00,000	(Previous Year-NIL) Reliance Fixed Horizon Fund-XXXIX Series 9	10	1,063.48	-	-	-
(c) Investments in Mutual Funds						
68,061.75	(Previous Year-NIL) HDFC Mutual Fund	1000	-	-	2,503.51	-
9,05,745.25	(Previous Year-NIL) ICICI Mutual Fund	100	-	-	2,503.63	-
38,912.92	(Previous Year-NIL) Invesco India Liquid Fund	1000	-	-	1,001.01	-
(d) Investments in Non Convertible Debentures(Quoted)						
200	(Previous Year-NIL) KOTAK MAHINDRA PRIME LIMITED - BR NCD 30JL19 FVRS10LAC	1000000	-	-	2,126.60	-
250	(Previous Year-NIL) HDB FINANCIAL SERVICES LIMITED - SR-A/1/77 8.48 NCD 13MY19 FVRS10LAC	1000000	-	-	2,689.24	-
150	(Previous Year-NIL) HDB FINANCIAL SERVICES LIMITED - SR A/0(ML)/1 BR NCD 31JL20 FVRS10LAC	1000000	1,516.05	-	-	-
150	(Previous Year-NIL) HDB FINANCIAL SERVICES LIMITED - SR 2019 A/0(ML)/2 BR NCD 04FB21 FVRS10LAC	1000000	1,500.90	-	-	-
Total			75,879.91	14,925.88	10,823.99	-
Aggregate amount of quoted investments			60,954.02	0.01	10,823.99	-
Market value of quoted investments			60,954.02	**	10,823.99	-
Aggregate amount of unquoted investments			14,925.88	14,925.87	-	-
Aggregate amount for impairment in value of investments			-	-	-	-
(**)Amount is below the rounding off norm adopted by the Company						

Note 1 :- 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 previous year.

Note 2 :- Refer Note: 48 for Classification of Financial Assets

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note: 9 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Trade Receivable considered good-Secured	-	-
b) Trade Receivable considered good-Unsecured	1,18,459.25	96,844.96
c) Trade Receivable which have significant increase in Credit Risk; and	483.66	492.76
d) Trade Receivable credit impaired	691.76	390.13
Less: Loss allowance for doubtful receivables (other than covered under ECGC cover)	(945.73)	(458.94)
d) Debts due from the directors or other officers 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	1,18,688.94	97,268.90

Refer Note: 48 for Classification of Financial Assets

Note: 10 Financial Assets-Loans

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Security deposits	1,092.32	721.72	-	-
Loans to employees				
a) Loans to employees considered good-Secured	-	-	-	-
b) Loans to employees considered good-Unsecured	26.24	21.42	62.01	64.55
c) Loans to employees which have significant increase in Credit Risk; and	-	-	-	-
d) Loans to employees credit impaired	-	-	-	-
Total	1,118.56	743.14	62.01	64.55

Refer Note: 48 for Classification of Financial Assets

Note: 11 Other Financial Assets

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Interest accrued but Not due	-	-	465.79	85.04
Derivative Financial Instruments	-	-	72.40	24.39
Total	-	-	538.19	109.43

Refer Note: 48 for Classification of Financial Assets

Note: 12 Other Assets

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good unless stated otherwise	-	-	-	-
Capital Advances	1,391.54	251.27	-	-
Other Advances considered good - Unsecured	-	-	2,361.69	1,994.94
Advances to related parties	-	-	3.28	3.28
Prepaid expenses	12.04	13.08	988.06	864.44
Balances with statutory authorities	-	-	8,291.26	2,092.67
Excise Rebates / GST Refunds receivables	-	-	4,770.12	692.00
Payments under protest (other than direct taxes)	323.46	303.81	-	-
Export Benefits Receivable (including MEIS Licenses in hand)	-	-	9,882.24	6,252.96
Other Employee Advances	-	-	103.31	63.86
Gratuity Fund receivable (also refer note 40)	-	-	157.48	151.64
Others	-	-	309.49	9.11
Total	1,727.04	568.15	26,866.93	12,124.91

a) Detail of payments under protest (other than direct taxes) is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Entry Tax	197.22	197.22
Central Sales Tax	24.53	24.53
Excise duty/Service Tax	79.57	59.92
MPST/MPCT	3.29	3.29
Tax deducted at source	18.85	18.85
Total	323.46	303.81

Based on legal advice, discussions with the solicitors, etc., the management believes that there are fair chances of decisions in the Company's favor in respect of all the items listed above and no value adjustment is considered necessary.

Note: 13 Inventories (Valued at Lower of Cost or Net Realizable Value)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials [Includes material in transit ₹23,809.22 Lakhs; [previous year: ₹7,017 Lakhs]	50,355.48	19,959.18
Finished goods	37,749.92	10,166.41
Work-in-progress	39,650.33	17,528.15
Stores and spares [Includes stores in transit ₹304.65 Lakhs; Previous year: ₹183.97 Lakhs]	3,082.92	3,489.80
Others (Refer Note (a))	0.03	0.03
Total	1,30,838.68	51,143.57

(a) Others include Renewable Energy Credits in hand.

(b) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹1,36,108.38 Lakhs (Previous year ₹ 57,010.98 Lakhs)

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note: 14 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
i. Balances with banks		
In Current accounts	2,505.50	161.01
In Cash Credit accounts	386.90	17.18
ii. Cheques, drafts on hand	20.06	333.96
iii. Cash on hand	3.45	5.02
iv. Deposits with banks/financial Institutions		-
Total	2,915.91	517.18

Refer Note: 48 for Classification of Financial Assets

Note: 15 Other Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Earmarked deposits with banks		
a) As security against Raw Material LC*	16,590.43	-
b) Escrow Account for buyback of shares	900.02	-
c) Against Bank Guarantee*	254.10	-
d) Unpaid Dividend	431.95	245.28
Deposits with banks/financial Institutions	34,640.00	-
Total	52,816.50	245.28

* [a] & [c] includes Interest Accrued.

Refer Note: 48 for Classification of Financial Assets

Note: 16 Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised		
5,50,00,000 Equity Shares of ₹10/- each	5,500.00	5,500.00
	5,500.00	5,500.00
Issued, Subscribed and Fully paid-up		
3,85,95,506 Equity Shares of ₹10/- each	3,859.55	3,995.91
1,150 Forfeited Equity Shares	0.04	0.04
Total	3,859.59	3,995.95

(a) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	2018-19		2017-18	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares				
At the beginning of the year	3,99,59,142	3,995.91	3,99,59,142	3,995.91
Change during the year - Buyback of Equity Shares	(13,63,636)	(136.36)	-	-
Outstanding at the end of the year	3,85,95,506	3,859.55	3,99,59,142	3,995.91

(b) Terms/Rights attached to equity shares

The 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 on 31st March, 2019, the Company has paid an amount of ₹50 per Equity Share (500%) as Final Dividend for the financial year 2017-18 to the equity shareholders of the Company and also ₹30 per share (300%) as Interim Dividend for the Financial Year 2018-19.

(c) Detail of Shareholders holding more than 5% Shares in the Company

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Norbury Investments Limited	53,62,991	13.90	53,62,991	13.42
Microlight Investments Limited	46,65,579	12.09	46,65,579	11.68
Life Insurance Corporation of India	32,32,046	8.37	33,33,963	8.34
Bharat Investments Growth Limited	24,64,913	6.39	26,09,598	6.53

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) Aggregate number of equity shares issued for consideration other than cash and shares bought back for the period of five years immediately preceding the reporting date.

Particulars	Aggregate No. of Shares				
	2018-19	2017-18	2016-17	2015-16	2014-15
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
FCCB's Conversion	-	-	-	-	-
Shares bought back	13,63,636	-	-	-	-

(e) Buyback of shares: During the year under review, the Company after obtaining shareholders' approval, had bought back 13,63,636 (Thirteen lakhs sixty three thousand six hundred and thirty six) fully paid-up equity shares of face value of ₹10/- (rupees ten only) each, representing approximately 3.41% of the total number of equity shares in the paid-up equity share capital of the Company as at 30 September 2018, from the shareholders/beneficial owners of equity shares of the Company as on the record date i.e. February 9, 2019 on a proportionate basis, through the "tender offer" under stock exchange mechanism route at a price of ₹5,500/- (rupees five thousand five hundred only) per equity share for an amount of ₹7,49,99,98,000/- (Rupees seven hundred forty nine crore ninety nine lakhs ninety eight thousand only) excluding expenses incurred in this connection thereto. The break up of shares bought back and extinguished are as under:

a) Equity shares in Demat:	13,63,019
b) Physical shares:	617
Total:	13,63,636

The Company concluded the Buyback proceedings on 29th March 2019 and equity shares were extinguished. The Company has utilized its Security Premium, General Reserves & Retained Earnings for Buyback of its equity shares and post completion of same, the paid up capital is reduced from ₹39,95,91,420/- (3,99,59,142 Equity Shares) to ₹38,59,55,060/- (3,85,95,506 Equity Shares).

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note: 17 Other Equity

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
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: Amount transferred from Retained Earnings upon Buyback (Refer Note 16(e))	136.36	-
Closing balance	2,029.93	1,893.57
C. Securities Premium		
Balance as per the last financial statements	1,269.61	1,269.61
Add/Less : Received/Utilized during the year (Refer Note 16(e))	(1,269.61)	-
Closing balance	-	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	-	-
Less: Amount utilized in Buyback of Shares(Refer Note 16(e))	39,823.38	-
Closing balance	-	39,823.38
Surplus/(Deficit) balance in Statement of Profit and Loss		
Balance as per the last financial statements	1,30,667.99	36,962.22
Add: Amount transferred from Statement of Profit and Loss	3,05,043.06	1,08,133.93
Less: Dividend paid	31,967.31	11,987.74
Less: Dividend distribution tax paid on dividend	6,570.92	2,440.42
Less: Amount utilized in Buyback of Shares (Refer Note 16(e))	33,770.63	-
Less: Buyback Exp (net of Income Tax Benefit)	402.75	-
Less: Amount Transferred to Capital Redemption Reserve upon Buyback	136.36	-
Closing balance	3,62,863.08	1,30,667.99
E. Items of Other Comprehensive Income		
Balance as per the last financial statements	72.93	96.47
Remeasurement of Defined Benefit Plans	(63.92)	(23.54)
Closing balance	9.01	72.93
Total	3,68,040.26	1,76,865.78
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 2019.

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:

Securities Premium Reserve is used to record the premium on issue of shares. The reserve can be utilised in accordance with the Provisions of the Companies Act 2013.

3) Capital Redemption Reserve:

The Company created Capital Redemption Reserve at the time of redemption of Preference Shares and buyback of its own shares. The reserve can be utilised for issuing bonus shares.

Note: 18 Borrowings

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Loans repayable on demand from banks				
Working Capital loans from banks	-	-	66,636.47	29,745.49
Total	-	-	66,636.47	29,745.49

Current Borrowings

Particulars	Maturity date	Terms of Repayment	Interest Rate	As at 31st March, 2019	As at 31st March, 2018
Loans Repayable on Demand	Payable on Demand	Payable on Demand	At negotiated rates		
Secured					
Working Capital from banks				54,336.47	29,745.49
Unsecured					
Working Capital from banks				12,300.00	-
Total				66,636.47	29,745.49

- 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 favour of financial institutions and banks for their term loans.

Refer Note No. 49 for carrying amount of assets pledged as security for borrowings.

Note:19 Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(A) Total outstanding dues of micro enterprises and small enterprises	398.82	245.97
(B) Total outstanding dues of other creditors	37,608.08	24,398.46
(C) Total outstanding dues of other creditors-related parties	-	-
Total	38,006.90	24,644.43

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. The detail information relating to Micro, Small and Medium Enterprises is as under :-

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Principal amount remaining unpaid as at end of the year	398.82	245.97
(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)	398.82	245.97
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.	-	-

Note: 20 Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Security Deposits - From outsiders	-	-	155.71	134.02
Interest accrued but not due on borrowings	-	-	-	-
Unpaid dividends-Unclaimed#	-	-	431.95	245.28
Derivative Financial Instruments	-	-	-	-
Creditors for capital goods	-	-	467.87	98.28
Other payables	-	-	-	-
Employees related	-	-	9,555.99	4,057.53
Others	41.31	42.50	2,405.97	2,716.79
Total	41.31	42.50	13,017.49	7,251.90

Unpaid dividend does not include any amount due and outstanding required to be credited to the Investor's Education and Protection Fund.

Refer Note: 48 for Classification of Financial Liabilities

Note: 21 Provisions

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits				
Compensated absences	387.08	340.90	67.08	68.75
Provision for duties & taxes	-	-	1,910.83	548.13
Total	387.08	340.90	1,977.91	616.88

Note:22 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities (A)		
Property, plant and equipment	12,333.88	12,221.24
Fair valuation of Investments	940.12	-
Deferred tax assets (B)		
Items deductible on payment basis	330.87	145.61
Provision for doubtful debts and others	330.48	158.83
Net Deferred tax Liability (A)-(B)	12,612.65	11,916.80

Note: 23 Other Liabilities

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Deposits from employees against various schemes	239.59	208.08	67.31	79.03
Advance from Customers	-	-	98.80	1,485.65
Statutory dues payable	-	-	1,205.03	3,128.54
Others payables	-	-	233.89	155.00
Total	239.59	208.08	1,605.03	4,848.22

Note: 24 Current Tax Asset & Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Income tax assets (net)	3,995.09	2,810.79
Income tax liabilities (net)	(542.77)	(3,543.02)
Total	3,452.32	(732.22)

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note: 25 Revenue From Operations

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
Sale of Products				
Manufactured goods				
Graphite Electrodes (Refer note 50 & 51)	6,42,911.38		2,66,542.40	
Power (Net of inter-divisional sales of ₹11,091.65 Lakhs, Previous year ₹19,422.65 Lakhs)	720.22	6,43,631.60	664.32	2,67,206.73
Other Operating Income				
REC sales	163.53		1,080.82	
Fly Ash Income	171.30		225.28	
Export Incentives	15,316.09	15,650.92	7,327.61	8,633.71
Total		6,59,282.52		2,75,840.43

Note: 26 Other Income

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Income from financial assets measured at amortized cost	4,974.75	42.07
rent received	88.68	59.75
Net Gain on sale of current investment measured at Fair Value Through P&L	1,151.21	5.21
Net Gain on Fair Valuation of investments measured at Fair Value Through P&L	3,997.63	-
Liabilities / provisions , written back	255.71	428.54
Net Gain on sale of property, plant and equipment	-	321.47
Miscellaneous receipts	451.20	379.78
Total	10,919.18	1,236.82

Note: 27 Cost of Material Consumed

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
Raw material consumed				
Opening stock	12,942.18		1,770.38	
Add : Purchases	1,74,788.06		68,752.58	
	1,87,730.24		70,522.96	
Less: Closing stock	26,546.27		12,942.18	
Cost of material consumed		1,61,183.97		57,580.79

Note: 28 Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Inventories at the end of the period		
Finished goods	37,749.92	10,166.41
Work-in-progress	39,650.33	17,528.15
Total (A)	77,400.25	27,694.56
Inventories at the beginning of the period		
Finished goods	10,166.41	6,501.88
Work-in-progress	17,528.15	11,845.08
Total (B)	27,694.56	18,346.96
Net Movement in Excise Duty on finished goods (C)	-	(434.84)
Total [(B)-(A)+(C)]	(49,705.69)	(9,782.44)

Note:29 Employee Benefit Expense

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Salaries and wages	18,894.86	10,391.27
Contribution to provident and other funds	507.62	461.21
Staff welfare expenses	354.14	391.37
Total	19,756.62	11,243.85

Note:30 Finance Cost

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Expense		
Term loans	-	2,417.28
Working capital borrowings	1,788.46	2,078.66
Exchange difference regarded as an adjustment to borrowing cost	-	(3.79)
Interest cost on income tax	-	1,084.06
Others	8.44	65.67
Total	1,796.90	5,641.88

Note:31 Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Depreciation of tangible assets*	7,231.10	7,249.67
Amortisation of intangible assets**	8.10	6.09
Total	7,239.20	7,255.76

* Refer note 4

** Refer note 7

Note:32 Excise Duty

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Excise duty (Refer note 51)	-	833.82
Total	-	833.82

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note: 33 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Consumption of stores and spare parts (including Refractory Blocks)	11,644.50	7,603.22
Job/Process charges	490.33	314.12
Power and fuel	29,412.84	35,858.39
Less: Interdivisional purchases	(11,091.65)	(19,422.65)
Repairs and maintenance		
Plant and Machinery	4,897.33	4,406.94
Building	359.61	343.31
Others	801.81	603.09
Insurance	892.16	363.89
Rent (Refer Note 41)	89.13	85.97
Rates and taxes	106.50	88.79
Directors' sitting fees and incidental expenses	90.58	57.13
Commission paid to Directors	200.00	-
Freight & forwarding	12,656.73	8,659.67
Packing expenses (including packing material consumption)	1,819.61	1,608.51
Commission	2,862.14	3,174.54
Claims and rebates	166.35	223.37
Donations	10.34	2.25
Contribution made to political parties	800.00	-
Power generation charges	78.55	67.70
Travelling expenses	408.65	232.45
Postage and communication	86.31	68.47
Payment to auditors (Refer details below*)	29.50	19.18
Contribution towards Corporate Social Responsibility(Refer Note 43)	827.92	92.10
Legal and Professional expenses	1,257.68	416.50
Vehicle running & maintenance	65.86	90.04
Allowances for Expected Credit Losses	534.52	(782.98)
Bad debts	22.30	205.02
Duties and taxes	134.32	31.42
Net Loss on sale/discard of property, plant and equipment	335.49	-
Foreign currency fluctuation	1,044.05	(1,473.35)
Miscellaneous expenses	1,189.36	895.54
Total	62,222.82	43,832.62

*Payments to the statutory auditors (excluding GST/Service Tax)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
As auditor		
Statutory audit	12.50	12.50
Other services		
Tax Audit	2.00	2.00
Management Services		
Certification Fees	8.78	0.17
Reimbursement of expenses	6.22	4.51
Total	29.50	19.18

Note: 34 Tax Expense

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
A) Tax Expense Recognised in Profit and Loss		
1) Current Tax		-
Income tax	1,62,032.53	51,355.30
Income tax - Previous Year	(97.89)	0.60
2) Deferred tax	730.18	981.14
	1,62,664.82	52,337.04
B) Tax Expense on Other Comprehensive Income		
1) Current tax	-	-
2) Deferred tax	(34.33)	(12.46)
	(34.33)	(12.46)
C) Tax expense/(Income) relating to items that are charged or credited directly to equity		
1) Current tax	(216.33)	-
2) Deferred tax	-	-
	(216.33)	-
Total	1,62,414.15	52,324.58

(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 Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Accounting profit before tax from continuing operations	4,67,707.88	1,60,470.97
Profit/Loss before tax from a discontinued operation	-	-
Accounting profit before income tax	4,67,707.88	1,60,470.97
At India's statutory income tax rate of 34.944%	0.35	0.35
Tax as per accounting profit (A)	1,63,435.84	55,535.79
Tax impact of amounts which are not deductible in calculating taxable income:		
Difference on account of depreciation	(327.82)	(122.42)
Effect of expenses that are not deductible in determining taxable profits	111.49	(206.75)
Benefit arising from previous tax losses	-	(2,870.19)
Differential tax rate on capital gain on sale of Investments/Fair Valuation on Investments	(456.81)	-
Income tax expense/(income) related to prior periods	(97.89)	0.60
Tax impact of amounts which are not deductible in calculating taxable income (B):	(771.02)	(3,198.76)
Income Tax Expense reported in the statement of Profit and Loss (A+B)	1,62,664.82	52,337.04

The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.944% and 34.608%, respectively. The increase in the corporate statutory tax rate to 34.944% is consequent to changes made in the Finance Act, 2018.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

(b) Reconciliation of Deferred tax asset/(liability)

(i) Movement in deferred income tax assets and liabilities for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	As at 1st April, 2018	Changes through profit and loss	Changes through OCI	As at 31st March, 2019
Deferred tax liabilities (A)				
Property, Plant and Equipment	12,221.24	112.64	-	12,333.88
Fair valuation of Investments	-	940.12	-	940.12
Deferred tax assets (B)				
Items deductible on payment basis	145.61	150.93	34.33	330.87
Provision for doubtful debts and others	158.83	171.65	-	330.48

(ii) Movement in deferred income tax assets and liabilities for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 1st April, 2018	Changes through profit and loss	Changes through OCI	As at 31st March, 2019
Deferred tax liabilities (A)				
Property, Plant and Equipments	11,780.93	440.31	-	12,221.24
Fair valuation of Investments	-	-	-	-
Deferred tax assets (B)				
Items deductible on payment basis	360.19	(227.03)	12.46	145.61
Provision for doubtful debts and others	472.63	(313.81)	-	158.83

Note: 35 Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
(i) Items that will not be reclassified to profit or loss		
-Remeasurement of defined benefit plans	(98.25)	(35.99)
Total	(98.25)	(35.99)

Note: 36 Earnings per share

The calculation of Earnings 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 "Earnings Per Share"

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Profit attributable to equity shareholders (in Lakhs)	3,05,043.06	1,08,133.93
Weighted average number of equity shares outstanding during the Financial Year after adjustment for Buyback of Equity Shares	3,99,47,934	3,99,59,142
Basic earnings per share(₹)	763.60	270.61
Diluted earnings per share*(₹)	763.60	270.61

* There are no potential equity shares

Note: 37 SEGMENT REPORTING

The Company's Chief Operational Decision Makers consisting of Chief Executive Officer and Chief Financial 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.

(₹ in Lakhs)

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ Others		Company Total	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018
a) Segment Revenue								
Turnover	6,58,226.74	2,73,882.80	12,146.70	21,379.58	0.73	0.70	6,70,374.17	2,95,263.08
Less: Inter Segment turnover	-	-	11,091.65	19,422.65	-	-	11,091.65	19,422.65
External Turnover	6,58,226.74	2,73,882.80	1,055.05	1,956.93	0.73	0.70	6,59,282.52	2,75,840.43
b) Segment Result before Interest & taxes	4,60,534.39	1,61,237.04	(1,762.27)	4,858.12	609.07	(29.60)	4,59,381.19	1,66,065.57
Add: Interest income							4,974.75	42.07
Add: Gain on sale of Investments (Including gain/(loss) on Fair Valuation)							5,148.84	5.21
Less: Financial expenses							1,796.90	5,641.88
Profit before tax							4,67,707.88	1,60,470.97
Less: Income tax (including deferred tax)							1,62,664.83	52,337.04
Net Profit for the period							3,05,043.06	1,08,133.93
Depreciation	5,988.06	5,988.21	1,192.49	1,225.11	58.65	42.44	7,239.20	7,255.76

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

2) Secondary Revenue (By Geographical Location) :

(₹ in Lakhs)

Particulars	Within India		Outside India		Total	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018
a) Segment Revenue	1,67,929.22	81,146.08	4,91,353.30	1,94,694.35	6,59,282.52	2,75,840.43

3) Other Details

(₹ in Lakhs)

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ Others		Company Total	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Segment Assets	3,51,906.06	2,31,592.34	14,313.05	16,607.03	1,40,747.95	15,820.58	5,06,967.06	2,64,019.95
Segment Liabilities	1,12,604.73	74,220.61	961.73	3,370.55	21,500.76	5,567.06	1,35,067.22	83,158.22
Capital exp. incurred during the year	4,778.17	1,925.33	31.38	5.19	69.27	72.91	4,878.82	2,003.44

4) Details of Unallocated Items

(₹ in Lakhs)

Segment Assets	As at 31st March, 2019	As at 31st March, 2018
Property, Plant & Equipment	194.49	196.46
Investment Property	354.13	357.95
Investments	86,703.88	14,925.88
Inventories	14.68	12.03
Trade Receivables	0.32	0.12
Cash and Cash Equivalents	62.42	16.91
Bank Balances other than Cash & Cash equivalents	52,836.57	245.28
Financial Assets-Loans	26.54	35.47
Other Assets	554.92	30.48
Total	1,40,747.95	15,820.58

(₹ in Lakhs)

Segment Liabilities	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liability	12,641.15	7.36
Other Financial Liability	8,209.65	2,944.93
Other Liabilities	489.06	2,487.68
Provisions	160.91	127.09
Total	21,500.76	5,567.06

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 Lakhs)

Revenue from External Customers	Year Ended 31st March, 2019	Year Ended 31st March, 2018
India	1,67,929.22	81,146.08
Saudi Arabia	38,595.51	1,804.32
USA	62,481.59	21,067.45
Iran	15,849.88	18,243.32
Korea (South)	43,278.73	5,855.12
Turkey	57,641.07	40,106.15
Spain	48,762.75	18,753.03
Others*	2,24,743.78	88,864.96
Total	6,59,282.52	2,75,840.43

*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 ended March '19 and March '18.

