



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEG/SECTT/2021

2nd June, 2021

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 & year ended 31st March, 2021.

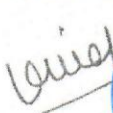
Dear Sirs,

Please find enclosed a copy of Investors Presentation on the Audited Financial Results of the Company for the quarter & year ended 31st March, 2021 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
heg.investor@lnjbhilwara.com

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
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HEG LIMITED **Investor Presentation**

Performance Highlights

Q4 & FY 2020-21

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
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THE FAMILY TREE

IT Enabled Services

Buds flower in our service sector offerings.

- Bhilwara Infotech Ltd. – IT Software
- Bhilwara Scribe Pvt. Ltd. – Medical transcription



Power Generation & Power Consultancy

The branches spread forth, powered by

- Bhilwara Energy Ltd.
- Malana Power Company Ltd.
- AD Hydro Power Ltd.



Textiles

The roots of our Group heritage

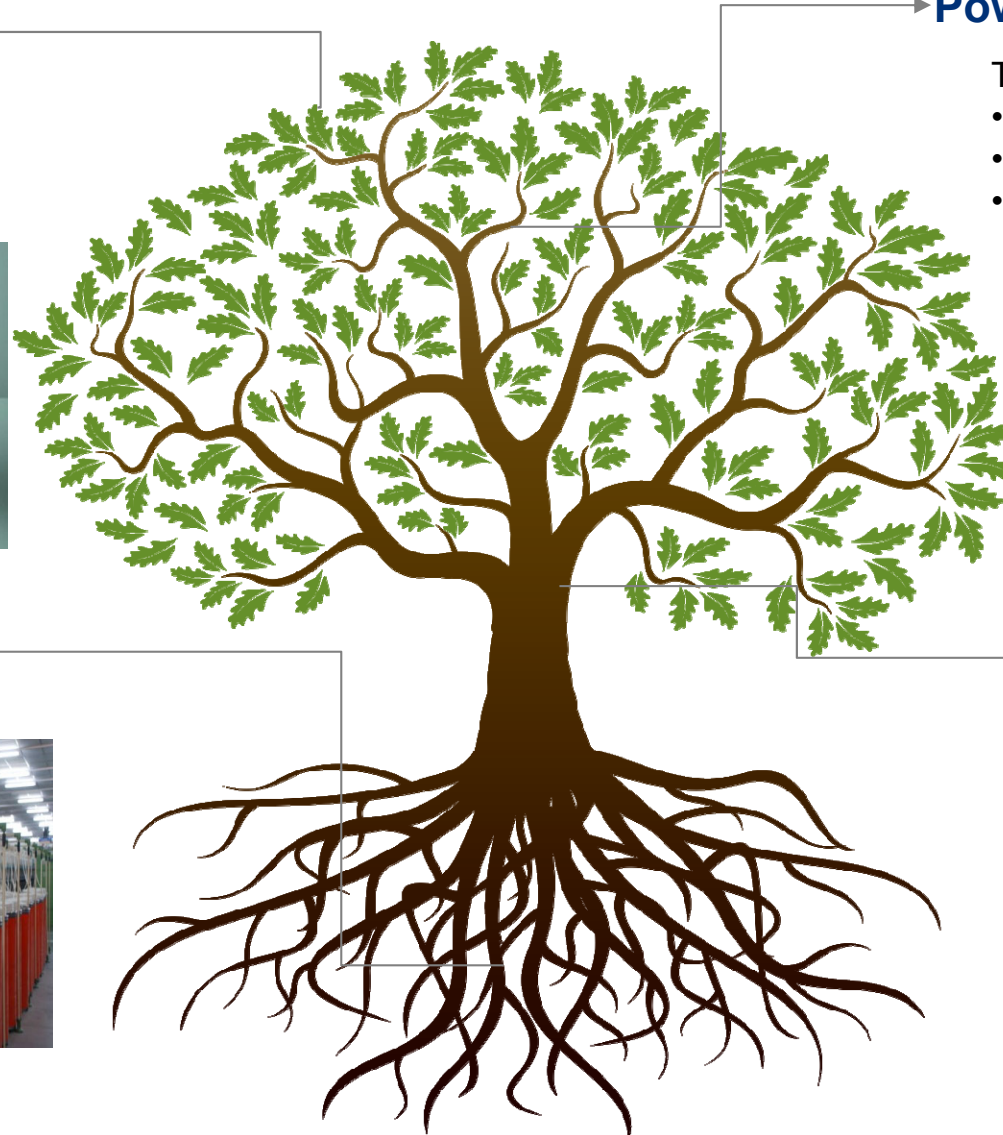
- RSWM Ltd.
- Maral Overseas Ltd.
- BSL Ltd.
- BMD Pvt. Ltd.
- Bhilwara Technical Textiles Ltd.



