



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2020

20th June, 2020

1	BSE Limited 25 th Floor, P J Towers Dalal Street MUMBAI - 400 001. Scrip Code : 509631	2	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No.C/1, G Block, Bandra - Kurla Complex Bandra (E), MUMBAI - 400 051. Scrip Code : HEG
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Sub: Investors presentation on the Audited Financial Results of the Company for the quarter & Financial Year ended 31st March, 2020.

Dear Sirs,

Please find enclosed a copy of Investors Presentation on the Audited Financial Results of the Company for the quarter & year ended 31st March, 2020 for your information and record please.

The copy of same is also being uploaded on the website of the Company.

Thanking you,

Yours faithfully,
For HEG Limited



Vivek Chaudhary
Company Secretary
A-13263
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Encl: as above

HEG LIMITED



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Fax: +91-7480-233522
Website: www.hegltd.com



Corporate Identification No.: L23109MP1972PLC008290



**PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL**



HEG LIMITED
Investor Presentation

Performance Highlights
Q4 & FY 2019-20

HEG is part of LNJ Bhilwara group a diversified, reputed and large Indian business house having more than five decades of industrial experience and presence in



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

Textiles



Graphite Electrodes



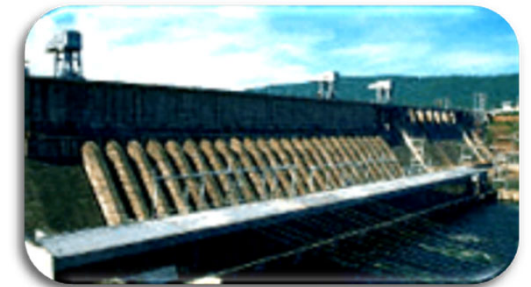
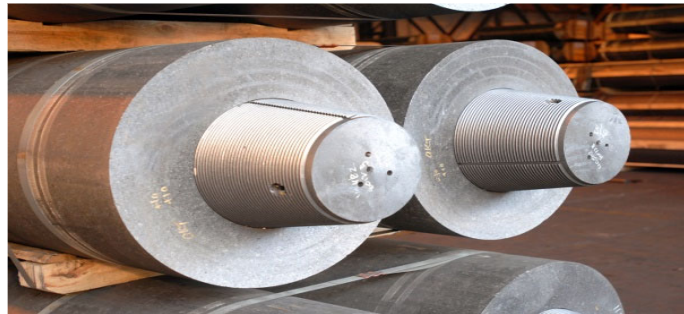
Power Generation & Power Consultancy



IT Enabled Services



World's Largest Single Site Graphite Electrode Plant





- ❖ HEG Limited is a leading graphite electrode manufacturer & exporter Globally
- ❖ The company produces two grades of graphite electrodes - Ultra High Power (UHP) & High Power (HP) - used in producing steel through the Electric Arc Furnace (EAF) route.
- ❖ Exports approximately 70% of its production to about 30 countries around the world.
- ❖ Diversified customer portfolio –supplying large proportion of our volumes to top 20 steel companies of the world.
- ❖ Graphite electrodes manufacturing plant (capacity of 80,000 tons per annum) located at Mandideep in Madhya Pradesh - is the largest single-site facility in the world
- ❖ Captive power generation capacity of around 76.5 mw (2 thermal power plants & 1 hydro power plant)



Highlights

- ❖ 1977 - Established in Financial (appx 25% equity) / Technical participation of Pechiney, France
- ❖ 1992 - Pechiney sold their Graphite business to SGL, Germany & Indian Promoters bought these shares in HEG
- ❖ 1995 / 2011 – Kept expanding from 10,000 mt in small tranches & in 2011 took a quantum leap from 60,000 to 80,000 mt
- ❖ Single largest Graphite plant in the world under one roof.
- ❖ Consistently exporting appx 65-70% of production to more than 30 countries and to more than 100 customers around the world incl ArcelorMittal, Nucor, Posco, Tata, Sail, Jindals, Sabic, Gerdau, Ferroatlantica, Celsa etc.
- ❖ Capacity Expansion to 100,000 mt in next 24 months.