7) The Company has business operations only in India and does not hold any non-current asset outside India.

Note: 38 Commitment & Contingencies

1) Contingent Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
For Taxation matters		
a) Excise duty under appeal	230.80	232.95
b) Service tax	1,879.70	1,166.58
c) Income tax	7,651.21	7,691.21
d) Sales tax	477.40	481.56
Other than Taxation matters		
a) Power related	3,123.37	2,541.20
b) Labour related matters	59.98	42.60
c) Others	117.41	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 the Company has deposited amount to the tax authorities against the cases, which is shown as payment under protest in note 12 of Other Assets.

2) Commitment Outstanding

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹1,391.54 Lakhs, [previous year ₹251.27 Lakhs.]]	28,686.17	481.82

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

3) Financial Guarantee

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
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 of account.

Note: 39 Related Party Disclosure

(a) Names of related parties where control exists and with whom transactions have taken place during the year

Related Parties		
Relationship	Year Ended 31st March, 2019	Year Ended 31st March, 2018
A) Subsidiary	-	(i) HEG Graphite Products & Services Ltd.* (up to 20th December 2017)
B) Associates	(i) Bhilwara Energy Ltd. (ii) Bhilwara Infotechnology Ltd.	(i) Bhilwara Energy Ltd. (ii) 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 Smt. Mani Devi Jhunjunwala Sh. Ravi Jhunjunwala Sh. Riju Jhunjunwala Sh. Rishabh Jhunjunwala Smt. Rita Jhunjunwala Nivedan Churiwal Shubha Churiwal Sudha Churiwal	Sh. L.N. Jhunjunwala Smt Mani Devi Jhunjunwala Sh. Ravi Jhunjunwala Sh. Riju Jhunjunwala Sh. Rishabh Jhunjunwala Smt Rita Jhunjunwala Nivedan Churiwal Shubha Churiwal Sudha Churiwal
D) Key Management Personnel	Sh. Ravi Jhunjunwala-CMD & CEO Sh. Riju Jhunjunwala-Non-Executive Director Sh. Shekhar Agarwal Sh. Dharmendar Nath Davar Sh. Satyendra Nath Bhattacharya Sh. Satish Chand Mehta Dr. Kamal Gupta Dr. Om Parkash Bahl Smt. Vinita Singhanian Smt. Ramni Nirula Late Sh. Raju Rustogi- Chief Operating Officer and Chief Financial Officer*** Sh. Vivek Chaudhary-Company Secretary	Sh. Ravi Jhunjunwala-CMD Sh. Riju Jhunjunwala-Non-Executive Director Sh. Shekhar Agarwal Sh. Dharmendar Nath Davar Sh. Satyendra Nath Bhattacharya Sh. Satish Chand Mehta Dr. Kamal Gupta Dr. Om Parkash Bahl Smt. Vinita Singhanian - Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer Sh. Vivek Chaudhary-Company Secretary

Related Parties		
Relationship	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	Sh. Manish Gulati - Chief Operating Officer & Chief Marketing Officer (w.e.f. 31st October 2018) Sh. Gulshan Kumar Sakhuja - Chief Financial Officer (w.e.f. 12 February 2019)	
E) Relatives of Key Management Personnel	Sh. L.N. Jhunjunwala Smt. Mani Devi Jhunjunwala Sh. Rishabh Jhunjunwala Smt. Rita Jhunjunwala	Sh. L.N. Jhunjunwala Smt. Mani Devi Jhunjunwala Sh. Rishabh Jhunjunwala Smt. Rita Jhunjunwala
F) 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
G) 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. BSL Ltd. AD Hydro Power Ltd. Maral Overseas Ltd. BMD Pvt. Ltd. Bharat Investments Growth Ltd. Deepak Pens & Plastics Pvt. Ltd. India Texfab Marketing Ltd. Investors India Ltd. LNJ Financial Services Ltd. Nivedan Vanijya Niyojan Ltd. M.L. Finlease Pvt. Ltd. Sandhu Auto Deposits Ltd. Raghav Commercial Ltd. Norbury Investments Ltd. Mekima Corporation Microlight Investments Ltd.	RSWM Ltd. Malana Power Company Ltd. Giltedged Industrial Securities Ltd. Purvi Vanijya Niyojan Ltd. Shashi Commercial Co Ltd. BSL Ltd. AD Hydro Power Ltd. Maral Overseas Ltd. BMD Pvt. Ltd. Bharat Investments Growth Ltd. Deepak Pens & Plastics Pvt, Ltd. India Texfab Marketing Ltd. Investors India Ltd. LNJ Financial Services Ltd. Nivedan Vanijya Niyojan Ltd. M.L. Finlease Pvt. Ltd. Sandhu Auto Deposits Ltd. Raghav Commercial Ltd. Norbury Investments Ltd. Mekima Corporation Microlight Investments 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.

** The company had discontinued the Hindustan Electro Graphites Officers Contributory P.F. Trust with effect from 1st April 2018.

***The services of Sh. Raju Rustogi- Chief Operating Officer and Chief Financial Officer had been discontinued w.e.f 26th January 2019 due to sudden demise.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

(b) Transactions during the year with related parties

(₹ in Lakhs)

	Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
1)	Associates	M/s Bhilwara Energy Ltd.	Reimbursement received	2.41	-
			Reimbursement made	12.78	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	143.79	53.92
			Amount paid on Buyback of equity Shares	548.08	-
		Smt. Mani Devi Jhunjhunwala	Dividend paid	82.68	31.01
			Amount paid on Buyback of equity Shares	315.10	-
		Sh. Ravi Jhunjhunwala	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	246.48	237.03
			Commission	11,881.00	4,095.94
			Dividend paid	280.62	105.23
			Amount paid on Buyback of equity Shares	1,069.59	-
			Sale of Furniture	8.39	-
		Sh. Riju Jhunjhunwala	Director sitting fee	6.65	4.75
			Commission	25.00	-
			Dividend paid	186.63	69.99
			Amount paid on Buyback of equity Shares	711.37	-
			Reimbursement of expenses	0.42	0.30
		Sh. Rishabh Jhunjhunwala	Dividend paid	148.90	55.84
			Amount paid on Buyback of equity Shares	567.55	-
		Smt. Rita Jhunjhunwala	Dividend paid	179.45	67.29
			Amount paid on Buyback of equity Shares	683.98	-
		Sh. Nivedan Churiwal	Dividend paid	9.00	3.38
			Amount paid on Buyback of equity Shares	34.27	-
		Smt. Shubha Churiwal	Dividend paid	6.28	2.36
			Amount paid on Buyback of equity Shares	23.87	-
		Smt. Sudha Churiwal	Dividend paid	2.00	0.75
			Amount paid on Buyback of equity Shares	7.59	-

	Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
3)	Key Management Personnel	Sh. Ravi Jhunjhunwala-CMD & CEO	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	246.48	237.03
			Commission	11,881.00	4,095.94
			Dividend paid	280.62	105.23
			Amount paid on Buyback of equity Shares	1,069.59	-
			Sale of Furniture	8.39	-
		Sh. Riju Jhunjhunwala	Director sitting fee	6.65	4.75
			Commission	25.00	-
			Dividend paid	186.63	69.99
			Amount paid on Buyback of equity Shares	711.37	-
			Reimbursement of expenses	0.42	0.30
		Sh. L.N.Jhunjhunwala	Dividend paid	143.79	53.92
			Amount paid on Buyback of equity Shares	548.08	-
		Smt. Mani Devi Jhunjhunwala	Dividend paid	82.68	31.01
			Amount paid on Buyback of equity Shares	315.10	-
		Sh. Rishabh Jhunjhunwala	Dividend paid	148.90	55.84
			Amount paid on Buyback of equity Shares	567.55	-
		Smt. Rita Jhunjhunwala	Dividend paid	179.45	67.29
			Amount paid on Buyback of equity Shares	683.98	-
		Sh. Shekhar Agarwal	Director sitting fee	9.00	4.70
			Commission	25.00	-
			Reimbursement of expenses	0.36	0.21
		Sh. Dharmendar Nath Davar	Director sitting fee	18.40	11.80
			Commission	25.00	-
			Reimbursement of expenses	1.23	0.84
			Dividend paid	1.20	0.45
		Sh. Satyendra Nath Bhattacharya	Director sitting fee	3.00	3.00
			Commission	25.00	-
			Reimbursement of expenses	0.12	0.12

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	Sh. Satish Chand Mehta	Director sitting fee	7.50	4.50
		Commission	25.00	-
		Reimbursement of expenses	0.30	0.18
	Dr. Kamal Gupta	Director sitting fee	19.40	12.80
		Commission	25.00	-
		Reimbursement of expenses	1.26	0.90
		Dividend paid	0.16	0.06
		Amount paid on Buyback of equity Shares	0.61	-
	Dr. Om Parkash Bahl	Director sitting fee	15.20	9.40
		Commission	25.00	-
		Reimbursement of expenses	0.63	0.42
	Smt. Vinita Singhanian	Director sitting fee	3.75	3.00
		Commission	25.00	-
		Reimbursement of expenses	0.24	0.21
	Smt. Ramni Nirula	Director sitting fee	3.00	-
		Reimbursement of expenses	0.12	-
	Late Sh. Raju Rustogi- Chief Operating Officer and Chief Financial Officer	Salary and Allowances(Including perquisites and Contribution in PF and Superannuation)#	161.14	114.90
	Sh. Vivek Chaudhary- Company Secretary	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	30.76	21.59
	Sh. Manish Gulati - Chief Operating Officer (w.e.f. 31st October 2018)#	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	119.72	-
	Sh. Gulshan Kumar Sakhuja - Chief Financial Officer (w.e.f.12 February 2019)#	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	44.90	-

	Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
4)	Trust Under Common Control	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	Contribution in Employee Benefit Scheme	-	-
			Payment received on retirement and termination	-	-
		(b) Hindustan Electro Graphites Officers Contributory P.F. Trust (Refer Note)	Contribution in Employee Benefit Scheme	-	65.33
			Payment received on retirement and termination	-	-
		(c) Hindustan Electro Graphites Ltd. Senior Executive Superannuation Fund Trust	Contribution in Employee Benefit Scheme	157.03	158.46
			Payment received on retirement and termination	-	-
5)	Enterprises over which any person described in (b) or (c) is able to exercise significant influence.	RSWM Ltd.	Rent paid	43.52	43.25
			Rent received	-	7.39
			Reimbursement received	39.82	13.12
			Reimbursement made	30.42	36.28
			Dividend paid	782.40	293.40
			Amount paid on Buyback of equity Shares	2,982.27	-
		Shashi Commercial Co. Ltd.	Rent paid	29.60	27.64
			Dividend paid	572.15	214.56
			Amount paid on Buyback of equity Shares	2,180.81	-
		Purvi Vanijaya Niyojan Ltd.	Rent paid	3.50	3.48
			Reimbursement made	0.33	-
			Dividend paid	1,396.28	523.61
			Amount paid on Buyback of equity Shares	5,322.19	-

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	Giltedged Industrial Securities Ltd.	Rent paid	24.19	22.55
		Dividend paid	403.73	151.40
		Amount paid on Buyback of equity Shares	1,538.85	-
	Malana Power Co.Ltd.	Reimbursement received	3.13	0.21
	BSL Ltd.	Rent received	12.18	12.10
		Purchase of Fabrics	3.40	2.26
	AD Hydro Power Ltd.	Reimbursement received	1.79	0.12
	Maral Overseas Ltd.	Reimbursement received	5.44	0.37
	BMD Pvt. Ltd.	Reimbursement received	3.86	0.26
	Bharat Investments Growth Ltd.	Dividend paid	2,087.68	782.88
		Amount paid on Buyback of equity Shares	7,957.68	-
	Deepak Pens & Plastics Pvt. Ltd.	Dividend paid	397.92	149.22
		Amount paid on Buyback of equity Shares	1,516.74	-
	India Texfab Marketing Ltd.	Dividend paid	175.08	65.66
		Amount paid on Buyback of equity Shares	667.32	-
	Investors India Ltd.	Dividend paid	30.71	11.51
		Amount paid on Buyback of equity Shares	117.04	-
	LNJ Financial Services Limited	Dividend paid	1,141.97	428.24
		Amount paid on Buyback of equity Shares	4,352.81	-
	Nivedan Vanijya Niyogan Ltd.	Dividend paid	56.48	21.18
		Amount paid on Buyback of equity Shares	215.22	-

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	M.L. Finlease Pvt. Ltd.	Dividend paid	293.44	110.04
		Amount paid on Buyback of equity Shares	1,118.48	-
	Sandhu Auto Deposits Ltd.	Dividend paid	453.78	170.17
		Amount paid on Buyback of equity Shares	1,729.59	-
	Raghav Commercial Ltd.	Dividend paid	1,226.53	459.95
		Amount paid on Buyback of equity Shares	4,675.17	-
	Mekima Corporation	Dividend paid	1,431.63	536.86
		Amount paid on Buyback of equity Shares	3,143.14	-
	Microlight Investments Limited	Dividend paid	3,732.46	1,399.67
	Norbury Investments Limited	Dividend paid	4,290.39	1,608.90

Note: # 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 and remuneration amount represents remuneration paid for the whole year under consideration.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

(c) Details of Outstanding Balance (*)

(₹ in Lakhs)

Sl. No.	Related Party	Name of the Related Party	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	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
2	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	1.90
		AD Hydro Ltd.	Loan and Advances	1.09	1.09

(*) Outstanding balance does not include salary payable of KMP's as at the year ended.

(d) Commitments with Related Parties

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
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 Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Short term benefits	12,445.19	4,430.47
Post employment benefits#	47.21	38.99
- Other long term benefits		
Share based payments	3,896.26	-
Directors sitting fees	85.90	53.95
Directors commission	200.00	-
Reimbursement of expenses & incidental expenses	4.68	3.18
Dividend	1,023.43	383.79
Total	17,702.67	4,910.38

Note: 40 Indian Accounting Standard-19 "Employee Benefits"

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the period are as under :

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Employer's contribution to Provident Fund	258.47	233.42
Employer's contribution to Superannuation Fund	170.73	155.44
Employer's contribution to ESIC	59.50	59.93

Defined Benefit Plan

The following table set out the funded status of the gratuity plan and amounts recognised in the Balance Sheet:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
I. Change in Defined Benefit Obligation (DBO):		
Present Value of Defined benefit obligation at the beginning of the year	1,156.36	1,134.68
1. Interest Cost	90.19	83.40
2. Current Service Cost	72.00	66.02
3. Past Service Cost including curtailment (Gains)/Losses		33.91
4. Benefits paid	(164.25)	(224.08)
5. Actuarial Changes (Gain)/Loss	86.00	62.42
Present Value of Defined Benefit Obligation at the end of the year	1,240.30	1,156.36
II. Change in Fair Value of Assets:		
Fair Value of Plan Assets at the beginning of the year:	1,307.99	1,193.82
1. Expected Return	89.77	114.17
2. Actual Company Contribution	-	-
3. Benefits paid	-	-
Fair Value of Plan Assets at the end of the year	1,397.76	1,307.99
III. Net Assets/(Liability) recognized in Balance Sheet:		
1. Present value of Defined Benefit Obligation	1,240.30	1,156.35
2. Fair Value on Plan Assets	1,397.76	1,307.99
Net Assets/(Liability) recognized in balance sheet (2-1)	157.47	151.64
IV. Expenses recognised during the year		
In Statement of Profit and Loss		
Current Service Cost	72.00	99.92
Net Interest on net defined benefit liability / (asset)	(11.83)	(4.35)
Net Cost	60.17	95.57
In Other Comprehensive Income		
Actuarial Gain/ (Loss) on Obligation	(86.00)	(62.42)
Actuarial Gain / (Loss) for the year on Asset	(12.25)	26.43
Net Income/(Expense) for the period Recognised in OCI	(98.25)	(35.99)
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))	(45.06)	37.79
3. Actuarial changes arising from changes in experience adjustments (Gain/ (Loss))	(40.94)	(100.21)
4. Return on plan assets excluding interest income (Gain/ (Loss))	(12.25)	26.43
5. Recognised in Other Comprehensive Income- (Gain/ (Loss))	(98.25)	(35.99)
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

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Particulars	As at 31st March, 2019	As at 31st March, 2018
VII. Actuarial Assumptions:		
Discount Rate (per annum)	7.75	7.80
Salary escalation (per annum)	6.00	5.50
Expected Rate of Return (per annum)	7.75	7.80
Retirement age	58/60	58/60
Mortality Rate during employment	100% of ALM (2006-08)	100% of ALM (2006-08)
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	(44.91)	(39.46)
Impact due to decrease of 0.50 %-Increase(Decrease) in obligation	48.14	42.20
b) Impact of the change in salary increase		
Impact due to increase of 0.50%-Increase(Decrease) in obligation	42.89	39.95
Impact due to decrease of 0.50 %-Increase(Decrease) in obligation	(40.84)	(37.82)
X. Maturity profile of Defined Benefit Obligation		
(a) 0-1 year	121.51	147.40
(b) 1-2 year	19.85	66.30
(c) 2-3 year	70.72	95.92
(d) 3-4 years	92.56	80.54
(e) 4-5 years	141.08	122.38
(f) More than 5 years	794.56	643.81

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.

XI. The Company expects to contribute ₹121.51 Lakhs to the gratuity trusts during the financial year 2019-20.

Note: 41 Operating Leases

The Company has 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. (₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Rent Paid	89.13	85.97

Note: 42 Events after the Reporting Period

(i)	The Company have declared dividend of ₹50 per Equity Share of ₹10 each, aggregating ₹23,264.46 Lakhs including ₹3,966.71 Lakhs dividend distribution tax for the financial year 2018-19 in its board meeting held on 20th May'19
(ii)	As on 31st March, 2019, the Company holds 29.48% in Bhilwara Energy Ltd. (BEL) an Associate Company of HEG Ltd. BEL either itself or through its subsidiaries had portfolio of operational 278 MW of Hydro and 34 MW of Wind assets in following power business:
	a) Hydro Power Generation
	b) Wind Power Generation
	c) Power Consultancy business

- (iii) The Board of Directors in their meeting held on 2nd April, 2019, had decided to purchase additional 3,23,51,004 shares in Bhilwara Energy Limited (BEL), Associate company for an aggregating cash consideration of Rs 162.05 Crores based on Rs 50.09 per share from the following shareholders of BEL:
- 32,81,818 equity shares of BEL held by New York Life Investment Management India Fund (FVCI) II LLC.
 - 1,72,727 equity shares of BEL held by Jacob Balls Capital India Pvt. Ltd.
 - 1,19,57,860 equity shares of BEL held by India Clean Energy III Limited.
 - 1,69,38,599 equity shares of BEL held by RSWM Limited, (Part of the Promoter Group)

The fair valuation of shares of BEL is ₹50.09 per share, which was determined by M/s Walker Chandio & Co. LLP, an Independent Valuer

Post the above acquisition of shares, the holding of Company in BEL, an Associate company will increase from 29.48% to 49%.

Note: 43 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.

(a) Gross amount required to be spent by the Company during the year ₹1,036.61 Lakhs (NIL Lakhs)

(b) Amount spent during the period :

(₹ in Lakhs)			
CSR Activities	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any assets	-	-	-
	-	-	-
(ii) On purpose other than (i) above	827.92	-	827.92
	(92.10)		(92.10)

(Figures in brackets pertain to financial year 2017-18)

Amount unspent during the year was ₹236.63 Lakhs

Note: 44 Capitalization of Pre-Operative Expenditure

(₹ in Lakhs)		
The following expenditure has been capitalized / included under Capital work in progress:	As at 31st March, 2019	As at 31st March, 2018
Insurance expenses	-	-
Financial expenses - interest on term loans	-	-
Administrative overheads & other cost	-	-
Foreign currency fluctuation	-	1,672.53
Total	-	1,672.53
The same had been capitalized		
Building	-	270.06
Plant & Machinery	-	1,402.47
Capital work in progress	-	-
Total	-	1,672.53

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note: 45 Details of Loans given, Investments made and Guarantee given covered U/S 186(4) of the Companies Act, 2013

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loan given		
Guarantee given	600	600
Investment made	14,925.88	14,925.88

The Company has not given any loan guarantee and not made any investments during the financial year 2018-19 and for the period ending 31st March, 2019.

Note: 46 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 of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The 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, 2019		As at 31st March, 2018		Purpose
			(USD) (Millions)	(INR) (Lakhs)	(USD) in Millions	(INR) (Lakhs)	
Plain Vanilla Forwards (Sold)	USD/ INR	Sold	8.00	5,666.73	36.00	23680.3	Hedging
Plain Vanilla Forwards	EURO/ USD	Sold	-	-	3.50	USD 1.2555	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:

(₹ in Lakhs)

Particulars	Currency	As at 31st March, 2019	As at 31st March, 2018
Financial Liabilities			
Secured Loan	USD	-	-
	Euro	-	-
Creditors(Net of Advances)	USD	4,374.72	11,418.87
	Euro	3.11	38.21
Other payables	USD	1,345.27	1,116.99
	Euro	1,143.53	1,375.28

(₹ in Lakhs)

Particulars	Currency	As at 31st March, 2019	As at 31st March, 2018
Net exposure to foreign currency risk (liabilities)	USD	5,719.99	12,535.86
Net exposure to foreign currency risk (liabilities)	Euro	1,146.65	1,413.49
Debtors(Net of Advances)	USD	66,246.52	36,110.71
	Euro	22,855.70	31,098.34
Net exposure to foreign currency risk (assets)	USD	66,246.52	36,110.71
Net exposure to foreign currency risk (assets)	Euro	22,855.70	31,098.34

(c) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments .

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 Lakhs)

Particulars	Impact on Profit	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
USD Sensitivity		
Increase by 3% (Previous year 1%)	1,645.79	235.75
Decrease by 3% (Previous year 1%)	(1,645.79)	(235.75)
EURO Sensitivity		
Increase by 6% (Previous year 4%)	1,302.54	1,187.39
Decrease by 6% (Previous year 4%)	(1,302.54)	(1,187.39)

(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 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 Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Variable Rate Borrowings	66,636.47	29,745.49
Fixed Rate Borrowings	-	-
Total Borrowings	66,636.47	29,745.49

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

As at the end of the reporting period, the company has the following variable rate borrowings outstanding:

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Weighted Average Interest Rate	Outstanding Balance (₹ in Lakhs)	% of Total Loans	Weighted Average Interest Rate	Outstanding Balance (₹ in Lakhs)	% of Total Loans
Term loans from banks and other parties		-	-		-	-
Working Capital Loans from banks	5.69%	66,636.47	100	6.32%	29,745.49	100
Total	5.69%	66,636.47	100	6.32%	29,745.49	100

(b) Sensitivity:

Profit/Loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. (₹ in Lakhs)

Particulars	Impact on Profit	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Rate - increase by 60 basis points	(399.82)	(178.47)
Interest Rate - decrease by 60 basis points	399.82	178.47

(iii) Security Price risk:

(a) Price Risk:

The Company manages the surplus funds majorly through investments in debt based Fixed Maturity Plans and mutual fund schemes. The price of investment in these Fixed Maturity Plans and mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such investments.

(b) Sensitivity:

The below is the sensitivity analysis at the end of the year in case NAV has been 1% higher / lower.