Graphite Electrodes

Standing tall, the shaft supports the branches

- HEG Limited



HEG Limited – Profile



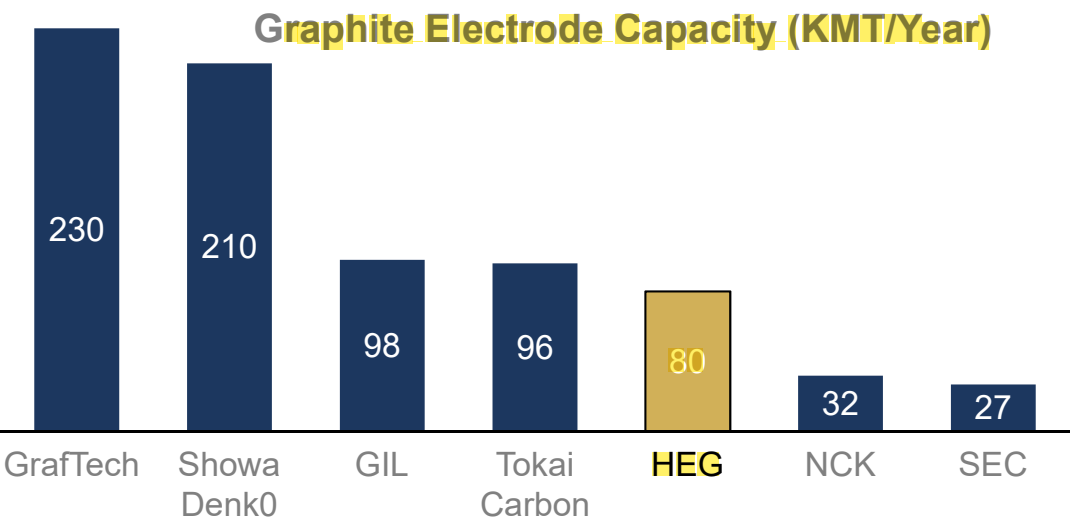
- HEG Limited is a leading graphite electrode manufacturer & exporter globally.
- Exports approximately 70% of its production to about 30 countries around the world.
- Diversified customers - supplying large portion of production to top 20 steel companies of the world.
- Graphite electrodes manufacturing plant (capacity of 80,000 tons /Year) located at Mandideep in MP, India - is the largest single-site facility in the world. Further expanding to 100,000 tons in by early 2023.
- Captive power generation capacity of around 76.5 mw (2 thermal power plants & 1 hydro power plant)