Graphite Electrode (GE) Industry – Our Unique Strengths



- ❖ GE- An indispensable material for Electric Arc Furnaces (EAF) for Steel production
- ❖ EAF accounts for approx 45% of total World Steel Production (Without China)
- ❖ High Entry Barrier – HEG the last new entrant in the world -1977
- ❖ State of the art manufacturing facility – due to constant expansions & investments
- ❖ Capable of producing 100% UHP Electrodes
- ❖ Facilities suitable for manufacturing up to 32” electrodes





R&D Center

- ❖ R&D set up to corroborate the Quality & Improvement Drives with small scale production facilities
- ❖ The focus is also on development of new product lines
- ❖ Development is focused towards Carbon



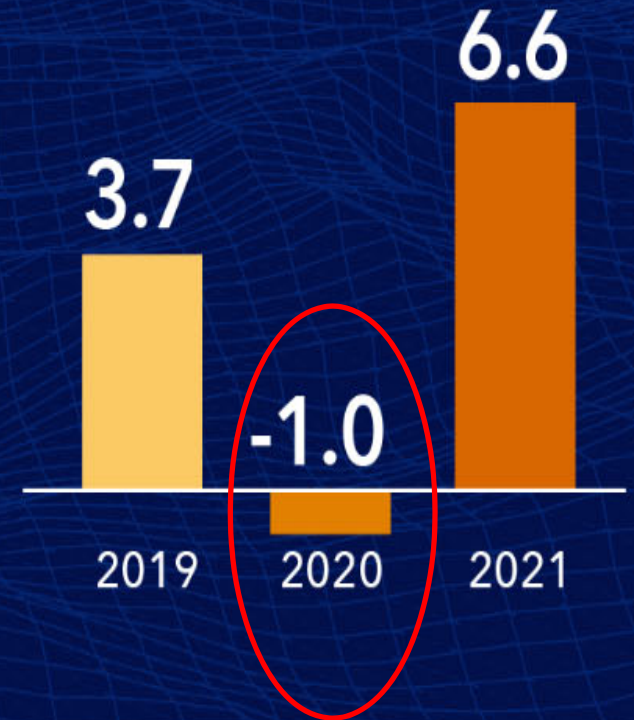
GLOBAL ECONOMY



ADVANCED ECONOMIES



EMERGING MARKETS & DEVELOPING ECONOMIES

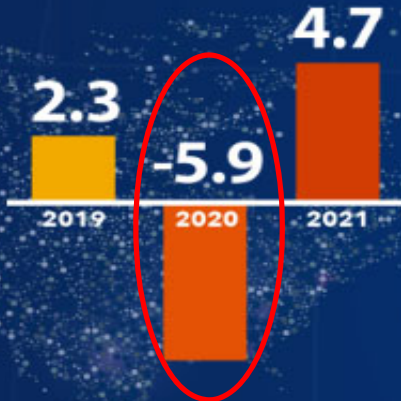


Source – IMF

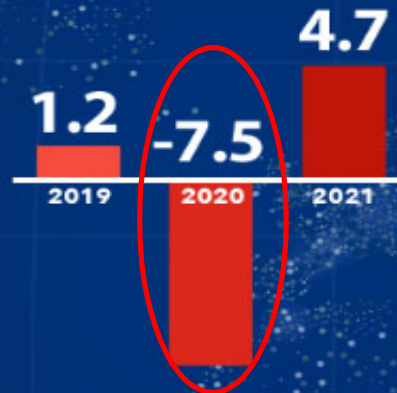
World Economic Outlook % change as per IMF (contd.)