(₹ in Lakhs)

Particulars	Impact on Profit	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
NAV increase by 1%	639.45	-
NAV decrease by 1%	(639.45)	-

(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, loans to employees and security deposits). Credit risk on cash and cash equivalents, other bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

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.

(i) Expected Credit Loss for Financial Assets

As at 31st March 2019

(₹ in Lakhs)

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	88.24	0%	-	88.24
Security Deposits	1,092.32	0%	-	1,092.32

(₹ in Lakhs)

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	5,846.41	1,12,493.21	6.28	422.52	54.85	98.37	593.39	1,19,515.04
Due under ECGC	-	-	-	-	-	-	119.63	119.63
Expected Loss Rate	-	-	25%	50%	75%	100%	100%	-
Expected Credit Losses	-	-	1.57	211.26	41.14	98.37	593.39	945.73
Carrying amount of Trade receivables	5,846.41	1,12,493.21	4.71	211.26	13.71	-	119.63	1,18,688.94

For the year ending 31st March 2018

(₹ in Lakhs)

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	85.97	0%	-	85.97
Security Deposits	721.72	0%	-	721.72

(₹ in Lakhs)

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	72,073.61	24,482.89	415.27	6.97	46.84	23.68	390.13	97,439.38
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	72,073.61	24,482.89	373.74	5.58	32.79	11.84	288.47	97,268.90

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Provisioning Norms of Debtors

(₹ in Lakhs)

Ageing of debtor on the basis of invoice date	Provision in %_2018-19	Provision in %_2017-18
Upto 12 Months	Nil	Nil
12 to 15 months	25%	10%
15 to 18 months	50%	20%
18 to 21 months	75%	30%
21 to 24 months	100%	50%
More than 24 months	100%	100%

(iii) 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 Lakhs)

Particulars	Current Year ended 31st March, 2019	Previous Financial Year ending 31st March, 2018
As at the beginning of year	458.94	1,241.92
Provided during the year	486.79	-
Reversal of provisions	-	(782.98)
As at the end of the year	945.73	458.94

(C) Liquidity Risk:

Liquidity risk is defined as the risk that the 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 ₹53,363.53 Lakhs(previous year ₹ 28,754.51 Lakhs) 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:

As at 31st March 2019

(₹ in Lakhs)

Particulars	Less than 12 months	12 months to 3 years	More than 3 years	Total
Borrowings(Non-Current)	-	-	-	-
Borrowings(Current)	66,636.47	-	-	66,636.47
Trade payables	38,006.90	-	-	38,006.90
Other financial liabilities	13,017.49	4.35	36.96	13,058.80

As at 31st March, 2018

(₹ in Lakhs)

Particulars	Less than 12 months	12months to 3 years	More than 3 years	Total
Borrowings(Non-Current)	-	-	-	-
Borrowings(Current)	29,745.49	-	-	29,745.49
Trade payables	24,644.43	-	-	24,644.43
Other financial liabilities	7,251.90	3.96	38.55	7,294.41

Note: 47 Capital Management

(a) Risk Management

The Company's 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 Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Debt*	66,636.47	29,745.49
(b) Cash & Cash Equivalents	(2,915.91)	(517.18)
(c) Net Debt (a)+(b)	63,720.56	29,228.31
Total equity	3,71,899.85	1,80,861.73
Net Debt to Equity Ratio	0.17	0.16

* Debt is defined as long- term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), refer Note 18 for the details of borrowings.

(ii) Loan Covenants:

The company is Debt free as on reporting period.

(b) Dividends

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
i) Equity Shares		
Final Dividend paid for the year ended 31st March, 2018 of ₹50 per fully paid equity share	19,979.57	-
Interim Dividend paid during the year ended 31st March, 2019 of ₹30 per fully paid equity share (previous year ₹30 per fully paid equity share)	11,987.74	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 ₹50 per equity share) which is subject to the approval of shareholders in the ensuing AGM	19,297.75	19,979.57

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note: 48 Financial Instruments- Accounting Classification and Fair Value Measurement

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments		-	-		-	-
-Equity Instruments	0.01	-	-	0.01	-	-
-Fixed Maturity Plans	57,937.06					
-Mutual Funds	6,008.15					
-Non Convertible Debentures	7,832.79					
Loans	-	-	1,180.57	-	-	807.69
Others			465.79			85.04
Derivative Financial Assets	72.40	-	-	24.39	-	-
Trade Receivables	-	-	1,18,688.94	-	-	97,268.90
Cash and Cash Equivalents	-	-	2,915.91	-	-	517.17
Bank balances other than Cash & Cash Equivalents			52,816.50			245.28
Total Financial Assets	71,850.41	-	1,76,067.71	24.40	-	98,924.09
Financial Liabilities						
Borrowings	-	-	66,636.47	-	-	29,745.49
Trade Payables	-	-	38,006.90	-	-	24,644.43
Other Financial Liabilities	-	-	13,058.80	-	-	7,294.41
Derivative Financial Liability	-	-	-	-	-	-
Total Financial Liabilities	-	-	1,17,702.17	-	-	61,684.32

Investment value excludes investment in Associates of ₹14925.88 lakhs (March 31, 2018: ₹14925.88 lakhs) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

(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, 2019

(₹ in Lakhs)

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at Fair value through profit or loss				
Investments-Bonds		-	-	-
Investments-Fixed Maturity Plans	57,937.06	57,937.06	-	-
Investments-Mutual Fund	6,008.15	6,008.15	-	-
Investments-Non Convertible Debentures	7,832.79	7,832.79	-	-
Quoted Equity Investment	0.01	0.01	-	-
Derivative Financial Assets	72.40	72.40	-	-
Total	71,850.40	71,850.40	-	-

As at 31st March, 2018

(₹ in Lakhs)

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at Fair value through profit or loss				
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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note: 49 Carrying Amount of Pledged Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
First Charge		
Current Assets		
(a) Trade Receivables	1,18,688.94	97,268.90
(b) Inventories	1,30,838.68	51,143.57
Total (A)	2,49,527.61	1,48,412.47
Secondary Charge		
Property, Plant & Equipment	78,317.19	82,814.06
Total (B)	78,317.19	82,814.06
Total (A+B)	3,27,844.79	2,31,226.53

Note No: 50 Disclosure under Ind AS 115 Revenue from Contracts with Customers

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 "Revenue from Contract with Customers" on the financials results of the Company for the year ended and as at March 31, 2019 is insignificant.

The below are the disclosures as required by Ind AS 115:

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings and contract-type.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019
Type of Product	
- Graphite Electrode	6,28,323.12
- Mix Graphite Product	14,588.26
- Power	720.22
Total	6,43,631.60
Total Revenue from Contracts with Customers	(₹ in Lakhs)
Particulars	For the year ended 31st March, 2019
Revenue from Customers based in India	1,52,278.30
Revenue from Customers based outside India	4,91,353.30
Total	6,43,631.60
Timing of Revenue Recognition	(₹ in Lakhs)
Particulars	For the year ended 31st March, 2019
Revenue from goods transferred to customers at a point in time	6,43,631.60
Revenue from goods transferred to customers over time	-
Total	6,43,631.60

(ii) Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as receivable.

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at note no. 9 and 23 respectively.

The revenue recognised during the year ended 31st March 2019 includes revenue against advances from customers amounting to ₹1,460.95 lakhs at the beginning of the year.

The revenue of ₹ Nil has been recognised during the year ended 31st March 2019 against performance obligations satisfied (or partially satisfied) in previous periods.

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is ₹ Nil.

Note: 51 Disclosures in accordance with Ind AS-18

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales 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 period 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

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing Leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount should be calculated as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease

recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

Amendment to Ind AS 19 'Employee Benefits'

"On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, Other Comprehensive Income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the Standalone Financial Statements.

Note: 53 Reconciliation of Cash flow from financing Activities

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 is required from annual periods beginning on or after 1st April, 2017

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
	Borrowings (Current)	Borrowings (Non-Current)	Borrowings (Current)	Borrowings (Non-Current)
Opening balance of Financial Liabilities coming under the financing activities of Cash Flow Statement	29,745.49	-	41,183.59	27,195.05
Add/(less): Changes during the year				
a) Changes from financing cash flow	36,890.98	-	(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	66,636.47	-	29,745.49	-

Note: 54 Details of Research & Development expenditure

(₹ in Lakhs)

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
a) Capital	-	-	-	-	-
b) Revenue	187.16	186.61	168.89	176.73	159.60

Note: 55 Regrouping / Re-classifications

Previous year figures have been regrouped/reclassified, wherever necessary to confirm the current period/year classification.

In terms of our report of even date

For SCV & Co. LLP

Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan

Partner
Membership No. 086066

Place : Noida (U.P.)
Dated: 20th May, 2019

Ravi Jhunjunwala

Chairman, Managing
Director & CEO
DIN No. 00060972

Gulshan Kumar Sakhuja

Chief Financial Officer

Vivek Chaudhary

Company Secretary
Membership No. A13263

Riju Jhunjunwala

Director
DIN No. 00061060

Shekhar Agarwal

Vice Chairman
DIN No. 00066113

D.N.Davar

Director
DIN No. 00002008

Independent Auditors' Report

To the Members of
HEG Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of HEG Limited ('the Company'), and its Associates, which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors as referred in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner, so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Associates as at 31 March, 2019, and the consolidated Profit, consolidated Total Comprehensive Income, the consolidated Statement of Changes in Equity and the consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its Associates in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Matters reported in the Auditor's report of an Associate of the Company are being reproduced hereunder:

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 previous year amounting to ₹27.14 crores. 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 ₹37.89 crores and a security deposit of ₹1.80 crores with interest, the Government of Himachal Pradesh has not considered the Company's contention for surrender of the 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.

GoHP vide Notification dated 3rd November, 2018 has formed a committee to deal with the issues of various projects which includes Chango Yangthang Hydro Power Limited (CYHPL). On the direction of GoHP, a public meeting was convened on 14th November, 2018 which was attended by various villagers of the project affected area, officials of DoE, District administration and CYHPL. During the meeting, the villagers categorically refused for development of any Hydro Electric project in the Hangrang valley including 180 MW Chango Yangthang HEP and refused to co-operate on the issue of development of any project. The said committee discussed the Sutlej Valley projects on 18th February, 2019 which included CYHPL. During the meeting CYHPL categorically refused to execute the project in view of severe local issue and lapse of clearances for the project. Committee has noted the same.

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 report of Wildlife Institute of India, Dehradun. We are unable to comment on the financial implications and the future operations of the Company till the outcome of report of Wildlife Institute of India, Dehradun.

In Malana Power Company Limited, a Subsidiary of the Associate

There is uncertainty relating to the effects of the outcome of litigation with Himachal Pradesh State Electricity Board (HPSEBL).

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional Judgement, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders' Information Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information

and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, Consolidated Total Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows of the Company including its Associates in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Board of Directors of the Company.

In preparing the consolidated financial statements, the Board of Directors of the Company and of its Associates are responsible for assessing the ability of the Company and of its Associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company and of its Associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its Associates are also responsible for overseeing the financial reporting process of the Company and its Associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud

or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its Subsidiary Companies which are Companies incorporated in India, has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its Associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its Associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidences regarding the financial information of the Company and

its Associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the Independent Auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements include the Company's share of total comprehensive income/(loss) of (₹2,421.92 Lakhs) for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of two Associates, whose financial statements/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 and disclosures included in respect of these Associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid 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 the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. 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 purpose of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of accounts as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts 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 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 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 Company and its Associate Companies incorporated in India is disqualified as on 31st March, 2019 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 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 control over financial reporting of those Companies, for reasons stated therein.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors, the remuneration paid by the Company and its Associate Companies to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) 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 and reports of the other auditors:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its Associates.
- ii. The Company and its Associates did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 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. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 20th May, 2019



Annexure – “A” to the Independent Auditors Report

(Referred to in paragraph 1(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”) and its Associate Companies incorporated in India as of 31st March 2019 in conjunction with our audit of consolidated financial statements of Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The management 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 respective 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 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 judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial control system over financial reporting of the Company and its Associates, which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

The 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 and based on the reports of other auditors as referred in other matters paragraph, the Company and its Associate Companies 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 2019, 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.

Other Matters

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 separate financial statements of two Associate Companies incorporated in India, is based on the corresponding reports of the auditors of such Companies incorporated in India.

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

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Noida
Date: 20th May, 2019

Consolidated Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-current assets			
a) Property, plant and equipment	4	78,448.45	82,930.10
b) Capital work-in-progress	5	1,857.51	161.45
c) Investment property	6	354.14	371.80
d) Goodwill		-	-
e) Other intangible assets	7	35.22	34.82
f) Intangible assets under development		-	-
g) Biological assets other than bearer plants		-	-
h) Financial assets			
(i) Investments	8	83,348.65	24,816.56
(ii) Trade receivables		-	-
(iii) Loans	10	1,118.56	743.14
(iv) Other financial assets	11	-	-
i) Deferred tax assets (net)		-	-
j) Current tax assets (net)	24	3,995.09	2,810.79
k) Other non-current assets	12	1,727.04	568.15
(2) Current assets			
(a) Inventories	13	1,30,838.68	51,143.57
(b) Financial assets			
(i) Investments	8	10,823.99	-
(ii) Trade receivables	9	1,18,688.94	97,268.90
(iii) Cash & cash equivalents	14	2,915.91	517.18
(iv) Bank balances other than (iii) above	15	52,816.50	245.28
(v) Loans	10	62.01	64.55
(vi) Other financial assets	11	538.19	109.43
(c) Other current assets	12	26,866.93	12,124.91
Total Assets		5,14,435.81	2,73,910.62
EQUITY & LIABILITIES			
EQUITY			
(a) Equity share capital	16	3,859.59	3,995.95
(b) Other equity	17	3,75,509.02	1,86,756.45
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities	20	41.31	42.50
(b) Provisions	21	387.08	340.90
(c) Deferred tax liabilities (net)	22	12,612.65	11,916.80
(d) Other non-current liabilities	23	239.59	208.08
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	66,636.47	29,745.49
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	19	398.82	245.97
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	37,608.08	24,398.46
(iii) Other financial liabilities	20	13,017.49	7,251.90
(b) Other current liabilities	23	1,605.03	4,848.22
(c) Provisions	21	1,977.91	616.88
(d) Current tax liabilities (net)	24	542.77	3,543.02
Total Equity and Liabilities		5,14,435.81	2,73,910.62

The accompanying notes (1-56) are integral part of the financial statements
In terms of our report of even date

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

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Dated: 20th May, 2019

Ravi Jhunjhunwala
Chairman, Managing
Director & CEO
DIN No. 00060972

Gulshan Kumar Sakhuja
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Riju Jhunjhunwala
Director
DIN No. 00061060

Shekhar Agarwal
Vice Chairman
DIN No. 00066113

D.N.Davar
Director
DIN No. 00002008

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2019



(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
I. Revenue from operations	25	6,59,282.52	2,75,840.43
II. Other income	26	10,919.18	1,236.82
III. Total Income (I + II)		6,70,201.70	2,77,077.25
IV. Expenses:			
Cost of materials consumed	27	1,61,183.97	57,580.79
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-trade	28	(49,705.69)	(9,782.44)
Employee benefits expense	29	19,756.62	11,243.85
Finance costs	30	1,796.90	5,641.88
Depreciation and amortization expense	31	7,239.20	7,255.76
Excise duty	32	-	833.82
Other expenses	33	62,222.82	43,832.62
Total Expenses (IV)		2,02,493.82	1,16,606.29
V. Profit before exceptional items and tax (III-IV)		4,67,707.88	1,60,470.97
VI. Exceptional items		-	-
VII. Profit before tax (V - VI)		4,67,707.88	1,60,470.97
VIII. Tax expense:			
(1) Current tax			
- Current tax	34	1,62,032.53	51,355.30
- Prior periods	34	(97.89)	0.60
(2) Deferred tax	34	730.18	981.14
IX Share of profit/(loss) of Associates		(2,427.40)	1,800.04
X Profit for the year from continuing operations (VII-VIII+IX)		3,02,615.66	1,09,933.97
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 for the period (X+XIII)		3,02,615.66	1,09,933.97
XV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit/ (loss)	35	(98.25)	(35.99)
(ii) Income tax relating to items that will not be reclassified to profit/ (loss)	34	34.33	12.46
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		5.49	13.76
XVII Total Comprehensive Income for the period (XIV+XV+XVI) (Comprising Profit and Other Comprehensive Income for the period)		3,02,557.23	1,09,924.20
XVIII Earnings per equity share (for continuing operations) :			
(1) Basic (₹)	36	757.53	275.11
(2) Diluted (₹)	36	757.53	275.11
XIX Earnings per equity share (for discontinued operations) :			
(1) Basic (₹)		-	-
(2) Diluted (₹)		-	-
XX Earnings per equity share (for discontinued and continuing operations) :			
(1) Basic (₹)	36	757.53	275.11
(2) Diluted (₹)	36	757.53	275.11

The accompanying notes (1-56) are integral part of the financial statements
In terms of our report of even date

For SCV & Co. LLP

Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan

Partner
Membership No. 086066

Place : Noida (U.P.)
Dated: 20th May, 2019

Ravi Jhunjhunwala

Chairman, Managing
Director & CEO
DIN No. 00060972

Gulshan Kumar Sakhuja

Chief Financial Officer

Vivek Chaudhary

Company Secretary
Membership No. A13263

Riju Jhunjhunwala

Director
DIN No. 00061060

Shekhar Agarwal

Vice Chairman
DIN No. 00066113

D.N.Davar

Director
DIN No. 00002008

Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

A) Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of reporting period	3,995.95	3,995.95
Buyback of shares during the year	(136.36)	-
Balance at the end of reporting period	3,859.59	3,995.95

B) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserves	Retained Earnings	Remeasurement of Defined benefit obligations	
Balance at the beginning of reporting period i.e. 1st April, 2018	10,726.49	1,269.61	1,893.57	39,823.38	1,32,962.00	81.34	1,86,756.45
Profit for the year					3,02,615.66		3,02,615.66
Other Comprehensive Income for the year						(58.43)	(58.43)
Total Comprehensive Income for the year	-	-	-		3,02,615.66	(58.43)	3,02,557.23
Dividend (including dividend distribution tax)					(38,538.23)		(38,538.23)
Transfer to/from retained earnings on account of Buyback of shares			136.36		(136.36)		-
Any other changes							
Buyback of Equity Shares (Refer Note :16(e))		(1,269.61)		(39,823.38)	(33,770.63)		(74,863.61)
Less: Buyback exp. (net of income tax benefit)					(402.75)		(402.75)
Balance at the end of reporting period i.e. 31st March, 2019	10,726.49	-	2,029.93	-	3,62,729.69	22.91	3,75,509.02

Particulars	Reserves and Surplus					Other items of Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Other Reserves (Capital Redemption Reserve)	General Reserves	Retained Earnings	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	39,823.38	37,456.19	91.12	91,260.37
Profit for the year					1,09,933.97		1,09,933.97
Other Comprehensive Income for the year						(9.77)	(9.77)
Total Comprehensive Income for the year	-	-	-		1,09,933.97	(9.77)	1,09,924.20
Interim Dividend (including dividend distribution tax)					(14,428.16)	-	(14,428.16)
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	39,823.38	1,32,962.00	81.34	1,86,756.45

The accompanying notes (1-56) are integral part of the financial statements
In terms of our report of even date

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

Ravi Jhunjunwala
Chairman, Managing
Director & CEO
DIN No. 00060972

Riju Jhunjunwala
Director
DIN No. 00061060

Sanjiv Mohan
Partner
Membership No. 086066

Gulshan Kumar Sakhuja
Chief Financial Officer

Shekhar Agarwal
Vice Chairman
DIN No. 00066113

Place : Noida (U.P.)
Dated: 20th May, 2019

Vivek Chaudhary
Company Secretary
Membership No. A13263

D.N.Davar
Director
DIN No. 00002008

Cash Flow Statement for the year ended 31st March, 2019



(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,67,707.88	1,60,470.97
Adjustment for non operating and non cash transactions		
Depreciation and amortisation	7,239.20	7,255.76
Interest paid	1,796.90	5,641.88
Net(Profit)/Loss on property, plant and equipment sold / discarded	335.49	(321.47)
Allowances for expected credit losses	534.52	(782.98)
Bad debts	22.30	205.02
Gain on sale/fair valuation of investments	(5,148.84)	(5.21)
Interest received	(4,974.75)	(42.07)
Adjustments for changes in assets and liabilities		
(Increase)/Decrease in Trade receivables	(21,976.86)	(60,612.15)
(Increase)/Decrease in inventories	(79,695.10)	(25,363.82)
(Increase)/Decrease in loans, financial and Other assets	(71,217.68)	(6,008.10)
Increase/(Decrease) in liabilities and provisions	14,584.50	31,304.95
Cash generated from operations	3,09,207.56	1,11,742.79
Income tax paid	1,62,664.83	52,337.04
Net Cash generated from operating activities (A)	1,46,542.74	59,405.76
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment (net)	(4,878.82)	(2,003.44)
Sale of property, plant and equipment	106.99	581.35
(Increase)/Decrease in advances for capital expenditure	1,140.28	251.27
Increase/(Decrease) in creditors for capital expenditure	369.58	98.28
(Purchase)/Sale of investments	(66,629.16)	63.12
Interest received	4,594.00	91.93
Net Cash used in investing activities (B)	(65,297.12)	(917.49)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (Non-Current) (Refer Note 53)	-	(27,195.06)
Proceeds/(Repayment) of borrowings (Current) (working capital) (Refer Note 53)	36,890.98	(11,438.11)
Interest paid	(1,796.90)	(5,734.71)
Dividend paid	(31,967.31)	(11,987.74)
Dividend distribution tax paid	(6,570.92)	(2,440.42)
Buyback of equity share capital	(75,402.72)	-
Net Cash used in financing activities (C)	(78,846.87)	(58,796.04)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	2,398.74	(307.78)
Cash and cash equivalents at the beginning of the period	517.18	824.96
Cash and cash equivalents at the end of the period	2,915.91	517.18

The accompanying notes (1-56) are integral part of the financial statements
In terms of our report of even date

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

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Dated: 20th May, 2019

Ravi Jhunjhunwala
Chairman, Managing
Director & CEO
DIN No. 00060972

Gulshan Kumar Sakhuja
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Riju Jhunjhunwala
Director
DIN No. 00061060

Shekhar Agarwal
Vice Chairman
DIN No. 00066113

D.N.Davar
Director
DIN No. 00002008

1. General Information

"HEG Limited (the 'Company'), incorporated in 1972, is a leading manufacturer and exporter of Graphite Electrodes in India and operates the 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).

The financial statements are authorized for issue by the Company's Board of Directors on 20th May, 2019.

2. Significant accounting policies, significant accounting judgements, estimates and assumptions and applicability of new and revised Ind AS

2.1 Basis of preparation

(i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment issued thereafter.

(ii) The financial statements have been prepared on historical cost basis except for the following

- Certain financial instruments (including derivative instruments) are measured at fair value

(iii) The Company has applied the following standards for the first time for their annual reporting period commencing 1st April, 2018

Ind AS 115, "Revenue from Contracts with Customers"

Adoption of Ind AS 115 did not have any significant impact on the amounts recognized in prior, current and future period.

These policies have been consistently applied to all the years presented unless otherwise stated.

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.

2.2 Basis of Consolidation

The financial statements relates to the Company and its Associates. An associate is an entity over which the Company has significant influence. Significant influence

is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The financial statements have been prepared on the following basis:-

- Interest in Associates is consolidated using equity method as per Ind AS 28 – 'Investment in Associates and Joint Ventures'. Under the equity method, an investment in an associate is initially recognized in the financial statements at cost and adjusted thereafter to recognize Company's share of profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment.
- When there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the Associate are eliminated to the extent of interest in the associate
- The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- The aggregate of Company's share of profit or loss of an associate is shown on the face of the Statement of Profit and Loss.