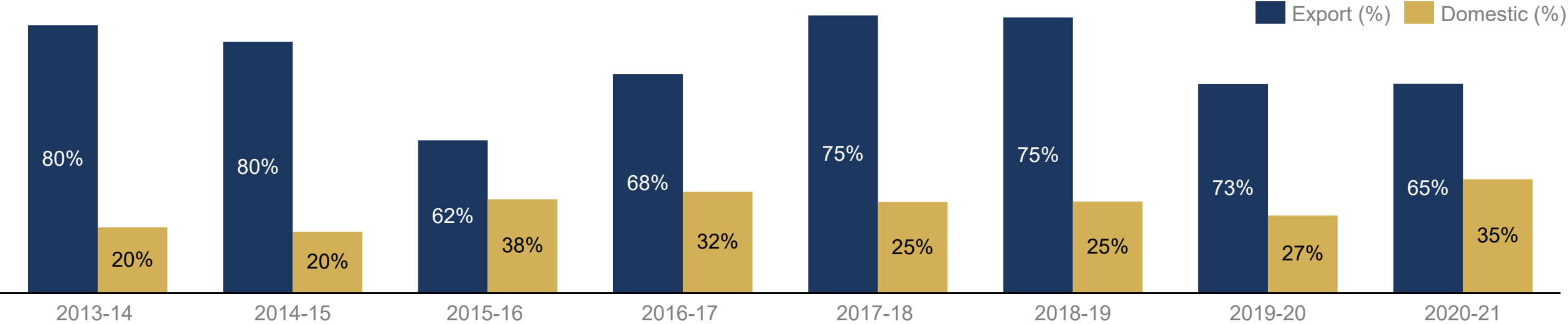
Business Overview

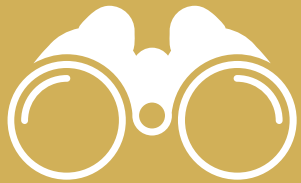


- HEG is among the world’s top five graphite electrode manufacturers
- Steel production levels started improving in rest of the world excluding China since Oct’20 and prices started moving up resulting in increased profitability of steel companies.
- The excess inventories of graphite electrodes have been liquidated and now steel companies are working at normal inventory levels.
- The increase in steel production and normalisation of electrode inventory levels have resulted in increase of electrodes demand thus increasing our capacity utilisation levels.
- We expect electrode prices to start firming up from next quarter.



HEG Sales share among Exports & Domestic Market





Our Growth

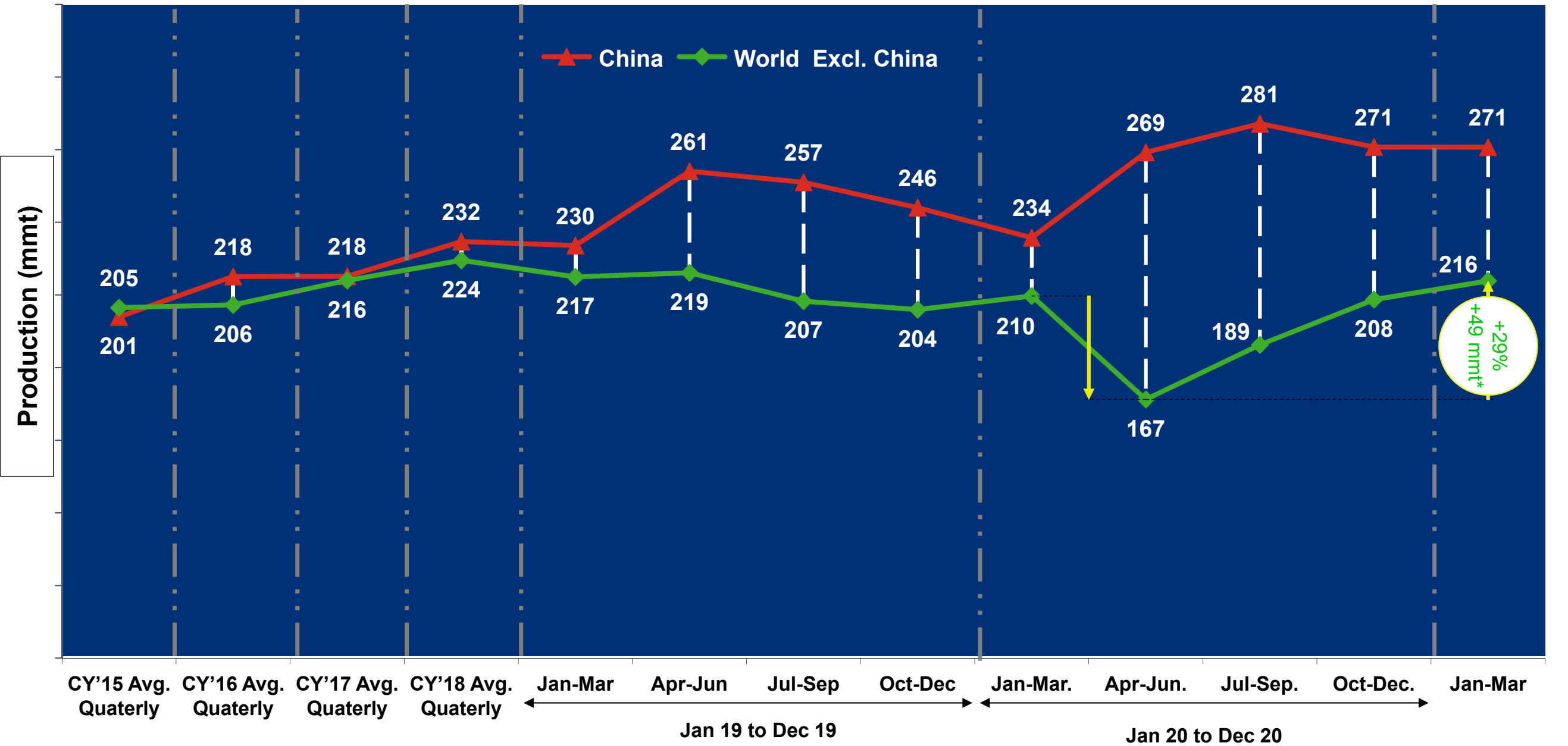
- 1977 - Established in Financial (appx 25% equity) / Technical participation of Pechiney, France
- 1992 - Pechiney sold their Graphite business to SGL, Germany & Indian Promoters bought these shares in HEG
- 1995 / 2011 – Kept expanding from 10,000 mt in small tranches & in 2011 took a quantum leap 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.