UNITED STATES



EURO AREA



MIDDLE EAST AND CENTRAL ASIA



EMERGING AND DEVELOPING ASIA



LATIN AMERICA AND THE CARIBBEAN

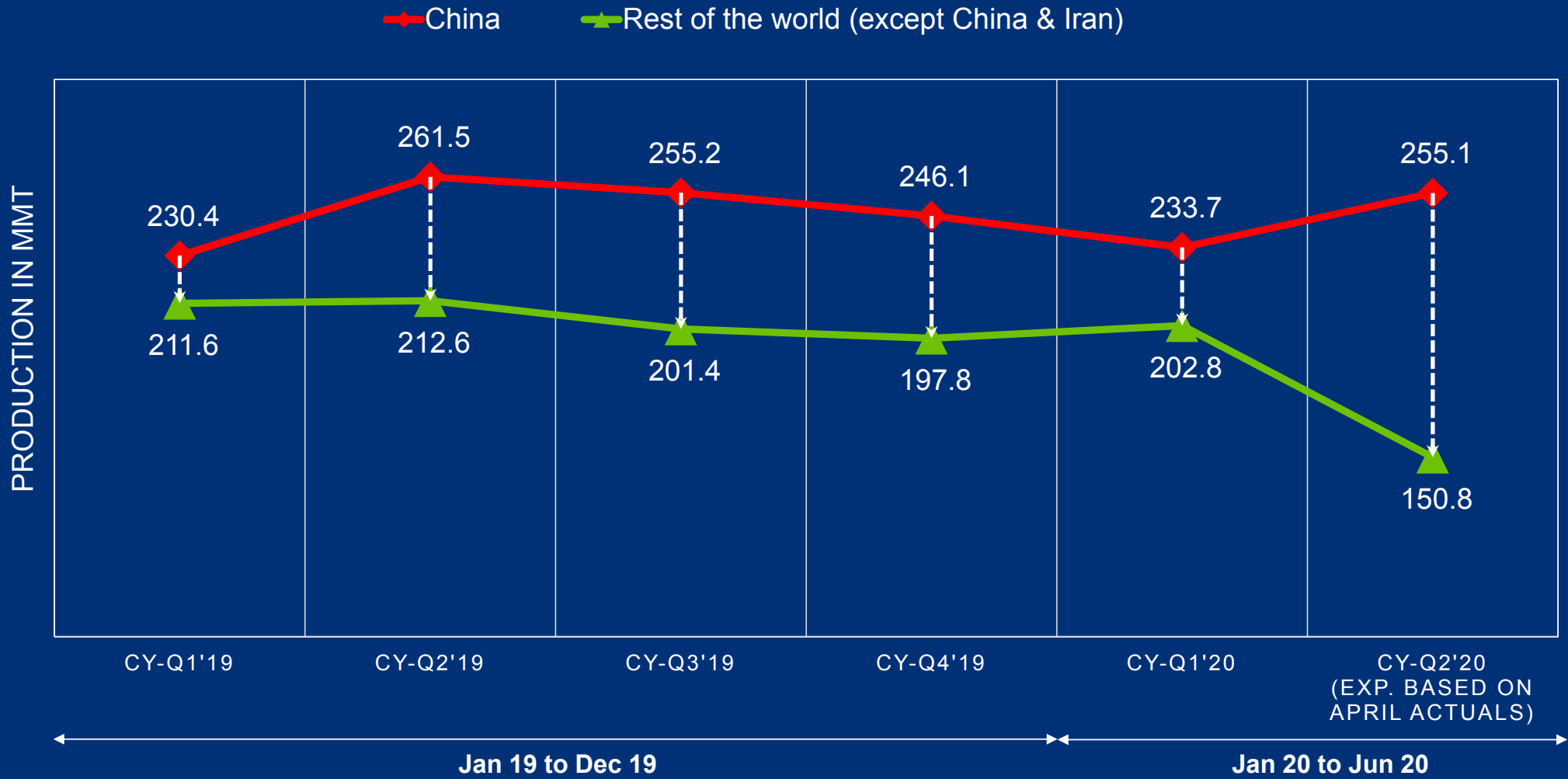


SUB-SAHARAN AFRICA



Source – IMF

World Crude Steel Production Last six Quarters (CY Jan 19 – Jun 20)