2.3 Revenue Recognition

The Company derives revenue primarily from sale of Graphite Electrodes.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant as the revenue is of short term nature and performance obligations are satisfied upon delivery of goods.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, discounts, value added taxes and amounts collected on behalf of third parties.

(i) Sale of Graphite Electrodes

Revenue is recognized as and when Graphite Electrode is sold. Revenue from the sale of Graphite Electrode is

recognised when control of the goods is passed to the buyer i.e. at the point of sale / delivery to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Sales is net of sales returns, discounts and goods and services tax.

(ii) Power

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

- (a) Power generated at the power plants is primarily consumed by the manufacturing units and excess power is sold to SEBs/IX which is included in the sales as below:
 - Power is 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.
- (b) Inter-divisional sales comprising of sale of power from power plants to Graphite unit is reduced from revenue from operations in deriving net revenue.

(iii) Other Income

- (a) Revenue in respect of Export Incentives is accounted on post export basis.
- (b) Entitlements to Renewal Energy Certificates owing to generation of power at Tawa Hydel Power Plant are recognized to the extent sold at actual rate of net realization.
- (c) 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).
- (d) 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

(iv) 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

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes its purchase price (net of taxes and duty recoverable), 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 cost relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with the item 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 Property comprises freehold land and building (including property under construction) that are held for long-term rental yields or for capital appreciation and both are classified as investment property. 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.

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 statements 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 Equipment

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.
- (v) Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.
- (vi) On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognized as at 1st April, 2016 measured as per previous GAAP and use that carrying value as its deemed cost of the Property, Plant and Equipment.

(B) Investment Property

Investment Property is depreciated using Written Down Value method over their estimated useful life. Investment property generally has a useful life of 58 years. Useful life has been determined as prescribed in Schedule II to the Companies Act, 2013.

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 and are as under

Assets description	Useful Life
Computer Software	05 Years

Amortisation method, useful lives and residual value are reviewed periodically, including at each financial year end.

On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible assets recognized as at 1st April, 2016, measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

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 the 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.

Effective 1st April, 2018 the Company has adopted Appendix B to Ind AS 21. Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of a related asset, expense or income where an entity has received or paid advance consideration in a foreign currency. The effect is insignificant.

2.11 Employee Benefits

(A) Post Employment Benefits

(a) Defined Contribution Plan

(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.

(iii) 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.

(b) Defined Benefit Plan

(i) 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 Graphites Staff Gratuity Fund Trust (The Trust), trustees administers the 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.

The Company recognized the net obligation in the Balance Sheet as an asset or liability.

(B) Short term and other long term employee benefits

A liability is recognized for the benefits accruing to employees in respect of wages and salaries, and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees upto the reporting date.

(i) 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.

(ii) 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) Leases in which a significant portion of risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

Payments made under operating leases are recognised in the Statement of Profit and Loss on straight line basis over the period of the lease unless

the payments are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Where the Company is a Lessor

Lease income from operating leases is recognized on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

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 Income Tax

Income Tax expense comprises of current and deferred income tax.

Current income tax

Current income tax for current and prior periods 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 statements.

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 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.

Deferred tax assets and deferred tax liabilities have been set off as it relates to income taxes levied by the same taxation authority.

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 statements.

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 Earnings Per Share

Basic earnings per equity share is computed by dividing the 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 receivables 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 or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Transaction cost directly attributable to the acquisition of financial assets and financial liabilities at value through Profit or Loss are recognised immediately in profit or loss

(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 instrument 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 can make 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. These elected investments are initially measured at fair value plus transaction cost, subsequently 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 is 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 amount approximates 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 recognised is recognized as an impairment gain or loss in the Statement of Profit and Loss.

(iv) Derecognition

A financial asset (or, a part of a financial asset) is primarily derecognized when:

- (a) The contractual right to receive cash flows from the financial assets expire, or
- (b) 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 Buyback of equity 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 liabilities.

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 the 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 is 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 a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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 Equivalents 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 acquisition date, which are subject to an insignificant risk of changes in value.

2.23 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the directors of the Company are required to make judgements, estimates

and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Note: 4 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Railway Sidings	Total
	Freehold	Leasehold Refer Note (b)								
Gross Carrying amount as at 1st April, 2017	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	-	-	609.80	838.28	5.31	312.07	106.05	48.67	-	1,920.18
Disposals/Deletions	-	-	(313.06)	(581.71)	(39.58)	(119.64)	(82.27)	(69.46)	-	(1,205.73)
Gross Carrying amount as at 31st March, 2018 (A)	302.88	855.09	25,607.78	1,33,256.02	556.13	1,033.95	1,143.90	3,171.77	921.69	1,66,849.21
Additions	-	-	118.93	2,577.32	23.58	338.51	49.25	66.71	-	3,174.29
Disposals/Deletions	-	0	(118.63)	(929.81)	(6.48)	(278.83)	(27.53)	(24.45)	-	(1,385.73)
Adjustments	14.93	(14.93)	-	-	-	-	-	-	-	-
Gross Carrying amount as at 31st March, 2019 (B)	317.81	840.16	25,608.08	1,34,903.53	573.23	1,093.63	1,165.62	3,214.03	921.69	1,68,637.77
Accumulated Depreciation as at 1st April, 2017	-	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	-	14.15	1,103.39	5,483.27	23.23	104.74	62.72	199.72	41.59	7,232.82
Disposals/Deletions	-	-	(129.49)	(568.12)	(33.57)	(86.69)	(75.95)	(52.02)	-	(945.83)
Accumulated Depreciation as at 31st March, 2018 (C)	-	190.90	12,920.82	66,801.77	431.62	509.87	857.77	1,845.03	361.31	83,919.12
Depreciation for the year	-	15.57	1,016.55	5,673.50	19.06	167.53	89.64	190.00	41.59	7,213.44
Disposals/Deletions	-	-	(93.06)	(594.18)	(4.21)	(213.84)	(25.15)	(12.80)	-	(943.24)
Accumulated Depreciation as at 31st March, 2019 (D)	-	206.47	13,844.31	71,881.10	446.48	463.56	922.26	2,022.24	402.90	90,189.32
Net Carrying amount as at 31st March, 2018 (A)-(C)	302.88	664.19	12,686.95	66,454.25	124.51	524.08	286.13	1,326.73	560.38	82,930.10
Net Carrying amount as at 31st March, 2019 (B)-(D)	317.81	633.69	11,763.77	63,022.43	126.75	630.07	243.36	1,191.79	518.79	78,448.45

a) Assets amounting to ₹83.13 Lakhs (Previous Year ₹83.13 Lakhs) (Gross) are owned jointly with RSWM Ltd.

b) Leased Assets

The lease term in respect of leasehold land generally expire within 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 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 Lakhs)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	5.45	4.95	5.45	4.95
After one year but not more than 5 years	21.79	15.69	21.79	15.69
More than 5 years	103.11	21.87	108.56	22.95
Total minimum lease payments	130.34	42.51	135.79	43.59
Less: amount representing finance charges	87.84		92.20	-
Present value of minimum lease payments	42.51	42.51	43.59	43.59

c) Property , Plant & Equipment pledged as security

Refer to note no. 49 for information on Property, Plant and Equipment pledged as security by the Company.

Note: 5 Capital Work In Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Plant and Equipment under erection/installation	1,857.51	161.45
Capital work in progress includes capital stores ₹17.69 Lakhs (Previous year ₹23.43 Lakhs).		

For details on Capital Commitments refer Note - 38(2)

Note: 6 Investment Property

(₹ in Lakhs)

Particulars		Building	Property under construction	Total
Gross Block				
As at 1st April, 2017		391.59	46.09	437.68
Additions		49.23	3.14	52.37
Disposals		-	(49.23)	(49.23)
As at 31st March, 2018	(a)	440.83	-	440.83
Additions		-	-	-
Disposals/Capitalized		-	-	-
As at 31st March, 2019	(b)	440.83	-	440.83
Amortisation				
At 1st April, 2017		52.17	-	52.17
Charge for the year		16.86	-	16.86
Disposals		-	-	-
As at 31st March, 2018	(c)	69.03	-	69.03
Charge for the year		17.66	-	17.66
Disposals		-	-	-
As at 31st March, 2019	(d)	86.69	-	86.69
Net Block				
As at 31 March, 2018	(a-c)	371.80	-	371.80
As at 31st March, 2019	(b-d)	354.14	-	354.14

(i) Amounts recognised in profit or loss for investment properties

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Rental income	81.06	52.37
Direct operating expenses from property that generated rental income	4.54	4.31
Profit from Investment Properties before depreciation	76.53	48.06
Depreciation	17.66	16.86
Profit from Investment Properties	58.86	31.20

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(ii) Fair value of Investment Property

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fair value of Investment Property	5,344.03	2,294.12

The Company obtains independent valuation for its properties 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 Softwares)

(₹ in Lakhs)

Particulars	Amount
Gross Block	
As at 1st April, 2017	451.68
Additions	39.10
Disposals	-
As at 31st March, 2018 (a)	490.78
Additions	8.50
Disposals	-
As at 31st March, 2019 (b)	499.28
Amortisation	
As at 1st April, 2017	449.87
Charge for the year	6.09
Disposals	-
As at 31 March, 2018 (c)	455.96
Charge for the year	8.10
Disposals	-
As at 31st March, 2019 (d)	464.06
Net Block	
As at 31 March, 2018 (a-c)	34.82
As at 31st March, 2019 (b-d)	35.22

Note: 8 Investments

(₹ in Lakhs)

No. of Units	Particulars	Face Value	Non - current		Current	
			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	A. Investments carried at cost					
	Investments in Equity Instruments					
	(a) Equity Instruments of Subsidiary Companies (Unquoted)					
NIL	HEG Graphite Products and Services Ltd. NIL Equity Shares of ₹10 each fully paid up	10	-	5.00	-	-
	Less: Provision for impairment in value of investments (Refer Note 1)		-	-	-	-
	Less: Written off during the year (Refer Note 1)		-	5.00		

No. of Units	Particulars	Face Value	Non - current		Current	
			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	Carrying Value		-	-		
	(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.	10	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.)	10	419.00	419.00	-	-
	Add: Share of profit in Associates up to reporting date	-	7,468.75	9,890.67	-	-
	Total		22,394.63	24,816.55	-	-
	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.	2	0.01	0.01	-	-
	(b) Investments in Fixed Maturity Plans Scheme (Quoted)					
10,00,00,000	(Previous Year-NIL) ICICI Prudential FMP Series 83 1406 Days Plan D- Direct Growth	10	10,944.90	-	-	-
2,50,00,000	(Previous Year-NIL) ICICI Prudential -FMP -Sr 83 - 1100 Days Plan	10	2,690.05	-	-	-
2,50,00,000	(Previous Year-NIL) SBI Debt Fund Series C-19 (1100 days)	10	2,685.33	-	-	-
75,00,000	(Previous Year-NIL) Axis Fixed Term Plan - Series 95 (1185 days)	10	807.20	-	-	-
1,50,00,000	(Previous Year-NIL) Kotak FMP Series 235 - 1140	10	1,610.15	-	-	-
5,00,00,000	(Previous Year-NIL) Reliance Fixed Horizon Fund-XXXVIII-Series 6	10	5,328.90	-	-	-
1,00,00,000	(Previous Year-NIL) Reliance Fixed Horizon Fund-XXXIX-Series 6	10	1,072.39	-	-	-
1,00,00,000	(Previous Year-NIL) ABSL FTP Series QN	10	1,069.90	-	-	-
1,50,00,000	(Previous Year-NIL) SDFS C20 - 1100 Days	10	1,603.65	-	-	-
2,50,00,000	(Previous Year-NIL) HDFC FMP 1105D August 2018 (1)	10	2,659.23	-	-	-
1,50,00,000	(Previous Year-NIL) HDFC FMP 1105D August 2018 (2)	10	1,595.54	-	-	-
1,50,00,000	(Previous Year-NIL) Kotak FMP Series 240-1160	10	1,599.72	-	-	-
1,70,00,000	(Previous Year-NIL) Aditya Birla Sunlife Fixed Term Plan Series QV (1100 days)	10	1,807.75	-	-	-
1,50,00,000	(Previous Year-NIL) Aditya Birla Sunlife Fixed Term Plan Series QU (1100 days)	10	1,596.11	-	-	-
3,00,00,000	(Previous Year-NIL) Aditya Birla Sunlife Fixed Term Plan Series RN (1240 days)	10	3,151.20	-	-	-
2,00,00,000	(Previous Year-NIL) ICICI Pru Fixed Maturity Plan-Sr 84 - 1245 days Plan N	10	2,103.50	-	-	-
1,50,00,000	(Previous Year-NIL) RELIANCE FX HRZ FUND XXXIX S15	10	1,580.33	-	-	-
1,00,00,000	(Previous Year-NIL) ICICI Pru Fixed Maturity Plan-Sr 84 - 1288 days Plan O	10	1,048.90	-	-	-
1,00,00,000	(Previous Year-NIL) Kotak FMP Series 251-1265 days	10	1,050.67	-	-	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

No. of Units	Particulars	Face Value	Non - current		Current	
			As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
1,00,00,000	(Previous Year-NIL) HDFC FMT 1246D November, 2018 (1) - Series 43	10	1,049.51	-	-	-
1,50,00,000	(Previous Year-NIL) Kotak FMP Series 242-1152	10	1,596.99	-	-	-
1,50,00,000	(Previous Year-NIL) Kotak FMP Series 243 - 1319 days	10	1,608.50	-	-	-
1,50,00,000	(Previous Year-NIL) UTI Fixed Term Income Fund Series XXX - II (1107 days)	10	1,595.91	-	-	-
1,50,00,000	(Previous Year-NIL) Reliance Fixed Horizon Fund-XXXIX Series 2	10	1,611.23	-	-	-
1,20,00,000	(Previous Year-NIL) ICICI Prudential -FMP -Series 83 - 1101 Days Plan Z	10	1,276.33	-	-	-
2,00,00,000	(Previous Year-NIL) Aditya Birla Sunlife Fixed Term Plan Series RC (1295 days)	10	2,129.74	-	-	-
1,00,00,000	(Previous Year-NIL) Reliance Fixed Horizon Fund-XXXIX Series 9	10	1,063.48	-	-	-
(c) Investments in Mutual Funds						
68,061.75	(Previous Year-NIL) HDFC Mutual Fund	1,000	-	-	2,503.51	-
9,05,745.25	(Previous Year-NIL) ICICI Mutual Fund	100	-	-	2,503.63	-
38,912.92	(Previous Year-NIL) Invesco India Liquid Fund	1,000	-	-	1,001.01	-
(d) Investments in Non Convertible Debentures(Quoted)						
200	(Previous Year-NIL) KOTAK MAHINDRA PRIME LIMITED - BR NCD 30JL19 FVRS10LAC	10,00,000	-	-	2,126.60	-
250	(Previous Year-NIL) HDB FINANCIAL SERVICES LIMITED - SR-A/1/77 8.48 NCD 13MY19 FVRS10LAC	10,00,000	-	-	2,689.24	-
150	(Previous Year-NIL) HDB FINANCIAL SERVICES LIMITED - SR A/0(ML)/1 BR NCD 31JL20 FVRS10LAC	10,00,000	1,516.05	-	-	-
150	(Previous Year-NIL) HDB FINANCIAL SERVICES LIMITED - SR 2019 A/0(ML)/2 BR NCD 04FB21 FVRS10LAC	10,00,000	1,500.90	-	-	-
Total			83,348.65	24,816.56	10,823.99	-
Aggregate amount of quoted investments			60,954.02	0.01	10,823.99	-
Market value of quoted investments			60,954.02	**	10,823.99	-
Aggregate amount of unquoted investments			22,394.63	14,925.87	-	-
Aggregate amount for impairment in value of investments			-	-	-	-
(**)Amount is below the rounding off norm adopted by the Company						

Note 1 :- 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 previous year.

Note 2 :- Refer Note: 48 for Classification of Financial Assets

Note: 9 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Trade Receivable considered good-Secured	-	-
b) Trade Receivable considered good-Unsecured	1,18,459.25	96,844.96
c) Trade Receivable which have significant increase in Credit Risk; and	483.66	492.76
d) Trade Receivable credit impaired	691.76	390.13
Less: Loss allowance for doubtful receivables (other than covered under ECGC cover)	(945.73)	(458.94)
e) Debts due from Directors or Other Officers 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	1,18,688.94	97,268.90

Refer Note: 48 for Classification of Financial Assets

Note: 10 Financial Assets-Loans

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Security deposits	1,092.32	721.72	-	-
Loans to employees	-	-	-	-
a) Loans to employees considered good-Secured	-	-	-	-
b) Loans to employees considered good-Unsecured	26.24	21.42	62.01	64.55
c) Loans to employees which have significant increase in Credit Risk; and	-	-	-	-
d) Loans to employees credit impaired	-	-	-	-
Total	1,118.56	743.14	62.01	64.55

Refer Note: 48 for Classification of Financial Assets

Note: 11 Other Financial Assets

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Interest accrued but Not due	-	-	465.79	85.04
Derivative Financial Instruments	-	-	72.40	24.39
Total	-	-	538.19	109.43

Refer Note: 48 for Classification of Financial Assets

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Note: 12 Other Assets

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
<i>Unsecured, considered good unless stated otherwise</i>				
Capital Advances	1,391.54	251.27	-	-
Other Advances considered good - Unsecured	-	-	2,361.69	1,994.94
Advances to related parties	-	-	3.28	3.28
Prepaid expenses	12.04	13.08	988.06	864.44
Balances with statutory authorities	-	-	8,291.26	2,092.67
Excise Rebates / GST Refunds receivable	-	-	4,770.12	692.00
Payments under protest (other than direct taxes)	323.46	303.81	-	-
Export Benefits Receivable (including MEIS Licenses in hand)	-	-	9,882.24	6,252.96
Other Employee Advances	-	-	103.31	63.86
Gratuity Fund receivable (also refer note 40)	-	-	157.48	151.64
Others	-	-	309.49	9.11
Total	1,727.04	568.15	26,866.93	12,124.91

a) Detail of payments under protest (other than direct taxes) is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Entry Tax	197.22	197.22
Central Sales Tax	24.53	24.53
Excise duty/Service Tax	79.57	59.92
MPST/MPCT	3.29	3.29
Tax deducted at source	18.85	18.85
Total	323.46	303.81

Based on legal advice, discussions with the solicitors, etc., the management believes that there are fair chances of decisions in the Company's favor in respect of all the items listed above and no value adjustment is considered necessary.

Note: 13 Inventories (Valued at Lower of Cost or Net Realizable Value)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials [Includes material in transit ₹23,809.22 Lakhs; Previous year: ₹7,017 Lakhs]	50,355.48	19,959.18
Finished goods	37,749.92	10,166.41
Work-in-progress	39,650.33	17,528.15
Stores and spares	3,082.92	3,489.80
[Includes stores in transit ₹304.65 Lakhs ; Previous year: ₹183.97 Lakhs]		
Others (Refer Note (a))	0.03	0.03
Total	1,30,838.68	51,143.57

(a) Others include Renewable Energy Credits in hand.

(b) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹1,36,108.38 Lakhs (Previous year ₹57,010.98 Lakhs)

Note: 14 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
In Current accounts	2,505.50	161.01
In Cash Credit accounts	386.90	17.18
Cheques, drafts on hand	20.06	333.96
Cash on hand	3.45	5.02
Deposits with banks/financial Institutions		-
Total	2,915.91	517.18

Refer Note: 48 for Classification of Financial Assets

Note: 15 Other Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Earmarked deposits with banks		
a) As security against Raw Material LC*	16,590.43	-
b) Escrow Account for buyback of shares	900.02	-
c) Against Bank Gurantee*	254.10	-
d) Unpaid Dividend	431.95	245.28
Deposits with banks/financial Institutions	34,640.00	-
Total	52,816.50	245.28

* (a) & (c) includes Interest Accrued.

Refer Note: 48 for Classification of Financial Assets

Note: 16 Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised		
5,50,00,000 Equity Shares of ₹10/- each	5,500.00	5,500.00
	5,500.00	5,500.00
Issued, Subscribed and Fully paid-up		
3,85,95,506 Equity Shares of ₹10/- each	3,859.55	3,995.91
1,150 Forfeited Equity Shares	0.04	0.04
Total	3,859.59	3,995.95

(a) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	2018-19		2017-18	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares				
At the beginning of the year	3,99,59,142	3,995.91	3,99,59,142	3,995.91
Change during the year - Buyback of Equity Shares	(13,63,636)	(136.36)	-	-
Outstanding at the end of the year	3,85,95,506	3,859.55	3,99,59,142	3,995.91

(b) Terms/Rights attached to equity shares

The 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 on 31st March, 2019, the Company has paid an amount of ₹50 per Equity Share (500%) as Final Dividend for the financial year 2017-18 to the equity shareholders of the Company and also ₹30 per share (300%) as Interim Dividend for the Financial Year 2018-19.

(c) Detail of Shareholders holding more than 5% Shares in the Company

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Norbury Investments Limited	53,62,991	13.90	53,62,991	13.42
Microlight Investments Limited	46,65,579	12.09	46,65,579	11.68
Life Insurance Corporation of India	32,32,046	8.37	33,33,963	8.34
Bharat Investments Growth Limited	24,64,913	6.39	26,09,598	6.53

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) Aggregate number of equity shares issued for consideration other than cash and shares bought back for the period of five years immediately preceding the reporting date.

Particulars	Aggregate No. of Shares				
	2018-19	2017-18	2016-17	2015-16	2014-15
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
FCCB's Conversion	-	-	-	-	-
Shares bought back	13,63,636	-	-	-	-

(e) Buyback of shares: During the year under review, the Company after obtaining Shareholders' approval, had bought back 13,63,636 (Thirteen lakhs sixty three thousand six hundred and thirty six) fully paid-up equity shares of face value of ₹10/- (Rupees ten only) each, representing approximately 3.41% of the total number of equity shares in the paid-up equity share capital of the Company as at 30 September 2018, from the shareholders/beneficial owners of equity shares of the Company as on the record date i.e. February 9, 2019 on a proportionate basis, through the "tender offer" under stock exchange mechanism route at a price of ₹5,500/- (Rupees five thousand five hundred only) per equity share for an amount of ₹7,49,99,98,000/- (Rupees Seven hundred forty nine crore ninety nine lakhs ninety eight thousand only) excluding expenses incurred in this connection thereto.

The break up of shares bought back and extinguished are as under:

a) Equity shares in Demat:	13,63,019
b) Physical shares:	617
Total	13,63,636

The Company concluded the Buyback proceedings on 29th March 2019 and equity shares were extinguished. The Company has utilized its Security Premium, General Reserves & Retained Earnings for Buyback of its equity shares and post completion of same, the paid up capital is reduced from ₹39,95,91,420/- (3,99,59,142 Equity Shares) to ₹38,59,55,060/- (3,85,95,506 Equity Shares).

Note:17 Other Equity

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
A. 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
B. Capital Redemption Reserve		
Balance as per the last financial statements	1,893.57	1,893.57
Add: Amount transferred from Retained Earnings upon Buyback (Refer Note 16(e))	136.36	-
Closing balance	2,029.93	1,893.57
C. Securities Premium		
Balance as per the last financial statements	1,269.61	1,269.61
Add/Less : Received/Utilized during the year (Refer Note 16(e))	(1,269.61)	-
Closing balance	-	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	-	-
Less: Amount utilized in Buyback of Shares(Refer Note 16(e))	39,823.38	-
Closing balance	-	39,823.38
Surplus/(Deficit) balance in Statement of Profit and Loss		
Balance as per the last financial statements	1,32,962.00	37,456.19
Add: Amount transferred from Statement of Profit and Loss	3,02,615.66	1,09,933.97
Less: Dividend paid	31,967.31	11,987.74
Less: Dividend distribution tax paid on dividend	6,570.92	2,440.42
Less: Amount utilized in Buyback of Shares (Refer Note 16(e))	33,770.63	-
Less: Buyback Exp. (net of Income Tax Benefit)	402.75	-
Less: Amount Transferred to Capital Redemption Reserve upon Buyback	136.36	-
Closing balance	3,62,729.69	1,32,962.00
E. Items of Other Comprehensive Income		
Balance as per the last financial statements	81.34	91.12
Remeasurement of Defined Benefit Plans	(58.43)	(9.77)
Closing balance	22.91	81.34
Total	3,75,509.02	1,86,756.45
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 2019.