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



World Crude Steel Production Last Eight Quarters (CY Jan 19 – Dec.20)



TOP 10 CRUDE STEEL-PRODUCING COUNTRIES-2021



Rank	Country	Crude Steel		Absolute Change	%2021/2020
		Jan-Mar CY-2021 (MMt)	Jan-Mar CY-2020 (MMt)		
1	China	271.0	234.5	36.6	 15.6%
2	India	29.6	26.8	2.8	 10.4%
3	Japan	23.7	24.1	-0.4	-1.7%
4	Russia	20.4	21.7	-1.4	 -6.3%
5	United States	18.9	18.1	0.8	 4.4%
6	South Korea	17.6	16.9	0.6	 3.8%
7	Turkey	10.0	9.9	0.2	 1.7%
8	Germany	9.8	9.0	0.9	 9.5%
9	Brazil	8.7	8.1	0.5	 6.2%
10	Iran	7.5	6.8	0.7	 10.7%
	Subtotal	417.3	376.0	41.3	 11.0%
Source WSA	World	486.9	442.7	44.2	 10.0%
	World ex China	215.8	208.2	7.6	 3.7%

Steel Demand Forecasts, Short Range Outlook – Apr’21

Source WSA



Country	million tonnes			Y-o-Y Growth		
	2020	2021 (f)	2022 (f)	2020	2021 (f)	2022 (f)
China	995.0	1024.9	1035.1	9.1%	3.0%	1.0%
India	88.5	106.1	112.3	-13.7%	19.9%	5.8%
United States	80.0	86.5	90.2	-18.0%	8.1%	4.3%
Japan	52.6	56.0	58.8	-16.8%	6.5%	5.0%
South Korea	49.0	51.5	52.8	-8.0%	5.1%	2.5%
Russia	42.5	43.8	45.1	-2.3%	3.1%	3.0%
Turkey	29.5	35.0	37.0	-11.6%	18.6%	5.7%
Germany	31.1	34.0	35.8	13.0%	9.3%	5.3%
Vietnam	23.3	24.5	26.3	-4.2%	5.2%	7.3%
Mexico	21.7	23.4	24.6	-11.8%	7.8%	5.1%
World	1771.1	1874.0	1924.6	-0.2%	5.8%	2.7%
ROW except China	776.1	849.1	889.5	-10.0%	9.4%	4.8%

Financial Snapshot (Standalone)



in Rs. Crore (except EPS)