Top 10 Crude Steel Producers- Q'1-19 vs Q'1-20 (%)



Top 10 Crude Steel-Producing Countries Q1 comparison Y-O-Y

Rank	Country	CY-Q'1/19 (Mt)	CY-Q'1/20 (Mt)	CY-2019/2020 (%)
1	China	230.4	233.7	1.4%
2	India	29.1	26.9	-7.4%
3	Japan	25.0	24.1	-3.4%
4	United States	22.2	21.7	-2.0%
5	Russia	18.1	18.2	0.5%
6	South Korea	17.8	16.9	-4.8%
7	Germany	10.4	9.9	-5.6%
8	Turkey	8.2	9.0	9.6%
9	Brazil	8.6	8.1	-5.8%
10	Iran	6.0	6.7	12.4%

1. In CY20 world steel forecasts that steel demand will contract by 6.4%, due to the COVID-19 crisis.
2. The situation to gradually improve in the third quarter, but the recovery path will be slow.
3. In many developed economies, steel demand was already at a low level, having still not fully recovered from 2008
4. In China the recovery of steel demand will be more visible in H2-20 & we expect Chinese steel demand to increase by 1.0% in 2020.

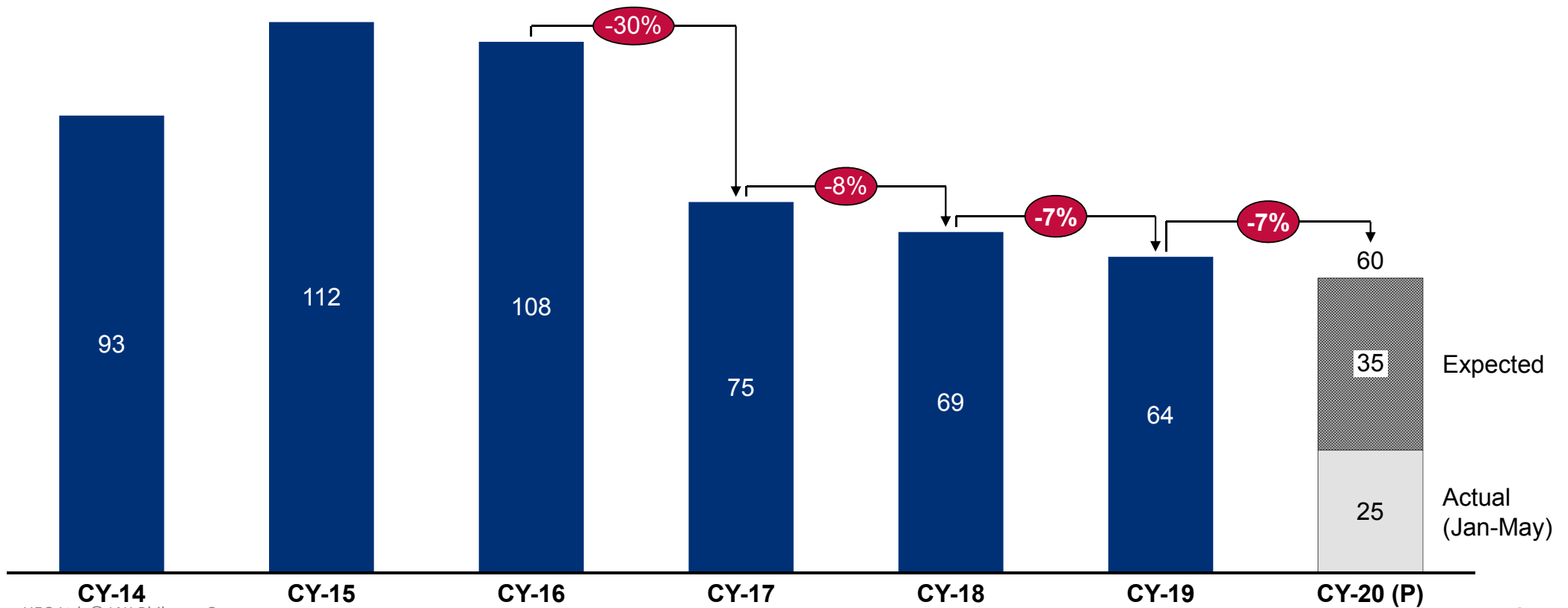
Source – World steel association

China's Finished steel exports



Steel exports to stay low in 2020 after a 7% drop in 2019

Due to global uncertainties Challenges remain significant for export market in the second half of 2020



Financial Snapshot (standalone)



in Rs. Crore (except EPS)

PARTICULARS	FY19-20	FY18-19
REVENUE FROM OPERATIONS	2149	6593
EBITDA*	138	4767
EBIT	66	4695
PAT	53	3050
EPS	13.83	763.60
EBITDA Margin (%)	6%	72%
EBIT Margin (%)	3%	71%
PAT Margin (%)	2%	46%

* EBITDA includes Other Income

Profit & Loss for the Quarter & Year ended 31st March 2020- Standalone



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operation	374.44	393.69	1,346.65	2,149.02	6,592.83
II	Other Income	42.29	27.28	42.28	143.76	109.19
III	Total Revenue (I+II)	416.73	420.97	1,388.93	2,292.78	6,702.02
IV	Expenses					
	Cost of materials consumed	468.61	261.01	463.96	1,558.13	1,611.84