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:

Securities Premium Reserve is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

3) Capital Redemption Reserve:

The Company created Capital Redemption Reserve at the time of redemption of Preference Shares and Buyback of its own shares. The reserve can be utilised for issuing bonus shares.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Note: 18 Borrowings

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Loans repayable on demand from banks				
Working Capital loans from banks	-	-	66,636.47	29,745.49
Total	-	-	66,636.47	29,745.49

Current Borrowings

(₹ in Lakhs)

Particulars	Maturity date	Terms of Repayment	Interest Rate	As at 31st March, 2019	As at 31st March, 2018
Loans repayable on demand	Payable on Demand	Payable on Demand	At negotiated rates		
Secured				54,336.47	29,745.49
Working Capital from banks					
Unsecured					
Working Capital from banks				12,300.00	-
Total				66,636.47	29,745.49

- 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 favour of financial institutions and banks for their term loans.

Refer Note No. 49 for carrying amount of assets pledged as security for borrowings.

Note: 19 Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(A) Total outstanding dues of micro enterprises and small enterprises	398.82	245.97
(B) Total outstanding dues of other creditors	37,608.08	24,398.46
(C) Total outstanding dues of other creditors-related parties	-	-
Total	38,006.90	24,644.43

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. The detail information relating to Micro, Small and Medium Enterprises is as under :-

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(1) Principal amount remaining unpaid as at end of the year	398.82	245.97
(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)	398.82	245.97
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.	-	-

Note: 20 Other Financial Liabilities

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Security Deposits - From outsiders	-	-	155.71	134.02
Interest accrued but not due on borrowings	-	-	-	-
Unpaid dividends-Unclaimed#	-	-	431.95	245.28
Derivative Financial Instruments	-	-	-	-
Creditors for capital goods	-	-	467.87	98.28
Other payables	-	-	-	-
Employees related	-	-	9,555.99	4,057.53
Others	41.31	42.50	2,405.97	2,716.79
Total	41.31	42.50	13,017.49	7,251.90

Unpaid dividend does not include any amount due and outstanding required to be credited to the Investor's Education and Protection Fund.

Refer Note: 48 for Classification of Financial Liabilities

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Note: 21 Provisions

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits				
Compensated absences	387.08	340.90	67.08	68.75
Provision for duties & taxes	-	-	1,910.83	548.13
Total	387.08	340.90	1,977.91	616.88

Note: 22 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax liabilities (A)		
Property, plant and equipment	12,333.88	12,221.24
Fair valuation of Investments	940.12	-
Deferred tax assets (B)		
Items deductible on payment basis	330.87	145.61
Provision for doubtful debts and others	330.48	158.83
Net Deferred tax Liability (A)-(B)	12,612.65	11,916.80

Note: 23 Other Liabilities

(₹ in Lakhs)

Particulars	Non - current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Deposits from employees against various schemes	239.59	208.08	67.31	79.03
Advance from Customers	-	-	98.80	1,485.65
Statutory dues payable	-	-	1,205.03	3,128.54
Other payables	-	-	233.89	155.00
Total	239.59	208.08	1,605.03	4,848.22

Note: 24 Current Tax Asset & Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Income tax assets (net)	3,995.09	2,810.79
Income tax liabilities (net)	(542.77)	(3,543.02)
Total	3,452.32	(732.22)

Note: 25 Revenue From Operations

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
Sale of Products				
Manufactured goods				
Graphite Electrodes (Refer note 50 & 51)	6,42,911.38		2,66,542.40	
Power (Net of inter-divisional sales of ₹11,091.65 Lakhs, Previous year ₹19,422.65 Lakhs)	720.22	6,43,631.60	664.32	2,67,206.73
Other Operating Income				
REC sales	163.53		1,080.82	
Fly Ash Income	171.30		225.28	
Export Incentives	15,316.09	15,650.92	7,327.61	8,633.71
Total		6,59,282.52		2,75,840.43

Note: 26 Other Income

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Income from financial assets measured at amortized cost	4,974.75	42.07
rent received	88.68	59.75
Net Gain on sale of current investment measured at Fair Value Through P&L	1,151.21	5.21
Net Gain on Fair Valuation of investments measured at Fair Value Through P&L	3,997.63	-
Liabilities / provisions, written back	255.71	428.54
Net Gain on sale of property, plant and equipment	-	321.47
Miscellaneous receipts	451.20	379.78
Total	10,919.18	1,236.82

Note: 27 Cost of Material Consumed

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
Raw material consumed				
Opening stock	12,942.18		1,770.38	
Add: Purchases	1,74,788.06		68,752.58	
	1,87,730.24		70,522.96	
Less: Closing stock	26,546.27		12,942.18	
Cost of material consumed		1,61,183.97		57,580.79

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Note: 28 Changes In Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Inventories at the end of the period		
Finished goods	37,749.92	10,166.41
Work-in-progress	39,650.33	17,528.15
Total (A)	77,400.25	27,694.56
Inventories at the beginning of the period		
Finished goods	10,166.41	6,501.88
Work-in-progress	17,528.15	11,845.08
Total (B)	27,694.56	18,346.96
Net Movement in Excise Duty on finished goods (C)	-	(434.84)
Total [(B)-(A)+(C)]	(49,705.69)	(9,782.44)

Note: 29 Employee Benefit Expenses

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Salaries and wages	18,894.86	10,391.27
Contribution to provident and other funds	507.62	461.21
Staff welfare expenses	354.14	391.37
Total	19,756.62	11,243.85

Note: 30 Finance Cost

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Interest Expense		
Term loans	-	2,417.28
Working capital borrowings	1,788.46	2,078.66
Exchange difference regarded as an adjustment to borrowing cost	-	(3.79)
Interest cost on income tax	-	1,084.06
Others	8.44	65.67
Total	1,796.90	5,641.88

Note: 31 Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Depreciation of tangible assets*	7,231.10	7,249.67
Amortisation of intangible assets**	8.10	6.09
Total	7,239.20	7,255.76

* Refer note 4

** Refer note 7

Note: 32 Excise Duty

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Excise duty (Refer note 51)	-	833.82
Total	-	833.82

Note: 33 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Consumption of stores and spare parts (including Refractory Blocks)	11,644.50	7,603.22
Job/Process charges	490.33	314.12
Power and fuel	29,412.84	35,858.39
Less: Interdivisional purchases	(11,091.65)	(19,422.65)
Repairs and maintenance		
Plant and Machinery	4,897.33	4,406.94
Building	359.61	343.31
Others	801.81	603.09
Insurance	892.16	363.89
Rent (Refer Note 41)	89.13	85.97
Rates and taxes	106.50	88.79
Directors' sitting fees and incidental expenses	90.58	57.13
Commission paid to Directors	200.00	-
Freight & forwarding	12,656.73	8,659.67
Packing expenses (including packing material consumption)	1,819.61	1,608.51
Commission	2,862.14	3,174.54
Claims and rebates	166.35	223.37
Donations	10.34	2.25
Contribution made to political parties	800.00	-
Power generation charges	78.55	67.70
Travelling expenses	408.65	232.45
Postage and communication	86.31	68.47
Payment to auditors (Refer details below*)	29.50	19.18
Contribution towards Corporate Social Responsibility (Refer Note 43)	827.92	92.10
Legal and professional expenses	1,257.68	416.50
Vehicle running & maintenance	65.86	90.04
Allowances for expected credit losses	534.52	(782.98)
Bad debts	22.30	205.02
Duties and taxes	134.32	31.42
Net Loss on sale/discard of property, plant and equipment	335.49	-
Foreign currency fluctuation	1,044.05	(1,473.35)
Miscellaneous expenses	1,189.36	895.54
Total	62,222.82	43,832.62

*Payments to the statutory auditors (excluding GST/Service Tax)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
As auditor		
Statutory audit	12.50	12.50
Other services		
Tax Audit	2.00	2.00
Management Services		
Certification Fees	8.78	0.17
Reimbursement of expenses	6.22	4.51
Total	29.50	19.18

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Note: 34 Tax Expense

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
A) Tax Expense Recognised in Profit and Loss		
1) Current Tax		-
Income tax	1,62,032.53	51,355.30
Income tax -previous year	(97.89)	0.60
2) Deferred tax	730.18	981.14
	1,62,664.82	52,337.04
B) Tax Expense on Other Comprehensive Income		
1) Current tax	-	-
2) Deferred tax	(34.33)	(12.46)
	(34.33)	(12.46)
C) Tax expense/(Income) relating to items that are charged or credited directly to equity		
1) Current tax	(216.33)	-
2) Deferred tax	-	-
	(216.33)	-
Total	1,62,414.15	52,324.58

(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 Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Accounting profit before tax from continuing operations	4,67,707.88	1,60,470.97
Profit/Loss before tax from a discontinued operation	-	-
Accounting profit before income tax	4,67,707.88	1,60,470.97
At India's statutory income tax rate of 34.944%	34.944%	34.608%
Tax as per accounting profit (A)	1,63,435.84	55,535.79
Tax impact of amounts which are not deductible in calculating taxable income:		
Difference on account of depreciation	(327.82)	(122.42)
Effect of expenses that are not deductible in determining taxable profits	111.49	(206.75)
Benefit arising from previous tax losses	-	(2,870.19)
Differential tax rate on capital gain on sale of Investments/Fair Valuation on Investments	(456.81)	-
Income tax expense/(income) related to prior periods	(97.89)	0.60
Tax impact of amounts which are not deductible in calculating taxable income (B):	(771.02)	(3,198.76)
Income Tax Expense reported in the statement of Profit and Loss (A+B)	1,62,664.82	52,337.04

The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.944% and 34.608%, respectively. The increase in the corporate statutory tax rate to 34.944% is consequent to changes made in the Finance Act, 2018.

(b) Reconciliation of Deferred tax asset/(liability)
(i) Movement in deferred income tax assets and liabilities for the year ended March 31, 2019 (₹ in Lakhs)

Particulars	As at 1st April, 2018	Changes through profit and loss	Changes through OCI	As at 31st March, 2019
Deferred tax liabilities (A)				
Property, Plant and Equipment	12,221.24	112.64	-	12,333.88
Fair valuation of Investments	-	940.12	-	940.12
Deferred tax assets (B)				
Items deductible on payment basis	145.61	150.93	34.33	330.87
Provision for doubtful debts and others	158.83	171.65	-	330.48

(ii) Movement in deferred income tax assets and liabilities for the year ended March 31, 2018 (₹ in Lakhs)

Particulars	As at 1st April, 2018	Changes through profit and loss	Changes through OCI	As at 31st March, 2019
Deferred tax liabilities (A)				
Property, Plant and Equipment	11,780.93	440.31	-	12,221.24
Fair valuation of Investments	-	-	-	-
Deferred tax assets (B)				
Items deductible on payment basis	360.19	(227.03)	12.46	145.61
Provision for doubtful debts and others	472.63	(313.81)	-	158.83

Note: 35 Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
(i) Items that will not be reclassified to profit or loss		
-Remeasurement of defined benefit plans	(98.25)	(35.99)
Total	(98.25)	(35.99)

Note: 36 Earnings per share

The calculation of Earnings 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 "Earnings Per Share"

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Profit attributable to equity shareholders (in Lakhs)	3,02,615.66	1,09,933.97
Weighted average number of equity shares outstanding during the Financial Year after adjustment for Buyback of Equity Shares	3,99,47,934	3,99,59,142
Basic earnings per share(₹)	757.53	275.13
Diluted earnings per share*(₹)	757.53	275.13

* There are no potential equity shares

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Note: 37 SEGMENT REPORTING

The Company's Chief Operational Decision Makers consisting of Chief Executive Officer and Chief Financial 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 Lakhs)

	Graphite(including other carbon products)		Power		Unallocable items/ Others		Company Total	
Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018
a) Segment Revenue								
Turnover	6,58,226.74	2,73,882.80	12,146.70	21,379.58	0.73	0.70	6,70,374.17	2,95,263.08
Less: Inter Segment turnover	-	-	11,091.65	19,422.65	-	-	11,091.65	19,422.65
External Turnover	6,58,226.74	2,73,882.80	1,055.05	1,956.93	0.73	0.70	6,59,282.52	2,75,840.43
b) Segment Result before Interest & taxes	4,60,534.39	1,61,237.04	(1,762.27)	4,858.12	609.07	(29.60)	4,59,381.19	1,66,065.57
Add: Interest income							4,974.75	42.07
Add: Gain on sale of Investments(Including gain/loss on Fair Valuation)							5,148.84	5.21
Less: Financial expenses							1,796.90	5,641.88
Profit before tax							4,67,707.88	1,60,470.97
Less: Income tax (including deferred tax)							1,62,664.83	52,337.04
Add: Share of profit of Associates							(2,427.40)	1,800.04
Net Profit for the period							3,02,615.66	1,09,933.97
Depreciation	5,988.06	5,988.21	1,192.49	1,225.11	58.65	42.44	7,239.20	7,255.76

2) Secondary Revenue (By Geographical Location) :

(₹ in Lakhs)

Particulars	Within India		Outside India		Total	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018
a) Segment Revenue	1,67,929.22	81,146.08	4,91,353.30	1,94,694.35	6,59,282.52	2,75,840.43

3) Other Details

(₹ in Lakhs)

Particulars	Graphite(including other carbon products)		Power		Unallocable items/ Others		Company Total	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Segment Assets	3,51,906.06	2,31,592.34	14,313.05	16,607.03	1,48,216.70	25,711.24	5,14,435.81	2,73,910.62
Segment Liabilities	1,12,604.72	74,220.61	961.73	3,370.55	21,500.76	5,567.06	1,35,067.21	83,158.22
Capital exp. incurred during the year	4,778.17	1,925.33	31.38	5.19	69.27	72.91	4,878.82	2,003.44

4) Details of Unallocated Items

(₹ in Lakhs)

Segment Assets	As at 31st March, 2019	As at 31st March, 2018
Property, Plant & Equipment	194.49	196.46
Investment Property	354.13	357.95
Investments	94,172.64	24,816.55
Inventories	14.68	12.03
Trade Receivables	0.32	0.12
Cash and Cash Equivalents	62.42	16.91
Bank Balances other than Cash & Cash Equivalents	52,836.57	245.28
Financial Assets-Loans	26.54	35.47
Other Assets	554.92	30.48
Total	1,48,216.70	25,711.24

(₹ in Lakhs)

Segment Liabilities	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liability	12,641.15	7.36
Other Financial Liability	8,209.65	2,944.93
Other Liabilities	489.06	2,487.68
Provisions	160.91	127.09
Total	21,500.76	5,567.06

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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 Lakhs)

Revenue from External Customers	Year Ended 31st March, 2019	Year Ended 31st March, 2018
India	1,67,929.22	81,146.08
Saudi Arabia	38,595.51	1,804.32
USA	62,481.59	21,067.45
Iran	15,849.88	18,243.32
Korea (South)	43,278.73	5,855.12
Turkey	57,641.07	40,106.15
Spain	48,762.75	18,753.03
Others*	2,24,743.78	88,864.96
Total	6,59,282.52	2,75,840.43

*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 ended March '19 and March '18.

7) The Company has business operations only in India and does not hold any non current asset outside India.

Note: 38 Commitment & Contingencies

1) Contingent Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
For taxation matters		
a) Excise duty under appeal	230.80	232.95
b) Service tax	1,879.70	1,166.58
c) Income tax	7,651.21	7,691.21
d) Sales tax	477.40	481.56
Other than Taxation matters		
a) Power related	3,123.37	2,541.20
b) Labour related matters	59.98	42.60
c) Others	117.41	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 the Company has deposited the amount to the tax authorities against the cases, which is shown as payment under protest in **Note: 12** of Other Assets.

2) Commitment Outstanding

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Estimated value of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹1,391.54 Lakhs, [previous year ₹251.27 Lakhs.]]	28,686.17	481.82

3) Financial Guarantee

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
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 of accounts.

Note : 39 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, 2019	Year Ended 31st March, 2018
A)	Subsidiary	-	(i) HEG Graphite Products & Services Ltd.* (up to 20th December 2017)
B)	Associates	(i) Bhilwara Energy Limited (ii) Bhilwara Infotechnology Ltd.	(i) Bhilwara Energy Limited (ii) 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 Smt. Mani Devi Jhunjunwala Sh. Ravi Jhunjunwala Sh. Riju Jhunjunwala Sh. Rishabh Jhunjunwala Smt. Rita Jhunjunwala Nivedan Churiwal Shubha Churiwal Sudha Churiwal	Sh. L.N. Jhunjunwala Smt. Mani Devi Jhunjunwala Sh. Ravi Jhunjunwala Sh. Riju Jhunjunwala Sh. Rishabh Jhunjunwala Smt. Rita Jhunjunwala Nivedan Churiwal Shubha Churiwal Sudha Churiwal
D)	Key Management Personnel	Sh. Ravi Jhunjunwala-CMD & CEO Sh. Riju Jhunjunwala-Non-Executive Director Sh. Shekhar Agarwal Sh. Dharmendar Nath Davar Sh. Satyendra Nath Bhattacharya Sh. Satish Chand Mehta Dr. Kamal Gupta Dr. Om Parkash Bahl Smt. Vinita Singhanian Smt. Ramni Nirula Late Sh. Raju Rustogi- Chief Operating Officer and Chief Financial Officer*** Sh. Vivek Chaudhary-Company Secretary Sh. Manish Gulati - Chief Operating Officer & Chief Marketing Officer (w.e.f. 31st October 2018) Sh. Gulshan Kumar Sakhuja - Chief Financial Officer (w.e.f. 12 February 2019)	Sh. Ravi Jhunjunwala-CMD Sh. Riju Jhunjunwala-Non-Executive Director Sh. Shekhar Agarwal Sh. Dharmendar Nath Davar Sh. Satyendra Nath Bhattacharya Sh. Satish Chand Mehta Dr. Kamal Gupta Dr. Om Parkash Bahl Smt. Vinita Singhanian - Sh. Raju Rustogi-Chief Operating Officer and Chief Financial Officer Sh. Vivek Chaudhary-Company Secretary
E)	Relatives of Key Management Personnel	Sh. L.N. Jhunjunwala Smt. Mani Devi Jhunjunwala Sh. Rishabh Jhunjunwala Smt. Rita Jhunjunwala	Sh. L.N. Jhunjunwala Smt. Mani Devi Jhunjunwala Sh. Rishabh Jhunjunwala Smt. Rita Jhunjunwala

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

		Related Parties	
	Relationship	Year Ended 31st March, 2019	Year Ended 31st March, 2018
F)	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
G)	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. BSL Ltd. AD Hydro Power Ltd. Maral Overseas Ltd. BMD Pvt. Ltd. Bharat Investments Growth Ltd. Deepak Pens & Plastics Pvt. Ltd. India Texfab Marketing Ltd. Investors India Ltd. LNJ Financial Services Ltd. Nivedan Vanijya Niyojan Ltd. M.L. Finlease Pvt. Ltd. Sandhu Auto Deposits Ltd. Raghav Commercial Ltd. Norbury Investments Ltd. Mekima Corporation Microlight Investments Ltd.	RSWM Ltd. Malana Power Company Ltd. Giltedged Industrial Securities Ltd. Purvi Vanijya Niyojan Ltd. Shashi Commercial Co. Ltd. BSL Ltd. AD Hydro Ltd. Maral Overseas Ltd. BMD Pvt. Ltd. Bharat Investments Growth Ltd. Deepak Pens & Plastics Pvt. Ltd. India Texfab Marketing Ltd. Investors India Ltd. LNJ Financial Services Ltd. Nivedan Vanijya Niyojan Ltd. M.L. Finlease Pvt. Ltd. Sandhu Auto Deposits Ltd. Raghav Commercial Ltd. Norbury Investments Ltd. Mekima Corporation Microlight Investments 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.

** The company had discontinued the Hindustan Electro Graphites Officers Contributory P.F. Trust with effect from 1st April, 2018.

***The services of Sh. Raju Rustogi- Chief Operating Officer and Chief Financial Officer had been discontinued w.e.f, 26th January, 2019 due to sudden demise.

(b) Transactions during the year with related parties

(₹ in Lakhs)

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
1) Associates	M/s Bhilwara Energy Ltd.	Reimbursement received	2.41	-
		Reimbursement made	12.78	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	143.79	53.92
		Amount paid on Buyback of Equity Shares	548.08	-
	Smt. Mani Devi Jhunjhunwala	Dividend paid	82.68	31.01
		Amount paid on Buyback of Equity Shares	315.10	-
	Sh. Ravi Jhunjhunwala	Salary and Allowances (including perquisites and Contribution in PF and Superannuation)#	246.48	237.03
		Commission	11,881.00	4,095.94
		Dividend paid	280.62	105.23
		Amount paid on Buyback of Equity Shares	1,069.59	-
		Sale of Furniture	8.39	-
	Sh. Riju Jhunjhunwala	Director sitting fee	6.65	4.75
		Commission	25.00	-
		Dividend paid	186.63	69.99
		Amount paid on Buyback of Equity Shares	711.37	-
		Reimbursement of expenses	0.42	0.30
	Sh. Rishabh Jhunjhunwala	Dividend paid	148.90	55.84
		Amount paid on Buyback of Equity Shares	567.55	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	Smt. Rita Jhunhunwala	Dividend paid	179.45	67.29
		Amount paid on Buyback of Equity Shares	683.98	-
	Sh. Nivedan Churiwal	Dividend paid	9.00	3.38
		Amount paid on Buyback of Equity Shares	34.27	-
	Smt. Shubha Churiwal	Dividend paid	6.28	2.36
		Amount paid on Buyback of Equity Shares	23.87	-
	Smt. Sudha Churiwal	Dividend paid	2.00	0.75
		Amount paid on Buyback of Equity Shares	7.59	-
	3) Key Management Personnel	Sh. Ravi Jhunhunwala-CMD & CEO	Salary and Allowances (Including perquisites and Contribution in PF and Superannuation)#	237.03
			Commission	4,095.94
			Dividend paid	105.23
			Amount paid on Buyback of Equity Shares	-
			Sale of Furniture	-
		Sh. Riju Jhunhunwala	Director sitting fee	4.75
			Commission	-
			Dividend paid	69.99
			Amount paid on Buyback of Equity Shares	-
			Reimbursement of expenses	0.30
	Sh. L.N. Jhunhunwala	Dividend paid	143.79	53.92
		Amount paid on Buyback of Equity Shares	548.08	-
	Smt. Mani Devi Jhunhunwala	Dividend paid	82.68	31.01
		Amount paid on Buyback of Equity Shares	315.10	-

