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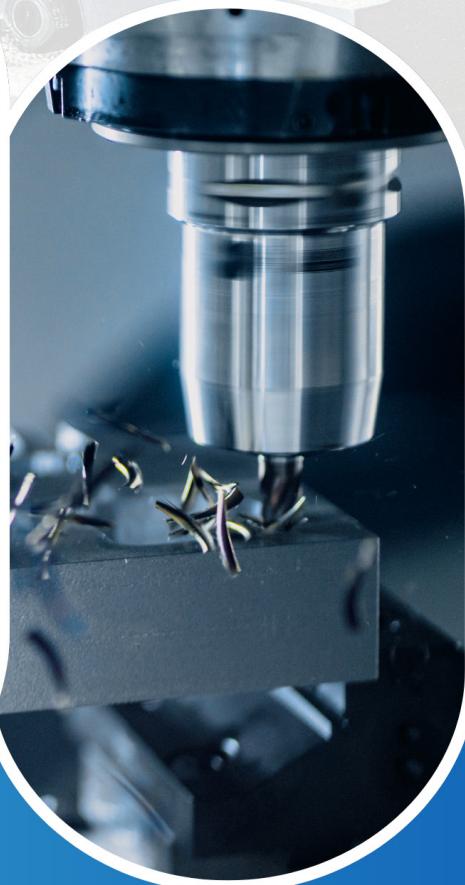
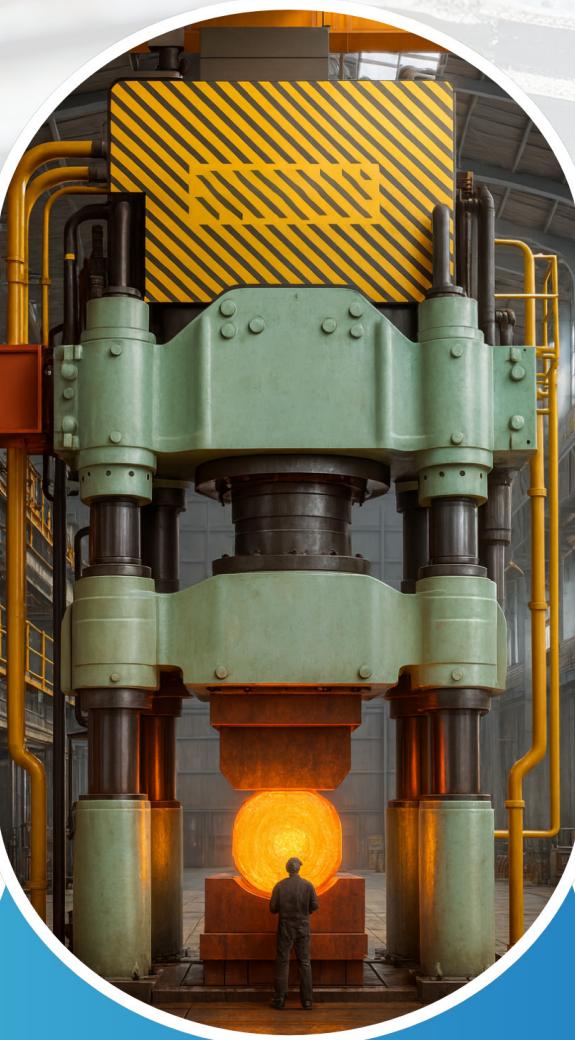
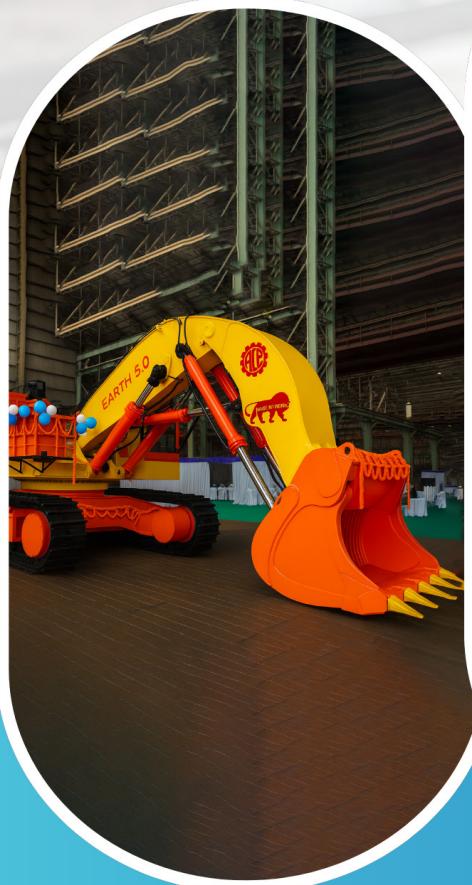


हेवी इंजीनियरिंग कॉर्पोरेशन लिमिटेड

(भारत सरकार का उद्यम)

HEAVY ENGINEERING CORPORATION LIMITED

(A Govt. of India Enterprise)



ANNUAL REPORT

वार्षिक प्रतिवेदन

2024-2025



गुणवत्ता नीति

ग्राहक की आवश्यकताओं और अपेक्षाओं के अनुरूप गुणवत्तापूर्ण उत्पादों, प्रणालियों एवं सेवाओं के विश्वसनीय सप्लायर के रूप में अग्रणी स्थान प्राप्त करना तथा उसे बनाये रखना।

Quality Policy

To achieve and maintain a leading position as supplier of reliable quality products, systems and services to meet customer needs and expectations



BOARD OF DIRECTORS

(as on 26-09-2025)



SHRI K SADASHIV MURTHY
Chairman-cum-Managing Director



SHRI VIJAY MITTAL
JS/MHI & Director(HEC)



SHRI RAJESH KUMAR
CCA/MHI & Director(HEC)



SHRI MANOJ LAKRA
Director (Personnel)



SHRI BHAGVAT SHARAN GARG
Director (Production)



SHRI MUKESH KUMAR
Director (Finance)



SHRI MANOJ KUMAR SHARMA
Director (Marketing)



SMT PRABHA DUBEY
Non - Official Independent Director



SHRI ABHAY KUMAR KANTH
Company Secretary

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BOARD OF DIRECTORS

(As on 26-09-2025)

CHAIRMAN-CUM-MANAGING DIRECTOR	:	SHRI K. SADASHIV MURTHY
GOVERNMENT DIRECTOR	:	SHRI VIJAY MITTAL (JS/MHI)
DIRECTOR (PERSONNEL)	:	SHRI RAJESH KUMAR (CCA/MHI)
DIRECTOR (PRODUCTION)	:	SHRI MANOJ LAKRA
DIRECTOR (FINANCE)	:	SHRI B.S. GARG
DIRECTOR (MARKETING)	:	SHRI MUKESH KUMAR
DIRECTOR	:	SHRI MANOJ KUMAR SHARMA
COMPANY SECRETARY	:	SMT. PRABHA DUBEY
STATUTORY AUDITOR	:	SHRI ABHAY KUMAR KANTH
SECRETARIAL AUDITOR	:	M/S SANTOSH BHAUMIK & CO. (CHARTERED ACCOUNTANTS)
BANKERS	:	M/S SATISH KUMAR & ASSOCIATES
REGISTERED OFFICE	:	(COMPANY SECRETARIES) STATE BANK OF INDIA PLANT PLAZA ROAD, DHURWA RANCHI - 834004 (JHARKHAND)

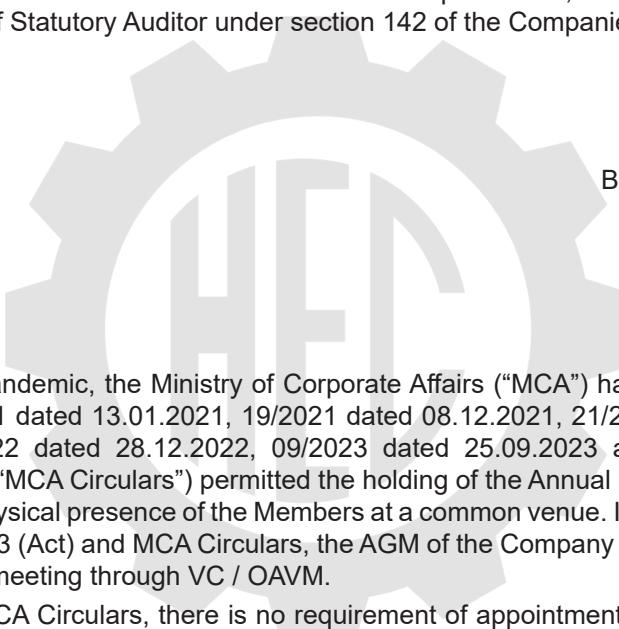
NOTICE OF ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given to the Shareholders of Heavy Engineering Corporation Limited, Ranchi that 66th Annual General Meeting of the Company will be held on Friday, the 26th September, 2025 at 03.300 PM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at its registered office located at Plant Plaza Road, Dhurwa, Ranchi – 834004 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the financial year ended on 31st March, 2025 together with the report of the Board of Directors & Auditor's Report thereon and the comments of Comptroller & Auditor General of India (C&AG)
2. Appointment of Statutory Auditor under Section 139 of the Companies Act, 2013 for the financial year 2025-26 and fix the remuneration of Statutory Auditor under section 142 of the Companies Act, 2013.



By order of the Board of Directors
(A.K.Kanth)
Co. Secretary

Date : 17-09-2025

NOTE:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular Nos. 20/2020 dated 05.05.2020, 02/2021 dated 13.01.2021, 19/2021 dated 08.12.2021, 21/2021 dated 14.12.2021, 02/2022 dated 05.05.2022, 10/2022 dated 28.12.2022, 09/2023 dated 25.09.2023 and 09/2024 dated 19.09.2024 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (Act) and MCA Circulars, the AGM of the Company will be held through VC / OAVM. Members may attend the meeting through VC / OAVM.
2. According to the above MCA Circulars, there is no requirement of appointment of proxies, and accordingly the facility for appointment of proxy has not been made for this meeting.

To
The Shareholders
Heavy Engineering Corporation Limited
Ladies and Gentlemen

Ladies and Gentlemen,

HEC Ltd., Ranchi was incorporated on 31st December, 1958 with the primary objective of achieving self-sufficiency and self-reliance in the field of design and manufacture of equipment and machinery for iron and steel industry and other core sector industries like Mining, Metallurgical and Engineering Industries. Heavy Engineering Corporation has completed its 66 years of service to the nation and the Directors of the Company have the pleasure to present the 66th Annual Report of the Company together with Audited Accounts for the financial year ended 31st March, 2025.

1. PERFORMANCE HIGHLIGHTS

Production and sales have been affected on account of severe financial crunch which has also led to a challenging IR situation. Further frequent breakdown of the ageing machinery has affected the execution of orders indirectly affecting the cash flow cycle.

In FY24-25, HEC could bag orders only worth Rs 5.16 Cr. HEC had orders in hand worth Rs 818.80 Cr. as on 31.03.2025.

2. PRODUCTION & SALES

The production & sales figures for the year as compared to the previous year are as follows:-

Particulars	2024-25	2023-24
Sales	339.07	165.12
Production	381.40	163.74

3. FINANCIAL RESULTS

Achievement against previous year is detailed below:

Particulars	2024-25	2023-24
Gross Margin	-177.04	-213.76
Interest	46.17	45.69
Depreciation	3.77	5.60
Prior Period adjustment (Net)	0.00	0.00
Profit before Extra-ordinary items	-226.99	-265.05
Extra ordinary items Income (+) / Exp. (-)	0.00	-10.14
Profit before Tax	-226.99	-275.19
Tax	0.00	0.00
Net Profit	-226.99	-275.19
Cash Profit (before extra-ordinary items)	-223.21	-259.45

Profit before Depreciation, Interest, Tax, Prior Period

and extra ordinary items

Paid up Equity Capital of the Company as on 31.03.2025 stands at Rs. 606.07 Cr, while net worth is Rs. (-)1594.32Cr.

The Sales, Production, Employee Productivity and Profitability since 2016-17 are tabled below:

	Sales (Rs. Crore)	Production (Rs. Crore)	Sales per employee (Rs.Lakhs)	Net Profit (Rs. Crore)
2016-17	390.11	364.84	26.81	(-)82.27
2017-18	399.02	393.37	28.29	446.00
2018-19	356.21	340.22	23.42	-93.67
2019-20	132.68	158.29	9.92	-405.37
2020-21	202.76	252.43	14.75	-175.78
2021-22	184.69	203.84	14.06	-256.07
2022-23	91.43	60.50	7.79	-230.85
2023-24	165.12	163.74	15.44	-275.19
2024-25	339.07	381.40	35.39	-226.99

NON-DECLARATION OF DIVIDEND:

Profit after Tax (PAT) during FY 2024-25 is Rs. (-)226.99 and Net worth is Rs. (-)1594.32 Cr. As per guidelines issued by DIPAM, Ministry of Finance vide OM No.5/2/2016-Policy dated 27-05-2016, CPSE has to pay dividend as 30% of PAT or 5% of Net worth whichever is higher. Hence, Company is not liable to declare dividend in view of Section 123 (in respect of declaration of dividend) of Companies Act 2013.

4. MARKETING ACTIVITIES

In FY24-25, HEC could bag orders only worth Rs 5.16 Cr. HEC had orders in hand worth Rs 818.80 Cr. as on 31.03.2025.

Due to a near standstill position with respect to the execution of manufacturing orders in the first half of the FY24-25, the generation of enquiries from Customers got affected. Customers withheld their requirements and enquires were not sent to HEC due to the non-execution / slow execution of orders already placed by them. Northern Coalfields Limited (NCL), a subsidiary of CIL, had suspended future business dealings for a limited time with HEC due to non-supply of spare orders placed on HEC. Also, in many high value tenders for setting-up of Coal Handling Plants and Supply of Equipment and Machineries, the financial eligibility criteria of positive net working capital and positive net worth are not allowing HEC to participate in these tenders. As a result, the order booking of FY24-25 was dismally low.

As the Production activities picked up in the second half of FY24-25, the execution of orders were prioritized as per the Customers' requirements and Marketing team is continuously making efforts for confidence building with the Customers.

ORDERS IN HAND

Outstanding Order book as on 31.03.2025 stands at Rs. 818.80 Cr.

Business Development initiatives:-

Most of the efforts were made at the Order execution front to overcome the challenges of financial constraints along with the obsolescence of machinery. Hence, in the present situation, no new products/areas were taken-up.

5.PROJECT ACTIVITIES

a.) COAL HANDLING PLANT (4.0 MTPA), KRISHNASHILA PROJECT, NCL

The plant was handed over to NCL for commercial operation and the final commercial settlement is in progress.

b.) 5.0 MTPA MADHUBAND NLW COAL WASHERY PROJECT, BCCL

The plant is under commercial operation and completed one year of commercial operation on 28.11.2024. Commercial settlement of the "Setting-up part" is under progress.

c.) INSTALLATION OF TERTIARY CRUSHING SYSTEM AT MEGHATABURU IRON ORE MINES (SAIL)

The plant was handed over to SAIL for commercial operation and the final commercial settlement is in progress.

d.) COAL HANDLING PLANT, BLOCK-B, NCL

Work order received by HEC on 05.01.2021. Work at site is undergoing in full swing and 56% completion has been achieved.

e.) COAL HANDLING PLANT, GEVRA, SECL

Work Order received by HEC on 05.02.2021. Work at site is undergoing in full swing. 62% completion has been achieved.

6.PROCUREMENT FROM MSME

The procurement from MSME, NSIC & SSI firms during the year is 12.81Cr.

7. SAFETY, ENVIRONMENT AND POLLUTION CONTROL

As always, your company gives utmost importance to the occupational safety and health of workers. Various training and awareness programme were conducted regularly in order to inculcate safety consciousness among the employees/workers. Complete medical check-ups were regularly carried out as per the statutory norms. Safety appliances like hand gloves, goggles, protective clothing, safety helmets, safety belts, safety shoes etc. were provided to the employees/workers.

The company does not compromise on environmental

pollution and takes all precautions towards pollution control.

1. Daily Safety inspection of shop floors to identify Safety Leading Indicators (Hazards Identification, unsafe condition & near misses) & Safety Lagging Indicators (like violation of uses of PPEs while working, equipment safety).
2. Imparted class room training as well as at shop floor under training within TWI & Tool Box Talk on several topics such as:-

Slip, Trip & Fall	JSA as & when required
HMI (Hand in Machine)	Hazards communication
PTW (Permit to Work)	RCA (Root cause analysis) of accidents
Working at Height	Personnel Safety
Road Safety inside plant	PPEs uses

3. Reporting of accident to Inspector of Factories, Ranchi, Jharkhand and Investigation of root causes analysis for prevention and controls to avoid reoccurrences.
4. Conducting quarterly "Plant Safety Committee" to develop safety culture and this is a forum where workers and management can discuss health & safety issues and collaborate on solution.
5. Conducting regular safety audit to access the current conditions of different areas and to identify hazard prone areas to take preventive and corrective measures.
6. Conducting behaviour based safety training as SBO (Safety Behaviour & Observation)

HEALTH AND ENVIRONMENT:-

- (a) For health preservation of employees/workers, conducting regular eye test and general health check-up. This is also a statutory provision as per Factory Act.
- (b) Monitoring of quality of ambient air at stack exit.
- (c) Monitoring of discharge water quality through drains A, B & C on a daily basis.
- (d) Regular tree plantation activities are being carried out with the help of forest department to keep the HEC areas green and reduce the pollution.
- (e) Several Health & Environment activities are being covered under Swachh Bharat Mission programmes.
- (f) To implement the condition given by JSPCB for the prevention & control of Air & water pollution
- (g) Testing of water effluent samples regularly for pollutants, based on which consent for discharge of water to inland body is granted.
- (h) Water harvesting at different location inside the premises of plan by which rain water is accumulated and stored with the intention of reusing it during the dry season.

Combined Effluent Treatment Plant (CEPT):

CETPs remove industrial effluents and polluted water

before discharging. Discharge water quality meets the specific parameters prescribed by JSPCB CETP (combined effluent treatment plant) water sampling and analysis of reports.

Compiling reports and status updating.

By reusing treated CETP water we are reducing the Water Foot Print. Leading the PCB officer at the time of factory visit for sampling of air & water. Obtaining CTO (Consent to Operate) and grant of Environmental Hazardous Waste & other correspondence with JSPCB-Jharkhand State Pollution Control Board, Ranchi Jharkhand.

8. MANPOWER POSITION

The total manpower strength as on 31 March, 2025 was 958 compared to 1065 as on 31 March 2024. This includes 367 Executives, 22 Supervisors and 569 workers. Contractual /Casual employees as on 31 March 2025 was 1416.

Comprising of various categories of employees in manufacturing plants and other offices in technical and other professional areas are as detailed below.

Sl. No.	Plant / Division	In Position as on 31/03/2025	Engineering Graduates	Diploma Holders	Professional		ITI/ NAC	General Graduates/ Post Graduates	Others
					HR	Finance			
1	FFP	285	68	2	1	4	150	10	50
2	HMBP	417	76	14	1	1	288	7	30
3	HMTP	93	14	2	0	1	71	1	4
4	HQ & Other	163	66	7	6	10	9	30	35
5	TOTAL	958	224	25	8	16	518	48	119

9. INDUSTRIAL RELATIONS

The Personnel and Industrial Relations situation in the Company during the year remained challenging. First two quarters passed with a lot of struggles. However, with engagement of contractual labours on fixed term employment, normalcy was established to some extent and the pace to production was achieved.

The primary obstacles were insufficient funds to cover employee salaries and the lack of responses from bidders in open tenders, which prevented the finalization of labor contracts for essential plant and township activities. This potentially affected productivity and overall efficiency of the company. There was no strike during the year but experienced demotivation & non-cooperation from employees.

10. EMPLOYEE WELFARE

The Company has its own residential Township, where Wellness Center under the Medical Division caters the medical needs of the regular employees. The regular employees along with their dependents family members are also provided health medical insurance through Group Medical Insurance Policy. Employees under fixed term employment are extended medical benefits under ESI Scheme. Superannuated employees are extended medical benefits through OPD & Observation facilities at Wellness Center/Medical Division.