	Purchase of stock -in-trade	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	294.81	7.28	(117.31)	62.95	(497.06)
	Employee benefits expense	(3.75)	17.48	43.17	65.60	197.57
	Finance cost	8.58	8.73	5.86	36.51	17.97
	Depreciation and amortisation expense	18.88	17.79	18.20	72.13	72.39
	Power and Fuel (Net of Interdivisional Purchases)	34.56	39.90	46.58	163.31	183.21
	Other Expenses	77.64	63.28	122.25	304.86	439.02
	Total expenses (IV)	899.32	415.47	582.71	2,263.49	2,024.94
V	Profit/(Loss) before exceptional items and tax (III-IV)	(482.59)	5.50	806.22	29.29	4,677.08
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	(482.59)	5.50	806.22	29.29	4,677.08

Profit & Loss for the Quarter & Year ended 31st March 2020- Standalone



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Audited	Unaudited	Audited	Audited	Audited
VIII	Tax expense					
	(1) Current Tax	(120.79)	(2.73)	278.98	(0.19)	1,619.35
	- Current Year	(120.57)	(2.73)	278.98	-	1,620.33
	- Earlier Year(s)	(0.22)	-	-	(0.19)	(0.98)
	(2) Deferred Tax	4.20	2.29	2.82	(23.90)	7.30
IX	Net Profit/(Loss) for the period (VII-VIII)	(366.00)	5.94	524.42	53.37	3,050.43
X	Other Comprehensive Income (Net of Taxes)					
	A (i) Items that will not be reclassified to profit or loss	(0.98)	-	0.18	(0.70)	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.25	-	(0.06)	0.18	0.34
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XI	Total Comprehensive Income for the period	(366.73)	5.94	524.54	52.85	3,049.79
XII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	38.60	38.60	38.60
XIII	Reserves (Excluding Revaluation Reserves)	-	-	-	3,384.28	3,680.40
XIV	Earnings Per Share (₹) - Basic (Rs.)	(94.83)	1.54	131.39	13.83	763.60
	- Diluted (Rs.)	(94.83)	1.54	131.39	13.83	763.60