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	Sh. Rishabh Jhunhunwala	Dividend paid	148.90	55.84
		Amount paid on Buyback of Equity Shares	567.55	-
	Smt. Rita Jhunhunwala	Dividend paid	179.45	67.29
		Amount paid on Buyback of Equity Shares	683.98	-
	Sh. Shekhar Agarwal	Director sitting fee	9.00	4.70
		Commission	25.00	-
		Reimbursement of expenses	0.36	0.21
	Sh. Dharmendar Nath Davar	Director sitting fee	18.40	11.80
		Commission	25.00	-
		Reimbursement of expenses	1.23	0.84
		Dividend paid	1.20	0.45
	Sh. Satyendra Nath Bhattacharya	Director sitting fee	3.00	3.00
		Commission	25.00	-
		Reimbursement of expenses	0.12	0.12
	Sh. Satish Chand Mehta	Director sitting fee	7.50	4.50
		Commission	25.00	-
		Reimbursement of expenses	0.30	0.18
	Dr. Kamal Gupta	Director sitting fee	19.40	12.80
		Commission	25.00	-
		Reimbursement of expenses	1.26	0.90
		Dividend paid	0.16	0.06
		Amount paid on Buyback of Equity Shares	0.61	-
	Dr. Om Parkash Bahl	Director sitting fee	15.20	9.40
		Commission	25.00	-
		Reimbursement of expenses	0.63	0.42
	Smt. Vinita Singhania	Director sitting fee	3.75	3.00
		Commission	25.00	-
		Reimbursement of expenses	0.24	0.21
	Smt. Ramni Nirula	Director sitting fee	3.00	-
		Reimbursement of expenses	0.12	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	Late Sh. Raju Rustogi- Chief Operating Officer and Chief Financial Officer	Salary and Allowances(including perquisites and Contribution in PF and Superannuation)#	161.14	114.90
	Sh. Vivek Chaudhary- Company Secretary	Salary and Allowances (including perquisites and Contribution in PF and Superannuation)#	30.76	21.59
	Sh. Manish Gulati - Chief Operating Officer (w.e.f.31st October 2018)#	Salary and Allowances (including perquisites and Contribution in PF and Superannuation)#	119.72	-
	Sh. Gulshan Kumar Sakhuja - Chief Financial Officer (w.e.f.12 February 2019)#	Salary and Allowances (including perquisites and Contribution in PF and Superannuation)#	44.90	-
4)	Trust Under Common Control	(a) Hindustan Electro Graphites Staff Gratuity Fund Trust	-	-
		Contribution in Employee Benefit Scheme	-	-
		Payment received on retirement and termination	-	-
		(b) Hindustan Electro Graphites Officers Contributory P.F. Trust(Refer Note)	-	65.33
		Contribution in Employee Benefit Scheme	-	-
		Payment received on retirement and termination	-	-
5)	Enterprises over which any person described in (b) or (c) is able to exercise significant influence.	(c) Hindustan Electro Graphites Ltd. Senior Executive Superannuation Fund Trust	157.03	158.46
		Contribution in Employee Benefit Scheme	-	-
		Payment received on retirement and termination	-	-
		RSWM Ltd.	43.52	43.25
		Rent paid	-	7.39
		Rent Received	39.82	13.12
		Reimbursement received	30.42	36.28
		Reimbursement made	782.40	293.40
		Dividend paid	2,982.27	-
		Amount paid on Buyback of Equity Shares		

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	Shashi Commercial Co. Ltd.	Rent paid	29.60	27.64
		Dividend paid	572.15	214.56
		Amount paid on Buyback of Equity Shares	2,180.81	-
	Purvi Vanijaya Niyojan Ltd.	Rent paid	3.50	3.48
		Reimbursement made	0.33	-
		Dividend paid	1,396.28	523.61
		Amount paid on Buyback of Equity Shares	5,322.19	-
	Giltedged Industrial Securities Ltd.	Rent paid	24.19	22.55
		Dividend paid	403.73	151.40
		Amount paid on Buyback of Equity Shares	1,538.85	-
	Malana Power Co.Ltd.	Reimbursement received	3.13	0.21
	BSL Ltd.	Rent received	12.18	12.10
		Purchase of Fabrics	3.40	2.26
	AD Hydro Power Ltd.	Reimbursement received	1.79	0.12
	Maral Overseas Ltd.	Reimbursement received	5.44	0.37
	BMD Pvt Ltd.	Reimbursement received	3.86	0.26
	Bharat Investments Growth Limited	Dividend paid	2,087.68	782.88
		Amount paid on Buyback of Equity Shares	7,957.68	-
	Deepak Pens & Plastics Pvt. Ltd.	Dividend paid	397.92	149.22
		Amount paid on Buyback of Equity Shares	1,516.74	-
	India Texfab Marketing Limited	Dividend paid	175.08	65.66
		Amount paid on Buyback of Equity Shares	667.32	-

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Relationship	Name of the Related Party	Nature of Transaction	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	Investors India Limited	Dividend paid	30.71	11.51
		Amount paid on Buyback of Equity Shares	117.04	-
	LNJ Financial Services Limited	Dividend paid	1,141.97	428.24
		Amount paid on Buyback of Equity Shares	4,352.81	-
	Nivedan Vanijya Niyojan Ltd.	Dividend paid	56.48	21.18
		Amount paid on Buyback of Equity Shares	215.22	-
	M.L. Finlease Pvt. Ltd.	Dividend paid	293.44	110.04
		Amount paid on Buyback of Equity Shares	1,118.48	-
	Sandhu Auto Deposits Ltd.	Dividend paid	453.78	170.17
		Amount paid on Buyback of Equity Shares	1,729.59	-
	Raghav Commercial Ltd.	Dividend paid	1,226.53	459.95
		Amount paid on Buyback of Equity Shares	4,675.17	-
	Mekima Corporation	Dividend paid	1,431.63	536.86
		Amount paid on Buyback of Equity Shares	3,143.14	-
	Microlight Investments Limited	Dividend paid	3,732.46	1,399.67
	Norbury Investments Limited	Dividend paid	4,290.39	1,608.90

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 and remuneration amount represents remuneration paid for the whole year under consideration.

(c) Details of Outstanding Balance (*)

(₹ in Lakhs)

Sl. No.	Related Party	Name of the Related Party	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	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
2	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	1.90
		AD Hydro Ltd.	Loan and Advances	1.09	1.09

(*) Outstanding balance does not include salary payable of KMP's as at the year ended.

(d) Commitments with Related Parties

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
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 Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Short term benefits	12,445.19	4,430.47
Post employment benefits	47.21	38.99
- Other long term benefits		
Share based payments	3,896.26	-
Directors sitting fees	85.90	53.95
Directors commission	200.00	-
Reimbursement of expenses & incidental expenses	4.68	3.18
Dividend	1,023.43	383.79
Total	17,702.67	4,910.38

Note : 40 Indian Accounting Standard-19 "Employee Benefits"
Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the period are as under :

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Employer's contribution to Provident Fund	258.47	233.42
Employer's contribution to Superannuation Fund	170.73	155.44
Employer's contribution to ESIC	59.50	59.93

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Defined Benefit Plan

The following table set out the funded status of the gratuity plan and amounts recognised in the Balance Sheet:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
I. Change in Defined Benefit Obligation (DBO):		
Present Value of Defined benefit obligation at the beginning of the year	1,156.36	1,134.68
1. Interest Cost	90.19	83.40
2. Current Service Cost	72.00	66.02
3. Past Service Cost including curtailment (Gains)/Losses	-	33.91
4. Benefits paid	(164.25)	(224.08)
5. Actuarial Changes (Gain)/Loss	86.00	62.42
Present Value of Defined Benefit Obligation at the end of the year	1,240.30	1,156.36
II. Change in Fair Value of Assets:		
Fair Value of Plan Assets at the beginning of the year:	1,307.99	1,193.82
1. Expected Return	89.77	114.17
2. Actual Company Contribution	-	-
3. Benefits paid	-	-
Fair Value of Plan Assets at the end of the year	1,397.76	1,307.99
III. Net Assets/(Liability) recognized in Balance Sheet:		
1. Present value of Defined Benefit Obligation	1,240.30	1,156.35
2. Fair Value on Plan Assets	1,397.76	1,307.99
Net Assets/(Liability) recognized in balance sheet (2-1)	157.47	151.64
IV. Expenses recognised during the year		
In Statement of Profit and Loss		
Current Service Cost	72.00	99.92
Net Interest on net defined benefit liability / (asset)	(11.83)	(4.35)
Net Cost	60.17	95.57
In Other Comprehensive Income		
Actuarial Gain/ (Loss) on Obligation	(86.00)	(62.42)
Actuarial Gain / (Loss) for the year on Asset	(12.25)	26.43
Net Income/(Expense) for the period Recognised in OCI	(98.25)	(35.99)
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))	(45.06)	37.79
3. Actuarial changes arising from changes in experience adjustments (Gain/ (Loss))	(40.94)	(100.21)
4. Return on plan assets excluding interest income (Gain/ (Loss))	(12.25)	26.43
5. Recognised in Other Comprehensive Income- (Gain/ (Loss))	(98.25)	(35.99)
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

Particulars	As at 31st March, 2019	As at 31st March, 2018
VII. Actuarial Assumptions:		
Discount Rate (per annum)	7.75	7.80
Salary escalation (per annum)	6.00	5.50
Expected Rate of Return (per annum)	7.75	7.80
Retirement age	58/60	58/60
Mortality Rate during employment	100% of ALM (2006-08)	100% of ALM (2006-08)
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	(44.91)	(39.46)
Impact due to decrease of 0.50 %-Increase(Decrease) in obligation	48.14	42.20
b) Impact of the change in salary increase		
Impact due to increase of 0.50%-Increase(Decrease) in obligation	42.89	39.95
Impact due to decrease of 0.50 %-Increase(Decrease) in obligation	(40.84)	(37.82)
X. Maturity profile of Defined Benefit Obligation		
(a) 0-1 year	121.51	147.40
(b) 1-2 year	19.85	66.30
(c) 2-3 year	70.72	95.92
(d) 3-4 years	92.56	80.54
(e) 4-5 years	141.08	122.38
(f) More than 5 years	794.56	643.81

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.

XI. The Company expects to contribute ₹121.51 Lakhs to the gratuity trusts during the financial year 2019-20.

Note: 41 Operating Leases

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. (₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Rent Paid	89.13	85.97

Note: 42 Events after the Reporting Period

- The Company have declared dividend of ₹50 per Equity Share of ₹10 each, aggregating ₹23,264.46 Lakhs including ₹3,966.71 Lakhs dividend distribution tax for the financial year 2018-19 in its board meeting held on 20th May '19
- As on 31st March, 2019, the Company holds 29.48% in Bhilwara Energy Ltd. (BEL) an Associate Company of HEG Ltd. BEL either itself or through its subsidiaries had portfolio of operational 278 MW of Hydro and 34 MW of Wind assets in following power business:
 - Hydro Power Generation
 - Wind Power Generation
 - Power Consultancy business

- (iii) TThe Board of Directors in their meeting held on 2nd April, 2019, had decided to purchase additional 3,23,51,004 shares in Bhilwara Energy Limited (BEL), Associate Company for an aggregating cash consideration of ₹162.05 Crores based on ₹50.09 per share from the following shareholders of BEL:
- a) 32,81,818 equity shares of BEL held by New York Life Investment Management India Fund (FVCI) II LLC.
 - b) 1,72,727 equity shares of BEL held by Jacob Balls Capital India Pvt. Ltd.
 - c) 1,19,57,860 equity shares of BEL held by India Clean Energy III Limited.
 - d) 1,69,38,599 equity shares of BEL held by RSWM Limited, (Part of the Promoter Group)

The fair valuation of shares of BEL is ₹50.09 per share, which was determined by M/s Walker Chandiok & Co. LLP, an Independent Valuer

Post the above acquisition of shares, the holding of Company in BEL, an associate company will increase from 29.48% to 49%.

Note : 43 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.

(a) Gross amount required to be spent by the Company during the year ₹1,036.61 Lakhs (NIL Lakhs)

(b) Amount spent during the period :

(₹ in Lakhs)

CSR Activities	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any assets	-	-	-
	-	-	-
(ii) On purpose other than (i) above	827.92	-	827.92
	(92.10)	-	(92.10)

(Figures in brackets pertain to financial year 2017-18)

Amount unspent during the year was ₹236.63 Lakhs

Note: 44 Capitalization of Pre-Operative Expenditure

(₹ in Lakhs)

The following expenditure has been capitalized / included under Capital work in progress:	As at 31st March, 2019	As at 31st March, 2018
Insurance expenses	-	-
Financial expenses - interest on term loans	-	-
Administrative overheads & other cost	-	-
Foreign currency fluctuation	-	1,672.53
Total	-	1,672.53
The same had been capitalized		
Building	-	270.06
Plant & Machinery	-	1,402.47
Capital work in progress	-	-
Total	-	1,672.53

Note: 45 Details of Loans given, Investments made and Guarantee given covered U/S 186(4) of the Companies Act, 2013

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loan given	-	-
Guarantee given	600	600
Investment made	14,925.88	14,925.88

The Company has not given any Loan, Guarantee and not made any investments during the financial year 2018-19 and for the period ending 31st March, 2019.

Note : 46 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 of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The 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, 2019		As at 31st March, 2018		Purpose
			(USD) (Millions)	(INR) (Lakhs)	(USD) in Millions	(INR) (Lakhs)	
Plain Vanilla Forwards (Sold)	USD/ INR	Sold	8.00	5,666.73	36.00	23680.3	Hedging
Plain Vanilla Forwards	EURO/ USD	Sold	-	-	3.50	USD 1.2555	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:

(₹ in Lakhs)

Particulars	Currency	As at 31st March, 2019	As at 31st March, 2018
Financial Liabilities			
Secured Loan	USD	-	-
	Euro	-	-
Creditors(Net of Advances)	USD	4,374.72	11,418.87
	Euro	3.11	38.21
Other payables	USD	1,345.27	1,116.99
	Euro	1,143.53	1,375.28

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Currency	As at 31st March, 2019	As at 31st March, 2018
Net exposure to foreign currency risk (liabilities)	USD	5,719.99	12,535.86
Net exposure to foreign currency risk (liabilities)	Euro	1,146.65	1,413.49
Debtors(Net of Advances)	USD	66,246.52	36,110.71
	Euro	22,855.70	31,098.34
Net exposure to foreign currency risk (assets)	USD	66,246.52	36,110.71
Net exposure to foreign currency risk (assets)	Euro	22,855.70	31,098.34

(c) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

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 Lakhs)

Particulars	Impact on Profit	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
USD Sensitivity		
Increase by 3% (Previous year 1%)	1,645.79	235.75
Decrease by 3% (Previous year 1%)	(1,645.79)	(235.75)
EURO Sensitivity		
Increase by 6% (Previous year 4%)	1,302.54	1,187.39
Decrease by 6% (Previous year 4%)	(1,302.54)	(1,187.39)

(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 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 Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Variable Rate Borrowings	66,636.47	29,745.49
Fixed Rate Borrowings	-	-
Total Borrowings	66,636.47	29,745.49

As at the end of the reporting period, the Company has the following variable rate borrowings outstanding:

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Weighted Average Interest Rate	Outstanding Balance (₹ in Lakhs)	% of Total Loans	Weighted Average Interest Rate	Outstanding Balance (₹ in Lakhs)	% of Total Loans
Term loans from banks and other parties		-	-		-	-
Working Capital Loans from banks	5.69%	66,636.47	100	6.32%	29,745.49	100
Total	5.69%	66,636.47	100	6.32%	29,745.49	100

(b) Sensitivity:

Profit/Loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Lakhs)

Particulars	Impact on Profit	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Rate - increase by 60 basis points	(399.82)	(178.47)
Interest Rate - decrease by 60 basis points	399.82	178.47

(iii) Security Price risk:

(a) Price Risk:

The Company manages the surplus funds majorly through investments in debt based Fixed Maturity Plans and mutual fund schemes. The price of investment in these Fixed Maturity Plans and mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such investments.

(b) Sensitivity:

The below is the sensitivity analysis at the end of the year in case NAV has been 1% higher / lower.

(₹ in Lakhs)

Particulars	Impact on Profit	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
NAV increase by 1%	639.45	-
NAV decrease by 1%	(639.45)	-

(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, loans to employees and security deposits). Credit risk on cash and cash equivalents, other bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

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.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

(i) Expected Credit Loss for Financial Assets

As at 31st March 2019

(₹ in Lakhs)

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	88.24	0%	-	88.24
Security Deposits	1,092.32	0%	-	1,092.32

(₹ in Lakhs)

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	5,846.41	1,12,493.21	6.28	422.52	54.85	98.37	593.39	1,19,515.04
Due under ECGC	-	-	-	-	-	-	119.63	119.63
Expected Loss Rate	-	-	25%	50%	75%	100%	100%	-
Expected Credit Losses	-	-	1.57	211.26	41.14	98.37	593.39	945.73
Carrying amount of Trade receivables	5,846.41	1,12,493.21	4.71	211.26	13.71	0.00	119.63	1,18,688.94

For the year ending 31st March 2018

(₹ in Lakhs)

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	85.97	0%	-	85.97
Security Deposits	721.72	0%	-	721.72

(₹ in Lakhs)

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	72,073.61	24,482.89	415.27	6.97	46.84	23.68	390.13	97,439.38
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	72,073.61	24,482.89	373.74	5.58	32.79	11.84	288.47	97,268.90

Provisioning Norms of Debtors

(₹ in Lakhs)

Ageing of debtor on the basis of invoice date	Provision in %_2018-19	Provision in %_2017-18
Upto 12 Months	Nil	Nil
12 to 15 months	25%	10%
15 to 18 months	50%	20%
18 to 21 months	75%	30%
21 to 24 months	100%	50%
More than 24 months	100%	100%

(ii) 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 Lakhs)

Particulars	Current Year ended 31st March, 2019	Previous Financial year ending 31st March, 2018
As at the beginning of year	458.94	1,241.92
Provided during the year	486.79	-
Reversal of provisions		(782.98)
As at the end of the year	945.73	458.94

(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 ₹53,363.53 Lakhs(previous year ₹28,754.51 Lakhs) 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:

As at 31st March 2019

(₹ in Lakhs)

Particulars	Less than 12 months	12months to 3 years	More than 3 years	Total
Borrowings(Non-Current)	-	-	-	-
Borrowings(Current)	66,636.47			66,636.47
Trade payables	38,006.90			38,006.90
Other financial liabilities	13,017.49	4.35	36.96	13,058.80

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

As at 31st March, 2018

(₹ in Lakhs)

Particulars	Less than 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	24,644.43	-	-	24,644.43
Other financial liabilities	7,251.90	3.96	38.55	7,294.41

Note : 47 Capital Management

(a) Risk Management

The Company's 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 Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Debt*	66,636.47	29,745.49
b) Cash & Cash Equivalents	(2,915.91)	(517.18)
(c) Net Debt (a)+(b)	63,720.56	29,228.31
Total equity	3,79,368.60	1,90,752.40
Net Debt to Equity Ratio	0.17	0.15

* Debt is defined as long- term and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), refer Note 18 for the details of borrowings.

(ii) Loan Covenants:

The Company is Debt free as on reporting period.

(b) Dividends

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
i) Equity Shares		
Final Dividend paid for the year ended 31st March, 2018 of ₹50 per fully paid equity share	19,979.57	-
Interim Dividend paid during the year ended 31st March, 2019 of ₹30 per fully paid equity share (previous year ₹30 per fully paid equity share)	11,987.74	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 ₹50 per equity share) which is subject to the approval of Shareholders in the ensuing AGM	19,297.75	19,979.57

Note 48. Financial Instruments- Accounting Classification and Fair Value Measurement

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
-Equity Instruments	0.01	-	-	0.01	-	-
-Fixed Maturity Plans	57,937.06	-	-	-	-	-
-Mutual Funds	6,008.15	-	-	-	-	-
-Non Convertible Debentures	7,832.79	-	-	-	-	-
Loans	-	-	1,180.57	-	-	807.69
Others	-	-	465.79	-	-	85.04
Derivative Financial Assets	72.40	-	-	24.39	-	-
Trade Receivables	-	-	1,18,688.94	-	-	97,268.90
Cash and Cash Equivalents	-	-	2,915.91	-	-	517.17
Bank balances other than Cash & Cash Equivalents	-	-	52,816.50	-	-	245.28
Total Financial Assets	71,850.41	-	1,76,067.71	24.40	-	98,924.09
Financial Liabilities						
Borrowings	-	-	66,636.47	-	-	29,745.49
Trade Payables	-	-	38,006.90	-	-	24,644.43
Other Financial Liabilities	-	-	13,058.80	-	-	7,294.41
Derivative Financial Liability	-	-	-	-	-	-
Total Financial Liabilities	-	-	1,17,702.17	-	-	61,684.32

Investment value excludes investment in Associates of ₹22,394.63 lakhs (March 31, 2018: ₹24816.55 lakhs)

(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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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, 2019

(₹ in Lakhs)

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at Fair value through profit or loss				
Investments-Bonds	-	-	-	-
Investments-Fixed Maturity Plans	57,937.06	57,937.06	-	-
Investments-Mutual Fund	6,008.15	6,008.15	-	-
Investments-Non Convertible Debentures	7,832.79	7,832.79	-	-
Quoted equity investment	0.01	0.01	-	-
Derivative Financial Assets	72.40	72.40	-	-
Total	71,850.40	71,850.40	-	-

As at 31st March, 2018

(₹ in Lakhs)

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at Fair value through profit or loss				
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: 49 Carrying Amount of Pledged Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
First Charge		
Current Assets		
(a) Trade Receivables	1,18,688.94	97,268.90
(b) Inventories	1,30,838.68	51,143.57
Total (A)	2,49,527.61	1,48,412.47
Secondary Charge		
Property, Plant & Equipment	78,317.19	82,814.06
Total (B)	78,317.19	82,814.06
Total (A+B)	3,27,844.79	2,31,226.53

Note: 50 Disclosure under Ind AS 115 “Revenue from Contracts with Customers”

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 “Revenue from Contract with Customers” on the financials results of the Company for the year ended and as at March 31, 2019 is insignificant.

The below are the disclosures as required by Ind AS 115:

(i) Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings and contract-type.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019
Type of Product	
- Graphite Electrode	6,28,323.12
- Mix Graphite Product	14,588.26
- Power	720.22
Total	6,43,631.60

Total Revenue from Contracts with Customers

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019
Revenue from Customers based in India	1,52,278.30
Revenue from Customers based outside India	4,91,353.30
Total	6,43,631.60

Timing of Revenue Recognition

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019
Revenue from goods transferred to customers at a point in time	6,43,631.60
Revenue from goods transferred to customers over time	-
Total	6,43,631.60

(ii) Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as receivable.

The balances of trade receivables and advance from customers at the beginning and end of the reporting period have been disclosed at Note no. 9 and 23 respectively.

The revenue recognised during the year ended 31st March, 2019 includes revenue against advances from customers amounting to ₹1,460.95 lakhs at the beginning of the year.

The revenue of ₹ Nil has been recognised during the year ended 31st March, 2019 against performance obligations satisfied (or partially satisfied) in previous periods.

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is ₹ Nil.

Note: 51 Disclosures in accordance with Ind AS 18.

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales 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 period 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

Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing Leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount should be calculated as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

Amendment to Ind AS 19 'Employee Benefits'

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, Other Comprehensive Income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the Standalone Financial Statements.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

Note: 53 Reconciliation of Cash Flow from Financing Activities

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 is required from annual periods beginning on or after 1st April, 2017

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
	Borrowings (Current)	Borrowings (Non-Current)	Borrowings (Current)	Borrowings (Non-Current)
Opening balance of Financial Liabilities coming under the financing activities of Cash Flow Statement	29,745.49	-	41,183.59	27,195.05
Add/(Less): Changes during the year				
a) Changes from financing cash flow	36,890.98	-	(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	66,636.47	-	29,745.49	-

Note: 54 Details of Research & Development Expenditure

(₹ in Lakhs)

Particulars	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
a) Capital	-	-	-	-	-
b) Revenue	187.16	186.61	168.89	176.73	159.60

Note: 55 Significant Enterprises consolidated as associates in accordance with Ind AS 28. Investments in Associates and Joint Ventures.

A. Interest in Other Entities

The Consolidated Financial Statements present the Consolidated Accounts of HEG Ltd. with its following Associates.

Particulars	Country of Incorporation	Activities	Proportion of Ownership of Interest	
			As at 31st March, 2019	As at 31st March, 2018
A. 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%

Refer Note: 42 for details on acquisition of shares in Bhilwara Energy Limited.