12. STATUS OF SCHEDULE CASTES & SCHEDULE TRIBES

The number of employees on the rolls of the Company as on March 31, 2025 in SC/ST, OBC, Ex-servicemen, Persons with Benchmark Disabilities and Women Employee Categories etc. is detailed below:

Category of employees	No of employees	% of total employees
Scheduled Castes	199	20.77
Scheduled Tribes	248	25.89
Other Backward Classes	231	24.11
Ex-Servicemen	-	-
Persons with Benchmark Disabilities	12	1.25
Women employees	35	3.65
Minorities	155	16.18

13. PROGRESSIVE USE OF HINDI

Continuous efforts are being made by the Company towards implementation of the Official Language Act, Rules & Policy as per the directives of the Government to enhance the levels of usage of Official Language in the Company. An Official Language Implementation Committee has been constituted in the Company to monitor the implementation of the Official Language Act, Rules and Policy in the Company. In order to propagate the usage of Hindi as the Official Language, HINDI FORTNIGHT was observed during the month of September 2024 in the Company. Various competitions in Hindi such as Official Language Written Quiz, Vaad Vivaad competition were organized during Hindi Fortnight.

14. CELEBRATIONS OF INTERNATIONAL WOMEN'S DAY (IWD)

In HEC, 50th International Women's Day was celebrated on 08 March 2025. Large number of employees participated in the programme wherein problems and challenges faced by women employees at work place was deliberated while Government initiatives and achievement in eliminating gender bases discrimination and violence for recreating an enabling eco-system for women to thrive and become agents of social and economic changes was showcased. Women employees were felicitated during the programme. The theme of this year was 'Invest in Women Accelerate Progress'.

15. CELEBRATION OF JANJATIYA GAURAV DIVAS

In HEC, Janjatiya Gaurav Divas Day was celebrated on 15th November 2024. Large number of employees participated in this programme.



16. ONLINE ANNUAL PERFORMANCE REPORT

In order to make offices paperless online filling up of Annual Performance Appraisal Reports & Annual Property Returns are continuing successfully.

17. USES OF ELECTRICAL VEHICLE

An agreement has been signed between EESL & HEC for use of Electric Cars. Presently 16 Nos. of Electric Cars are being used by HEC.

18. DEVELOPMENT OF ANCILLARIES AND SSI UNITS

As a part of its social responsibility, your company developed an ancillary area near Tupudana with the help of Ranchi Industrial Development Authority to create opportunity of employment as well as individual entrepreneurship.

Regular interactions were organized with the SSI units to find out various scopes for mutual cooperation and entry in new areas commensurate with HEC's growth.

19. CORPORATE SOCIAL RESPONSIBILITY

The Company doesn't fall under the criteria of Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and other applicable provisions.

20. VIGILANCE ACTIVITIES

The Vigilance Organization of HEC Limited, at Headquarters is working under the overall administrative and functional control of Chief Vigilance Officer/ HEC. CVO of the Company provides a link between the organization and the Administrative Ministry & CVC. While keeping watchful eye to curb corruption, misconduct, negligence, waste & wrongful losses to the Organization, CVO also acts as an advisor to CMD and reports directly to him in all matters pertaining to vigilance.

Awareness amongst employees is generated by organizing various training/workshop programmes on various topics related to vigilance.

The following training programme were conducted / attended during financial year 2024-25:

1. Disposal of complaints:

- (a) There were no complaints pending as on 31.03.2024 and 06 Nos. of new complaints were received within FY 2024-25, totaling a tally of 06 Nos. of complaints for the financial year 2024-25. Out of 06 Nos. of complaints, all the 06 Nos. of complaints was disposed during FY 2024-25.
- (b) Out of 06 Nos. of complaints, investigation reports against 03 Nos. of complaints were submitted to HEC Management thereby suggesting punitive vigilance recommendations and systematic improvements suggestions. Also, investigation reports against 01 Nos. of complaints were submitted to CVC. 01 No. of complaints were forwarded to the concerned

Administrative Authorities to take necessary action as per prevailing rules and regulation of HEC Limited and 01 complaint was filed.

- (c) During FY 2024-25, 02 persons were awarded Major penalty and 01 person was awarded Minor penalty.

Vigilance clearance/status of employees in case of promotion, resignation, probation, retirement, NOC for Passport etc. are being given as per the requisition received from units and Vigilance Department maintains a computerized database. Submission of Annual Property Returns has been made online in the Company.

Vigilance Awareness Week 2024 was observed in HEC Ltd, Ranchi from 28th October to 3rd November, 2024 with the theme - सत्यनिश्चा की संस्कृति से राश्ट्र की समृद्धि Culture of Integrity for Nation's Prosperity", as per CVC circular No- 024/VGL/081 dated 28/08/2024. Various activities were conducted during the VAW-2024 within HEC Limited with zeal and enthusiasm in a bid to promote and instill integrity, probity, transparency and accountability in public life. Various programs were arranged during the awareness week:

- (a) A workshop was organized on following topics, i.e. (1) Maintaining Discipline in workshops through Standing Orders, (2) HEC Purchase Policy, (3) Complaint Handling Policy by Vigilance Department, (4) Cyber Hygiene and Security, (5) Ethics and Governance and (6) Conduct rules, System & Procedure of the Organisation.
- (b) Essay, Debate and Quiz programme were organized, in the HEC & nearby Schools, on the theme. A large No. of participants was attended.
- (c) Vendor meet was organized to know the problems of vendors and find out remedy for it. A large No. of Venders attended the program.
- (d) A Walkathon was organized, in the HEC Township, to spread awareness amongst HEC officials, workers and citizen.
- (e) The preventive vigilance cum internal housekeeping activities suggested by CVC was taken-up with the Management as a part of Vigilance Awareness Week-2024.

21. DISPOSAL OF REQUEST/APPEAL UNDER RTI ACT

Company emphasizes on transparency and timely submission of information sought was given priority. During the FY 2024-25, 101 numbers of RTI applications were received and were duly replied within stipulated time.

22. SAFEGUARD OF WOMEN AT WORKPLACE - ICC

The Internal Complaints Committee (ICC) was reconstituted on 04.03.2025, for Prevention of Sexual Harassment of Women at Workplace and redressal of complaints of sexual harassment in line with guidelines of the provisions of the Sexual Harassment of Women

at Workplace (Prevention, Prohibition &Redressal) Act, 2013. No complaints were received on sexual harassment of women at workplace during the year.

23. QUALITY ASSURANCE

Your company puts quality as topmost priority of the products manufactured. The company takes all measures to maintain the quality of its products and services to the utmost satisfaction of its customers. Keeping this in view Quality assurance department has been centralized for three plants.

24. R&D, TECHNOLOGY ABSORPTION, ADAPTATION, AND INNOVATION; ENERGY CONSERVATION

The particulars required under section 134 (3) of the Companies Act, 2013 regarding R&D, Technology Absorption, Adaptation and Innovation as well as Energy Conservation are furnished at Annexure- 'A'.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors 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 and of the profit and loss of the company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other

irregularities;

- d) the directors have prepared the annual accounts on a going concern basis; and.
- e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. CORPORATE GOVERNANCE

The company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Companies Act. The report on Corporate Governance is placed at Annexure-B. The report of Secretarial Auditor shall be part of Corporate Governance.

27. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report is placed at Annexure-C.

28. STATUTORY AUDITOR

The Comptroller & Auditor General of India (CAG) has appointed M/s K.C. Tak & Co., Chartered Accountants as the Statutory Auditor of the company for the financial year 2025-26.

29. COMMENTS OF C&AG AND STATUTORY AUDITORS AND MANAGEMENT'S REPLIES THEREON

The comments of C&AG under Section 143(6) of the Companies Act, 2013 on the Annual Accounts of the Company for the year ended 31.03.2025 along with the Review of Accounts of your Company by C&AG and Statutory Auditors' observations along with Management's replies thereto shall be placed at Annexure- 'D'.

30.DISCLOSURES REQUIRED UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2013

Sl. No.	Requirements	Details
1	Sec 134 (3)(a): The web address, if any, where annual return [Extract of Annual Return in Form No. MGT -9 for the financial year ending 31 st March, 2025] referred to in sub-section (3) of section 92 has been placed.	https://www.hecltd.com/ .
2	Sec 134 (3)(ca): Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.	No fraud reported by auditors.
3	Sec 134 (3)(f): Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made.	There is no qualification, reservation or adverse remarks reported by Auditor.
4	Sec 134 (3)(g): Particulars of loans, guarantees or investments under section 186.	Details available in Audited Financial Statements F.Y. 2024-25
5	Sec 134 (3)(h): Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form.	
6	Sec 134 (3)(j): The amounts, if any, which it proposes to carry to any reserves.	
7	Sec 134 (3)(l): Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.	
8	Rule 8 (5)(vii): The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.	
9	Sec 134 (3)(m): The conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed.	Details placed at Annexure- 'A'.
10	Sec 134 (3)(n): A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.	There is no risk management policy in the Company.
11	Sec 134 (3)(o): The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year.	Not required
12	Rule 8 (1): The Board's Report shall be prepared based on the stand-alone financial statements of the company and shall report on the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under report.	Not required
13	Rule 8 (2): The Report of the Board shall contain the particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the Form AOC-2.	There is no related party transactions pursuant to the provisions of the Companies Act, 2013
14	Rule 8 (3): (A) Conservation of energy- (B) Technology absorption- (C) Foreign exchange earnings and Outgo	Details placed at Annexure- 'A'.
15	Rule 8 (5)(iii): The details of directors or key managerial personnel who were appointed or have resigned during the year.	Details available in Corporate Governance Report
16	Rule 8 (5)(v): The details relating to deposits, covered under Chapter V of the Act.	Details available in Auditor's Report
17	Rule 8 (5)(vi): The details of deposits which are not in compliance with the requirements of Chapter V of the Act.	
18	Rule 8 (5)(viii): The details in respect of adequacy of internal financial controls with reference to the Financial Statements.	Details available in Auditor's Report – Annexure 3
19	Rule 8 (5)(ix): A disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.	Details available in Auditor's Report
20	Sec 118(10) & SS-1: Compliance with secretarial standard.	Complied.

31. BOARD OF DIRECTORS

Being a Central PSU, the appointment/nomination of all Directors of HEC Ltd is done by the President of India, through the Ministry of Heavy Industries. As per DPE guidelines on Corporate Governance, the Board of Directors of HEC Ltd is classified in three categories viz.,

(i) Full time Functional Directors (Whole Time Directors) consisting of Chairman cum Managing Director and four functional Directors (ii) Government Directors consisting of two Government Nominee Official Directors; and (iii) non-official part-time Directors consisting of four Independent Directors.

As on 31st March, 2025, the Board of HEC Ltd. consists of eight Directors who have been classified in three classes viz., (i) Functional Directors (Whole Time Directors), (ii) Government Nominee Official Directors and (iii) Part time Non-Official Directors. The Board includes (a) Chairman-cum-Managing Director (CMD) & Four Functional Directors i.e. Director (Finance), Director (Production), Director (Personnel) and Director (Marketing) (b) Two Government of India Nominee Official Directors and (c) One Part time Non-Official Director.

As on 31st March, 2025, there are no full-time functional directors on the Board of HEC. All the functional directors on the Board of HEC Ltd are holding additional charge in HEC. Shri Koppu Sadashiv Murthy, CMD (BHEL) is holding the Addl. Charge of the post of Chairman-cum-Managing Director (CMD). Shri Alok Kumar Singhal, ED(BHEL), Shri Manoj Lakra, Addl. GM (BHEL), Shri B S Garg, Addl. GM (BHEL) and Shri Mukesh Kumar, Addl. GM (BHEL) are holding the Addl. Charge of the Post of Director (Marketing), Director (Personnel), Director (Production) and Director (Finance) respectively in HEC Ltd.

As on 31st March, 2025, there are two Government of India Nominee Directors, namely Shri Vijay Mittal, JS/MHI and Shri Rajesh Kumar, CCA/MHI on the Board of HEC. there is one Independent Director, namely Smt. Prabha Dubey, appointed by the Ministry on 28.03.2025.

32. AUDIT COMMITTEE

Audit committee is a Board Level Committee which is responsible for oversight of the financial reporting process, selection of the auditors, statutory audit compliances, financial disclosures, prepare, presentation and reporting of financial statements, internal financial controls, receipt of audit results, etc.

Audit Committee constituted by the Board in its 341st Meeting held on 15th December, 2021 is functioning with Smt. Prabha Dubey, Independent Director, as the Chairperson of the Committee. Shri Rajesh Kumar, CCA/MHI (Govt. Nominee Director), Shri Kamal Kishore Naik (Independent Director) and Shri Ravindra Gole (Independent Director) were designated as members of the Audit Committee. Shri Kamal Kishore Naik, Independent Director passed away on 30.09.2023. As such, his post was ceased. Director (Finance) of the Company is the permanent invitee to the Meeting of

the Audit Committee. The term of office of Independent Directors / non- official directors was completed on 01.11.2024. As such, the Audit Committee is not functioning in the Company from 01. 11.2024 onwards.

33. ACKNOWLEDGEMENT

The Board gratefully acknowledges the support and guidance received from the various Ministries of the Govt. of India. The Board is particularly grateful to the Ministry of Heavy Industries for their continued support in the functioning of the Company.

The Board also wishes to place on record its thanks to the Govt. of Jharkhand for their continuous support for the functioning of the company.

The Board wishes to place on record its appreciation of the continued co-operation received from all its stakeholders including the State Bank of India, suppliers, customers, financial institutions, the Comptroller and Auditor General of India and Statutory Auditor.

The Board wishes to record its deep gratitude to all the members of the HEC family who have worked very sincerely and dedicatedly.

For and on behalf of Board of Directors


(Koppu Sadashiv Murthy)

Chairman-cum-Managing Director

ANNEXURE-A

RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION AND ENERGY CONSERVATION

I. RESEARCH & DEVELOPMENT ACTIVITIES OF THE COMPANY DURING THE YEAR

Horizontal Sliding Door:

HEC has successfully commissioned Horizontal Sliding Door (HSD) for New PSLV Integration Facility (PIF) for ISRO Sriharikota. Total 8 no of double door have been installed in upcoming Integration building of height 60m. Doors are motor driven and controlled operation.

II. ENERGY CONSERVATION

The various steps taken for Energy Conservation in HEC are as under:

- Conversion of two numbers of Producer Gas fired furnaces to LPG fired furnaces and two others are in progress.
- An agreement has been signed with EESL for Installation of new 33 KV APFC Panels to maintain APF (average power factor) as high as possible to reduce electrical energy consumption.
- Daily monitoring of condenser banks installed in 6.6 KV substations is being done for maintaining APF as high as possible.
- Switching off of ideal charged transformers wherever possible during day time is being done.

ANNEXURE – B

REPORT ON CORPORATE GOVERNANCE

1.0 COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

Heavy Engineering Corporation Limited (HEC Ltd.) believes in fair & transparent business activities, to enhance the value for all those who are associated with the Company viz., Shareholders, Customers, Vendors, Employees, Ministry of Heavy Industries, Government of India as owner or any other capacity, various State Governments, other Government agencies/departments and the society at large. Essentially HEC involves practicing of good Corporate Governance policies and believes in honesty and integrity through transparency, accountability, commitment and attaining maximum level of enrichment of the enterprises.

HEC manages its affairs in a competitive business environment in a manner that complies with all the laws and regulates the management policies/decisions for executing its strategies. HEC has made its senior management accountable in the pursuit of achieving company's objectives.

HEC is committed to practicing Good Corporate Governance. Keeping with the spirit of the Corporate Governance, the Company has enlarged and strengthened the scope of the committees formed in accordance with the Companies Act, 2013.

2.0 BOARD OF DIRECTORS:

The Board of Directors is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the interest of all our stakeholders. The Board also reviews and approves the strategic and business plans including monitoring of all major activities of the Company.

In accordance to the provisions of the Articles of Association, the number of Directors of the Company shall neither be less than two nor more than fifteen. Being a Central PSU, Appointment/Nomination of all the Directors of HEC Ltd is done by the President of India through the Ministry of Heavy Industries.

As per DPE guidelines on Corporate Governance, the Board of Directors of HEC Ltd is classified in three categories viz., (i) Full time Functional Directors (Whole Time Directors) consisting of Chairman cum Managing Director and four functional Directors(ii) Government Directors consisting of two Government Nominee Official Directors; and (iii) Non-official part-time Directors consisting of four Independent Directors. The terms, conditions and tenure of appointment of all Directors are decided by Government of India.

As on 31st March, 2025, the Board of HEC Ltd. consists of eight Directors who have been classified in three classes viz., (i) Functional Directors (Whole Time Directors), (ii) Government Nominee Official Directors and (iii) Part time Non-Official Directors. The Board includes (a) Chairman-cum-Managing Director (CMD) & Four Functional Directors i.e. Director (Finance),

Director (Production), Director (Personnel) and Director (Marketing) (b) Two Government of India Nominee Official Directors and (c) One Part time Non-Official Director. As on 31st March, 2025, there are no full-time functional directors on the Board of HEC. All the functional directors on the Board of HEC Ltd are holding additional charge in HEC. Shri Koppu Sadashiv Murthy, CMD (BHEL) is holding the Addl. Charge of the post of Chairman-cum-Managing Director (CMD). Shri Alok Kumar Singhal, ED(BHEL), Shri Manoj Lakra, Sr. DGM (BHEL), Shri B S Garg, Addl. GM (BHEL) and Shri Mukesh Kumar, Addl. GM (BHEL) are holding the Addl. Charge of the Post of Director (Marketing), Director (Personnel), Director (Production) and Director (Finance) respectively in HEC Ltd.

As on 31st March, 2025, there are two Government of India Nominee Directors, namely Shri Vijay Mittal, JS/ MHI and Shri Rajesh Kumar, CCA/MHI on the Board of HEC. there is one Independent Director, namely Smt. Prabha Dubey, appointed by the Ministry on 28.03.2025.

2.1 Chairman-cum-Managing Director:

- i. Shri Koppu Sadashiv Murthy: Chairman cum Managing Director (Addl. Charge)

2.2 FUNCTIONAL DIRECTORS:

i) Shri Alok Kumar Singhal

:Director (Marketing), Addl. Charge

ii) Shri A K Behera

:Director (Personnel), Addl. Charge

[Shri A K Behera relinquished on 24.04.2024]

iii) Shri Manoj Lakra

:Director (Personnel), Addl. Charge

[Shri Manoj Lakra joined on 25.04.2024]

iv) Shri S D Singh

:Director (Production), Addl. Charge

[Shri S D Singh relinquished on 24.07.2024]

v) Shri B S Garg

:Director (Production), Addl. Charge

[Shri B S Garg joined on 25.07.2024]

vi) Shri Rajesh Kumar Dwivedi

:Director (Finance), Addl. Charge

[Shri Rajesh Kumar Dwivedi relinquished on 30.09.2024]

vii) Shri Mukesh Kumar

:Director (Finance), Addl. Charge

[Shri Mukesh Kumar joined on 01.10.2024]

2.3 Govt. of India Nominee Part-time Official Directors:

- i) Shri Vijay Mittal, JS/MHI

- ii) Shri Rajesh Kumar, CCA/MHI

2.4 Govt. of India Nominee Non-Official (Part- time) Director / Independent Director:

- i) Smt. Prabha Dubey
- ii) Shri Ravindra Gole

Note: The term of office of Independent Directors /

non- official directors was completed on 01.11.2024. SANAND SINGH Further, Smt. Prabha Dubey reappointed as Independent Director on the Board of HEC on 28.03.2025.]

3.0 Meeting of the Board:

The Board Meetings are held at Company's Registered Office at Ranchi or at such places as may be decided by the Board. The Company Secretary serves as Secretary to the Board.

3.1 Number of Board Meetings:

During the year 2024-25, Four (4) Meetings were held, the details of which are given below:

Sl.No.	Date	Board Strength	No. of Directors present
1.	27.06.2024	09	08
2.	19.09.2024	09	08
3.	18.11.2024	09	08
4.	06.03.2025	07	07

3.2 Attendance of each Director at Board Meetings:

	Name of the Directors	Period	No. of Board Meetings held	No. of Board Meetings Attended	No. of Directorship in other Board	Whether attended last AGM held on 05.12.2024
a.	Functional Directors					
1.	Shri Koppu Sadashiv Murthy (Chairman cum Managing Director)	01.04.2024 to 31.03.2025	04	04	01	YES
2.	Shri Alok Kumar Singhal, Director (Marketing)	01.04.2024 to 31.03.2025	04	04	00	YES
3.	Shri A K Behera, Director (Personnel), relinquished on 24.04.2024	01.04.2024 to 24.04.2024	00	00	00	NA
4.	Shri Manoj Lakra, Director (Personnel), joined on 25.04.2024	25.04.2024 to 31.03.2025	04	04	01	YES
5.	Shri S D Singh, Director (Production) relinquished on 24.07.2024	01.04.2024 to 24.07.2024	01	01	00	NA
6.	Shri B S Garg, Director (Production) joined on 25.07.2024	25.07.2024 to 31.03.2025	03	03	00	Yes
7.	Shri Rajesh Kumar Dwivedi Director (Finance), relinquished on 30.09.2024	01.04.2024 to 30.09.2024	02	02	00	NA
8.	Shri Mukesh Kumar, Director (Finance), joined on 01.10.2024	01.10.2024 to 31.03.2025	02	02	01	Yes
b.	Govt. of India Nominee Part-time Official Director					
1.	Shri Vijay Mittal	01.04.2024 to 31.03.2025	04	04	04	No
2.	Shri Rajesh Kumar	01.04.2024 to 31.03.2025	04	01	02	Yes
b.	Part-time Non Official Director/Independent Director					
1	Smt Prabha Dubey	01.04.2024 to 01.11.2024	03	03	00	NA
2.	Shri Ravindra Gole	01.04.2024 to 01.11.2024	03	03	00	NA

4.0 Audit Committee:

Audit Committee Meetings are held at Company's Registered Office at Ranchi or at such places as may be decided by the Chairman of Audit Committee.