Balance Sheet as at 31st March 2020- Standalone

in Rs. Crores



STATEMENT OF ASSETS AND LIABILITIES

		As at 31-03-2020	As at 31-03-2019
Particulars		Audited	Audited
A	ASSETS		
(1)	Non-current assets		
	a) Property, Plant and Equipment	733.58	784.48
	b) Capital work-in-progress	100.61	18.58
	c) Investment Property	3.37	3.54
	d) Right to use Asset	7.39	-
	e) Goodwill	-	-
	f) Other Intangible assets	0.30	0.35
	g) Intangible assets under development	-	-
	h) Biological Assets other than bearer plants	-	-
	i) Financial assets	-	-
	(i) Investments	1,139.38	758.80
	(ii) Trade receivables	-	-
	(iii) Loans	17.42	11.19
	(iv) Other Financial Assets	-	-
	j) Deferred tax assets(net)	-	-
	k) Income Tax Assets(Net)	143.93	39.95
	l) Other non-current assets	144.65	17.27
	Total Non Current Assets	2,290.63	1,634.16

Balance Sheet as at 31st March 2020- Standalone

in Rs. Crores



	Particulars	As at 31-03-2020	As at 31-03-2019
A	ASSETS		
(2)	Current assets		
	(a) Inventories	1,005.14	1,308.39
	(b) Financial assets	-	-
	(i) Investments	16.53	108.24
	(ii) Trade receivables	399.41	1,186.88
	(iii) Cash & Cash equivalents	32.80	29.16
	(iv) Bank balances other than (iii) above	404.48	528.16
	(v) Loans	0.78	0.62
	(vi) Others Financial Assets	6.86	5.38
	(c) Other current assets	192.87	268.66
	Total Current Assets	2,058.88	3,435.50
	Total Assets	4,349.51	5,069.67

Balance Sheet as at 31st March 2020- Standalone

in Rs. Crores



	Particulars	As at 31-03-2020	As at 31-03-2019
B	EQUITY & LIABILITIES		
	Equity		
	(a) Equity share capital	38.60	38.60
	(b) Other equity	3,384.28	3,680.40
	LIABILITIES		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Trade Payables	-	-
	(iii) Lease Liability	1.14	0.41
	(iv) Other financial liabilities-Security Deposit	-	-
	(b) Provisions	3.91	3.87
	(c) Deferred tax liabilities (Net)	102.05	126.13
	(d) Other non-current liabilities	3.01	2.40
	Total Non Current Liability	110.12	132.81

Balance Sheet as at 31st March 2020- Standalone

in Rs. Crores



	Particulars	As at 31-03-2020	As at 31-03-2019
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	592.62	666.36
	(ii) Trade Payables		
	(A) Total Outstanding dues of micro enterprises and small enterprises	6.58	3.99
	(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	127.23	376.08
	(iii) Lease Liability	0.50	0.01
	(iv) Other financial liabilities	65.22	130.16
	(b) Other current liabilities	12.55	16.05
	(c) Provisions	6.36	19.78
	(d) Current Tax Liabilities (Net)	5.46	5.43
	Total Current Liability	816.51	1,217.87
	Total Equity and Liabilities	4,349.51	5,069.67

Profit & Loss for Quarter & Year ended 31st March 2020 - Consolidated



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operation	374.44	393.69	1,346.65	2,149.02	6,592.83
II	Other Income	42.29	27.28	42.28	143.76	109.19
III	Total Revenue (I+II)	416.73	420.97	1,388.93	2,292.78	6,702.02
IV	Expenses					
	Cost of materials consumed	468.61	261.01	463.96	1,558.13	1,611.84
	Purchase of stock -in-trade	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	294.81	7.28	(117.31)	62.95	(497.06)
	Employee benefits expense	(3.75)	17.48	43.17	65.60	197.57
	Finance cost	8.58	8.73	5.86	36.51	17.97
	Depreciation and amortisation expense	18.88	17.79	18.20	72.13	72.39
	Power and Fuel (Net of Interdivisional Purchases)	34.56	39.90	46.58	163.31	183.21
	Other Expenses	77.64	63.28	122.25	304.86	439.02
	Total expenses (IV)	899.32	415.47	582.71	2,263.49	2,024.94
V	Profit/(Loss) before exceptional items and tax (III-IV)	(482.59)	5.50	806.22	29.29	4,677.08
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	(482.59)	5.50	806.22	29.29	4,677.08