B. Summarised Financial Information of Associates

(₹ in Lakhs)

Particulars	Bhilwara Energy Limited		Bhilwara Infotechnology Limited	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
I. Assets				
(A) Non Current Assets	1,79,764.29	2,00,808.73	927.39	722.82
(B) Current Assets				
i) Cash and Cash Equivalents	2,033.40	4,080.43	470.44	467.73
ii) Others	33,597.05	32,528.86	3,181.17	3,060.73
Total Current Asset	35,630.45	36,609.29	3,651.61	3,528.46
Total Asset (A+B)	2,15,394.74	2,37,418.02	4,579.00	4,251.28
II. Liabilities				
(A) Non Current Liabilities				
i) Financial Liabilities	54,259.61	90,357.45	32.25	
ii) Non Financial Liabilities	394.10	378.64	143.23	140.49
iii) Deferred Tax Liabilities		-		
Total Non Current Liabilities	54,653.71	90,736.09	175.47	140.49
(B) Current Liabilities				
i) Financial Liabilities	31,786.68	11,250.81	420.94	579.61
ii) Non Financial Liabilities	1,578.03	1,729.21	129.40	136.90
iii) Current Tax Liabilities	72.41	271.87		
Total Current Liabilities	33,437.12	13,251.89	550.33	716.51
Total Liabilities (A+B)	88,090.83	1,03,987.98	725.81	857.00
Net Assets (I-II)	1,27,303.91	1,33,430.04	3,853.19	3,394.29

C. Summarised Performance of Associates

(₹ in Lakhs)

Particulars	Bhilwara Energy Limited		Bhilwara Infotechnology Limited	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Revenue from Operations	36,612.07	31,772.30	5,091.37	4,421.30
Profit and Loss before Tax	(79.01)	9,110.76	623.40	586.46
Tax Expense	4,059.83	(2,431.27)	188.01	177.16
Profit and Loss after Tax (net of non-controlling interest)	(8,801.01)	5,568.42	435.38	409.30
Other Comprehensive Income (net of non-controlling interest)	(12.20)	16.06	23.54	23.42
Total Comprehensive Income	(8,813.21)	5,584.48	458.92	432.73
Depreciation and Amortisation	7,597.02	8,640.87	52.35	58.11
Interest Expense	9,188.79	11,339.36	6.46	5.41

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

D. Movement of Investment in Associates using equity method

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment at cost - at the beginning of the Period	14,925.88	14,925.88
Profit till date at the beginning of the period	9,890.67	8,076.87
Add: Share of profit for the period	(2,427.40)	1,800.04
Add: Share of OCI for the period	5.49	13.76
Investment at cost - at the end of the Reporting Period	14,925.88	14,925.88
Profit till date at the end of the Reporting Period	7,468.75	9,890.67

E. 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	34%	1,27,303.91	(0.86%)	(2595.42)	6.16%	(3.60)	(0.86%)	(2599.02)
2) Bhilwara Infotechnology Limited	1%	3,853.19	0.06%	168.01	(15.54%)	9.08	0.06%	177.10

Note: 56 Regrouping/ Reclassification

Previous year figures have been regrouped/reclassified, wherever necessary to confirm the current period/year classification.

In terms of our report of even date

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

Sanjiv Mohan
Partner
Membership No. 086066

Place : Noida (U.P.)
Dated: 20th May, 2019

Ravi Jhunjunwala
Chairman, Managing
Director & CEO
DIN No. 00060972

Gulshan Kumar Sakhuja
Chief Financial Officer

Vivek Chaudhary
Company Secretary
Membership No. A13263

Riju Jhunjunwala
Director
DIN No. 00061060

Shekhar Agarwal
Vice Chairman
DIN No. 00066113

D.N.Davar
Director
DIN No. 00002008

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

The Company has no subsidiaries as on 31st March 2019, hence not applicable.

Part – B : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakhs)

Name of Associates/Joint Ventures	Bhilwara Energy Ltd.	Bhilwara Infotechnology Ltd.
1. Latest audited Balance Sheet Date	31/03/2019	31/03/2019
2. Shares of Associate held by the Company on the year end		
No. of Shares	4,88,81,556	12,62,048
Amount of Investment in Associates	14,506.88	419.00
Extend of Holding %	29.49*	38.59
3. Description of how there is a significant influence	Due to percentage of share capital	Due to percentage of share capital
4. Reason why the associate is not consolidated	-	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet	20,261.56	1,486.85
6. Profit / Loss for the year		
i. Considered in Consolidation (₹ in Lakhs)	(2,599.02)	177.10
ii. Not Considered in Consolidation	-	-

*Refer Note No. 42 for details on acquisition of shares of Bhilwara Energy Ltd.

- 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.

In terms of our report of even date

For SCV & Co. LLP

Chartered Accountants
Firm Regn. No. 000235N/N500089

Sanjiv Mohan

Partner
Membership No. 086066

Place : Noida (U.P.)
Dated: 20th May, 2019

Ravi Jhunjhunwala

Chairman, Managing
Director & CEO
DIN No. 00060972

Gulshan Kumar Sakhuja

Chief Financial Officer

Vivek Chaudhary

Company Secretary
Membership No. A13263

Riju Jhunjhunwala

Director
DIN No. 00061060

Shekhar Agarwal

Vice Chairman
DIN No. 00066113

D.N.Davar

Director
DIN No. 00002008

NOTES

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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 MATERIAL 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.injbhilwara.com

E-mail: heg.investor@injbhilwara.com

CIN 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 47th Annual General Meeting of HEG LIMITED will be held on Tuesday, 20th August, 2019 at 3.00 P.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, 2019, the Reports of the Board of Directors and Auditors thereon and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 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 the face value of ₹ 10 each, for the financial year 2018-19.
3. To appoint a Director in place of Shri Riju Jhunjhunwala (holding DIN: 00061060), 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 appoint a Director in place of Shri Shekhar Agarwal (holding DIN: 00066113), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

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 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, approval of members be and is hereby granted to the re-appointment of Shri Ravi Jhunjhunwala (holding DIN: 00060972) as the Managing Director of the Company, not liable to retire by rotation in terms of Sections 152 of the Companies Act, 2013, for a period of five years with effect from 13th February, 2019 upto 12th February, 2024.

RESOLVED FURTHER THAT, the remuneration payable to Shri Ravi Jhunjhunwala (holding DIN 00060972), Managing Director do hereby fixed for a period of five years with effect from 13th February, 2019 upto 12th February, 2024 on the following terms and conditions:

Basic Salary	₹10,00,000/- per month.
Commission	Not more than 2.5% of the net profits of the Company as computed in the manner laid down in Section 198 of the Companies Act, 2013.
Perquisites	In addition to the salary and commission, Shri Ravi Jhunjhunwala is entitled to the following perquisites:

Category "A"

i) Housing

(a)	The expenditure incurred by the Company on hiring unfurnished accommodation for him subject to a ceiling, namely (for residence in Delhi/outside Delhi), 60% of the basic salary or
(b)	In case the accommodation is owned by the Company, 10% of the basic salary shall be deducted by the Company, or
(c)	In case no accommodation is provided by the Company, a house rent allowance subject to a ceiling of 60% of the basic salary.

II)	Gas, Electricity and Water	The expenditure incurred by the Company on Gas, Electricity, Water and furnishing shall be valued as per Income-tax Rules, 1962 and will be subject to a ceiling of 10% of the basic salary.
III)	Medical Allowance	For self and family subject to a ceiling of one month's basic salary in a year subject to payment of applicable tax as per Income Tax Rules.
IV)	Leave Travel Concession	For self and family once in a year incurred in accordance with the Rules specified by the Company.
V)	Club Fees	Fees, subject to a maximum of two clubs will be allowed. This will not include admission and life membership fees.
VI)	Personal Accident Insurance	Of an amount, the annual premium of which shall not exceed ₹ 10,000/-. For the purpose of this category, "family" means the spouse, dependent children and dependent parents.

Category "B"

I)	Provident Fund	Company's contribution to provident fund shall be as per the rules of the Company.
II)	Superannuation / Annuity Fund	Company's contribution to superannuation/annuity fund shall be in accordance with the rules of the Company.
III)	Gratuity	As per Rules of the Company, Gratuity payable in accordance with the approved fund at the rate of half a month's basic salary for each completed year of service.

Category 'C'

I)	Car	Provision of car for use on company's business. A car for personal use would be provided by the Company and valuation of the perquisites of the same would be as per Income Tax Rules.
II)	Telephone	Telephone at residence. Personal long distance calls shall be billed by the Company.

RESOLVED FURTHER THAT approval of members be and is hereby also accorded for payment of above remuneration in terms of Regulation 17(6)(e) of amended SEBI (LODR) Regulations, 2015.

RESOLVED FURTHER THAT the above remuneration will be paid even if it exceed the limits prescribed under the Companies Act, 2013 and rules thereto subject to the provisions of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the term of office of Shri Ravi Jhunjhunwala, the remuneration mentioned above shall be paid to Shri Ravi Jhunjhunwala as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013."

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

"RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Smt Ramni Nirula, (holding DIN:00015330), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors upon the recommendation of Nomination and Remuneration Committee of the Company w.e.f. 31st October, 2018 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the

Companies Act, 2013, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and who is eligible for appointment and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, for a first term of five consecutive years with effect from 31st October, 2018 upto 30th October, 2023.

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 an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Smt. Vinita Singhania (holding DIN:00042983), who was appointed as an Additional Director (Non-Executive Non-Independent Director) of the Company by the Board of Directors upon the recommendation of Nomination and Remuneration Committee w.e.f. 31st October, 2018 and who holds office up to the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and who is eligible for appointment and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

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 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder, as amended from time to time and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Dr. Kamal Gupta (DIN: 00038490), whose current

period of office, as an Independent Director is expiring on 29th August, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Director of the Company, whose term shall not be subject to retirement by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 30th August, 2019 up to 29th August, 2024.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of Members be and is hereby also accorded for continuation of the Dr Kamal Gupta as an Independent Director, who would be attaining the age of 75 (seventy five) years in the year 2020-2021, till the expiry of his second term i.e. upto 29th August, 2024.

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."

9. 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 rules made thereunder, as amended from time to time and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Dr. Om Parkash Bahl (DIN: 02643557), whose current period of office, as an Independent Director is expiring on 29th August, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Director of the Company, whose term shall not be subject to

retirement by rotation, and to hold office for a second term of 2 (two) consecutive years with effect from 30th August, 2019 up to 29th August, 2021.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), the approval of the Members be and is hereby also accorded for continuation of Directorship of Dr. Om Parkash Bahl, aged 79 years, as an Independent Director of the Company till the expiry of his second term i.e. upto 29th August, 2021.

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."

10. 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 rules made thereunder, as amended from time to time and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Shri Dharmendar Nath Davar (DIN: 00002008), whose current period of office, as an Independent Director is expiring on 29th August, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Director of the Company, whose term shall not be subject to retirement by rotation and to hold office for a second term of 2 (two) consecutive years with effect from 30th August, 2019 up to 29th August, 2021.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), the approval of the Members be and is hereby also accorded for continuation of Directorship of Shri Dharmendar Nath Davar, aged 84 years, as an Independent Director of the Company till the expiry of his second term i.e. upto 29th August, 2021.

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."

11. 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, as amended from time to time, 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 for the financial year ending 31st March 2020, be paid the remuneration of ₹ 2,00,000/- (Rupees Two Lakh only) plus applicable taxes and out of pocket expenses that may be incurred by them during the course of audit."

By order of the Board of Directors
For **HEG Limited**
Sd/
(Vivek Chaudhary)
Company Secretary
ACS: 13263

Place : Noida (U.P.)
Date: 16th July, 2019

Registered Office

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

NOTES:

1. M/s SCV & Co LLP having (Firm Registration No-000235N), Chartered Accountants, the Statutory Auditors of the Company will hold office until the conclusion of the 50th Annual General Meeting of the Company to be held in the year 2022. Pursuant to the notification dated May 7, 2018, issued by Ministry of Corporate Affairs, the requirement for ratification of appointment of Statutory Auditors by the shareholders at every Annual General Meeting has been done away with. In view of the above, ratification by the members for continuance of their appointment in the ensuing Annual General Meeting is not being sought.
2. **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.
3. 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.

4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 14th August, 2019 to 20th August, 2019 (both days inclusive) for the purpose of the AGM and payment of final dividend for the financial year ended 31st March, 2019.
6. 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.
7. 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 final dividend amounting to 21,75,215 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 23rd July, 2018 (date of last Annual General Meeting) on the Company's website <http://hegltd.com/unpaid-unclaimed-amounts/> and on the website of the IEPF Authority i.e. 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.

8. 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://heglttd.com/transfer-of-shares-to-iepf/>.

9. 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. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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. 6. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
15. 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.
16. 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 to the Company/RTA.
17. No gifts, gift coupons, or cash in lieu of gifts shall be distributed at the Meeting.
18. 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.
19. Details under Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in terms of Secretarial Standard- 2 in respect of the Directors seeking appointment/re-appointment and fixation of remuneration at the 47th Annual General Meeting are annexed hereto as Annexure to this Notice which forms 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 11.00 A.M. to 3.00 P.M. on all working days from the date hereof upto the date of the Annual General Meeting and also at the venue of the Annual General Meeting.

21. Electronic copy of the Notice of Annual General Meeting and Annual Report for the financial year 2018-19 are being sent to all the members whose E-mail ID's are registered with the Company's RTA/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.hegtd.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:

- Change in their residential status on return to India for permanent settlement.
- Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the bank with pin code number, if not furnished earlier.

23. In terms of the Listing Regulations, shares of the Company can only be transferred in dematerialized form with effect from 1st April, 2019. In view of above, members are advised to dematerialize the shares held by them in physical form.

24. Voting through electronic means

- In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 47th Annual General Meeting by electronic means and business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system at the Annual General Meeting and from a place other than venue of the meeting ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- The facility for voting through e-voting/ballot paper shall also be made available at the meeting for members who have not already cast their vote prior to the meeting by remote e-voting. No voting by show of hands will be allowed at the Meeting.
- 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.
- Members who have casted their vote through e-voting and also at the AGM venue, then vote casted at the meeting will be treated invalid.
- The instructions for shareholders voting electronically are as under:**
 - The voting period begins on 17th August, 2019 (9.00 A.M.) and ends on 19th August, 2019 (5.00 P.M.). During this period shareholders of the

Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- Members holding shares in physical or demat form as on 13th August, 2019 shall only be eligible for e-voting.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders / Members.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member's User ID / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on "EVS" of HEG Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- VI In case of grievances connected with voting by electronic means contact Mr. Rakesh Dalvi, Manager, CSDL, A Wing, 25th Floor, Marathon Futrex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai- 400013 at helpdesk.evoting@cdslindia.com; Tel. No. 1800225533.
- VII The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 13th August, 2019. 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.
- VIII Members of the Company who acquires shares after the dispatch of the Notice and hold shares as on the cut-off date i.e. 13th August, 2019 should follow the same procedure for e-Voting as mentioned above.
- IX A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories and Company's RTA as on the cut-off date only shall be entitled to avail the facility remote e-voting as well as voting at the AGM through e-voting/ ballot paper.

- X 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.
- XI 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 e-voting /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.
- XII 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 48 hours 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.
- XIII The results shall be declared not later than forty-eight hours from conclusion of the meeting by posting the same on the website of the Company ([www. heg ltd. com](http://www.heg ltd. com)), website of CDSL (www.evotingindia.com) and by filing with the BSE Ltd and National Stock Exchange of India Ltd. It shall also be displayed on the Notice Board at the Registered Office & Corporate Office of the Company.
- XIV Route map and details of prominent landmark of the venue of meeting is annexed with this notice.
- XV Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Meeting i.e. Tuesday, 20th August, 2019.

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.

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

ITEM NO. 5

Members of the Company may note that Shri Ravi Jhunjhunwala, Chairman, Managing Director and CEO of the Company was appointed in the 42nd Annual General Meeting held on 30th August, 2014 for a period of five years w.e.f 13th February, 2014 upto 12th February, 2019 and last remuneration approved by the shareholders in 44th Annual General Meeting held on 28th September, 2016, was as under:

Basic Salary	₹10,00,000/- per month.
Commission	Not more than 2.5% of the net profits of the Company as computed in the manner laid down in Section 198 of the Companies Act, 2013.
Perquisites	In addition to the salary and commission, Shri Ravi Jhunjhunwala Chairman, Managing Director and CEO shall also be entitled to the following perquisites:

Category "A"

I) Housing

(a)	The expenditure incurred by the Company on hiring unfurnished accommodation for him subject to a ceiling, namely (for residence in Delhi/outside Delhi), 60% of the basic salary or
(b)	In case the accommodation is owned by the Company, 10% of the basic salary shall be deducted by the Company, or
(c)	In case no accommodation is provided by the Company, a house rent allowance subject to a ceiling of 60% of the basic salary.

II)	Gas, Electricity and Water	The expenditure incurred by the Company on Gas, Electricity, Water and furnishing shall be valued as per Income-tax Rules, 1962 and will be subject to a ceiling of 10% of the basic salary.
III)	Medical Reimbursement	For self and family subject to a ceiling of one month's basic salary in a year or three month's basic salary over a period of three years.
IV)	Leave Travel Concession	For self and family once in a year incurred in accordance with the rules specified by the Company.
V)	Club Fees	Fees, subject to a maximum of two clubs will be allowed. This will not include admission and life membership fees.
VI)	Personal Accident Insurance	Of an amount, the annual premium of which shall not exceed ₹ 10,000/-. For the purpose of this category, "family" means the spouse, dependent children and dependent parents.

Category "B"

I)	Provident Fund	Company's contribution to provident fund shall be as per the rules of the Company.
II)	Superannuation / Annuity Fund	Company's contribution to superannuation/annuity fund shall be in accordance with the rules of the Company.

III)	Gratuity	As per rules of the Company, Gratuity payable in accordance with the approved fund at the rate of half a month's basic salary for each completed year of service.
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Category 'C'

I)	Car	Provision of car for use on Company's business. A car for personal use would be provided by the Company and valuation of the perquisites of the same would be as per Income Tax Rules.
II)	Telephone	Telephone at residence. Personal long distance calls shall be billed by the Company.

Further remuneration drawn by him during the financial year 2018-19 was as under:

Financial Year	Remuneration (crores)
2018-19	121.27*

*Includes commission @ 2.5% of the net profit of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

The Nomination & Remuneration Committee and the Board of Directors in their respective meetings held on 11th February, 2019 and 12th February, 2019, have approved the re- appointment and payment of remuneration of Shri Ravi Jhunjhunwala (DIN 00060972) as the Managing Director of the Company, not liable to retire by rotation in terms of Sections 152 of the Companies Act, 2013, for a period of five years with effect from 13th February, 2019 to 12th February, 2024, subject to the approval of members. The Nomination & Remuneration Committee and the Board of Directors also in their respective meetings accorded their approval for continuance of Shri Ravi Jhunjhunwala, Managing Director as Chairman and CEO of the Company, in accordance with Articles of Association of the Company and also in terms of SEBI (LODR) Regulations, 2015, as amended from time to time.

The Board considered the feedback/views of Nomination and Remuneration Committee on the performance evaluation of Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO of the Company while approving his re-appointment and payment of remuneration, for a period of five years subject to the approval of members of the Company.

Members may also note that proposed remuneration as set forth in the resolution is in accordance with and within the limits of Schedule V and applicable provisions of the Companies Act, 2013 (the Act) and it therefore, require approval of shareholders by way of Special Resolution.

Shri Ravi Jhunjhunwala is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Shri Ravi Jhunjhunwala is not debarred from holding the office of Director, pursuant to any SEBI order or any other such authority.

Members of the Company may note that their approval by way of Special Resolution is also required in terms of Regulation 17(6) (e) SEBI (LODR) Regulations, 2015, for paying remuneration to Shri Ravi Jhunjhunwala for an amount exceeding ₹ 5 Crores per annum or 2.5 % of net profits of the Company, whichever is higher.

Shri Ravi Jhunjhunwala, Chairman, Managing Director & CEO is also the Managing Director of Malana Power Company Limited, and therefore, in accordance with Section 197 read with schedule V of the Companies Act, 2013, remuneration drawn by Shri Ravi Jhunjhunwala from one or both Companies, shall not exceed the higher maximum limit admissible from any one of the Companies, in which he is a Managing Director.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. The Board commends the resolution at Item No.5 for your approval as a Special Resolution.

A copy of memorandum containing terms of appointment and remuneration of Shri Ravi Jhunjhunwala, Chairman, Managing Director and CEO of the Company as required under Section 190 of the Companies Act, 2013 shall be open to inspection by any members of the Company without payment of any fee at the Registered Office and Corporate Office of the Company between 11.00 A.M. to 3.00 P.M. on all working days from the date hereof upto the date of the Annual General Meeting and also at the venue at the venue of the Annual General Meeting.

Details of Shri Ravi Jhunjhunwala are provided in the "Annexure" 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.

Shri Ravi Jhunjhunwala, is concerned or interested in the resolution of the accompanying notice relating to his re-appointment and payment of remuneration.

Shri Riju Jhunjhunwala, Director being relative of Shri Ravi Jhunjhunwala, is also interested in his re-appointment and payment of remuneration. Their relatives to the extent of their shareholding are concerned or interested in the said resolution.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested financially or otherwise in the aforesaid Resolution. This statement may also be regard as an appropriate disclosure under the Listing Regulations.

ITEM NO. 6

Members may note that the Board of Directors of the Company upon the recommendation of Nomination and Remuneration Committee, have appointed, Smt. Ramni Nirula (DIN 00015330) as an Additional Director (Independent) w.e.f. 31st October, 2018, for the first term of five consecutive year subject to the approval of Members.

In terms of the provisions of Section 161(1) of the Companies Act, 2013 ('the Act'), Smt. Ramni Nirula hold office up to the

date of this ensuing Annual General Meeting as an Additional Independent Director.

Smt. Ramni Nirula is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Smt. Ramni Nirula is not debarred from holding the office of Director, pursuant to any SEBI order or any other such authority.

The Company has received a declaration from Smt. Ramni Nirula that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Smt. Ramni Nirula fulfills the conditions for appointment as an Independent Director specified in the Act and rules made thereunder and Listing Regulations. Smt. Ramni Nirula is independent to the management.

The Company has received a notice in writing from a member proposing her candidature for the office of Director of the Company under Section 160 of the Act.

Smt. Ramni Nirula, (B. Com(H), MBA) retired as Senior General Manager of ICICI Bank Limited. She had more than 4 decades of experience in the financial services sector, beginning her career with the erstwhile ICICI Limited in the project appraisal division. Since then she has held various leadership positions in the areas of Project Financing, Strategy, Planning & Resources and Corporate Banking. Her vast and varied experience in the business and corporate world justify her appointment as an Independent Director. Further her contribution towards deliberations in the Board/Committee Meeting would be in the best interest of the Company.

The Board evaluated the performance of Smt. Ramni Nirula on the basis of criteria laid down in the Nomination and Remuneration Policy of the Company and expressed their satisfaction over her performance as an Independent Director of the Company.

The resolution seeks the approval of members for appointment of Smt. Ramni Nirula as an Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder to hold office for a first term of five consecutive years w.e.f. 31st October, 2018 up to 30th October, 2023. The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

Copy of the draft letter for appointment of Smt. Ramni Nirula as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office and Corporate Office of the Company between 11.00 A.M. to 3.00 P.M. on all working days from the date hereof upto the date of the Annual General Meeting and also at the venue at the Annual General Meeting.

Details of Smt. Ramni Nirula are provided in the "Annexure" 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.

Smt. Ramni Nirula is concerned or interested in the resolution of the accompanying notice relating to her appointment and her relatives are concerned or interested to the extent their shareholding, if any, in the Company. None of the other Directors/ Key Managerial Personnel of the Company, and/or their relatives are, in any way, concerned or interested financially or otherwise, in the proposed Resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

ITEM NO. 7

Members may note that Smt. Vinita Singhania (DIN 00042983) was re-appointed for a second term of five consecutive years as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013, rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in the 46th Annual General Meeting held on 23rd July, 2018.

Members may further note that Smt. Vinita Singhania (DIN 00042983) had resigned w.e.f. 1st October, 2018, in the capacity of an Independent Director due to applicability of interlocking provisions in terms of amended Regulation 16 of Listing Regulations.

The Board of Directors upon the recommendation of Nomination and Remuneration Committee have appointed Smt. Vinita Singhania as an Additional Director (Non-Executive Non-Independent), liable to retire by rotation w.e.f. 31st October, 2018, subject to the approval of Members.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Smt. Vinita Singhania (DIN 00042983) hold office upto the date of ensuing Annual General Meeting as an Additional Non- Executive Non- Independent Director.