4.1 Number of Audit Committee Meetings:

During the year 2024-25, Three (3) Meetings were held, the details of which are given below:-

Sl.No.	Date	Strength	No. of Members present
1.	27.06.2024	03	02
2.	19.09.2024	03	02
3.	18.11.2024	03	02

Director (Finance) is permanent invitee of Audit Committee Meeting. The term of office of Independent Directors / non- official directors was completed on 01.11.2024. The Audit Committee is not functioning in the Company from 01. 11.2024 onwards.

4.2 Attendance of each Member at Audit Committee Meetings:

Name of the Members	Period	No. of Meetings held	No. of Meetings Attended
1. Smt. Prabha Dubey	01.04.2024 to 01.11.2024	03	03
2. Shri Rajesh Kumar	01.04.2024 to 01.11.2024	03	00
3. Shri Ravindra Gole	01.04.2024 to 01.11.2024	03	03

5.0 Annual General Meeting:

Time, Date & Venue of last five AGMs:

Year	Date	Time	Venue
2019-20(61st AGM)	22.12.2020	03:00 PM	Registered Office
2020-21(62nd AGM)	15.12.2021	03:00 PM	Registered Office
2021-22(63rd AGM)	30.09.2022	03:00 PM	Registered Office
2022-23 (64th AGM)	10.11.2023	03:00 PM	Registered Office
2023-24 (65th AGM)	05.12.2024	03:00 PM	Registered Office

6.0 Code of Conduct:

The Board of Directors has laid down Code of Business Conduct and Ethics for the Board Members and Senior Management of the Company in line with DPE guidelines.

7.0 Disclosures:

In compliance of Sec 184 of the Companies Act, 2013, the Company has obtained Disclosure of Interest (Form MBP-1) from all the Directors.

ANNEXURE – C

MANAGEMENT DISCUSSION AND ANALYSIS

Overview:

HEC has been a leading manufacturer & supplier of capital equipment & machinery in India for steel, mining, railways, nuclear power, defense, space research and strategic sectors. It also executes turn-key projects from concept-to-commissioning. In six decades of experience, HEC has contributed to the country through its engineering excellence and supply of critical equipments in strategic sectors.

1.0 SWOT Analysis: STRENGTH AND WEAKNESSES, OPPORTUNITIES AND THREATS

1.1 Strengths:

- i. Largest integrated operational setup for heavy engineering design and manufacturing equipments in the field of steel, mining, railways, nuclear power, defence, space research, core sectors and strategic sectors, etc.
- ii. HEC has one stop facility for mining and steel equipments and machine tools starting from casting, forging, machining, assembling, testing under one roof.
- iii. In the mining sector HEC has abundant potential to supply varieties of high valued and of varying range of mining equipments like Draglines, Shovels (both conventional and hydraulic), underground mining equipments and mining spares etc. More than 200 nos. of mining and mineral processing equipment are already in operation in various mines.
- iv. HEC has opened gateways for metallurgical innovations and towards indigenizing manufacturing of critical equipment and components in core and strategic sectors.
- v. HEC has technological tie-ups with the leading research engineering institutions like IIT-ISM Dhanbad, IIT Kharagpur, NIFT Ranchi for indigenization and development needs. HEC has recently taken up development of Hollow Shaft with NIFT Ranchi.
- vi. HEC has been tested with various challenges for manufacturing critical products for critical defence/ strategic requirement. It has its own in-house R & D wing to deliver products suiting customers' specifications. HEC's engineering wealth and knowledge is unparalleled in its operating segment.
- vii. HEC has capability of assimilation as well as indigenization of critical technologies via TOT transfer.
- viii. In terms of skill level, the company has well-versed engineers backed by technicians in areas of: Pattern Making, Mould Preparation, Steel Melting, Casting, Forging, Welding, Gear Manufacturing, Destructive and Non-destructive Testing, Laboratory testing etc.

1.2 Weaknesses:

- (i) Urgent Modernisation required for existing machinery which has served more than sixty years leading to frequent breakdowns, higher rejections and longer than average mean time to repair.
- (ii) Technology intensive tailor-made products.
- (iii) Products with larger manufacturing and cash conversion cycle.
- (iv) Working Capital crunch.
- (v) Lack of Technology up-gradation due to negligible Capex infusion.
- (vi) Low manpower productivity.

1.3 Opportunities:

- (i) "Make in India" and 'Atmanirbhar Bharat' initiative of the Government to boost domestic manufacturing.
- (ii) Massive demand potential in sectors like Mining, Defence, Space and Nuclear
- (iii) Most of the potential market of HEC comprise of either import substitute, single manufacture base or where the existing manufacturer are unable to meet the demand which ensures the future availability of orders.
- (iv) The average age of the Human Resources is around 45 years with a good number of young talents from diverse fields. Their capabilities are being groomed and enhanced.
- (v) HEC possesses the capacity to work as a complete research-oriented prototype manufacturer especially in metallurgical development, mining equipments and machineries.

1.4 Threats

- (i) In absence of Modernisation, HEC is losing competitiveness in the current market against the modernized competitors and is unable to participate in upcoming tenders.
- (ii) Due to delays in delivery, the customers are refraining from placing fresh orders on negotiated basis. Further, to prevent HEC from participating in tenders, various customers have suspended future business dealings with HEC.
- (iii) In case of turn-key project tenders, CIL and SAIL have introduced criteria for positive Net Working Capital and positive Net Worth respectively, due to which HEC is not able to participate in the high-value tenders for CHPs and material handling.





SATISH KUMAR & ASSOCIATES

(COMPANY SECRETARIES)

SECRETARIAL AUDIT REPORT

For the financial year ended March 31st, 2025

[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,

Heavy Engineering Corporation Limited

HEC Administration Building

Plant Plaza Road, Dhurwa

Ranchi – 834004,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of **M/s Heavy Engineering Corporation Limited** (hereinafter called the "Company"). As per the Master Data available on the MCA portal name of the company is reflecting as **M/s Heavy Engineering Corporation Private Limited, though pursuant to the exemption granted to Government Companies in respect of Section 4 (1) (a) of Companies Act, 2013, it is not required to use words Private with the name of 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 return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the audit period from April 2024 to March 2025, along with other documents/ filings as may be relevant, which has been relied upon for the financial year ended on 31st March, 2025 in respect of the compliances of the provisions of: -

Satish Kumar & Associates

Company Secretaries

Office No. 603, 6th Floor, Samridhi Square,

Kishore Ganj Chowk,

Ranchi- 834001

Ph: -09334606570/ 09135009905/ 0651-2212943

E-Mail: cssatish26@gmail.com/skaranchi2@gmail.com

PAN: -ADGFS8830H

1. The Companies Act, 2013 and the Rules made there under.

2. Secretarial Standards issued by the Institute of Company Secretaries of India.
3. Guidelines on Corporate Governance for Central Public Sector Enterprises, issued by Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.
4. Contract Labour (Regulation and Abolition) Act, 1970.
5. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
6. The Environment (Protection) Act, 1986 and other environmental laws and rules framed there under.
7. The Compliances of Specific laws as applicable on **Heavy Engineering Corporation Limited** (the Company) are the responsibility of the management of the Company. Our Report is limited to the extent of the Compliance Certificates provided by the management and its officials. *However, assurance/reliability of Compliances of Statutory and/ other Returns to be filed under the various applicable laws has been relied upon the Certificates received from the concerned HOD's or Officials of the Company.*

I. In our opinion, based on the examination carried out by us, verification of records produced to us and according to the information furnished by the Company and its Officials; the Company has complied with the provisions of the Companies Act, 2013 ("the Act") and Rules made under the Act, the Memorandum and Articles of Association of the Company, subject to the provisions as stated specifically herein; further the Company has followed proper board-processes and compliance-mechanism. However, the Compliances are subject to the remarks and/or observation stipulated herein as "**ANNEXURE-B**".

1. Form of Balance Sheet as prescribed under Part I, form of Statement of Profit and Loss as prescribed under Part II and general instructions for preparation of the same as prescribed in Schedule III to the Act.
2. Registered Office and publication of the name of the Company.
3. Filing of requisite forms and returns with the Ministry of Corporate Affairs within the time prescribed under the Act and the rules framed there under.
4. Convening and holding of the Meetings of Board of Directors and Committees thereof.
5. Convening and holding of 65th Annual General Meeting of the Members for F.Y. 2023-24 on 5th December, 2024.

6. Maintenance of Minutes of the proceedings of the Annual General Meeting, Extra-Ordinary General Meeting, Board Meetings and Meetings of Committees of the Board, properly recorded in loose leaf form, which are being bound in a book form at regular intervals.
7. Payment of Remuneration to the Directors.
8. Appointment and Remuneration of Statutory Auditors, Internal Auditors and Cost Auditors.
9. Composition and terms of reference of the Audit Committee.
10. Service of Documents by the Company on its Members and Auditors.

II We further report that

1. The Directors have disclosed their Shareholdings and Directorships in other companies and interests in other entities as and when required and their interests have been noted and recorded by the Board.
2. The Directors have complied with the disclosure requirements in respect of their eligibility of appointments and compliance with the Code of Conduct of Directors and Senior Management Personnel.
3. There was no prosecution initiated and no fines or penalties were imposed on the Company, its Directors and Officers ***in pursuance of the Act***, during the period under review.
4. No compliances of any nature are pending with the company based on the compliance mechanism established by the company and on the basis of the Compliance Certificate(s) & other certificate issued by the Company Secretary, Compliance Officer of the Company and other Departmental Heads of the Company subject to the observations referred above annexure.
5. We further report that during the Audit, the Company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Satish Kumar & Associates**



Satish Kumar

Place: Ranchi

Date: **6th August, 2025** Company Secretary

UDIN: **F008423G000949913** FCS No.: 8423

C.P. No.: 9788

Note: - This report is to be read with our letter of event date which is annexed as "Annexure-A", "Annexure-B" forms an integral part of this report

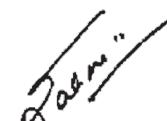
To,
The Members
Heavy Engineering Corporation Limited
Ranchi

Our report of event date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed by us provide a reasonable basis to form our opinion.
3. The compliance of the provisions of Corporate Governance and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.
4. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
5. We have not verified the correctness and appropriateness of financial records and books of account, GST and TDS Returns etc of the Company.
6. The Company has complied with the provisions, regulations, circulars except in respect of the matters specified in "**ANNEXURE-B**".

For Satish Kumar & Associates



Satish Kumar

Company Secretary

FCS No.: 8423

C.P. No.: 9788

Place: Ranchi

Date: **6th August, 2025**

UDIN: **F008423G000949913**

"ANNEXURE-B"

S.N.	Observation	Management Reply
1.	The company has not made the required statutory payments, particularly regarding contributions to the PF and ESIC.	The delay in the payment of statutory dues for PF and ESIC is mainly due to financial constraints experienced during the period. However, the management assures that all outstanding liabilities will be settled promptly in accordance with applicable laws. The company is committed to meeting its statutory obligations and ensuring timely compliance going forward
2.	The appointment of an Internal Auditor for the financial year 2024-25 has not been made, as required under Section 138 of the Companies Act, 2013.	The management assures that steps are being taken to appoint a qualified internal auditor promptly to ensure compliance with statutory requirements and enhance internal control systems. The company is committed to fully adhering to all applicable laws and regulations moving forward

For Satish Kumar & Associates



Satish Kumar
Company Secretary
FCS No: 8423
CP. No.: 9788



CMA Rajesh Gandhi
DGM (A&B) (FIN)



INDEPENDENT AUDITOR'S REPORT

To,

The Members of Heavy Engineering Corporation Limited
Report on the Audit of Standalone financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Heavy Engineering Corporation Limited** ("the Company"), CIN – U27100JH1958GOI000630, which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the Statement of Cash Flows for the year then ended and 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 Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its Loss, 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 specified under section 143(10) of the Company Act, 2013. 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Company Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 of the financial statements, which indicates that the company incurred net loss of ₹ 22,698.62 Lakh during the year ended March 31, 2025 and, as of that date, the company's current liabilities exceeded its total asset by ₹ 1,47,770.27 Lakh. As Stated in Note 3 these events or conditions, along with other matters as set forth in Note 33 and other information and explanation provided by management, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern without infusion of funds towards working capital.

The management has represented that the company is a Central Government undertaking, has submitted a plan in this regard to Ministry of Heavy Industries, Government of India in May 2020 and management has conveyed that business plan is under consideration with the Ministry of Heavy Industries, Government of India and no update was provided for the same.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

Auditors Report	Managements Reply
<p>Refer Note No. 15 - forming part of the standalone financial statements which shows that provisioning has been done against long term loans and advances which includes deposits / security deposits, advances to suppliers, claims receivable etc. A high level of judgment is required in estimating the level of provisioning. The company's assessment is not supported by the facts of matter but past practice adopted consistently in earlier years. Accordingly, unexpected adverse outcomes may significantly impact the company's reported loss and net assets. We observed that as a practice being followed consistently, the company is making provision of almost 100% against all long-term advances / security deposit given which are continuing in the books of accounts for more than 3 years.</p>	<p>Company is following a consistent practice of making 100% provision against long term loans and advances which includes deposits / security deposits, advances to supplier etc. and which are continuing in the books of accounts for more than 3 years.</p> <p>Noted for review of provisioning by applying high level of judgement.</p>
<p>Refer Note No. 8 – forming part of the standalone financial statements - “Trade payables- as shown in sl. no. 4(b) of Balance Sheet - ₹ 22,430.86 lakh - out of which item no. 4(b)(i) Outstanding dues of Micro Enterprises and Small Enterprises amounts to ₹649.06 lakh, and item no. 4(b)(ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises amounts to ₹ 21,781.80 lakh out of which, dues to Medium Enterprises amounts to ₹2,800.38 lakh and dues to Others – amounts to ₹18,981.42 lakh which has been included as liability.</p> <p>The company has reported in Note 33.18 – “Other Notes to Financial Statement” that in addition to the amount of principal liability overdue, further liability of interest is ₹4,199.28 lakh (previous year ₹8,112.45 lakh) and this has not been shown as liability in the books and or as contingent liability but shown under Other Notes to the Standalone financial Statement. The company could not produce the year wise break up for interest amount payable against dues to MSME sector. Further, the company could not produce any correspondence or any document to substantiate its efforts made towards discharging this liability to MSME sector. The liabilities of the company are over or under stated to the extent the adjustment required to be made after reconciliation and balance confirmation including adjustment of interest payable, if any, there on.</p>	<p>Note No. 8- As per Section 22 of the MSMED Act purchaser who buys goods or avail services from the MSMEs has to mandatorily disclose in additional information in respect of the principal amount and the interest due thereon remaining unpaid to the MSMEs in its annual statement of accounts in the prescribed format. HEC has complied with this requirement under Note No. 33.18 – “Other Notes to Financial Statement”.</p>

<p>Refer Note No. 18 – “Trade Receivables” – ₹ 38,897.29 Lakh (provision made ₹ 29,708.24 lakh) - Note No. 21- “Rent & Other Receivables” under Other Current Assets ₹ 6,400.86 Lakh (provision made ₹ 3,787.39 lakh) these Notes forming part of the standalone financial statement – The balances shown are subject to confirmation from the parties and consequential adjustment on reconciliation, if any. Further, as per accounting policy, the amount of Trade Receivable not realized over and above 3 years are fully provided.</p> <p>Further, there are receivables from Govt. / Govt. Agencies also which are normally not doubtful and normally are being recovered but with a delay but are being provided at 100%. The provisions are frequently written back on recovery of the said receivables. These asset heads of the company are over or under stated to the extent the adjustment required to be made after reconciliation and balance confirmation.</p>	<p>Letter for confirmation of balance in respect of Trade receivable has been sent, but confirmation is still not received.</p> <p>However, the balances in Trade receivables are in accordance with information and documents and the same practice is being followed consistently.</p> <p>Noted</p>
<p>Refer Note No. 8 – forming part of the standalone financial statements - “Trade payables – as shown in sl. no. 4(b) of Balance Sheet - ₹22,430.86 lakh – the balances shown are subject to confirmation from the parties and consequential adjustment on reconciliation, if any. The liabilities of the company are over or under stated to the extent the adjustment required to be made after reconciliation and balance confirmation.</p>	<p>Noted</p>
<p>Refer Note No. 33.1 – Sl. No. 1 – Estimated amount of contracts remaining to be executed on capital account and not provided for – ₹5,605.20 lakh (Previous Year stated – ₹5,590.60 Lakh)- this year, the company has not included capital commitments of contracts being executed by one unit for other unit / units of the Company.</p>	<p>Contract for capital items (own manufacturing) is being awarded from one unit to another unit on interplant transfer rate. The value is being shown in WIP however, since there is no third party commitment, inclusion of such values is not required.</p>
<p>Refer Note No. 33.17 – The Company could not obtain balance confirmation from Sundry debtors, Sundry Creditors, Parties to whom Loans & Advances and Security Deposit given during the course of business of the company.</p>	<p>Noted.</p>
<p>Refer Note No. – 21 – Rent and Other Receivables - There is accounting policy on Sundry debtors (Non-Trade). A high level of judgment is required in estimating the level of provisioning.</p>	<p>Noted.</p>
<p>The classification of current and non-current asset / liability is not in line with Schedule III of The Companies Act, 2013.</p>	<p>Noted.</p>
<p>The provision of long-term loans and advances have been made by the Company as per the best judgement of the plant in-charge based on current available information but the management could not produce before us the information available with plant in-charge, review report and any other document on the basis of which the decision and provisioning has been done by the Company.</p>	<p>Noted.</p>

<p>The company has made 100% provision on capital work in progress for projects temporarily suspended as certified by the plant in-charge. The management could not produce any review report and a mere two liner statement that the capital in progress is temporarily suspended has been obtained by finance department from plant in-charge and 100% provisioning has been done. The capital work in progress where in no work has been done for years altogether, those work in progress are shown as temporarily suspended by the company, which <i>prima facie</i> are permanently closed. There is no effort by the management to review and prepare a report on these capital work in progress projects of the company in which company has invested substantial amount of company's working capital.</p>	<p>Noted</p>
<p>The company working is based on outsourced contracts also and any uncertainty in their operations will have adverse impact on Company's working and revenue booking. Further seeing the quantum and nature of contingent liability, the exceptional litigation and regulatory actions in future cannot be ruled out.</p>	<p>Noted.</p>
<p>The company has not remitted ₹16,081.97 Lac payable to PF trust which include deduction made from employees on loan taken from PF trust, voluntary contribution and interest thereon. In addition to this, a sum of ₹11,275.35 lakh towards PF contribution and subscriptions was not transferred to PF Trust</p>	<p>PF dues has not been deposited in PF trust due to bad financial condition and the same has been disclosed at Note No. 33.14 (b).</p>
<p>In note no. 33.24, the company submits that no deficit is noticed in the account of Employee's Provident Fund whereas the company has not transferred a sum of ₹27,357.32 lakh to PF Trust and the company has not produced any audited account of the trust in this regard.</p>	<p>Loss on investment has been provided this year and disclosed properly. Non remittance to PF Trust is due to acute cash crunch in the company.</p>
<p>The assets and liabilities of CEFC Pratham Foundation were transferred to HEC and the amount lying in escrow account was less than the liability in this regard and moreover company's Bank has arbitrarily adjusted the amount lying in this escrow account towards payment of its overdue amount in working capital limits which is not in line with the guideline provided for escrow account</p>	<p>Banker has adjusted the amount towards overdue bank interest from escrow account to avoid slippage of HEC's account to Non-Performing Asset (NPA). However, depiction of the transaction has been done appropriately at Note No. 33.6</p>
<p>The company has not produced supporting documents with regard to review of contingent liability of the Company. The updation from the agency looking into various cases before various forum was not obtained and produced before us. The last update, if any, was not provided to us hence the contingent liability being reported is subject to increase or decrease in amounts involved in various cases to be reviewed.</p>	<p>Noted for improvement for updated status report of legal cases.</p>

<p>Refer Note No. 20 – forming part of the standalone financial statements - “Short Term Loans & Advances” – as shown in sl. no. 2(d) of Balance Sheet - ₹13,429.09 Lakh includes ₹2,742.65 Advance made to L & T Heavy Engineering and Refer Note No. 8 – forming part of the standalone financial statements - “Total Outstanding dues of Creditors other than MSME” – as shown in sl. no. 4(b)(ii) of Balance Sheet ₹21,781.80 includes ₹2,862.09 payable to L & T Heavy Engineering. Due to this Assets and Liabilities is overstated by ₹2,742.65 in the financials statement of the company</p>	<p>Advance to M/s L&T has been given against complete supply. As of now, only part supply has been made and accordingly proportionate adjustment from advance has been made, balance advance will be adjusted after completion of balance supply by M/s L&T.</p> <p>However noted for proper presentation</p>
<p>Internal Auditors (external or internal) were not appointed for the financial year 2024-25 and in the absence of report of internal auditors, our reporting is subject to this lapse on the part of company's management</p>	<p>Internal Audit cell has been formed and appropriate framework shall be put in place so that it is effective in the coming year.</p>

Our opinion is not qualified with regards to above.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditors' 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 in the audit or otherwise appears to be materially misstated.