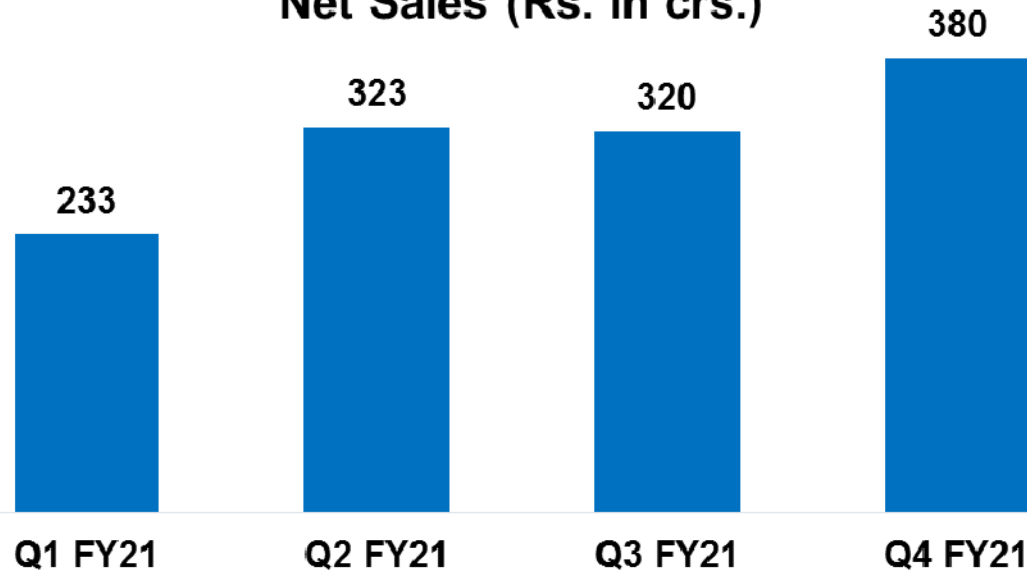
PARTICULARS	FY 20-21	FY 19-20	FY 18-19	FY 17-18
REVENUE FROM OPERATIONS	1256	2,149	6,593	2,758
EBITDA*	54	138	4,767	1,734
EBIT	(19)	66	4,695	1,661
PAT	(25)	53	3,050	1,081
EPS	6.56	13.83	763.60	270.61
EBITDA Margin (%)	4%	6%	72%	63%
PAT Margin (%)	(2%)	2%	46%	39%

* EBITDA includes Other Income

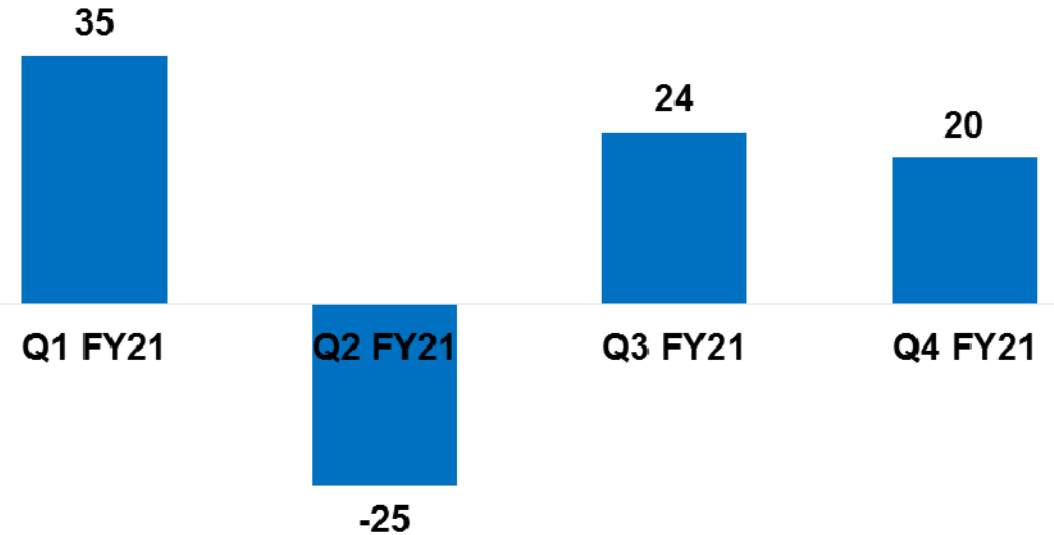
Quarterly Performance Trend (Standalone)



Net Sales (Rs. in crs.)