Profit & Loss for Quarter & Year ended 31st March 2020 - Consolidated



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Audited	Unaudited	Audited	Audited	Audited
VIII	Tax expense					
	(1) Current Tax	(120.79)	(2.73)	278.98	(0.19)	1,619.35
	(2) Deferred Tax	4.20	2.29	2.82	(23.90)	7.30
IX	Share of Profit/ (loss) of associates	(10.96)	(7.17)	(42.14)	14.26	(24.27)
X	Net Profit/(Loss) for the period (VII-VIII+IX)	(376.96)	(1.23)	482.27	67.63	3,026.16
XI	Other Comprehensive Income (Net of Taxes)					
	A. (i) Items that will not be reclassified to profit or loss	(0.98)	-	0.18	(0.70)	(0.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.25	-	(0.06)	0.18	0.34
	B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	C. Share of Other comprehensive Income of Associates	(0.08)	(0.01)	0.04	(0.11)	0.05
XII	Total Comprehensive Income for the period	(377.78)	(1.24)	482.43	67.00	3,025.57
XIII	Paid -Up Equity Share Capital (Face Value ₹ 10/- per share)	38.60	38.60	38.60	38.60	38.60
XIV	Reserves (Excluding Revaluation Reserves)	-	-	-	3,473.12	3,755.09
XV	Earnings Per Share (₹) - Basic (Rs.)	(97.67)	(0.32)	124.96	17.52	757.53
	- Diluted (Rs.)	(97.67)	(0.32)	124.96	17.52	757.53

Balance Sheet as at 31st March 2020 - Consolidated

in Rs. Crores



STATEMENT OF ASSETS AND LIABILITIES			
	Particulars	As at 31-03-2020	As at 31-03-2019
		Audited	Audited
A	ASSETS		
(1)	Non-current assets		
	a) Property, Plant and Equipment	733.58	784.48
	b) Capital work-in-progress	100.61	18.58
	c) Investment Property	3.37	3.54
	d) Right to use Asset	7.39	-
	e) Goodwill	-	-
	f) Other Intangible assets	0.30	0.35
	g) Intangible assets under development	-	-
	h) Biological Assets other than bearer plants	-	-
	i) Financial assets	-	-
	(i) Investments	1,228.22	833.49
	(ii) Trade receivables	-	-
	(iii) Loans	17.42	11.19
	(iv) Other Financial Assets	-	-
	j) Deferred tax assets(net)	-	-
	k) Income Tax Assets(Net)	143.93	39.95
	l) Other non-current assets	144.65	17.27
	Total Non Current Assets	2,379.47	1,708.85

Balance Sheet as at 31st March 2020 - Consolidated

in Rs. Crores



	Particulars	As at 31-03-2020	As at 31-03-2019
(2)	Current assets		
	(a) Inventories	1,005.14	1,308.39
	(b) Financial assets	-	-
	(i) Investments	16.53	108.24
	(ii) Trade receivables	399.41	1,186.88
	(iii) Cash & Cash equivalents	32.80	29.16
	(iv) Bank balances other than (iii) above	404.48	528.16
	(v) Loans	0.78	0.62
	(vi) Others Financial Assets	6.86	5.38
	(c) Other current assets	192.87	268.66
	Total Current Assets	2,058.88	3,435.50
	Total Assets	4,438.35	5,144.36