The Audit of PF Trust of the Company during the Course of Audit for the year ending 31st March 2025 was not completed & provided to us.

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. As the Other Information has not been provided to us, we have nothing to report in this regard.

Management's Responsibility for the Standalone financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the Accounting Standards (AS) prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company 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 believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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 standalone 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

1. As required under section 143(5) of the Companies Act 2013, we give in "Annexure 1" a statement on the Directions issued by the Comptroller and Auditor General of India after complying the suggested methodology of Audit, action taken thereon and impact on the accounts and the standalone financial statements of the Company.

2. As required by the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 2" a statement on the matters specified in paragraph 3 and 4 of the Order.
3. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Company has branch offices in Kolkata and New Delhi whose accounts consolidated with headquarter.
 - d) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows are dealt with by this Report are in agreement with the books of account.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014, as amended, subject to reporting in other matter para.
 - f) There is no adverse comment on the financial transactions or matters which have any adverse effect on the functioning of the company.
 - g) On the basis of the written representations received from the directors of the Company as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - h) 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 3**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - i) There is no qualification, reservation or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
 - j) 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, being a govt. co., the said provision is not applicable
 - k) 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 later, 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.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
 - iii. As per representation received from the management, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a.) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b.) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including

foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c.) Based on our audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company have not declared or paid any dividend during the year.
- vi. As required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, we report that the company has not maintained its books of account using accounting software which has a feature of recording audit trail (edit log) facility as prescribed under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014.

Consequently:

- The company has not operated such audit trail feature during the financial year,
- The audit trail feature was not available, and
- The preservation of such audit trail could not be ensured for the statutory period.

In our opinion, this constitutes a non-compliance with the requirements of Rule 3(1) of the Companies (Accounts) Rules, 2014.

For, SANTOSH BHAUMIK & CO.
Chartered Accountants
FRN (ICAI): - 0322039E



(CA Manoj Kumar)
Partner
Membership No: 063750

Place: Ranchi
Date: 30th May 2025

UDIN: - 25063750BMIGBK7620

ANNEXURE – 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

ANNEXURE – A

Directions under section 143(5) of the Companies Act 2013 applicable for the financial year 2024-25 account's audit

- i. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT System on the integrity of accounts along with financial implications, if any may be stated.

The company has system in place to process all the accounting transactions through IT system but it lacks a robust integrated system with proper internal control system in place with well-defined financial controls and internal checks which is required for integration of all departments and process at various divisions as well as at Head Quarters. Further stores ledgers at plant store are maintained on non-integrated system. However, there is no material implication on the standalone financial statements.

- ii. Whether there is any restructuring of existing loan or cases of waiver /write off of debts/loans/interest etc. made by the lender to the Company due to the Company's inability to repay the loan? If yes, financial impact is to be stated. Whether such cases are properly accounted for?

As per information and explanation given to us, there is no restructuring of existing loan or cases of waiver /write off of debts / loans / interest etc. made by the lender to the Company due to the Company's inability to repay the loan. However, company has not paid the principal amount as well as interest of loan granted by Govt. of India due to its inability to pay instalments of loan and interest which are already due.

- iii. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for /utilized as per its terms & conditions? List the cases of deviation.

As per information and explanation given to us, funds received/receivable for specific schemes from Central/State Agencies were properly accounted for /utilized as per its terms & conditions.

For, SANTOSH BHAUMIK & CO.
Chartered Accountants
FRN (ICAI): - 0322039E



(CA Manoj Kumar)
Partner
Membership No: 063750

Place: Ranchi
Date: -30th May 2025

UDIN: - 25063750BMIGBK7620

ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Heavy Engineering Corporation Limited of even date)

- (i) (a) (A) The company is not maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The company is not maintaining proper records showing full particulars of intangible assets.
(b) These Property, Plant and Equipment were not physically verified by the management during the year.
(c) According to information given to us, all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are leased by deed of conveyance in the name of the company as at the balance sheet date.
(d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
(e) According to information given to us, no proceedings have been initiated or is pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted during the year by management and as per management report on inventory, there is no any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and wherever any discrepancies are noticed they have been properly dealt with in the books of account.
(b) The Company has not been sanctioned fresh working capital limits in excess of five crore rupees, in aggregate, during any point of time of the year, from banks or financial institutions on the basis of security of current assets.
The quarterly returns or statements filed by the company with the bank not produced before us.
- (iii) According to information and explanations given to us, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Sub-Clause (a) to (f) is not applicable to the Company.
- (iv) According to information and explanations given to us, the company has not granted loans, made investments, provided guarantees or security as defined under the provisions of sections 185 and 186 of the Companies Act.
- (v) According to the information and explanations given to us, the Company has not accepted deposits, during the year, as defined under the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder.
- (vi) According to the information and explanations given to us, the maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company and such records have been maintained by the Company but last cost audit has been done for the financial year 2023-24 till the date of our audit.
- (vii)(a) According to the information and explanations given to us and the records examined by us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues to the appropriate authorities, except as given below.

List of arrears of such outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable: -

Name of Act / Nature of Statutory Dues	Amount (Outstanding) ₹ in Lakh
CPF Loan and interest	10,794.62
Voluntary Provident Fund	5,287.35
Employer Contribution to PF	4,838.20
Employee Contribution to PF	6,437.15
Water Dues	6,750.68
Municipal Taxes	234.46
Jharkhand Pollution Control	4.00
GST Reverse charge Tax Dues	1,297.58
Professional Tax	38.70

- (b) There are statutory dues, which are outstanding, have not been deposited on account of certain dispute pending at various forums, details of such disputed dues which have not been deposited as at March 31, 2025 is attached as Annexure – “2 A.” of this report.
- (viii) According to the information and explanations given to us, there is no transaction not recorded in the books of account which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us, the Company has taken loans or borrowings from banks and government but has not issued any debentures. The loan received from Govt. of India and interest as well as penal interest payable thereon amounting to ₹ 14,984.61 Lakh has not been paid by the company. Further apparently, there is default in borrowings from bank and the recovery drive implemented by bank is not properly addressed by the Company.
- (b) According to the information and explanations given to us, the company is not a declared willful defaulter by any bank or financial institution or other lender.
- (c) According to information and explanations given to us, the company has taken inter corporate loan from Northern Coalfields Limited (NCL) amounting to ₹ 3,500 lakh with initial disbursement of ₹ 2,000 Lakh the amount is to be utilized by company exclusively for the manufacturing and supply of the spares against the orders to be placed by the NCL.
- (d) According to information and explanations given to us, the funds raised on short term basis has not been utilized for long term purposes.
- (e) According to information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally) during the year and hence reporting under clause 3 (xi)(b) of the Order is not applicable to the Company.
- (xi)(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) There is no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.
- (xii) (a) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii)(a) of the Order is not applicable to the Company.

- (b) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii)(b) of the Order is not applicable to the Company.
 - (c) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii)(c) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) The company has not appointed any internal auditor as stated in Note 33.15(h). It has been carried out departmentally.
(b) Internal Audit Report were not produced before us for the financial year 2024-25.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
(b) In our opinion and according to the information and explanations given to us, the company has not been conducted any Non-Banking Financial or Housing Finance activities.
(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
(d) In our opinion and according to the information and explanations given to us, the company is not the group which has more than one CIC as part of the Group.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, the company has incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, unless the business plan submitted to the Ministry of Heavy Industries, Government of India, is accepted and approved and funds for working capital is infused by any means.
- (xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the company is not required to transfer unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
(b) According to the information and explanations given to us, any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of subsection (6) of section 135 of the said Act.
- (xxi) Since, the company is preparing standalone financial statement and it is not preparing any consolidated financial statement of itself, its subsidiary, joint ventures or associates and hence reporting under clause 3 (xxi) of the Order is not applicable to the Company.

For, SANTOSH BHAUMIK & CO.
Chartered Accountants
FRN (ICAI): - 0322039E



Place: Ranchi
Date: 30th May 2025

(CA Manoj Kumar)
Partner
Membership No: 063750

UDIN: - 25063750BMIGBK7620

ANNEXURE "3" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Heavy Engineering Corporation Limited** 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 controls over financial reporting of Heavy engineering Corporation Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations 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 March 31, 2025, 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, subject to our observations in this regard.

- (a) The advances as well as liability lying in books are not being adjusted in time. Very old advances and old liabilities are being carried in books of the company without any review for years altogether. In few cases, the original date of advance/liability could not be traced.
- (b) The company does not have age wise details of lease rentals receivable.
- (c) The concept of maker and checker while passing the entries is not being followed.
- (d) The concept of classification of assets and liabilities as current and non-current in the case of turnkey projects and other heads is not incorporated properly.
- (e) The system of provisioning needs strengthening as there were substantial upward and downward revisions during the year in the amount of provision which are not supported by documented accounting policies and supporting documents. Further, a practice adopted few years back is being consistently being followed without any review and analyzing its impact on financials being reported.

Our opinion is not qualified with regards to above.

For, SANTOSH BHAUMIK & CO.
Chartered Accountants
FRN (ICAI): - 0322039E

Place: Ranchi
Date: 30th May 2025

UDIN: - 25063750BMIGBK7620



(CA Manoj Kumar)
Partner
Membership No: 063750

ANNEXURE – “2A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred in Annexure – 2 paragraph vii(b) under ‘Report on Other Legal and Regulatory Requirements’ section of our independent report to the Members of Heavy Engineering Corporation Limited of even date)

Nature of the Statute	Forum where Dispute is Pending	Pending Period to which the Amount Relates	Amount ₹ (in Lakh)	Amount ₹ (in Lakh)	Total ₹ (in Lakh)
Value Added Tax Act, 2005 (VAT), Central Sales Tax Act (CST)	Commissioner of Commercial Taxes, Ranchi		VAT	CST	Total
		2008-2009	10.78	10.35	21.13
		2009-2010	19.63	57.76	77.39
		2010-2011	92.41	137.18	229.59
		2011-2012	79.18	794.55	873.73
		2013-2014	397.75	16.02	413.77
		2014-2015	904.90	19.75	924.65
		2015-2016	124.91	57.88	182.79
		2016-2017	25.80	1806.23	1832.03
		2017-2018	18.87	97.30	116.17
TOTAL			1674.23	2997.02	4671.25
SERVICE TAX	Commissioner Appeal, Ranchi	2012-13 & 2013-14		Service Tax ₹ 221.05 Lakh	
CENTRAL EXCISE ACT	CESTAT, Kolkata	2015-16 to 2016-17		Excise Duty ₹ 1677.92 Lakh	
GST	GST - Ranchi	2021-22		₹ 949.64 Lakh	
		July' 2017 to March' 2018		₹ 8.78 Lakh	
The Employees Provident Fund & Miscellaneous Provision Act, 1952	High Court of Jharkhand			PF Dues	
		Mar-1976 to Sep-1999		₹ 9501.54 Lakh	
				Municipal Tax Dues	
Jharkhand Municipal Act, 2011	High Court of Jharkhand dismissed the case and directed to file the appeal before appropriate Authority. A petition has been filed on 04.08.2021 before Director, State Urban Development Authority, Ranchi	2016-2017		₹ 1686.77 Lakh	
PHED, Govt. of Jharkhand	Before Secretary Industries, Govt. of Jharkhand , for settlement	Up to 2011-12		₹ 418.04 Lakh	

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HEAVY ENGINEERING CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of Heavy Engineering Corporation Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Heavy Engineering Corporation Limited for the year ended 31 March 2025 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A.	Comments on Disclosure
1.	Contingent Liabilities and Commitments (Note No.33.1): ₹736.70 crore The above head does not include ₹ 25.39 crore ¹ towards demand for payment of holding tax raised (09.01.2025) by Ranchi Municipal Corporation (RMC). Audit noted that RMC served (08.08.2018) a demand notice of ₹3.70 crore towards payment of holding tax. The notice was contested by the company by filing a writ petition in Jharkhand High Court. An order in the above matter was passed (08.07.2019) by High court in which it was stated that demand notice of ₹3.70 crore has become enforceable. The High Court also stated that the agreement of Heavy Engineering Corporation Limited dated 02.07.1991 for making lumpsum payment of ₹ 0.08 crore cannot stop RMC to impose holding tax after enactment of Jharkhand Municipal Act 2011. Accordingly, as per direction of RMC, Heavy Engineering Corporation Limited submitted (04.08.2021) self-assessment form for holding tax admitting Annual holding tax of ₹ 0.30 crore. The form submitted by Heavy Engineering Corporation Limited was unilaterally rejected (11.01.2022) by RMC and a demand of ₹44.60 crore was raised (09.01.2025) by RMC. Management requested (17.03.2025) the RMC to reconsider their demand.

¹ ₹ 44.60 crore (demand of RMC) minus ₹ 2.34 crore (liability created) minus ₹ 16.87 crore (contingent liability)

Audit noted that the above demand of holding tax was neither paid nor recognised in the books of accounts as on 31.03.2025. As there is uncertainty in estimate of the demand, the same should be classified as contingent liability as per Clause 10.4A (b. ii) of AS 29 which states that a contingent liability is a present obligation that arises from past events but is not recognised because of reliable estimate of the amount of the obligation cannot be made as on balance sheet date. Further, the same should be disclosed as per Para 27 of the AS 29 which states that a contingent liability is disclosed, as required by paragraph 68, unless the possibility of an outflow of resources embodying economic benefits is remote.

Thus, non-disclosure of the above demand of holding tax as Contingent liability has resulted in understatement of Contingent Liabilities by ₹25.39 crore.

**For and on behalf of the
Comptroller and Auditor General of India**

**Place: Ranchi
Date: 14.08.2025**



**(J. S. Karape)
Director General of Audit (Steel)
Ranchi**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HEAVY ENGINEERING CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025.

The preparation of financial statements of Heavy Engineering Corporation Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Heavy Engineering Corporation Limited for the year ended 31 March 2025 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

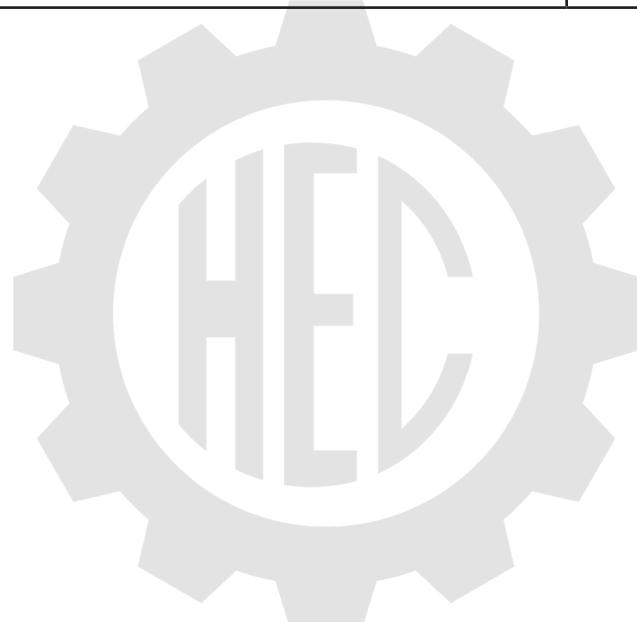
Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Disclosure

Sl. No.	Comments	Management Reply
1	<p>Contingent Liabilities and Commitments (Note No.33.1): ₹736.70 crore</p> <p>The above note does not include ₹25.39 crore towards demand for payment of holding tax (raised 09.01.2025) by Ranchi Municipal Corporation (RMC). Audit noted that RMC served a demand notice of ₹3.70 crore towards payment of holding tax. The notice was contested by the company by filing a writ petition in Jharkhand High Court (Court). An order by the above matter was passed (08.07.2019) by the High Court in which it was stated that demand notice of ₹3.70 crore was kept pending. ₹3.70 crore has become enforceable. Court also stated that the agreement of HEC Limited dated 02.07.1991 for making lump-sum payment of ₹0.08 crore cannot stop RMC to impose holding tax after enactment of Jharkhand Municipal Act 2011. Accordingly, as per direction of RMC, HEC Limited submitted (04.08.2021) self-assessment form for holding tax admitting annual holding tax ₹0.30 crore. The form submitted by HEC Limited was unilaterally rejected (11.01.2022) by RMC and a demand of ₹44.60 crore was raised (09.01.2025) by RMC. Management requested (17.03.2025) the RMC to reconsider their demand.</p>	<p>“HEC Limited submitted a self-assessment of holding tax amounting to ₹30.49 lakh per annum on 08.04.2021 to RMC. The said self-assessment was rejected by Ranchi Municipal Corporation (RMC) on 07.09.2021, and RMC subsequently raised a demand of ₹18.29 crore as on 31.03.2022, which did not align with the records of the Company. Based on its self-assessment, the Company recognized a liability of ₹11.42 crore, while the differential amount of ₹16.87 crore was disclosed as a contingent liability in books of financial year 2021-22.” HEC continued to pursue case with State Urban Development Authority (SUDA) for review of abnormally high demand of holding tax. On the request of HEC, SUDA nominated a person and asked for nodal officer from HEC to complete the self-assessment. HEC nominated the nodal officer but the assessment report is yet to be submitted. Meanwhile, RMC has further raised cumulative demand of ₹44.60 crore as on 31.12.2024. The company continues to recognize liability based on self-assessed holding tax but did not recognize the incremental differential as a contingent liability, as the matter remains under active representation with RMC and is subject to the outcome of the final assessment report and reconsideration/rectification of the demand.</p>



Audit noted that the above demand of holding tax was neither paid nor recognized in the books of accounts as on 31.03.2025. As there is uncertainty in estimate of the demand, the same should be classified as contingent liability as per Clause 10.4A (b.ii) which states that a contingent liability is a present obligation that arises from past events but is not recognized because of reliable estimate of the amount of the obligation cannot be made as on balance sheet date. Further, the same should be disclosed as per Para 27 of the AS-29 which states that a contingent liability is disclosed, as required by paragraph 68, unless the possibility of an outflow of resources embodying economic benefits is remote. Thus, non-disclosure of the above demand of holding tax as contingent liability has resulted in understatement of contingent liabilities ₹25.39 crore.



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2025

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

1. REGISTRATION & OTHER DETAILS:

i	CIN	U27100JH1958GOI000630
ii	Registration Date	31/12/1958
iii	Name of the Company	HEAVY ENGINEERING CORPORATION PRIVATE LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARE/GOVERNMENT COMPANY
v	Address of the Registered office and contact details	PLANT PLAZA ROAD, DHURWA, RANCHI - 834004
vi	Whether listed company	No
vii	Name, Address and Contact details of the Registrar and Transfer Agent, if any.	N.A

2. 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 & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Steel Plant Mining Equipments, Steel Casting, Forgings & Rolls	273	100

3. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S L . No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N.A.				
2	N.A.				
3	N.A.				

SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage to Total Equity)

i. Category – wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	0	6060788	6060788	100	0	6060788	6060788	100	0
(1) Indian									
a) Individual/HUF									
b) Central Govt.									
c) State Govt(s) d) Bodies Corporates									
e) Bank/FI									
f) Any other									
SUB TOTAL : (A) (1)	0	6060788	6060788	100	0	6060788	6060788	100	0
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
SUB TOTAL : (A) (2)									
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	6060788	6060788	100	0	6060788	6060788	100	0

B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks/FI									
C) Central Govt									
d) State Govt(s)									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):									
(2) Non Institutions									
a) Bodies Corporates									

i) Indian								
ii) Overseas								
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs								
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs								
c) Others (specify)								
SUB TOTAL (B)(2):								
Total Public Shareholding (B)= (B)(1)+(B)(2)								

C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)	0	6060788	6060788	100	0	6060788	6060788	100

(ii) SHARE HOLDING OF PROMOTER

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	G.O.I	6060788	100	0	6060788	100	0	0
	Total	6060788	100	0	6060788	100	0	0

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE) – N.A.