EBITDA* (Rs. in crs.)



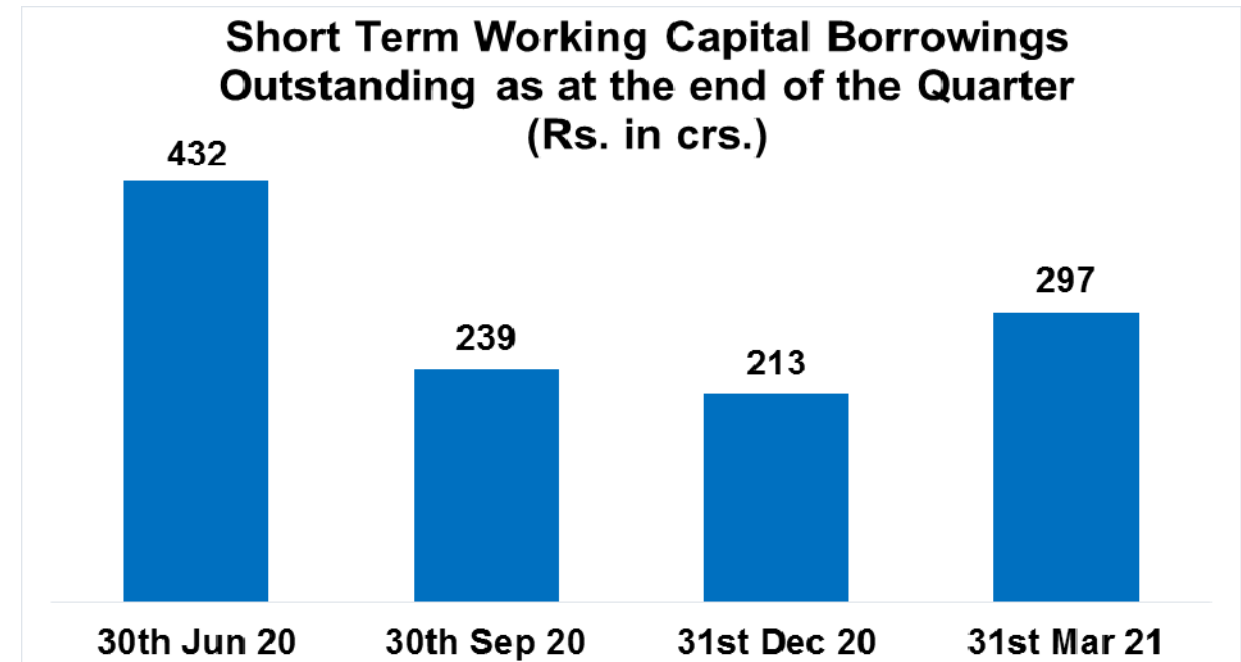
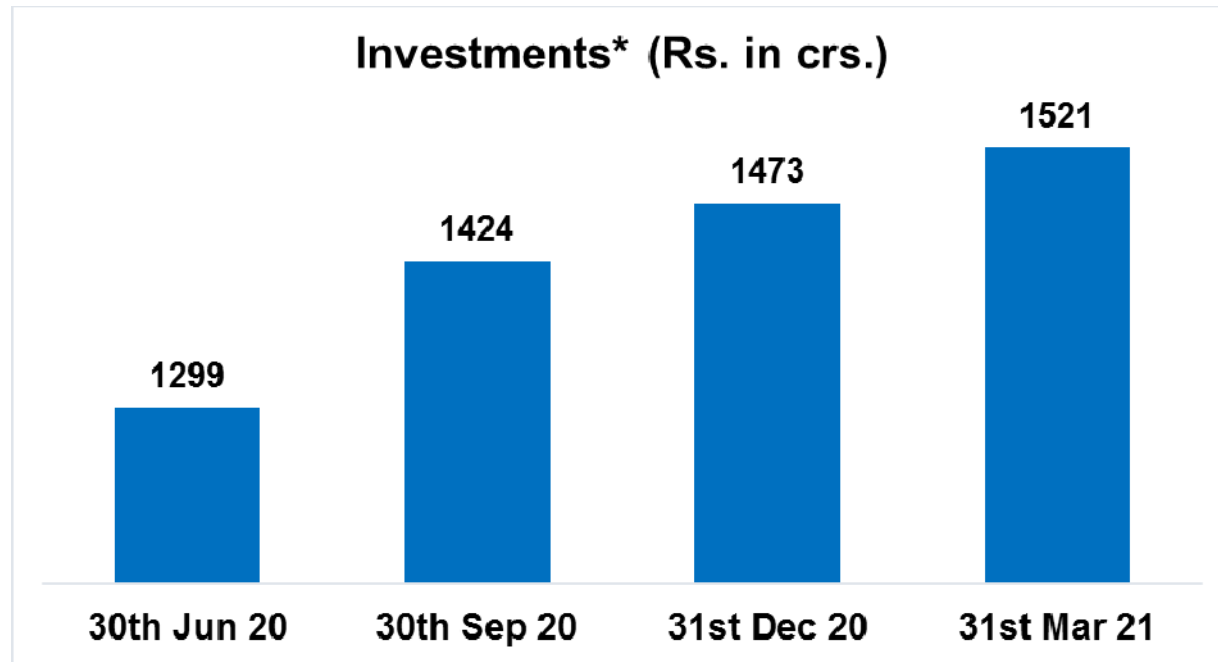
* EBITDA includes Other Income