Balance Sheet as at 31st March 2020 - Consolidated

in Rs. Crores



	Particulars	As at 31-03-2020	As at 31-03-2019
B	EQUITY & LIABILITIES		
	Equity		
	(a) Equity share capital	38.60	38.60
	(b) Other equity	3,473.12	3,755.09
	LIABILITIES		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Trade Payables	-	-
	(iii) Lease Liability	1.14	0.41
	(iv) Other financial liabilities-Security Deposit	-	-
	(b) Provisions	3.91	3.87
	(c) Deferred tax liabilities (Net)	102.05	126.13
	(d) Other non-current liabilities	3.01	2.40
	Total Non Current Liability	110.12	132.81

Balance Sheet as at 31st March 2020 - Consolidated

in Rs. Crores



	Particulars	As at 31-03-2020	As at 31-03-2019
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	592.62	666.36
	(ii) Trade Payables		
	(A) Total Outstanding dues of micro enterprises and small enterprises	6.58	3.99
	(B) Total Outstanding dues of creditors other than micro enterprises and small enterprises	127.23	376.08
	(iii) Lease Liability	0.50	0.01
	(iv) Other financial liabilities	65.22	130.16
	(b) Other current liabilities	12.55	16.05
	(c) Provisions	6.36	19.78
	(d) Current Tax Liabilities (Net)	5.46	5.43
	Total Current Liability	816.51	1,217.87
	Total Equity and Liabilities	4,438.35	5,144.36

During the quarter and year ended 31st March 2020, due to fall in prices of Graphite Electrodes, the company in accordance with the Ind AS – 2 (Inventories), has recognised its carrying inventory on Net Realizable Value (NRV) basis to the extent applicable and accordingly written down the cost of inventory by:

- ❑ Rs. 427 Crores [Raw material - Rs. 321 crores, Finished goods & WIP - Rs. 106 crores) in the Quarter ended March 31, 2020

- ❑ Rs. 459 Crores [Raw material - Rs. 326 crores, Finished goods & WIP - Rs. 133 crores) in the Financial Year ended March 31, 2020

Impact on Business and actions taken by the Company:

- ❑ On announcement of lockdown there was no operating business activity except in case of some specific processes which are continuous in nature and take about a month to shut down till April 23rd 2020.
- ❑ Corporate and regional offices were also shut, but the Company adopted the work from home policy during the entire duration of the lockdown and still continuing to curtail the spread of Covid-19 to the extent possible.
- ❑ Most of all our end user industries have been impacted in varying degrees owing to spread of the pandemic related contraction and its consequent effects on global supply chains. The ripple effect of this, like in most industries, is also faced by our customers and in extension by us. We have seen lower off take in the months of April and May and it is difficult to estimate how soon things will revert to normal.

Impact on Business and actions taken by the Company:

- ❑ The Company has restarted operations with reduced workforce since late April 2020, adhering to strict safety norms prescribed by Government of India.
- ❑ The company has been functioning through Audio-Video conferencing calls for communicating with the stakeholders.
- ❑ Upon re-starting of the operations, necessary guidelines related to health and hygiene of the employees were adhered to mainly covering social distancing norms, screening, sanitization and self-quarantine etc.
- ❑ To ensure the smooth functioning of the works at our plant, we have taken necessary steps to communicate with our employees, stakeholders, customers and vendors about the company's status and updated them on a regular basis.

Company's Position:

- ❑ The company is in a comfortable position due to its optimum banking limits in place and treasury size to meet out its obligations. The liquidity position of the Company is quite robust and do not foresee any major issues in the near term.
- ❑ The company is having a treasury size of more than Rs. 1200 Crores at the end of March 2020. The Company's capital and Banking facilities resources remains intact. Further, the company is long term debt free.
- ❑ The Company has also implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic.
- ❑ The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Thank You

Mr.Manish Gulati : Executive Director
Mr.Om Prakash Ajmera : Group CFO
Mr.Gulshan Kr.Sakhuja : CFO

HEG Limited

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