Sl. No.	Share holding at the beginning of the Year	Cumulative Share holding 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	6060788	100	6060788
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0
3	At the end of the year	6060788	100	6060788

5. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18606.81	4789.00		23395.81
ii) Interest due but not paid		8605.84		8605.84
iii) Interest accrued but not due		513.21		513.21
Total (i+ii+iii)	18606.81	13908.05		32514.86
Change in Indebtedness during the financial year				
Additions				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	17887.66	4789.00		22676.66
ii) Interest due but not paid		10195.61		10195.61
iii) Interest accrued but not due				
Total (i+ii+iii)	17887.66	14984.61		32872.27

6 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Total Amount (Rs. Lakh)		
1	Gross salary			
	(a) Salary as per Provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission -as % of profit -Other, Specify			
5	Others, please specify-			
6	Total (A)			
7	Ceiling As per the Act			

B. Remuneration to other Directors:

Sl.No.	Particulars of Remuneration	Name of Director			Total Amount (Amt in Rs.)
	Independent Directors	Prabha Dubey	Kamal Kishore Naik	Ravindra Gole	
	(a) Fee for attending board committee meetings	80,000	00	80,000	1,60,000
	(b) Commission				
	(c) Others, please specify- Sitting Fees				
	Total(i)				
	Other Non Executive Directors				
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify- Sitting Fees				
	Total(ii)	80,000	00	80,000	1,60,000
	TotalB= (i+ii)	80,000	00	80,000	1,60,000
	Total Managerial Remuneration	80,000	00	80,000	1,60,000
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total (Rs. Lakh)
1	Gross Salary	CEO	Company Secretary	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		19.17		
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	Others, please specify				
	Total		19.17		

7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



Heavy Engineering Corporation Limited
BALANCE SHEET AS AT 31st MARCH, 2025

	Note No.	As at 31.03.2025	₹ in Lakh As at 31.03.2024
I. EQUITY & LIABILITIES			
(1) SHAREHOLDER'S FUND			
(a) Share Capital	2	60607.88	60607.88
(b) Reserves & Surplus	3	(220039.87)	(196766.92)
(2) SHARE APPLICATION MONEY			
PENDING ALLOTMENT		0.01	0.01
(3) NON-CURRENT LIABILITIES			
(a) Long Term Borrowings	4	0.00	0.00
(b) Other Long Term Liabilities	5	4107.88	2476.71
(c) Long Term Provisions	6	7553.84	6874.66
(4) CURRENT LIABILITIES			
(a) Short Term Borrowings	7	17887.66	18606.81
(b) Trade Payables			
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		649.06	644.66
(ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	8	21781.80	16765.62
(c) Other Current Liabilities	9	152799.84	136315.22
(d) Short Term Provisions	10	1897.64	2042.01
TOTAL		47245.73	47566.66
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Property , Plant & Equpt. and Intangible Assets	11	3004.54	3381.94
(ii) Intangible Assets under development	12	0.00	0.00
(iii) Capital Work in Progress	13	1781.91	1992.48
(b) Non-Current Investments	14	0.36	0.36
(c) Long Term Loans & Advances	15	9.60	9.60
(d) Other Non-Current Assets	16	0.00	0.00
(2) CURRENT ASSETS			
(a) Inventories	17	12725.41	9709.36
(b) Trade Receivables	18	9189.05	11519.39
(c) Cash & Cash Equivalents	19	4492.30	4380.05
(d) Short Term Loans & Advances	20	13429.09	14430.61
(e) Other Current Assets	21	2613.47	2142.87
TOTAL		47245.73	47566.66

Significant Accounting Policies

1

Other Notes to Financial statements

33

Notes No 1 to 33 & Cash Flow Statement form an integral part of the Financial Statement.

A.K. Kanth
Company Secretary

CMA Rajesh Gandhi
DGM (A&B) (Fin)

CMA Mukesh Kumar
Director (Finance)

Koppu Sadashiv Murthy
Chairman and Managing Director

Place : Ranchi
Date : 30.05.2025

In terms of our report on even date

SANTOSH BHAUMIK & Co.

Chartered Accountants

FRN (ICAI) 322039E

(CA Manoj Kumar)

Partner

M No. 063750

UDIN: - 25063750BMIGBK7620



Heavy Engineering Corporation Limited
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2025

	Note No.	2024-25	₹ in Lakh 2023-24
I. Revenue from Operation	22	33906.61	16511.71
II. Other Income	23	3664.23	5306.14
III. TOTAL INCOME		37570.84	21817.85
IV. EXPENSES:			
(a) Cost of Material Consumed	24	17482.15	3936.00
(b) Changes in Inventories of FG & WIP	25	(4233.66)	137.65
(c) Employees Benefits Expenses	26	10668.35	11417.58
(d) Finance Costs	27	4616.75	4568.86
(e) Depreciation & Amortization Expenses	28	377.40	560.38
(f) Research & Development Expenditure	29	0.00	0.00
(g) Other Expenses			
(i) Manufacturing Service Cost	30 (I)	3346.76	3258.95
(ii) Manufacturing & Other Operating Expenses	30 (II)	11685.67	11901.81
(iii) Administration, Selling & Distribution Expenses	30 (III)	11020.48	8332.63
(iv) Other Provisions / Expenses Written Off	30 (IV)	5305.56	4208.89
TOTAL EXPENSES		60269.46	48322.75
Profit / (Loss) before Prior Period, Exceptional & Extraordinary Items			
Prior Period Adjustment (Net)	31	(22698.62)	(26504.90)
V. Profit/(Loss) before Exceptional & Extraordinary Items & Tax		(22698.62)	(26504.90)
VI. Exceptional Items		-	-
VII. Profit/(Loss) before Extraordinary Items & Tax (V-VI)		(22698.62)	(26504.90)
VIII. Extraordinary Items	32	0.00	(1014.20)
IX. Profit (Loss) before Tax (VII-VIII)		(22698.62)	(27519.10)
X. Tax Expenses			
(i) Current Tax		0.00	0.00
(ii) Deferred Tax		0.00	0.00
XI. Profit (Loss) for the period from Continuing Operation (IX-X)		(22698.62)	(27519.10)
XII. Profit (Loss) from Discontinuing Operation		0.00	0.00
XIII. Tax Expenses of Discontinuing Operation		0.00	0.00
XIV. Profit (loss) for the period from Discontinuing Operation (XII-XIII)		0.00	0.00
PROFIT (LOSS) FOR THE PERIOD (XI+XIV)		(22698.62)	(27519.10)

Earning per share (Face value `1000)	(1) Basic in Rupees	(374.52)	(454.05)
	(2) Diluted in Rupees	(374.52)	(454.05)

Significant Accounting Policies

Other Notes to Financial statements

Notes No 1 to 33 & Cash Flow Statement form an integral part of the Financial Statement.


A.K. Kanth

Company Secretary


CMA Rajesh Gandhi

DGM(A&B)(Fin)


CMA Mukesh Kumar

Director (Finance)


Koppu Sadashiv Murthy

Chairman and Managing Director

In terms of our report on even date

SANTOSH BHAUMIK & Co.

Chartered Accountants

FRN (ICAI) 322039E

(CA Manoj Kumar)

Partner

M No. 063750

Place : Ranchi

Date : 30.05.2025

UDIN: - 25063750BMIGBK7620

Heavy Engineering Corporation Limited
Cash Flow Statement Annexed to the Balance Sheet
For the period April 2024 - March 2025

	2024-25	₹ in Lakhs 2023-24
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(22698.62)	(26504.90)
Extra Ordinary Items	0.00	(1014.20)
	<u>(22698.62)</u>	<u>(27519.10)</u>
Adjustments for:		
Depreciation	377.40	560.38
Interest Expenses	4616.75	4568.86
Extra Ordinary Items	0.00	1014.20
Lease Income	(574.33)	(574.33)
Interest Earned	(29.20)	(42.41)
Long Term Provisions	679.18	158.72
Short Term Provisions	(144.37)	(81.85)
	<u>4925.42</u>	<u>5603.57</u>
Operating Profit before Working Capital Changes	(17773.20)	(21915.53)
Adjustments for:		
Long Term Trade Receivables (Net)	0.00	0.00
Short Term Trade Receivables (Net)	2330.34	(1409.32)
Rent & Other Receivables (Net)	(470.60)	880.45
Inventories (Net)	(3016.05)	746.78
Trade Payables	5020.58	3526.15
Other Long Term Liabilities	1631.17	1792.95
Other Current Liabilities	16484.61	24691.87
Short Term Loans & Advances (Net)	1001.52	(4420.64)
Cash Generated from Operations	5208.38	25808.24
Net Cash from Operating Activities	<u>5208.38</u>	<u>3892.71</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0.00	0.00
Sale/Adjustment of Fixed Assets	0.00	0.00
Adjustment in Capital Work-in-Progress (Net)	210.57	(2.62)
Interest Earned	29.20	42.41
Lease income	574.33	574.33
Net Cash from Investing Activities	<u>814.10</u>	<u>614.12</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Payment	(4616.75)	(4568.86)
Extra Ordinary Items	0.00	(1014.20)
Bank Borrowings	(719.15)	742.13
Change in Reserves & Surplus	(574.33)	(574.33)
Net cash from in financing activities	<u>(5910.23)</u>	<u>(5415.26)</u>
Net increase /(Decrease) in cash and cash equivalents	112.25	(908.43)
Opening Balance of Cash and Cash Equivalents	4380.05	5288.48
Closing Balance of Cash and Cash Equivalents	<u>4492.30</u>	<u>4380.05</u>
	<u>112.25</u>	<u>(908.43)</u>

Note:- The above Cash Flow statement has been prepared under the Indirect method as set out in Accounting Standard 3.



A.K. Kanth
Company Secretary



CMA Rajesh Gandhi
DGM (A&B) (Fin)



CMA Mukesh Kumar
Director (Fin.)



Koppu Sadashiv Murthy
Chairman and Managing Director

In terms of our report on even date
SANTOSH BHAUMIK & Co.
Chartered Accountants
FRN (ICAI) 322039E



(CA Manoj Kumar)
Partner
M No. 063750



CORPORATE INFORMATION

**Heavy Engineering Corporation Ltd (HEC) is a public undertaking .
HEC is engaged in manufacturing of Capital Goods.**

1. NOTE NO -1 SIGNIFICANT ACCOUNTING POLICIES

The Financial statements have been prepared as of a going concern on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

2 Fixed Assets

Fixed assets (Other than land acquired free of cost from State Government) are carried at the cost of acquisition or construction less accumulated depreciation. Land acquired free of cost from State Government is valued at Rs.1/- per acre.

3 Inventory Valuation:-

- i) Inventory is valued at actual / estimated cost or net realisable value, whichever is lower.
- ii) Finished goods and work in progress are valued at actual /estimated factory cost or net realisable value whichever is lower
- iii) Raw material, components, loose tools, stores & spares are valued at weighted average cost.
- iv) Items that are not ordinarily interchangeable and goods or services produced & segregated for specific projects- By specific identification of individual cost.
- v) Rejection and scrap/used as raw material for production is valued at closing book rate.
- vi) Bye products are valued at market price.
- vii) The percentage of completion of work in progress is taken as certified by Shop management on technical assessment .
- viii) Loose tools, Drawing instruments, etc. issued to shops are carried to inventory after writing off in 4 years in case of ordinary tools, in 10 years in case of special tools, in 2 years in case of Moulds and on estimated life in case of other items. Patterns are charged out in the year of issue itself. Only quantitative records are maintained in respect of these items in shops floor, wherever practicable.

4 REVENUErecognition:-

- i) Sales are recorded when significant risks and rewards of ownership are transferred to the customers. Part supplies against long term contracts for which GST Invoices have been raised are accounted for at contract price or provisional price.
- ii) Escalations on contracts are accounted for as per the terms of relevant contract to the extent ascertained with reasonable certainty though these are subject to confirmation/acceptance by customers for when there is provision in contract or evidence of acceptance by the customer.
- iii) Variation is accounted for when there is provision in contract or evidence of acceptance by the customer.
- iv) Sales are accounted for exclusive of GST.

9.

5 LONG TERM TURNKEY CONTRACTS :-

i) Revenue recognition:

- i) Revenue is recognized on percentage completion method based on the percentage of actual cost incurred up to the reporting date to the total estimated cost of the contract.
- ii) Income from supply/ erection of equipment/system and civil works is recognized based on dispatches to customers and works done at Project Site.

ii) Revenue recognition for incomplete / part executed / unmeasured work by client :-

Works executed but not measured / part executed / incomplete work at the end of the year are accounted for based on certification both by HEC Engineers at Project Site and the customer for the purpose of recognition of Revenue.

iii) Valuation of Work-in-progress:-

Expenditure incurred from year to year limited to the certified value of work done against the contract value including escalation less amount credited to sales against the respective contract, is accounted for as WIP

- iv) The necessary provision for losses, if any, on work to be done is made.

6 PROVISION FOR WARRANTY

- i) A provision of 0.5% on sales is made for liabilities under contractual obligations / warranties. Provision for warranties expenses will be written
- ii) back as income after the expiry of one year. Expenses on warranties/contractual obligation are accounted for against natural heads in the year of incurrence.

7 EMPLOYEES BENEFITS:-

- i) Long term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service namely sick leave and post retirement benefits namely gratuity, Retirement Traveling Assistance and Leave Encashment are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuation and Leave Travel Allowance (for eligible employee) are accounted on estimated basis.
- ii) Long Term employee benefits recognized in the balance sheet represent the present value of the obligation as adjusted for unrecognized past service cost, if any, and as reduced by the fair value of plan assets, wherever applicable and actuarial gain / loss to the extent recognized in Profit & Loss Account. Actuarial gains and losses are recognized in the Profit and loss account to the extent it exceeds the unrecognized portion of transitional liability
- iii) The transitional liability in respect of long term employee benefit is recognized as an expense on a straight line basis over a period of five years.
- iv) Gratuity and Leave Encashment are provided for on the basis of actuarial valuation made, based on the data of the Balance sheet date.

8 DEPRECIATION

Depreciation on fixed assets is charged on straight line method as per the rates prescribed in the Schedule II of the Companies Act, 2013 and in respect of additions to/ deductions from the fixed assets during the year depreciation is charged on pro-rata monthly basis. Wherever breakup of foundation cost for plant and machinery and plant building is not available, depreciation is charged at the rate applicable to plant building.

9 SUNDRY DEBTORS

- a) This includes items billed at provisional rates pending finalization of prices and receipt of formal orders from customers after adjustment on pro-rata basis of advances/progress payments received against the relevant contract.
- b) The Provision is made against debtors outstanding for more than 3 years from the due date.

10 GRANT-IN-AID

Government grants received against Voluntary Retirement Scheme are set off against related expenses. Unspent balances of Grants-in-Aid are carried forward to subsequent years under Head "Liabilities". Grants received against other revenue are recognized as other income over the years to which it relates.

11 INVESTMENT

Investment held/intended to be held over one year (i.e. being long term) are valued at cost less provision for diminution in value other than temporary, while current quoted investments are valued at lower of cost or market value.

12 RESEARCH & DEVELOPMENT

Major expenditure relating to Research & Development is charged to profit & loss account in the year of incurrence. However, expenditure on fixed assets relating to Research & Development is treated in the same way as other fixed assets. Depreciation on such fixed assets is shown along with other Research & Development Expenditure.

13 FOREIGN CURRENCY TRANSACTIONS

Monetary assets and liabilities relating to foreign currency transactions including deferred credit payments remaining outstanding at the Balance Sheet date are converted at year end rates. The differences in conversion of assets and liabilities and realized gains and losses on foreign exchange transaction during the year are accounted for in the Profit & Loss Account, except those relating to acquisition of fixed assets which are adjusted in the cost of fixed assets.



14 CLAIM BY/AGAINST THE COMPANY / LIQUIDATED DAMAGES (LD) DEDUCTED/RECOVERED BY CLIENTS FROM HEC BILLS/ LIQUIDATED DAMAGES (LD) DEUDCTED/RECOVERED BY HEC FROM SUPPLIER'S BILL :-

- (i) Liquidated damages (LD) would be accounted for as soon as it is deducted /recovered by clients from HEC bills and cases of specific damages and claims disputed by the company are provided for on reasonable estimate by the Company.
- (ii) Liquidated Damages recovered are recognized as income in the year of incurrence. In case LD recovered is to be returned to the supplier, the same shall be treated as expenses in the year of payment.
- (iii) Liquidate Damages deducted by client are recognized as expenses in the year of incurrence. In case LD deducted by client is refunded, the same shall be treated as income in the year of receipt.
- (iv) Export incentives, Railways and Insurance claim sale of sundry disposable materials & certain scraps, refund of excise & custom duty and income from other similar items are accounted for on ascertainment of the amount and certainty of their realization / claim.

5.

15. INTER PLANT COST ALLOCATION

The following expenses are allocated in different Plants on the basis stated hereunder:-

- (a) HQRS expenses (Net) –Budgeted production of each Plant.
- (b) Township expenses (Net) – No. of quarters allotted to each Plant.
- (c) Interest - Actual cash utilization by each plant in the preceding year.
- (d) CISF expenses- No. of CISF personnel deployed in each Plant.

16. INVENTORY

Non moving items of stores are analyzed from time to time. Materials found surplus on physical verification are either disposed off or reviewed to find out alternative uses for the same. Loss, if any, is accounted for when it is ascertained. However non moving items for more than 3 years, the maximum provision, if required, is to be restricted to 90 % of value of inventory.

17. PRIOR PERIOD ADJUSTMENTS

Income/Expenditure relating to Prior Period Expenses, which do not exceed Rs. 1.00 Lakhs in each case, are treated as Income/Expenditure of Current Year and charged to natural heads of accounts.