Note:

1. In accordance with the provisions laid under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the company has incurred expenditure on account of Corporate Social Responsibility amounting to Rs. 34.85 crores during the quarter ended March 31, 2021, Rs. 0.14 crores during the quarter ended December 31, 2020 and Rs.41.86 crores during the financial year ended March 31, 2021 which has been included under the head 'Other Expenses' of the published financial result.

2. The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced existing MEIS (Merchandise Exports from India Scheme) w.e.f January 01, 2021. As the rates under RODTEP have not been announced till date, the income on account of benefits under the new scheme has not been recognized for the quarter ended March 31, 2021

Investments and Borrowings (Standalone)



* Investments including Cash & Cash equivalents and excluding investment in Associates.

Profit & Loss for the Quarter and Year ended 31st March 2021- Standalone



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	380.48	319.59	374.44	1,256.23	2,149.02
II	Other Income	25.11	25.35	42.29	112.91	143.76
III	Total Revenue (I+II)	405.59	344.94	416.73	1,369.14	2,292.78
IV	Expenses					
	Cost of materials consumed	117.47	142.65	468.61	504.94	1,558.13
	Purchase of stock -in-trade	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	83.17	61.75	294.81	304.15	62.95
	Employee benefits expense	14.77	13.47	(3.75)	54.53	65.60
	Finance cost	1.09	1.27	8.58	11.37	36.51
	Depreciation and amortisation expense	18.48	18.53	18.88	73.12	72.13
	Power and Fuel (Net of Interdivisional Purchases)	49.53	31.75	34.56	139.38	163.31
	Other Expenses	120.23	71.24	77.64	312.41	304.86
	Total expenses (IV)	404.74	340.66	899.32	1,399.90	2,263.49
V	Profit/(Loss) before exceptional items and tax (III-IV)	0.85	4.28	(482.59)	(30.76)	29.29
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	0.85	4.28	(482.59)	(30.76)	29.29