Smt. Vinita Singhania (DIN 00042983) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director.

Smt. Vinita Singhania (DIN 00042983) is not debarred from holding the office of Director, pursuant to any SEBI order or any other such authority.

The Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director of the Company.

Smt. Vinita Singhania (Graduate in Arts) 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). The Board considers that her continued association would be of immense benefit to the Company and it is

desirable to avail her services as Non-Executive Non-Independent Director, liable to retire by rotation.

The Board 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 her performance as a Non-Executive Non-Independent Director of the Company.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

Details of Smt. Vinita Singhania (DIN 00042983) are provided in the "Annexure" 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.

Smt. Vinita Singhania is concerned or interested in this resolution of the accompanying notice related to her appointment and her relative are concerned or interested to the extent of their shareholding, if any, in the Company. None of the other Directors/ Key Managerial Personnel of the Company, and/or 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. 8

Members may note that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of Companies Act, 2013, Dr. Kamal Gupta (DIN 00038490) was appointed as an Independent Director of the Company in the 42nd Annual General Meeting held on 30th August, 2014 to hold office upto 29th August, 2019.

Members may also note that in view of the amended SEBI (LODR) Regulations, 2015, 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.

Dr. Kamal Gupta (FCA, FICWA, Ph.D.) is a Consultant in the areas of Finance, Accounting and Corporate Laws. He was earlier Technical Director of ICAI, Delhi. He has expertise in the area of Finance, Accounting and Corporate Laws. He is also renowned author of various books on Auditing and other subjects. Dr. Gupta ensured that business decisions were being taken bore the essence of corporate ethics in the core sense. He always ensured that proper compliance with applicable Laws took place.

Dr. Gupta active through his participation at the meetings and valuable contributions as an essential part of Corporate Governance, whether at the Board or Committee Meetings, brought to bear a distinctive mark on the management of affairs of the Company. He was present at most of the Meetings of the Board and various Committees of Directors. He also asked insightful questions and raises thought provoking perspectives. He also did follow-up on matters on which he had expressed concern.

Dr. Gupta always expressed his own judgment & Voices/Opinion/ View freely at the Board/Committee meetings. His vast and varied experience in the business and corporate world justifies his re-appointment as an Independent Director for the second term of five consecutive years.

Dr. Kamal Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Dr. Kamal Gupta is not debarred from holding the office of Director, pursuant to any SEBI order or any other such authority.

The Company has received a declaration from Dr. Kamal Gupta that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board Dr. Kamal Gupta fulfills the conditions for appointment as an Independent Director specified in the Act and rules thereunder and Listing Regulations. He is independent to the management.

The Board considered the feedback/views of the Nomination and Remuneration Committee on the performance evaluation of Dr. Kamal Gupta. The Nomination & Remuneration Committee had a view that he has a diversified business experience which proved to be useful to the Board in decision making. The Board, thereafter, evaluated the performance of Dr. Kamal Gupta on the basis of criteria laid down in the Nomination and Remuneration Policy of the Company and expressed their satisfaction over the performance of Dr. Kamal Gupta as an Independent Director of the Company.

The Board of Directors at their meeting held on 20th May, 2019 upon the recommendation of Nomination and Remuneration Committee have re-appointed Dr. Kamal Gupta as an Independent Director, subject to the approval of Members for a second term of five consecutive years w.e.f. 30th August, 2019 upto 29th August, 2024.

Dr. Kamal Gupta (aged 73 years) will be attaining the age of 75 years in the year 2020-2021 and therefore for continuation as Independent Director from 12th February, 2021 till 29th August, 2024, approval of Shareholders by way of Special Resolution is also required in terms of amended Regulation 17 of Listing Regulations.

The Company has received a notice in writing from members proposing his candidatures for the office of Director of the Company under Section 160 of the Act.

The resolution seeks the approval of members for re-appointment of Dr. Kamal Gupta as an Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations to hold office for a second term of five consecutive years from 30th August, 2019 to 29th August, 2024.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommend the resolution at Item No 8 for your approval as a Special Resolution.

Copy of draft letter of appointment of Dr. Kamal Gupta setting out the terms and conditions of appointment are available for inspection by the members at the Registered Office and Corporate Office of the Company between 11.00 A.M. to 3.00 P.M. on all working days from the date hereof upto the date of the Annual General Meeting and also at the venue of the Annual General Meeting.

Details of Dr Kamal Gupta are provided in the "Annexure" 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.

Dr. Kamal Gupta is concerned or interested in the resolutions of the accompanying notice relating to his re-appointment and his relatives are concerned or interested to the extent of their shareholding, if any, in the Company. None of the other Directors/ Key Managerial Personnel of the Company, and/or their relative 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. 9 and 10

Members may note that pursuant to the provisions of Section 149, 152 and other applicable provisions of Companies Act, 2013, Shri Dharmendar Nath Davar (DIN 00002008) and Dr. Om Parkash Bahl (DIN 02643557) were appointed as Independent Directors of the Company in the 42nd Annual General Meeting held on 30th August, 2014 to hold office upto 29th August, 2019.

Members may also note that in view of the amended SEBI (LODR) Regulations, 2015, 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, Shri Dharmendar Nath Davar (aged 84 years) and Dr. Om Parkash Bahl (Aged 79 years) are already above the age of 75 years. The justification for their re-appointment are as under:

Shri Dharmendar Nath Davar, (B.COM (Hons.), M.A. (Eco), CAIIB and Fellow of the Economic Development Institute of the World Bank), born on 8th August, 1934 had already completed 75 years of age and is continuously providing his valuable contribution and guidance to the Board of Directors of the Company. Shri Dharmendar Nath Davar possess over 5 decades of experience in the banking industry and Company is benefiting from his rich experience immensely. Shri 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 and Risk Management Committee of the Company.

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. He always expressed his own judgment & Voices/Opinion/View freely at the Board/Committee meetings of the Company.

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, (M.Sc. and Ph.D), who retired from the National Physical Laboratory, New Delhi as Director Grade Scientist in 1999, was 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 and Nomination and Remuneration Committee.

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. He always expressed his own judgment & Voices/Opinion/View freely at the Board/Committee meetings.

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.

The Board of Directors at their meeting held on 20th May, 2019 upon the recommendation of Nomination and Remuneration Committee have re-appointed Shri Dharmendar Nath Davar (DIN 00002008) and Dr. Om Parkash Bahl (DIN 02643557) as Independent Directors, subject to the approval

of members for a second term of two consecutive years w.e.f. 30th August, 2019 upto 29th August, 2021.

The Company has received a notice in writing from members proposing their candidatures for the office of Director of the Company under Section 160 of the Act.

Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl are not debarred from holding the office of Directors, pursuant to any SEBI order or any other such authority.

The Company has received declarations from Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl fulfils the conditions for appointment as Independent Directors specified in the Act and rules thereunder and Listing Regulations. Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl are independent to the management.

The resolution seeks the approval of members for re-appointment of Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl as an Independent Directors pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations to hold office for a second term of two consecutive years from 30th August, 2019 to 29th August, 2021.

The Board evaluated the performance of Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl on the basis of criteria laid down in the Nomination and Remuneration Policy of the Company and expressed their satisfaction over their performance as Independent Directors of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services. Accordingly, the Board recommend the resolution at Item No 9 & 10, for your approval as Special Resolutions.

Copy of draft letters of appointment of Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl setting out the terms and conditions of appointment are available for inspection by the members at the Registered Office and Corporate Office of the Company between 11.00 A.M. to 3.00 P.M. on all working days from the date hereof upto the date of the Annual General Meeting also at the venue of the Annual General Meeting.

Details of Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl are provided in the "Annexure" 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.

Shri Dharmendar Nath Davar and Dr. Om Parkash Bahl respectively are concerned or interested in the resolutions of the accompanying notice relating to their re-appointment and their relatives are concerned or interested to the extent of their shareholding, if any, in the Company. None of the other Directors/ Key Managerial Personnel of the Company, and/or their relative 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. 11

Upon the recommendation of the Audit Committee, the Board of Directors at their meeting held on 20th May, 2019 has approved the appointment of M/s. N.D. Birla & Co., Cost Accountants (Firm Registration Number 000028) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, at a remuneration of ₹ 2,00,000/- (Rupees Two Lakhs only) plus applicable taxes and out of pocket expenses that may be incurred by them during the course of audit.

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

The Board commends the resolution at Item No. 11 for your approval as an Ordinary Resolution.

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

By order of the Board of Directors
For HEG Limited
Sd/
(Vivek Chaudhary)
Company Secretary
ACS: 13263

Place : Noida (U.P.)
Date: 16th July, 2019

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

Annexure



Details of Directors eligible for re-appointment/appointment and fixation of remuneration 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:

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Name of Director	Ravi Jhunjhunwala	Riju Jhunjhunwala	Vinita Singhania*	Dharmendar Nath Davar	Kamal Gupta	Om Parkash Bahl	Ramni Nirula**	Shekhar Agarwal
Category of Directorship	Chairman, Managing Director & CEO	Promoter Non-Executive	Non-Executive	Independent	Independent	Independent	Independent	Promoter Non-Executive
Date of Birth	28.10.1955	13.01.1979	12.03.1952	08.08.1934	12.02.1946	05.10.1939	27.05.1952	09.10.1952
Age	63 Years	40 years	67 years	84 years	73 years	79 years	67 years	66 years
Date of Appointment on the Board	08.09.1979	30.04.2009	31.10.2016	10.11.1994	10.11.1994	30.04.2009	31.10.2018	15.07.1996
Qualification	B.Com. [Hons]. MBA	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. in Business Management.	M.Sc. and Ph.D.	B. Com [H], MBA	B.Tech [Mech], IIT Kanpur, Master of Science Degree in Industrial & Systems Engineering from Illinois Institute of Technology, Chicago, USA
DIN	00060972	00061060	00042983	00002008	00038490	02643557	00015330	00066113

Name of Director	Ravi Jhunjhunwala	Riju Jhunjhunwala	Vinita Singhania*	Dharmendar Nath Davar	Kamal Gupta	Om Parkash Bahl	Ramni Nirula**	Shekhar Agarwal
Experience	Shri Ravi Jhunjhunwala, age 63 years, is the Chairman, Managing Director and CEO of HEG Limited, which is one of the entities of LNJ Bhilwara Group. LNJ Bhilwara Group is a diversified conglomerate with interests in Textiles, Graphite Electrodes, Power and IT enabled services. Shri Ravi Jhunjhunwala holds a B.Com (Hons.) Degree [1976 batch] from Hindu College and Masters in Business Administration (Corp. Finance) from the Centre D'etudes Industrielles (CEI), Geneva (1980-81). He is Director on Board of various Companies, mostly listed entities. He is also Independent Director on Board of two listed entities outside the group. Shri Ravi Jhunjhunwala has been associated with the Company since 1979 when he was inducted in the Board of the Company. Shri Jhunjhunwala became the Managing Director of the Company in 1989 and took over as Chairman of the Company in 1994. He has taken Company to greater heights since his association with the Company.	Shri Riju Jhunjhunwala is an Industrialist with diversified business experience. He is the Managing Director of RSWM Limited and Bhilwara Energy Ltd. He is also active in industry and social associations. He has been the past president of the Entrepreneurs Organization (Delhi Chapter) among some others. He is an avid reader of history and biographies and has a keen interest in general affairs and politics.	Smt. Vinita Singhania is an Industrialist with diversified business experience. She is the Vice Chairman and Managing Director of JK Lakshmi Cement Limited 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 Davar, a distinguished professional development banker with innate expertise in corporate management, has the degree of B. Com (Hons.), M.A. [Economics], Certified Associate of the Indian Institute of Bankers, and is a Fellow of the Economic Development Institute of the World Bank. After serving the Punjab National Bank (PNB) in senior management position(s) upto 1968, he joined Industrial Finance Corporation of India (IFCI), a well known national level premier financial institution, and retired on completion of two terms spreading over eight years as its Executive Chairman in 1992. He had also been on the Boards and Executive Committees of IDBI and IRBI for nearly 8 years and also on the Board of LIC Housing Finance Co. He had been, for several years, a part time Consultant to the World Bank, UNIDO and KFW. Presently, he is on the Boards of several reputed companies, training institutions and Non-Governmental (Social) Organizations.	Dr. Kamal Gupta was earlier Technical Director of Institute of Chartered Accountants of India, and was instrumental in introducing Accounting and Auditing Standards in India. He has also represented India on various international professional bodies. He has expertise in the areas of Finance, Accounting and Corporate Laws and is at present a freelance consultant in these areas. He is also the renowned author of various books on Auditing and other subjects.	After finishing Post graduation and PhD (in the area of CARBON) from Gujarat in the year 1966, Dr. O.P. Bahl undertook Post Doctoral studies in the area of Carbon under a fellowship from Ministry Of Aviation U.K. in North Wales. Dr. Bahl began his distinguished career from the National Physical Lab, New Delhi where he took up the challenge of developing Technologies required desperately by the Ministry of Defence in particular and the Society in general. Dr. Bahl's outstanding work in the development of Advanced/Strategic Carbon Products has been instrumental in making India self reliant in the defence sector particularly. Superannuated as Director Grade Scientist from NPL in the year 1999 and thereafter worked as an EMIR-ATUS SCIENTIST of CSIR till 2004. In between, Dr. Bahl worked as U.N. Chief Technical Adviser (for Carbon Fibre Project) in Brazil in addition to being UNIDO Consultant to Poland, Romania. Dr. Bahl is an established Carbon Expert in the country, having published more than 150 original Research papers in International journals of repute in addition to 12 Patents, developed and transferred to Industry 10 Carbon related Technologies etc. Rightly, Dr. Bahl has been named as "CARBON MAN OF INDIA" by a leading national publication. Dr. Bahl has won numerous National as well as International Awards. Dr. Bahl, a passionate, innovative and forward thinking scientist in the area of Science and Technology of Carbon Materials, is a Fellow of the National Academy of Sciences and President of the Indian Carbon Society.	Smt Ramni Nirula, retired as Senior General Manager of ICICI Bank Limited. She had more than 4 decades of experience in the financial services sector, beginning her career with the erstwhile ICICI Limited in the project appraisal division. Since then she had held various leadership positions in the areas of Project Financing, Strategy, Planning & Resources and Corporate Banking.	Shri Shekhar Agarwal is the Group Vice Chairman of the LNJ Bhilwara Group, industrial conglomerate with 70 per cent concentrated in textiles. The textiles operations are very diversified with spinning, weaving, knitting, processing and garments manufacturing in different fabrics. More than 50% of the manufactured goods are exported to more than 40 countries. He worked as a Senior Industrial & System Engineer with Rego Co., Chicago from December 1976 to May 1980, having trained & practiced MOST, the Maynard Operations Sequencing Technique for manufacturing high quality valves & regulators for the LPG & Compressed gas industries. Formerly, he was the President of the Northern India Textile Mills Association. Presently he is on the National Committee on Textiles of the Confederation of Indian Industry (CII), and past Chairman of the Confederation of Indian Textile Industry (formerly ICMFI).
No. of other Directorships in Public Limited Companies	8	6	5	7	6	0	7	4
Chairman/Member of the Committees of the Board of Directors of the Company.#	Stakeholders Relationship Committee-Member	Stakeholders Relationship Committee-Chairman	-	Audit Committee- Chairman	Audit Committee- Member Stakeholders Relationship Committee-Member	Audit Committee-Member	-	Audit Committee-Member

Name of Director	Ravi Jhunjunwala	Riju Jhunjunwala	Vinita Singhania*	Dharmendar Nath Davar	Kamal Gupta	Om Parkash Bahl	Ramni Nirula**	Shekhar Agarwal
Chairman/ Member of the Committees of Board of Directors of other Companies.#								
Audit Committee	AD Hydro Power Limited- Chairman India Glycols Limited- Member Jk Lakshmi Cement Limited- Member	Bhilwara Technical Textiles Limited- Member	0	Hero Fincorp Limited- Chairman Titagarh Wagons Limited- Chairman Maral Overseas Limited- Member RSWM Limited- Member	Maral Overseas Limited- Chairman RSWM Limited- Chairman PNB Gifts Limited- Member Malana Power Company Limited- Member AD Hydro Power Limited- Member Bhilwara Energy Limited- Member	0	Utkarsh Coreinvest Limited- Chairman DCM Shriram Limited- Member CG Power And Industrial Solutions Limited- Member Eveready Industries India Limited- Member PI Industries Limited- Member	BSL Limited- Member
Stakeholders Relationship Committee	BSL Limited- Member	Bhilwara Technical Textiles Limited- Member	0	Maral Overseas Limited- Member RSWM Limited- Member	Maral Overseas Limited- Chairman RSWM Limited- Chairman	0	0	RSWM Limited- Member Maral Overseas Limited- Member
No. of Equity Shares held in the Company	1,28,517	2,20,356	Nil	1,500	189	Nil	Nil	Nil
Number of Board Meetings attended during the year	6/7	7/7	5/7	7/7	7/7	7/7	3/7	7/7

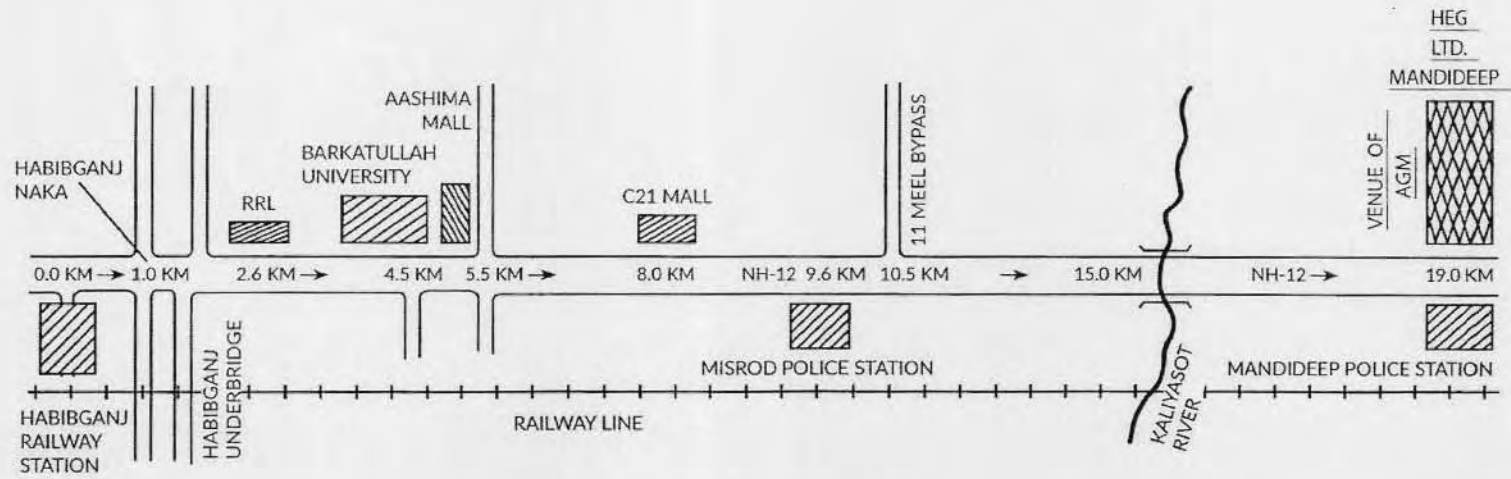
Name of Director	Ravi Jhunjhunwala	Riju Jhunjhunwala	Vinita Singhania*	Dharmendar Nath Dayar	Kamal Gupta	Om Parkash Bahl	Ramni Nirula**	Shekhar Agarwal
Terms and conditions of appointment/re-appointment	Terms and Conditions of appointment are mentioned in notice	Non-Executive Director, liable to retire by rotation.	Non-Executive Director liable to retire by rotation.	Terms and Conditions of re-appointment are mentioned in draft letter of appointment.	Terms and Conditions of re-appointment are mentioned in draft letter of appointment	Terms and Conditions of re-appointment are mentioned in draft letter of appointment.	Terms and Conditions of appointment are mentioned in draft letter of appointment.	Non-Executive Director, liable to retire by rotation.
Remuneration sought to be paid and the remuneration last drawn	Mentioned in the item no- 5 of the Notice of AGM and explanatory statement therein.	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	Shri Ravi Jhunjhunwala is relative of Shri Riju Jhunjhunwala.	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.
Justification for choosing the Independent Director	N.A.	N.A.	N.A.	As per Explanatory Statement of Notice of AGM.	As per Explanatory Statement of Notice of AGM.	As per Explanatory Statement of Notice of AGM.	As per Explanatory Statement of Notice of AGM.	N.A.

Only Audit Committee and Stakeholders Relationship Committee have been considered.

*Smt. Vinita Singhania was an Independent Director till 30th September, 2018 since her joining. She was appointed as an Additional Non-Executive Director, liable to retire by rotation on the Board of the Company w.e.f. 31st October, 2018, subject to the approval of Shareholders.

**Smt. Ramni Nirula was appointed as an Additional Independent Director on the Board of the Company w.e.f. 31st October, 2018 for first term of consecutive five years, subject to the approval of Shareholders at the ensuing Annual General Meeting.

Note 1: Shareholders at 46th Annual General Meeting have given approval 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 and distributed among Non-Executive Directors (including Independent Directors) of the Company or some or any of them such amount or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payment may be made in respect of each year, for a period of five financial years starting from FY 2017-18, in addition to the sitting fee for attending the meeting of the Board of Directors/Committee thereof.



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



HEG LIMITED

CIN L23109MP1972PLC008290

Registered Office: Mandideep (Near Bhopal), Distt. Raisen - 462 046, (M.P.), Ph.: 07480-233524, 233525, Fax: 07480-233522
Corporate Office: Bhilwara Towers, A-12, Sector - 1, Noida - 201 301 (U.P.), Ph.: 0120- 4390300 (EPABX), Fax: 0120-4277841
E-mail: heg.investor@lnjbhilwara.com; Website: www.hegltd.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 47th Annual General Meeting of the Company to be held on Tuesday, the 20th August, 2019 at 3.00 P.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 the attendance slip and hand over at the entrance of the Meeting hall.

*Strike out whichever is not applicable



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E-mail: heg.investor@lnjbhilwara.com; Website: www.hegltd.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) ofShares 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..... or failing him / her

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company, to be held on Tuesday, the 20th August, 2019 at 3.00 P.M. at the Registered Office of the Company at Mandideep (Near Bhopal), Distt. Raisen - 462046, Madhya Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

(*Optional)

Resolution No.	Resolutions	For	Against
Ordinary Business			
1.	To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019, the Reports of the Board of Directors and Auditors thereon and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 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 Riju Jhunjhunwala (holding DIN 00061060), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Re-appointment of Shri Shekhar Agarwal (holding DIN 00066113), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
5.	Re-appointment and fixation of remuneration of Shri Ravi Jhunjhunwala (holding DIN 00060972) as the Managing Director of the Company, not liable to retire by rotation with effect from 13th February, 2019 upto 12th February, 2024.		
6.	Appointment of Smt Ramni Nirula (holding DIN 00015330) as an Independent Director of the Company for a first term of five consecutive years from 30th October, 2018 upto 29th October, 2023.		
7.	Appointment of Smt. Vinita Singhania (holding DIN 00042983) as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.		
8.	Re-appointment of Dr Kamal Gupta (holding DIN 00038490) as an Independent Director of the Company for a second term of five consecutive years from 30th August, 2019 upto 29th August, 2024.		
9.	Re-appointment of Dr. Om Parkash Bahl (holding DIN 02643557) as an Independent Director of the Company for a second term of two consecutive years from 30th August, 2019 upto 29th August, 2021.		
10.	Re-appointment of Shri Dharmendar Nath Davar (holding DIN 00002008) as an Independent Director of the Company for a second term of two consecutive years from 30th August, 2019 upto 29th August, 2021.		
11.	Ratification of the remuneration payable to M/s. N.D. Birla & Co., Cost Auditors (FRN:000028) of the Company for the Financial Year 2019-20.		

Signed this.....day of 2019.

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 47th 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.