HEAVY ENGINEERING CORPORATION LIMITED
(NOTES FORMING PART OF BALANCE SHEET)

₹ in Lakh

	As at 31.03.25	As at 31.03.24
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NOTE NO. - 2

SHARE CAPITAL

Authorised Capital

1,00,00,000 (Previous Year 1,00,00,000) Equity Shares of ` 1000/- each	100000.00	100000.00
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Issued & Subscribed & Paid up Capital

60,60,788 (Previous Year 60,60,788) Equity Shares of ` 1000/- each fully paid up, Out of which 5496 (Previous Year 5496) Shares allotted for consideration other than Cash	60607.88	60607.88
Net Balance	60607.88	60607.88

Shareholding of Promoters

Share held by Promoters at the end of the year		% Change during the year	
Promoter Name	No of Shares	% of Total Shares	
President of India	6060788	100%	NIL

NOTE NO. - 3

RESERVE & SURPLUS

Capital Reserve

Opening Balance	6690.65	7264.98
Addition during the year	0.00	0.00
Deduction during the year	6690.65	7264.98
Surplus	574.33	574.33
Opening Balance	(203457.57)	(175938.47)
Addition during the year	(22698.62)	(27519.10)
TOTAL	(220039.87)	(203457.57)
		(196766.92)

NOTE NO. - 4

LONG TERM BORROWINGS

TOTAL	0.00	0.00
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NOTE NO. - 5

OTHER LONG TERM LIABILITIES

(a) Trade Payables

Sundry Creditors	3047.64	1516.36
(b) Others		
Securities & Other Deposits from Contractors	1046.56	946.67
Other Liabilities	13.68	13.68
TOTAL	4107.88	2476.71

NOTE NO. -5(a) Trade Payables ageing Schedule

Particulars	As at 31-03-2025				
	Outstanding for the following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	0.00	0.00	0.00	0.00	0.00
(ii) Others	1531.28	1428.91	28.85	58.60	3047.64
(iii) Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00
Total	1531.28	1428.91	28.85	58.60	3047.64

NOTE NO. -5(a) Trade Payables ageing Schedule

Particulars	As at 31-03-2024				
	Outstanding for the following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	0.00	0.00	0.00	0.00	0.00
(ii) Others	1428.91	28.85	23.40	35.20	1516.36
(iii) Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00
Total	1428.91	28.85	23.40	35.20	1516.31

HEAVY ENGINEERING CORPORATION LIMITED
(NOTES FORMING PART OF BALANCE SHEET)

₹ in Lakh

	As at 31.03.25		As at 31.03.24	
NOTE NO. - 6	LONG TERM PROVISIONS			
(a) Provision for Employee Benefits				
Provision for Gratuity	5108.57		5240.87	
Provision for Leave Encashment	2144.32		1357.55	
Provision for RTA	<u>62.34</u>	7315.23	<u>21.61</u>	6620.03
(b) Others				
Provision for Impaired Assets	62.38		62.38	
Provision for Warranty Expenses	<u>176.23</u>	<u>238.61</u>	<u>192.25</u>	254.63
TOTAL		<u>7553.84</u>		<u>6874.66</u>

NOTE NO. - 7

Secured Loans

Working Capital Loan from Bank	17887.66	18606.81
(Secured by Hypothecation of raw materials, finished Goods, Work-in-Progress, Stores and Spare parts and Book Debts)		
Interest @ 9.00 above MCLR	<u>17887.66</u>	<u>18606.81</u>
TOTAL		

Note: Statements of Current Assets submitted to the Bank are normally in agreement with Books of Accounts

NOTE NO. - 8

	TRADE PAYABLES				
Total Outstanding dues of Creditors other than Micro Small and Medium Enterprises	18981.42				14088.80
Total Outstanding dues of Medium Enterprises	<u>2800.38</u>				2676.82
TOTAL	<u>21781.80</u>				<u>16765.62</u>

NOTE NO. -8(a) Trade Payables ageing Schedule

Particulars	As at 31-03-2025				
	Outstanding for the following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	1098.21	644.70	219.31	1487.21	3449.43
(ii) Others	3954.85	2873.67	216.24	11936.67	18981.43
Total	5053.06	3518.37	435.55	13423.88	22430.86

NOTE NO. -8(a) Trade Payables ageing Schedule

Particulars	As at 31-03-2024				
	Outstanding for the following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
(i) MSME	1546.55	287.56	347.82	1139.55	3321.48
(ii) Others	2950.16	392.72	1747.93	8997.99	14088.80
Total	4496.71	680.28	2095.75	10137.54	17410.28



HEAVY ENGINEERING CORPORATION LIMITED
(NOTES FORMING PART OF BALANCE SHEET)

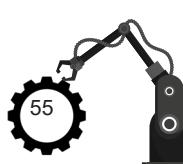
₹ in Lakh

NOTE NO. - 9	As at 31.03.25		As at 31.03.24
	OTHER CURRENT LIABILITIES		
Employees Liabilities	37924.88		32058.92
VRS Liabilities	1.36		1.36
CPF Interest	7703.69		4432.01
Gratuity Interest	1650.02		1424.16
Loan from Govt. of India*	4789.00	4789.00	
Add: Interest Accrued and due on Govt. Loan	10195.61	14984.61	9119.05
Govenment Grant [Unutilised]			13908.05
Received from GOI for payment of Tax	18243.00	18243.00	
Less : Charged against Capital gain Tax(13-14)	9245.61	9245.61	
Less : Charged against Capital gain Tax(17-18)	6200.00	6200.00	
Less: Balance Advance Tax	2054.39	2054.39	
Add: Interest Income	2979.63	3722.63	2792.48
CEFC Liability	272.63		272.63
Securities & Other Deposits from Contractors	4124.39		3995.04
Amt. received from Govt. Grant -in-aid for 5 Cum Excavator	500.00	500.00	
CISF Dues	15962.54		13418.70
CISF Interest	9945.78		7049.27
Electricity Dues	14529.62		13132.79
Electricity Dues (DPS)	11184.61		8894.96
Water Dues	6750.68		6362.71
PF Trust Payable	559.43		0.00
Advance from Customers	9670.94		15155.31
Other Liability	86.59		86.53
Security Expenses (Private)	357.12		357.12
Taxes Payable	2050.98		1765.12
Works Contract	8723.50		8236.02
EESL Liability	1170.19		958.49
Municipal Taxes / Charges	234.46		203.96
Miscellaneous	689.19		566.60
TOTAL	152799.84		136315.23

* Govt. Loan matured for payment

NOTE NO. - 10

	SHORT TERM PROVISIONS		
(a) Provision for Employee Benefits			
Provision for Gratuity	660.88	635.68	
Provision for Leave Encashment	737.11	1046.29	
Provision for RTA	4.94	41.33	
Provision for LTA	144.51	140.97	
Provision for Revision of Pay Scale for Employees	123.89	1671.33	123.89
(b) Others			1988.16
Provision for Warranty Expenses	226.31		53.85
TOTAL	1897.64		2042.01





HEAVY ENGINEERING CORPORATION LIMITED
(NOTES FORMING PART OF BALANCE SHEET)

₹ in Lakh

NOTE NO. - 11

Property , Plant & Equipment and Intangible Assets

A. Property , Plant and Equipment

Type of Assets	Gross Block				Depreciation				Net Block	
	Cost as on 01.04.24	Addition/ Adjustment	(Deduction) / Adjustment	Cost as on 31.3.25	Upto 31.03.24	for the year	Addition/ (Deduction)	upto 31.03.25	As on 31.03.25	As on 31.03.24
1	2	3	4	5	6	7	8	9	10	11
Land (including Development of land) *	218.88	0.00	0.00	218.88	0.00	0.00	0.00	0.00	218.88	218.88
Buildings	5838.91	0.00	0.00	5838.91	5468.33	7.47	0.00	5475.80	363.11	370.58
Roads	266.17	0.00	0.00	266.17	252.90	0.00	0.00	252.90	13.27	13.27
Plant and Machinery	27797.83	0.00	0.00	27797.83	25659.71	286.35	0.00	25946.06	1851.77	2138.12
Furniture and Fittings	166.76	0.00	0.00	166.76	139.63	3.68	0.00	143.31	23.45	27.13
Motor Vehicles	147.73	0.00	0.00	147.73	137.95	0.80	0.00	138.75	8.98	9.78
Railway Sidings	469.39	0.00	0.00	469.39	446.72	0.00	0.00	446.72	22.67	22.67
Office Equipments	233.01	0.00	0.00	233.01	223.17	1.43	0.00	224.60	8.41	9.84
Computers & Data Processing Units	739.35	0.00	0.00	739.35	659.19	32.51	0.00	691.70	47.65	80.16
Electrical Installations and Equipments	843.54	0.00	0.00	843.54	734.14	10.35	0.00	744.49	99.04	109.40
Pipelines and Sluices	605.56	0.00	0.00	605.56	569.12	2.17	0.00	571.29	34.27	36.44
SUB - TOTAL OTHER ASSETS (i)	37327.12	0.00	0.00	37327.12	34290.86	344.77	0.00	34635.63	2691.48	3036.26
ASSETS GIVEN ON LEASE										
Land (including Development of land) *	22.32	0.00	0.00	22.32	0.00	0.00	0.00	0.00	22.32	22.32
Buildings	807.08	0.00	0.00	807.08	554.35	29.52	0.00	583.87	223.21	252.73
SUB - TOTAL OTHER ASSETS (ii)	829.40	0.00	0.00	829.40	554.35	29.52	0.00	583.87	245.53	275.05
IMPAIRED ASSETS										
Plant & Machinery (As on 31.03.2024)	1014.39	0.00	0.00	1014.39	952.04	0.00	0.00	952.04	62.35	62.35
Plant & Machinery (During 2024-25)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUB - TOTAL IMPAIRED ASSETS (iii)	1014.39	0.00	0.00	1014.39	952.04	0.00	0.00	952.04	62.35	62.35
Total - Property,Plant & Equipment (i+ii+iii) (A)	39170.91	0.00	0.00	39170.91	35797.25	374.29	0.00	36171.54	2999.36	3373.66

B. Intangible Assets

Computer Soft ware	15.54	0.00	0.00	15.54	7.25	3.11	0.00	10.36	5.18	8.29
Total - Intangible Assets (B)	15.54	0.00	0.00	15.54	7.25	3.11	0.00	10.36	5.18	8.29
Total (A + B)	39186.45	0.00	0.00	39186.45	35804.50	377.40	0.00	36181.90	3004.54	3381.95
PREVIOUS YEAR FIGURES	39186.45	0.00	0.00	39186.45	35244.12	560.38	0.00	35804.50	3381.95	

Current period depreciation 377.40

Total Depreciation 377.40

* Average Circle Rate of Vacant Land as on 2021 is Rs.1120 Lakhs Per acre

₹ in Lakhs

Note: Status of Land	Acres	Rate	Amount
a) Land Transferred to GOJ	2360.41		
b) Land Transferred to CISF	158.00		
c) Land Transfer to GOJ for Smart City	647.08		
d) Encroched Land	73.05	1120	81816.00
e) Land given on lease	313.31	1120	350907.20
f) Land for own use	3647.66	1120	4085379.20
Total land as per original deed	7199.51		4518102.40

NOTE NO. - 12

Intangible Assets under development

Intangible Assets under Development	0.00
Total	<u>0.00</u>



HEAVY ENGINEERING CORPORATION LIMITED
(NOTES FORMING PART OF BALANCE SHEET)

₹ in Lakh

	As at 31.03.25	As at 31.03.24
NOTE NO. - 13		
Capital Work in Progress		CAPITAL WORK IN PROGRESS
Plant & Machinery	4147.03	4131.52
Less: Provisions	<u>2365.12</u>	<u>2139.04</u>
TOTAL	<u>1781.91</u>	<u>1992.48</u>

Note No. 13 (a) Capital Work-in-Progress Ageing Schedule

CWIP	As at 31-03-2025				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	0.00	0.00	512.22	1269.69	1781.91
Projects temporarily suspended	0.00	0.00	0.00	2365.12	2365.12
Total	0.00	0.00	512.22	3634.81	4147.03

Note No. 13 (b) Capital Work-in-Progress Completion Schedule as at 31.03.2025

CWIP	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Refurbishment of 6000 T press (FFP)	1781.91	0.00	0.00	0.00	1781.91

Note No. 13 (a) Capital Work-in-Progress Ageing Schedule

CWIP	As at 31-03-2024				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	0.00	512.22	1268.63	211.63	1992.48
Projects temporarily suspended	0.00	0.00	572.85	1566.19	2139.04
Total	0.00	512.22	1841.48	1777.82	4131.52

Note No. 13 (b) Capital Work-in-Progress Completion Schedule as at 31.03.2024

CWIP	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Revamping 2 furnace (FFP)	0.00	211.63	0.00	0.00
Refurbishment of 6000 T press (FFP)	0.00	1778.23	0.00	0.00

Details of Project where activity has been temporarily suspended

	As at 31.03.2025	As at 31.03.2024
SCH NO : 01405-2 Modernisation of Shop (FFP)	58.24	58.24
SCH NO : 11805-1 Software (FFP)	50.91	50.91
SCH NO : 11102-1 Installation of CETP (FFP)	210.93	210.93
Technology Development - Chittmash (FFP)	572.81	572.81
SCH NO : 11408-1 CEN.Cylinder / 6000T (FFP)	59.79	59.79
Misc. Items (FFP)	15.58	15.58
SCH NO : 71210-1 Roller Table (FFP)	107.18	107.18
SCH NO : 71311-4 Electro Hydo Fettling (FFP)	303.71	303.71
Revamping 2 Furnaces	211.63	0.00
Refurbishment 6000T Press (Foreign Exchange Variance)	14.45	0.00
Plate Straightning (HMBP)	31.51	31.51
Welding Rotator (HMBP)	0.86	0.86
30/5T Crane (HMBP)	5.79	5.79
Foundation for Machine No. SR 125 (HMBP)	3.16	3.16
Radio Control System	5.20	5.20
CNC Lathe	140.00	140.00
Foundation of CNC Lathe Model LRT-65N/5M in 020 Shop	0.52	0.52
OKBM (Rendering services on Technical Audit) (HMBP)	572.85	572.85
Total	2365.12	2139.04



**HEAVY ENGINEERING CORPORATION LIMITED
(NOTES FORMING PART OF BALANCE SHEET)**

₹ in Lakh

	As at 31.03.25	As at 31.03.24
NOTE NO. - 14		
NON-CURRENT INVESTMENTS		
Investments in Equity Instruments		
(Other than trade investment), Unquoted		
3575 (Prev. Year 3575) Equity Share of ₹ 10/- each of Engineering (Projects) India Limited.	0.36	0.36
	<u>0.36</u>	<u>0.36</u>

Note: The paid up value of equity share of Engineering (Projects) India Limited has been reduced from ₹ 38.95/- to ₹ 10/- due to restructuring as confirmed by Engineering Project (India) Ltd vide order No.DLI/SEC/AGM/003/40 Dated 22.03.2011.

As Financial status as on 31.03.2025 is not available, the value of share is ₹ 0.23 Lakhs on the basis of Financial status as on 31.03.2024.

NOTE NO. - 15

LONG TERM LOANS & ADVANCES

(a) Loans & Advances

[Advances & other amounts recoverable in cash or in kind or for value to be received (including cost of materials supplied to the contractors, outside parties and/or pending adjustment)]

Doubtful

(b) Deposits With

Private Parties

Government Authorities

(c) Security Deposit

(d) Others

Advances to Employees

Claims Receivable

	Gross Amount	Provision	Net Amount	Gross Amount	Provision	Net Amount
Doubtful	656.82	656.82	0.00	655.51	655.51	0.00
(b) Deposits With						
Private Parties	0.87	0.32	0.55	0.87	0.32	0.55
Government Authorities	208.23	199.27	8.96	208.23	199.27	8.96
(c) Security Deposit						
33.71	33.71	0.00	33.71	33.71	0.00	0.00
(d) Others						
Advances to Employees	0.64	0.64	0.00	0.64	0.64	0.00
Claims Receivable	4266.69	4266.60	0.09	4266.69	4266.60	0.09
Total	5166.96	5157.36	9.60	5165.65	5156.05	9.60

Particulars of Long Term Loans & Advances

Secured, Considered Good	0.00	0.00
Unsecured, Considered Good	9.60	9.60
Doubtful	<u>5157.36</u>	<u>5156.05</u>
Total	5166.96	5165.65

NOTE NO. - 16

OTHER NON-CURRENT ASSETS

Long Term Trade Receivables

(A) Public Sector & Govt. Deptt.

Un Secured, Considered Good	0.00	0.00
Doubtful	<u>5859.37</u>	<u>3703.09</u>
TOTAL (A)	5859.37	3703.09
(B) Others		
Un Secured, Considered Good	0.00	0.00
Doubtful	<u>21.51</u>	<u>21.51</u>
TOTAL (B)	21.51	21.51
SUB TOTAL (A+B)	5880.88	3724.60
Less: Provision for Doubtful debts	<u>5880.88</u>	<u>3724.60</u>
Provision against LD deducted & charged	<u>0.00</u>	<u>0.00</u>

Notes:

1: Long Term Trade Receivables also include not due ₹3033.20 Lakhs (Previous Year ₹876.92 Lakhs) relating to equipments and Spares already supplied but realization there of is subject to compliance of certain contractual obligations.

HEAVY ENGINEERING CORPORATION LIMITED
(NOTES FORMING PART OF BALANCE SHEET)

Note No. 16(a) Trade Receivables Ageing Schedule

₹ in Lakh

Particulars	As at 31-03-25					
	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables- Considered good	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Undisputed Trade receivables- Considered doubtful	0.00	0.00	0.00	0.00	5880.88	5880.88

Note No. 16(a) Trade Receivables Ageing Schedule

As at 31-03-24

Particulars	As at 31-03-24					
	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables- Considered good	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Undisputed Trade receivables- Considered doubtful	0.00	0.00	0.00	0.00	3724.60	3724.60

NOTE NO. - 17

INVENTORIES

(As certified by the Management)

Raw Materials & Components	4949.47			5242.57	
Less: Provision / Stock Adjustment	3636.28	1313.19		3279.52	1963.05
Stores, Spares & Components including Construction Materials	1186.18				1272.60
Less: Provision / Stock Adjustment	508.72	677.46		444.18	828.42
Loose Tools, Drawing Instruments etc.	88.55				151.05
Less: Provision	58.75	29.80		52.76	98.29
Stock of Finished Products	634.94				445.77
Less: Provision	90.68	544.26		89.11	356.66
Work-In-Progress	4762.91				4442.12
Less: Provision	776.39	3986.52		429.66	4012.46
Work-In-Progress (Turnkey Project)	6174.18				2450.48
Less: Provision	0.00	6174.18		0.00	2450.48
Total Inventory	17796.23				14004.59
Less: Provision / Stock Adjustment	5070.82	12725.41		4295.23	9709.36
TOTAL		12725.41			9709.36

Notes:

- 1: Finished Stock & WIP includes items worth ₹ 158.98 Lakhs (Previous Year ₹203.55 Lakhs) against closed, cancelled & old work orders which has been valued at scrap rates.
- 2: Non-Moving Raw Materials and Stores & Spares for more than 3 yrs are ₹ 4558.17 Lakhs (Previous Year ₹ 4086.18 Lakhs). The existing provision is considered adequate.
- 3: Raw Materials & Components including scrap at shop floor ₹ 52.33 Lakh (Previous Year ₹ 59.22 Lakhs)

HEAVY ENGINEERING CORPORATION LIMITED
(NOTES FORMING PART OF BALANCE SHEET)

₹ in Lakh

		As at 31.03.25			As at 31.03.24		
NOTE NO. - 18		TRADE RECEIVABLES					
Short Term Trade Receivables		Over Six Months	Other Debts	Total	Over Six Months	Other Debts	Total
(A) Public Sector & Govt. Deptt.							
Un Secured, Considered Good	4777.26	4411.57	9188.83	8426.15	3078.68	11504.83	
Doubtful	28803.49	97.68	28901.17	26568.71	1662.19	28230.90	
	SUB TOTAL (A)	33580.75	4509.25	38090.00	34994.86	4740.87	39735.73
(B) Others							
Un Secured, Considered Good	0.22	0.00	0.22	14.56	0.00	14.56	
Doubtful	807.07	0.00	807.07	794.09	0.00	794.09	
	SUB TOTAL (B)	807.29	0.00	807.29	808.65	0.00	808.65
	TOTAL (A+B)			38897.29			40544.38
Less: Provision for Doubtful debts				16937.11			16423.31
Less: Provision against LD deducted & charged				12771.13			12601.68
	NET TOTAL			9189.05			11519.39

Notes:

1: Short Term Trade Receivables also include not due ₹ 3293.23 Lakhs (Previous Year ₹7249.95 Lakhs) relating to equipments and Spares already supplied but realization there of is subject to compliance of certain contractual obligations.