Profit & Loss for the Quarter and Year ended 31st March 2021- Standalone



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
		Audited	Unaudited	Audited	Audited	Audited
VIII	Tax expense					
	(1) Current Tax	-	-	(120.79)	0.20	(0.19)
	(2) Deferred Tax	7.65	(0.40)	4.20	(5.66)	(23.90)
IX	Net Profit/(Loss) for the period (VII-VIII)	(6.80)	4.68	(366.00)	(25.30)	53.37
X	Other Comprehensive Income (Net of Taxes)					
	A (i) Items that will not be reclassified to profit or loss	0.49	-	(0.98)	1.40	(0.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.12)	-	0.25	(0.35)	0.18
	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	(6.43)	4.68	(366.73)	(24.25)	52.85
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)	3,360.04	-	-	3,360.04	3,384.28
XIV	Earnings Per Share (₹ - Basic (Rs.))	(1.76)	1.21	(94.83)	(6.56)	13.83
	- Diluted (Rs.)	(1.76)	1.21	(94.83)	(6.56)	13.83

Profit & Loss for the Quarter and Year ended 31st March 2021 - Consolidated



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	380.48	319.59	374.44	1,256.23	2,149.02
II	Other Income	25.11	25.35	42.29	112.91	143.76
III	Total Revenue (I+II)	405.59	344.94	416.73	1,369.14	2,292.78
IV	Expenses					
	Cost of materials consumed	117.47	142.65	468.61	504.94	1,558.13
	Purchase of stock -in-trade	-	-	-	-	-
	Changes in inventories of finished goods, work-in- progress and stock-in-trade	83.17	61.75	294.81	304.15	62.95
	Employee benefits expense	14.77	13.47	(3.75)	54.53	65.60
	Finance cost	1.09	1.27	8.58	11.37	36.51
	Depreciation and amortisation expense	18.48	18.53	18.88	73.12	72.13
	Power and Fuel (Net of Interdivisional Purchases)	49.53	31.75	34.56	139.38	163.31
	Other Expenses	120.23	71.24	77.64	312.41	304.86
	Total expenses (IV)	404.74	340.66	899.32	1,399.90	2,263.49
V	Profit/(Loss) before exceptional items and tax (III-IV)	0.85	4.28	(482.59)	(30.76)	29.29
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before Tax (V-VI)	0.85	4.28	(482.59)	(30.76)	29.29

Profit & Loss for the Quarter and Year ended 31st March 2021- Consolidated



in Rs. Crores

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
		Audited	Unaudited	Audited	Audited	Audited
VIII	Tax expense					
	(1) Current Tax	-	-	(120.79)	0.20	(0.19)
	(2) Deferred Tax	7.65	(0.40)	4.20	(5.66)	(23.90)
IX	Share of Profit/ (loss) of associates	(9.28)	(5.48)	(10.96)	7.36	14.26
X	Net Profit/(Loss) for the period (VII-VIII+IX)	(16.08)	(0.80)	(376.96)	(17.94)	67.63
XI	Other Comprehensive Income (Net of Taxes)					
	A (i) Items that will not be reclassified to profit or loss	0.49	-	(0.98)	1.40	(0.70)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.12)	-	0.25	(0.35)	0.18
	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	0.40	(0.07)	(0.08)	0.24	(0.11)
	Total Comprehensive Income for the period	(15.31)	(0.87)	(377.78)	(16.65)	67.00
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)	3,456.48	-	-	3,456.48	3,473.12
XIV	Earnings Per Share ₹) - Basic (Rs.)	(4.17)	(0.21)	(97.67)	(4.65)	17.52
XV	- Diluted (Rs.)	(4.17)	(0.21)	(97.67)	(4.65)	17.52

Company's Position:

- The liquidity position of the company is quite robust.
- The company is having a treasury size of Rs. 1521 Crores at the end of Financial Year 2020-21. Further, the company is long term debt free and has borrowings only in the form of Short Term Working Capital Borrowings.
- 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.

- **HEG announced a policy for Covid relief for all the employees.**
- **According to this policy the following financial assistance to the deceased employee's family shall be given**
 1. Half of the monthly salary or minimum of INR 25 K pm, whichever is higher, for two years.
 2. Education expenses INR 5 K pm for school/college going children, if any, for three years.
 3. Arrange Mediclaim policy benefit to the family for three years.
 4. Employment to the dependent as per the qualification/skills to the best extent possible.
- **The policy has been hugely welcomed and appreciated by all employees across the board especially workers.**

Thank You



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

HEG Limited

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