Note No. 18(a) Trade Receivables Ageing Schedule

Particulars	As at 31-03-25					
	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables- Considered good	4411.57	169.28	537.16	554.41	3516.63	9189.05
(ii) Undisputed Trade receivables- Considered doubtful	97.68	40.96	1676.95	339.54	27515.58	29670.71
(iii) Disputed Trade receivables- Considered doubtful	0.00	0.00	0.00	0.00	37.53	37.53
Total	4509.25	210.24	2214.11	893.95	31069.74	38897.29

Note No. 18(a) Trade Receivables Ageing Schedule

Particulars	As at 31-03-24					
	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables- Considered good	3078.68	132.88	953.70	1320.09	6034.04	11519.39
(ii) Undisputed Trade receivables- Considered doubtful	1660.36	12.55	355.57	1810.80	25148.18	28987.46
(iii) Disputed Trade receivables- Considered doubtful	0.00	0.00	0.00	0.00	37.53	37.53
Total	4739.04	145.43	1309.27	3130.89	31219.75	40544.38

HEAVY ENGINEERING CORPORATION LIMITED
(NOTES FORMING PART OF BALANCE SHEET)

₹ in Lakh

	As at 31.03.25	As at 31.03.24
NOTE NO. - 19		
		CASH & CASH EQUIVALENTS
(a) Balance with Schedule Bank Current Account	1587.78	1622.87
(b) Cash in hand	0.32	0.32
Less : Provision *	<u>0.32</u>	<u>1587.78</u>
(c) Others		<u>0.32</u> 1622.87
(Earmarked balances with Banks)		
Short Term Deposit with Schedule Bank **	2904.52	2757.18
	TOTAL	4492.30
		4380.05
* Mutilated notes and coins not in circulation		
** (It includes unutilised Govt. Grant and Interest accrued kept aside in the form of TDR for payment of Capital Gain Tax ₹ 2894.21 Lakhs)		
NOTE NO. - 20		
		SHORT TERM LOANS & ADVANCES
(a) Loans and Advances		
Un Secured, Considered Good	3081.52	4190.24
(b) Deposits with		
Private Parties	0.99	0.99
Government Authorities	862.74	726.17
(c) Security Deposit		
Unsecured Considered Good	2685.91	1579.61
(d) Others		
Advance to Employees	56.40	46.36
Prepaid Expenses	77.68	93.43
Receivables	5886.91	7169.33
Income Tax deducted at source	<u>999.84</u>	<u>847.88</u>
	SUB TOTAL	13651.99
		14654.01
Less: Provision for bad & doubtful Advances	222.90	223.40
	TOTAL	13429.09
		14430.61
Particulars of Short Term Loans & Advances		
Secured, Considered Good	7661.66	8660.76
Unsecured, Considered Good	5767.43	5769.85
Doubtful	222.90	223.40
Total	13651.99	14654.01
NOTE NO. - 21		
		OTHER CURRENT ASSETS
Rent and Other Receivables		
(A) House Rent, Water & Electricity		
a) Public Sector & Govt. Dept.		
(i) Secured Consider Good	2021.76	1928.73
(ii) Doubtful	<u>3175.93</u>	<u>5197.69</u>
b) Private Party		
(i) Unsecured Consider Good	591.71	214.14
(ii) Doubtful	<u>611.46</u>	<u>1203.17</u>
	Total (A + B)	6400.86
Less: Provision for Doubtful Receivables	<u>3787.39</u>	<u>892.68</u>
	Net Amount	2613.47
		5659.26
		3516.39
		2142.87



Heavy Engineering Corporation Limited
(NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS)

₹ in Lakh

2024-25

2023-24

NOTE NO. - 22

REVENUE FROM OPERATION

Sales & Services

Sale of Products	32095.02	16501.96	
Sale of Services	<u>1811.59</u>	<u>33906.61</u>	<u>9.75</u>

Other Operating Revenue

Job Done for Internal Use	0.00	0.00	
Add: Inter Plant Transfers	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>33906.61</u>		<u>16511.71</u>

NOTE NO. - 23

OTHER INCOME

Interest	29.20	42.41	
Rent	2108.35	2045.60	
Sale of Stores	8.01	16.73	
Miscellaneous Income	9.97	16.76	
Receipt from HTI	4.36	7.66	
Excess provision written back	<u>1205.19</u>	<u>2871.55</u>	
Water & Electricity Charges	<u>299.15</u>	<u>305.43</u>	
TOTAL	<u>3664.23</u>		<u>5306.14</u>

NOTE NO. - 24

COST OF MATERIALS CONSUMED

Consumption of Raw materials & Components	1334.71	162.23	
Less: Interplant Transfer	<u>292.62</u>	<u>1042.09</u>	<u>23.93</u>
Consumption of Stores & Spares	16440.06	3797.70	
Less: Interplant Transfer	<u>0.00</u>	<u>16440.06</u>	<u>0.00</u>
SUB TOTAL(A)	<u>17482.15</u>		<u>3936.00</u>

NOTE NO. - 25

CHANGES IN INVENTORIES OF FG & WIP

Decretion/(Accretion) to value of FG & WIP

Work-In-Progress			
Opening Stock	6892.60	7029.60	
Closing Stock	<u>10937.09</u>	<u>(4044.49)</u>	<u>6892.60</u>
			137.00
Finished Stock			
Opening Stock	445.77	446.42	
Closing Stock	<u>634.94</u>	<u>(189.17)</u>	<u>445.77</u>
			0.65
Total	<u>(4233.66)</u>		<u>137.65</u>



Heavy Engineering Corporation Limited
(NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS)

NOTE NO. - 26	EMPLOYEES BENEFIT EXPENSES	
	2024-25	2023-24
Salaries, Wages & Bonus	7736.19	8380.48
Corporation Contribution to Provident Fund and Employee's Pension Fund	869.37	952.74
Workmen and Staff Welfare Expenses	501.48	391.65
Leave Encashment	556.13	434.46
Gratuity *	<u>1005.18</u>	<u>1258.25</u>
TOTAL	<u>10668.35</u>	<u>11417.58</u>

* It includes interest on Gratuity overdues ₹ 225.86 Lakhs @ 7.10% (Previous Year ₹ 391.49 Lakhs (@ 8.10%))

NOTE NO. - 27

	FINANCE COST	
	TOTAL	2024-25
Interest on Bank Borrowings	3433.04	3368.65
Interest on Govt. loan	1076.57	1076.57
Interest on Other loan	<u>107.14</u>	<u>123.64</u>
TOTAL	<u>4616.75</u>	<u>4568.86</u>

NOTE NO. - 28

	DEPRECIATION & AMORTIZATION EXPENSES	
	TOTAL	2024-25
Depreciation as per Note No.-11 (Property, Plant and Equipment)	374.29	557.27
Depreciation as per Note No.-11 (Intangible Asset))	3.11	3.11
TOTAL	<u>377.40</u>	<u>560.38</u>

NOTE NO. - 29

RESEARCH & DEVELOPMENT EXPENSES

Research & Development Expenses

Salary & Allowances	0.00	0.00
TOTAL	<u>0.00</u>	<u>0.00</u>

Heavy Engineering Corporation Limited
(NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS)

₹ in Lakh

	2024-25	2023-24
NOTE NO. - 30	OTHER EXPENSES	
(I) Manufacturing Service Cost		
Water, Power & Fuel	3273.32	3152.47
Repairs & Maintenance		
Plant & Machinery	9.06	9.93
Buildings	1.12	2.75
Others	<u>6.31</u>	<u>16.49</u>
Insurance	<u>56.95</u>	<u>19.45</u>
	SUB TOTAL (I)	3346.76
		3258.95
(II) Manufacturing & Other Operating Expenses		
Machining & Assembly charges	134.59	13.97
Loose Tools Charged off (Include own manufactured)	62.70	278.14
Job Done by outside Agencies	1325.13	1872.66
Turnkey Project Expenses	8661.97	9662.64
Other Charges For Production	<u>1628.12</u>	<u>11812.51</u>
Less: Interplant Transfer (Services)	<u>126.84</u>	<u>88.35</u>
	SUB TOTAL (II)	11685.67
		11901.81
(III) Administration, Selling & Distribution Expenses		
Rent	0.00	22.05
Electricity & Drinking Water Expenses	989.12	813.62
Safety & Security Expenses	3087.65	2913.34
Interest on CISF Dues	2434.78	1575.72
Travelling & Conveyance Expenses	18.36	20.83
Bank Charges	246.77	223.21
Telephone & Postage Expenses	16.54	18.08
Printing & Stationery Expenses	4.68	2.79
Miscellaneous Expenses	51.67	88.50
Interest on Delay Remittance	19.99	1.66
Interest on Delay Payment (CPF)	3277.36	2448.58
Loss on CPF's investment	559.43	0.00
Motor Vehicle Running Expenses	63.36	77.57
Consultancy and Legal Expenses	27.90	71.51
Municipal Tax/Charges	33.74	33.71
LD Deducted and Charged	169.43	12.17
Selling & Distribution Expenses	16.35	5.87
Auditor's Remuneration		
Statutory Audit Fees	2.70	2.70
Tax Audit Fees	0.50	0.50
Reimbursement Expenses	<u>0.15</u>	<u>3.35</u>
Training Expenses	<u>0.00</u>	<u>0.07</u>
	SUB TOTAL (III)	11020.48
		8332.63
(IV) Other Provisions / Expenses Written Off		
Provision for Bad & Doubtful Debts	4127.18	3846.29
Provision for Stock Verification Differences	289.47	84.17
Provision for Warranty Expenses	158.61	61.48
Provision for Foreign Exchange difference	32.55	4.38
Provision for inventory / stock adjustment	486.12	212.57
Provision for CWIP	<u>211.63</u>	<u>5305.56</u>
	SUB TOTAL (IV)	5305.56
		4208.89
GRAND TOTAL (I+II+III+IV)	31358.47	27702.28



Heavy Engineering Corporation Limited
 (NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS)

	₹ in Lakh	
	2024-25	2023-24

NOTE NO. - 31

Income

Sales (including services)	0.00	0.00
Misc Income	<u>0.00</u>	0.00

Less : Expenses

Misc. expenses(net)	0.00	0.00
Prior Period Adjustment (Net)	<u>0.00</u>	<u>0.00</u>

NOTE NO. - 32

Income

Grant from Government of Jhatkhand	0.00	0.00
Sale consideration against transfer of Land	0.00	(1014.20)
	<u>0.00</u>	<u>(1014.20)</u>

Less : Expenses

Cost of land transferred to GOJ	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Net	<u>0.00</u>	<u>(1014.20)</u>

PRIOR PERIOD ADJUSTMENT

EXTRAORDINARY ITEMS



NOTE NO. 33—"OTHER NOTES TO FINANCIAL STATEMENT"

The accompanying financial statements comprise the financial statements of HEC Limited (the Company) for the year ended 31 March 2025.

The accounts of the Company have been prepared on a going concern basis. HEC Limited is a Government of India enterprise under the Ministry of Heavy Industry. The Company is engaged in the manufacture and supply of capital equipment and machinery for sectors such as steel, mining, railways, nuclear power, defence, space research, and other strategic areas.

The low turnover during the financial year is primarily due to an acute cash crunch faced by the Company. However, as on 31 March 2025, the Company had work orders worth ₹81,880.43 lakh in hand and secured additional orders amounting to ₹515.95 lakh during FY 2024–25. The Company is making efforts to generate working capital from its own resources and is hopeful of overcoming the current liquidity challenges in the near future.

1.1 Contingent Liabilities and Commitments (to the extent not provided):

SI No	Particulars	2024-25	₹ in Lakh 2023-24
1	Estimated amount of contracts remaining to be executed on capital account and not provided for.	5605.20	5590.60
2	UnexpiredLetterofCredit	14.36	0.00
3	UnexpiredBankGuarantee	9490.99	13818.86
4	HoldingTax	1686.77	1686.77
5	WaterDues	418.04	418.04
6	<p>Damages towards PF dues</p> <p>(a) The prayer of HEC Limited to the chairman of central board of Trustees, Employees Provident Fund Organization, for waiver of damages amounting to ₹ 9501.54 Lakh for the period from 03/76 to 09/99 levied by Regional Provident commissioner, Ranchi, has been rejected vide letter dated 12.11.2010. Company has again filed Civil Miscellaneous Petition (CMP) in company Petitions CMP 476 of 2010 before Hon'able High Court of Jharkhand. Hon'able High Court of Jharkhand by order dt 14.10.2019 dismissed the petition no CMP 476 of 2010. Office of EPFO vide Letter No. JH/RQ/RNC/Recovery/1465/2019/ dt 23.12.2019 attached the bank account of HEC Ltd. A WP(C) No 62 of 2020 has been filed on 09.01.2020 before the Hon'able High Court against the orders of recovery officer, EPFO bearing no JH/RO/RNC/RECOVERY/1465/2019/1397/34379&JH/RO/RNC/RECO VERY/1465/2019/1398/34380 dt 23.12.2019 issued to State Bank of India and Canara Bank. Hon'able High Court of Jharkhand in order dt 18.01.2020 has directed to stay the prohibitory/attachment order dt 23.12.2019 against the petitioner M/s HEC Ltd till the next fixed.</p>	9501.54	9501.54
	<p>(b) Vide Letter no. JH/RO/RNC/PD/2022/JHRAN0001465000/2832 /7214 dt 04.05.2022, a demand of penalty amounting to ₹47338906/- levied by EPFO, Ranchi on CPF Trust for delayed payment of CPF dues for the period 12/95 to 01/25010 u/s 14-B.</p> <p>Also vide letter no. JH/RO/RNC/PD/2022/JHRAN0001465000/2833 /7215 dt 04.05.2022, a demand of interest amounting to ₹ 15622991/- has been issued by EPFO/Ranchi on CPF Trust. This interest amount has been paid on 13.05.2022.</p>	473.39	473.39

7	Legal Cases: - claim lodged against HEC not acknowledged as Debt				38951.19	36151.70		
	Cases		2024-25	2023-24				
	(A) Arbitration:							
	• HEC Vs G4S Secure Solutions(India)Pvt.Ltd	469.83	469.83					
	• MetsoIndiaPvt.LtdVs. HEC	943.93	943.93					
	• S.Banerjee	246.64	246.64					
	• RollmanTrading Company Vs. HEC	281.13	0.00					
	• Others(No.ofcases-9)	55.57	55.57					
		1997.10	1715.97					
	(B) MSMED(No.of cases -42)		5333.03	5157.07				
8	(C) Other Legal cases				4671.25	4671.25		
	• Rampur EngineeringCoLtd.		22952.30	21450.57				
	• AdarshCo-operative	1271.81	1271.81					
	• Others(No.ofcases-23)	7396.95	6556.28					
		31621.06	29278.66					
	CommercialTaxes(VAT&CST): Demand as per Assessment Order, Appeal pending at Commissioner, Ranchi.							
	Year	VAT Amount	CST Amount	Total Amount				
	2008-09	10.78	10.35	21.13				
	2009-10	19.63	57.76	77.39				
	2010-11	92.41	137.18	229.59				
9.	Service Tax:				221.05	221.05		
	1. Demand of service Tax on value of service portion of a contract for supply of Shovel.(Order No. V(65)34/HEC/Adj./Ran-1/2015/8304 dt 23.09.2015). Appeal pending at Comm. Appeal ,Ranchi							
	Excise Duty & GST:							
	1. Demand of Excise Duty for Non Reversal of Cenvat Credit availed by us on inputs and capital goods for which certain provision has been made in our Financial statement for the period 2015-16 to 2016-17. (Order No. 21/Central Excise/pr. Comm./2020 dt 31.07.2020). Appeal pending at CESTAT ,Kolkata.							
	2. Demand of GST for Non Reversal of Input Tax Credit availed by us on inputs and capital goods for which certain provision has been made in our Financial statement for the period 2021-22. (Order No. ZD200225007676R dt 14.02.2025). Appeal pending at Commissioner appeal, Ranchi.				1677.92	2636.34		
	3. Demand of utilised/availed excess Transitional Input Tax Credit through GST TRAN-1 during the period July'2017 to March' 2018 (Order no 23/GST/RSD/Dy. Commr/2023-24 dtd 26.12.2023							
	Total							
					73670.12	79454.75		

Revival Packages

- i. Due to prolonged suffering of losses coupled with huge negative net worth, the company was declared sick and was referred to BIFR on 24.2.1992. BIFR sanctioned a rehabilitation package on 26.8.96 and the same was approved by Govt. of India on 7.2.1997. Subsequently BIFR declared that the scheme had failed and ordered for winding up of the company on 6.7.2004.
- ii. Against the aforesaid winding up order, the company filed a writ petition No. 4513/04 on 18.8.04 before the Hon'able High Court of Jharkhand for quashing/staying the winding up order. Hon'able High Court of Jharkhand gave opportunity to Govt. of India, Govt. of Jharkhand and HEC to submit proposals for revival of HEC through affidavits before the Hon'able Court. Thereafter a number of hearings were held between 9.9.2004 to 13.11.2009 and ultimately Hon'able High Court of Jharkhand vide order dated 13.11.2009 gave direction to the Govt. of India, Govt. of Jharkhand and the HEC Ltd. and other concerned parties to act in terms of Revival package approved by Hon'able Court and dropped the winding up proceeding being CP No. 5 of 2004 with WP(c) No. 4513 of 2004 with hope and wish that past will not be repeated and HEC, the Nations pride and mother of Industries would fulfill its object of serving the nation.

During the pendency of this proceeding before Hon'able High Court of Jharkhand the following Revival Packages had been approved by Govt. of India and Govt. of Jharkhand. The details of such proposals and present status of implementation are as follows:-

A. Status of Revival package approved by Govt. of India

(Recommended by BRPSE on 7.10.2005 and approved by Govt. of India on 15.12.2005)

Assistance approved by Govt. of India	Status of Implementation
a) Conversion of plan loan of ₹ 1527.49 Lakh as on 31.3.2005 in to equity.	Implemented in March, 2006
b) Waiver of non-plan loan and interest on plan and non-plan loan as on 31.3.2005 of ₹ 110101.96 Lakh.	Implemented in March, 2006
c) To provide ₹ 10200.00 Lakh, in the form of Non Plan loan of ₹ 9203.00 Lakh, plan loan of ₹ 498.50 Lakh which will be repaid by the company in three years and also ₹ 498.50 Lakh as equity. (Sl.No. a,b,c was approved by Hon'able High Court of Jharkhand on 13.7.2006)	Implemented in March, 2006
d) To mobilize resources (approx. ₹ 33000.00 Lakh) by transferring residential and non-residential buildings already on rent with the state government to the Jharkhand Government, settlement of residences on long term lease with the occupant employees and ex-employees of the company, settlement of commercial and institutional areas and privatization of schools and hospital.	Company generated ₹8543.82 Lakh from long term lease of residential quarter

B. Revival Scheme approved by Govt. of India in September-2008

a) Conversion of Plan Loan (₹ 582.50 Lakh) and Non Plan Loan (₹ 10221.00 Lakh) into Equity.	Implemented in March, 2009
b) Conversion of outstanding interest on plan and non-plan loan received during 2005-06 & 2006-07 of ₹ 4480.54 Lakh up to 18.9.2008 into Equity	Implemented in March, 2009
c) Enhancing the Govt. guarantee from ₹ 15000.00 Lakh to ₹ 25300.00 Lakh for meeting working capital.	Implemented in March, 2009

<p>d) To settle the liability of ₹7906.00 Lakh of CISF by transferring commensurate amount of land of the company to the CISF.</p>	<p>158 acres of land has been transferred to CISF in March, 2009 for liquidation of dues of ₹ 7906.00 Lakh. In addition, Waiver of the interest and penal interest on CISF dues amounting to ₹ 3790.62 Lakh and freezing of interest and penal interest amount after 31-7-2008 was approved by Govt. of India in Sept-08 and implemented.</p>
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C. Status of Revival Package : Agreed to amongst DHI, GOI, Govt. of Jharkhand and HEC Ltd.

Revival Package approved by	As per Affidavit filed by Govt. of Jharkhand and approval of Hon'ble High Court of Jharkhand.	Amount to be Waived / Adjusted / Received	Amount Waived / Adjusted/ Received	Balance Amount to be Waived / Adjusted/ Received
1	Not specifically mentioned as to the waiver of electricity dues. But Jharkhand Govt's proposal for waiver of ₹ 50000.00 Lakh against electricity dues was approved.	Waiver of electricity dues of ₹30637.42 Lakh and delayed payment surcharge up to the date of Final settlement by JSEB after approval of Hon'able High Court of Jharkhand.	₹ 96984.68 Lakh total amount to be waived / Adjusted.	Waived ₹85342.46 Lakh (Electricity dues of ₹30637.42 Lakh and DPS of ₹ 54705.04 Lakh up to 31.08.2008)
2	Waiver of PHED dues of ₹3103.00 Lakh	Waiver of PHED dues ₹3264.80 Lakh as on 31.03.2007.	₹ 3264.80 Lakh (Waiver)	₹ 3264.80 Lakh (Waived)
3	Waiver of Sales Tax dues of ₹2551.00 Lakh	<p>The GOJ agreed that payment of ₹2551.00 Lakh by HEC will be treated as full and final settlement of all commercial Tax liability up to 31.03.2007 including penalty / penal interest for delayed payment etc. to which the assessment of CT liability pertains to. Any liability separate from it and discovered subsequently will be treated as per relevant law/ guidelines.</p>	1) ₹2551.00 Lakh to be paid by GOJ	1) ₹2551.00 Lakh received.
		2) The company is to deposit ₹2551.00 Lakh with GOJ	2) ₹2551.00 Lakh deposited by HEC towards Commercial Taxes.	2) NIL
		3) Order of waiver of all Commercial tax liability up to 31.03.2007 is to be issued by GOJ.	3) Order not issued	3) Order for waiver of all dues up to 31.03.07 by Govt. of Jharkhand is still awaited.

4	To authorize HEC to receive ₹25000.00 Lakh from Govt. of Jharkhand with no future commitment for transfer of any more land or building.	Grant of ₹ 27551.00 Lakh including ₹2551.00 Lakh mentioned in Sl.No. '3' above.	₹ 27551.00 Lakh	Received ₹ 20021.00 Lakh. Adjusted ₹ 2633.00 Lakh against PMAYU. Received ₹ 4897.47 Lakh (₹ 1439.80 Lakh on 25.06.2020, ₹ 3457.20 Lakh on 05.11.2020 & ₹ 0.47 Lakh on 11.01.2021).	NIL
5	To allow HEC to accept the proposal of Govt. of Jharkhand to transfer 2342 acres of land. This includes 85 acres of appurtenant land to the building.	HEC to surrender 2342 acres of land to Govt. of Jharkhand.		Possession of 2035.14 acres of land had been handed over to GOJ for which Deed of Conveyance is executed. Balance 306.86 acres of land has been handed over. As per letter no7-05/02/2019-PE-5, MHI&PEDHldt 21.10.2019 and as per the provision of the Pradhan Mantri Awas Yojana- Urban (PMAY-U), the Govt of Jharkhand has not paid any money for 107.28 acres of land – out of the said 306.86 acres as the same will be utilized by the Govt. for affordable housing project(s) under the PMAY-U for eligible slum dwellers. The remaining 199.58 acre will be used by the Govt of Jharkhand for urban development schemes other than PMAY-U. ₹4897.47 Lakh has been received on account of the same.	
6	To allow HEC to accept transfer of 17 buildings and 1155 residential quarters along with land appurtenant thereto valuing ₹14223.00 Lakh to GOJ.	HEC to surrender 17 nos. Non residential Building and 1148 residential quarters to Govt. of Jharkhand.		17 Nos. of Non Residential Buildings, 1148 Nos. of Residential Buildings and 85.11 acres of appurtenant land were already under possession of GOJ on rent upto 31.03.2009 and had been handed over to Government of Jharkhand. Registrations of Buildings are yet to be executed.	

33.3 The Government of India has approved monetization and transfer of 675.43 Acres unused land of the Company to Government of Jharkhand at the consideration of ₹ 74298.00 Lakh on 12.04.2017. Two deeds of conveyance dtd 22.05.2018 for 508.44 acres and dtd 17.01.2019 for 147.86 acres are to be executed and registered. Due to some unavoidable reasons the said deeds of conveyance could not be executed and registered in the office of District Sub Registrar Ranchi. Out of 656.30 acres, 9.22 acres of land falls in existing HEC railway track no. 1 which is essential rail connection between the production unit of HEC Ltd. and upon mutual discussion consequently held, two deed of conveyance dtd 22.05.2018 for 508.44 acres and dtd 17.01.2019 for 147.86 acres are to be merged excluding the said area of 9.22 acres for the purpose of registration of rest 647.08 acres vide modification deed of conveyance – as relinquishment dtd 27.02.2020 for ₹ 71178.80 Lakh

Another 18.42 Acres of land was transferred vide Deed of Conveyance dated 31.03.2023 for ₹ 2026.09 Lakh. Land falling under railway tracks to the extent of 9.22 acres need to be adjusted from 18.42 acres of land transferred in F.Y. 2022-23. Moreover, the correction has been done in F.Y. 2023-24 and the amount of ₹ 1014.20 Lakh shown as receivable from GOJ in Note 21 has been withdrawn. Total amount of ₹ 73204.89 Lakh received till date. The amount received has been utilized to liquidate the old liability. DHI has permitted to utilize the balance of amount received from GOJ towards working capital.

Govt. of India has granted the permission for utilization of unspent grant sanctioned earlier to meet the capital gain tax liability arising due to transfer of land to Govt. of Jharkhand.

33.4 **Inter-Corporate Loan Agreement** for ₹3500 Lakh has been signed on 29th Aug 2022 with Northern Coalfields Limited (NCL), Singrauli within the meaning of company Act 2013. Accordingly, NCL has transferred a sum of ₹2000 Lakh on 14th Sept 2022 in the Escrow accounts. The actual fund utilized was ₹305.65 Lakh (2022-23), ₹327.37 Lakh (2023-24) and ₹369.87 Lakh (2024-25) total amounting to ₹1002.89 Lakh up to 31.03.2025. Interest of ₹67.22 Lakh (2022-23), ₹123.64 Lakh (2023-24) and ₹107.14 lakhs (2024-25) total amounting to

₹298.00 Lakh upto 31.03.2025 @ 6.28% p.a. has been accrued and provided as per terms of sanctioned.

33.5 A Grant-in-aid of ₹500.00 Lakh (Previous year ₹500.00 Lakh) received till 31.03.2025 from DHI for the project on development of 5 Cubic Meter Hydraulic Excavator - HEX- 400 and incurred ₹573.06 Lakh till 31.03.2025. The incurred amount is shown as WIP and the Grant is shown as current liability under Note – 9 and to be adjusted after completion of the Project.

33.6 DHI approved the scheme on enhancement of competitiveness in the Indian Capital Goods Sector for setting up of common Engineering Facility Centre, a training institute in HEC Ltd., Ranchi at a cost of ₹ 5000.00 Lakh. Out of ₹ 5000.00 Lakh, Govt grant will be limited to ₹ 3000.00 Lakh and HEC contribution will be ₹ 2000.00 Lakh. A MOU was signed between CEFC Pratham Foundation (a company) and DHI in December 2016 for setting up of Common Engineering Facility Centre to provide training, skill development, consultation etc. in the area of electro slag re-melting, steel making, welding, non-destructive training, manufacture of gears. An agreement between the HEC and CEFC Pratham Foundation was signed on 24.12.2016 HEC as a supervising company and CEFC Pratham Foundation as an implementing company.

Up to 11.01.2019 Govt. has given total grant of ₹ 1545.00 Lakh to CEFC Pratham Foundation under the scheme and the HEC contributed ₹ 607.89 Lakh (F.Y.2016-17 ₹ 111.75 Lakh, F.Y.2017-18 ₹ 128.14 Lakh, F.Y. 2018-19 ₹ 368.00 Lakh) and shown as expenditure in the HEC account.

Further vide Letter no. F.No. 12/26/2015-HE & MT dt. 11.01.2019, it has been decided by DHI that necessary action is to be taken for the winding up the CEFC Pratham Foundation after transferring the available funds and other assets and liabilities to HEC. Action for transferring the assets and liabilities after completion of audit by CEFC Pratham Foundation to HEC is in progress; hence its assets and liabilities are not reflected in the accounts. On 01.03.2019 (F.Y. 2018-19), ₹ 130.00 Lakh received as Grant from DHI in HEC-CEFC Escrow Account and on 31.03.2019 (F.Y. 2018-19), HEC contributed ₹ 130.00 Lakh in HEC-CEFC Escrow Account.

Details of DHI Grant :

CEFC Pratham Foundation upto 11.01.2019	₹1545Lakh
HEC- CEFC Escrow Account, SBI SME Ranchi on 01.03.2019	₹130 Lakh
Total Grant up to 31.03.2025	₹1675 Lakh

HEC CEFC Escrow Account, SBI SME Ranchi:

Received from CEFC Pratham(F.Y.2019-20)	₹190Lakh
Grant from DHI (F.Y.2018-19)	₹130Lakh
HEC contribution (F.Y.2018-19)	₹130Lakh
Others	₹1.63 Lakh
Total	₹451.63 Lakh
Less: HEC portion taken back (2021-22)	₹179.00 Lakh

Net Balance available HEC-CEFC ESCROW account	₹272.63 Lakh
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Amount lying in the HEC-CEFC ESCROW account as on 31.03.2025 amounting to ₹0.38 Lakh is exclusive of ₹168.23 Lakh in F.Y. 2022-23 and ₹104.00 Lakh in F.Y. 2023-24 deducted by bank suo moto towards their outstanding bank interest and other charges during the year as against ₹272.63 Lakh liability shown in note no 9 “other liabilities”.

33.7 Unutilized Govt. grant and interest accrued there on kept aside in the form of TDR for the payment of capital gain tax is ₹ 2894.21 Lakh as on 31.03.2025 is exclusive of ₹ 588.75 Lakhs in the FY 2023-24 and ₹34.00 lakhs in FY 24-25 deducted by the bank suo moto towards their outstanding bank interest.

33.8 Govt. of India has granted a Non-Plan loan of ₹ 4789.00 Lakh to discharge gratuity liability in the financial year 2014-15 and repayable in five yearly installment beginning from 2015-16. Due to financial crisis, the company is not able to pay any installment and interest due in time. A sum of ₹ 14984.61 Lakh including interest / penal interest is outstanding as on 31.03.2025.

33.9 Out of ₹16357.06 Lakh received against long term lease from 1995-96 onwards, a sum of ₹574.33 Lakh (Previous Year ₹574.33Lakh) is amortized and considered as income during this year in proportion to the period of lease and adjust with Capital Reserve Note-3.

33.10 During the year, Commercial Court, Ranchi has passed orders for attachment of two Bank Accounts of HECL

viz. SBI Hqrs A/c and Canara Bank Township A/c based on the commercial execution case of M/s Intricate Engineering Pvt. Ltd., M/s Dayachand Engineering Industries Pvt. Ltd. & M/s S.G. Enterprises amounting ₹471.30 Lakhs. Owing to court execution proceeding. These Bank A/c have been freezed (HMBP SBI A/c was freezed in earlier years) as on Date. ₹162.58 Lakhs was recovered from Canara Bank on 08.04.2025.

33.11 Inter plant transfer of ₹419.46 Lakh (previous year ₹37.88 Lakh) has been excluded from total Revenue from operation of the Company.

33.12 The Sales effected on or before 31.03.2025 and received at Customer premises latest by 26.04.2025 has been considered as revenue from operation.

33.13 In absence of any instructions pertaining to Pay Revision w.e.f 01.01.2017 from DHI, no provision has been made in the accounts.

33.14 (a) Due to financial crisis, company is not in position to disburse the gratuity since June 2018, its liability is amounting to ₹6274.14 Lakh and provision for interest amounting ₹1650.02 Lakh on delay has been made on the unpaid amount of gratuity as on 31.03.2025.

(b) Due to fund crisis, the remittance of EPS/PF (Sub. & Cont.) is pending since Dec'2021 for regular employee and since Jan'2022 for contract workmen to the tune of ₹11275.35 Lakh along with normal and penal interest. The outstanding Loan & VPF along with interest since April'2019 amounting to ₹16081.97 Lakh is pending for remittance to PF Trust as on 31.03.2025.

33.15 (a) Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the schedule III to the companies Act 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company's operating cycle is considered as twelve months for the purpose of current/ non-current classification of assets and liabilities.

(b) Amortization of Long term lease has been carried out in straight line method considering the leased period.

(c) The company assesses at each reporting date for impairment of asset at plant level. If on assessment, the asset is considered impaired they are provided at net book value.

(d) Plant turnkey project work/ contract having execution period of more than twelve months, warranty expenses @ 0.5% is kept in provision till completion of contractual obligation.

(e) Not due debtors have been reviewed during the year case to case basis and necessary provision has been made.

(f) Provision of long term loans and advances have been made as per the best judgement of the plant in charge based on the current available information.

(g) Full provision has been provided towards capital work-in-progress for projects temporarily suspended as certified by plant In charge.

(h) Internal Audit has been carried out departmentally.

33.16 (a) Revenue from operation includes ₹21831.04 Lakh in respect of turnkey contract executed by Project Division (previous year ₹16078.31 Lakh) valued on the basis of approved billing schedule and payment terms of the contract to the extent of works completed, inspected, dispatched / on delivery to the carrier and billed. The disclosures relating to Construction Contracts entered on or after 01.04.2003 as per the requirement of Accounting Standard AS-7(Revised) are as follows:

	₹ in Lakh	
	2024-25	2023-24
Contract revenue recognized during the year	20233.33	16078.31
In respect of Contract in progress as on 31.03.2025:		
- Cost incurred and recognized profits (less recognized losses)	62591.45	101228.36
- Amount of advance received	58065.95	94064.10
- Amount of retentions (deferred debts)	0.00	0.00
In respect of dues from customers after appropriate netting off:		
- Gross amount due from customers for the contract work as an asset	4525.50	7164.26
- Gross amount due to customers for the contract work as a liability	500.00	500.00
- Contingencies	NIL	NIL

- (b) The estimates of total costs and total revenue in respect of Construction Contracts entered on or after 1st April 2003 in accordance with Accounting Standard (AS) - 7 (Revised) Construction Contracts are reviewed and updated periodically during the year by the management and necessary adjustments are made in the current year's account.
- (c) In case of Project Division, the provision of warranty expenses @ 0.5% is made on sales every year and kept in provision till Final acceptance certificate (FAC). The same will be written back as Income after Final Acceptance Certificate from customer.
- (d) With reference to AS - 7 and HEC Significant Accounting Policy Note No. 5(iii), WIP/FG for the Project Division has been valued to recognize revenue properly against the cost already incurred considering the certainty of revenue of the Project. The value of WIP/FG is ₹6174.18 Lakh as on 31.03.2025 (previous year ₹2450.48 Lakh).

33.17 Despite issuance of letter to Major Clients for confirmation of balances with Sundry Debtors, no confirmation from clients has been received till date. Regarding Loans & Advances, Deposits, Sundry Creditors etc., confirmation could not be obtained from the respective parties.

33.18 Interest on overdue amount relating to Micro and Small Enterprises has not been provided and the same has also been shown given below.

Micro,Small & Medium Development Act, 2006		
	<u>₹ in Lakh</u>	
	2024-25	2023-24
Delayed payments due as at the end of each accounting year on account of		
Principle	2499.56	3321.48
Interest	4199.28	8112.45
Total Interest Paid on all delayed payments during the year under the provisions of the Act	Nil	Nil
Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	Nil	Nil
Interest accrued but not due (Represents interest accrued as at the end of the year but not due as interest is computed at monthly rests from the due date)	Nil	Nil
Total Interest due but not paid-(Represent all interest amounts remaining due together with that from prior year(s) until such date when the interest was actually paid to the small enterprises. Mainly to ascertain the amount of interest disallowable for Income Tax purpose)	Nil	Nil

33.19 As a measure of prudence, the deferred tax assets(Net) in terms of AS-22 issued by the Institute of Chartered Accountants of India (ICAI) have not been recognized in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such deferred tax assets could be realized.

33.20 PARTICULARS OF PROVISIONS:
₹ in Lakh

Sl No	PARTICULARS	Opening balance as on 1.04.2024	Add: Provision made during the period	Less: Provision utilized during the Period	Less: Unused provision reversed during the period	Closing Balance as on 31.03.2025
1	Provision for Bonus	89.71	0.00	0.35	0.00	89.36
2	Provision for Bad & Doubtful Debts	19538.57	3563.01	283.59	0.00	22817.99
3	Provision for Liquidated Damages recovered by Clients	12601.68	169.45	0.00	0.00	12771.13
4	Provision for Claims Recoverable	4266.60	0.00	0.00	0.00	4266.60
5	Provision for Doubtful Deposits with Others	233.30	0.00	0.00	0.00	233.30
6	Provision for Doubtful Advances to Suppliers/Sub-Contractors	879.55	1.31	0.50	0.00	880.36
7	Provision for Inventory	4295.23	775.59	0.00	0.00	5070.82
8	Provision for gratuity	5876.55	9.73	0.00	116.83	5769.45
9	Provision for leave encashment	2403.84	493.86	0.00	16.27	2881.43
10	Provision for RTA	62.94	4.64	0.00	0.29	67.29
11	Provision for LTC/LTA	140.97	18.44	14.90	0.00	144.51
12	Provision for Revision of pay Scale	123.89	0.00	0.00	0.00	123.89
13	Provision for Warranty Expenses	246.10	156.71	0.27	0.00	402.54

33.21 The Company accounted for the liability towards Employee Benefits under Accounting Standard-15 (Revised 2005) as amended by the Companies (Accounting Standard) Amendment Rules, 2008 w.e.f. 1st April, 2007.

(a) The Company has determined the liability for Employee Benefits as at March 31, 2025 in accordance with the revised Accounting Standard 15- Employee benefits issued by ICAI.

(b) Defined benefit plans - As per Actuarial valuation on March 31, 2025.

- 1) **Gratuity**:- Payable on separation @15 day salary for each completed year of service to eligible employees who render continuous service of 5 years or more, subject to a maximum limit of ₹20.00 Lakh.
- 2) **Leave Encashment**:- Payable on separation to eligible employees who have accumulated earned leave. Maximum limit of accumulation is 300 days. Encashment of accumulated earned leave is also allowed up to 30 days once in a calendar year.
- 3) **Provident Fund**:- 12% of Basic Pay & Dearness allowance contributed to the provident Fund Trust by the company.
- 4) **Post Retirement Settlement Benefits**:- payable to retiring employees for settlement up to their home town.
- 5) Company's contribution paid/payable during the year to the provident fund trust are recognized in the statement of profit & loss. The company's Provident Fund Trust is exempted under section 17 of employees' provident fund and miscellaneous provisions Act, 1952. The conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-a-vis statutory rate. The company has already made adequate provision in the accounts based on actual valuation of Provident Fund.

- 6) The defined benefit obligations, other than provident Fund, are unfunded.
 7) Other disclosure as required under Accounting Standard (AS)-15 (revised on Employees benefits) are:

	GRATUITY	LEAVE ENCASHMENT	RETD.TRAVEL ALLOWANCE	₹ in Lakh
Expense recognized in the statement of Profit & Loss for the year ended March 31,2025				
1. Current Service Cost	216.28	679.36		4.20
2. Past Service Cost	0.00	0.00		0.00
3. Interest Cost	419.88	171.75		4.50
4. Reduction in Obligation due to HPL	0.00	0.00		0.00
5. Net Actuarial(gain)/loss recognized during the year	155.57	(89.18)		(4.36)
TOTALEXPENSES	791.73	761.93		4.34
Net Asset/ (Liability) recognized in Balance Sheet				
1. Present value of the obligation (Current)	660.89	737.11		4.94
2. Present value of the obligation (Non Current)	5108.57	2144.33		62.34
3. Funded status [Surplus /(deficit)]	(5769.46)	(2881.44)		(67.27)
4. Net Asset / (Liability) recognized in the Balance Sheet	5769.46	2881.44		67.27
Change in the Present value of the Obligation during the year ended March 31,2025				
1 Present value of the obligation as at April 1,2024	5876.54	2403.84		62.93
2 Current Service Cost	216.28	679.35		4.20
3 Interest Cost	419.88	171.75		4.50
4 Past Service Cost	0.00	0.00		0.00
5 Benefits paid	(898.81)	(284.32)		0.00
6 Actuarial (Gain) / Loss on obligation	155.57	(89.18)		(4.36)
7 Present value of obligation as at March 31,2025	5769.46	2881.44		67.27
Actuarial Assumptions				
1 Discount rate	6.75%	6.75%		6.75%
2 Rate of Increase in Compensation	8.00%	8.00%		8.00%
3 Mortality rate LIC (2006-2008) Table				

33.22 Segment information in accordance with Accounting Standard –17 (AS-17) issued by ICAI are furnished as given below:

Information about different business units (Segments) 2024-25					
₹ in Lakh					
	Foundry Forge Plant	Heavy Machine Building Plant	Heavy Machine Tool Plant	PROJECT (Turnkey)	Heavy Engineering Corporation
REVENUE					
External Sales	9766.01	2181.47	128.09	21831.04	33906.61
Inter-plant / Job done for own use	292.62	0.00	126.84	0.00	419.46
Total Revenue	10058.63	2181.47	254.93	21831.04	34326.07
Net Profit (Before Interest after tax)	(8449.44)	(10606.43)	(2116.88)	3090.87	(18081.87)
Interest	2269.24	1923.61	423.90	0.00	4616.75
Net Profit	(10718.68)	(12530.04)	(2540.78)	3090.88	(22698.62)
Extraordinary Items	0.00	0.00	0.00	0.00	0.00
Prior Period Income	0.00	0.00	0.00	0.00	0.00
Net Profit from ordinary Activities after tax	(10718.68)	(12530.04)	(2540.78)	3090.88	(22698.62)
OTHER INFORAMTION					
Segment Assets	9757.59	10554.47	2175.69	14606.77	37094.52
Addition during the year	0.00	0.00	0.00	0.00	0.00
Unallocated Assets					10151.21
Total Assets					47245.73
Segment Liabilities	54599.65	27913.78	4530.98	26076.58	113120.99
Unallocated Liabilities					93556.72
Total Liabilities					206677.71
Total Liabilities	(210.57)	0.00	0.00	0.00	(210.57)
Capital Expenditure					0.00
Total Capital Expenditure					(210.57)
Depreciation	230.25	56.10	14.21	0.96	301.52
Unallocated Depreciation					75.88
Total Depreciation					377.40

33.23 Disclosure as required under Accounting Standard-18 (AS-18)“Related Party Disclosures” issued by ICAI is as follows: -

Names of the Related Parties		Details of Transaction (₹inLakh)		
	Key Management Personnel	Period	Remunerations	Terminal Benefits
1	Sri Koppu Sadashiv Murthy, CMDAdditional Charge	04/2024-03/2025	0.00	0.00
2	Sri Rajesh Kumar Dwivedi, Director (Finance)- Additional Charge	04/2024-09/2024	0.00	0.00
3	Sri S.D.Singh,Director(Production)- AdditionalCharge	04/2024-07/2024	0.00	0.00

4	Sri A.K. Behera, Director (Personnel) - Additional Charge	04/2024-04/2024	0.00	0.00
5	Sri Alok Kumar Singhal, Director (Marketing) -Additional Charge	04/2024-03/2025	0.00	0.00
6	Sri Manoj Lakra, Director (Personnel)- Additional Charge	04/2024-03/2025	0.00	0.00
7	Sri B. S. Garg, Director (Production) - Additional Charge	07/2024-03/2025	0.00	0.00
8	Sri Mukesh Kumar, Director (Finance)- Additional Charge	10/2024-03/2025	0.00	0.00
		Total	0.00	0.00

33.34 In Case deficit arises from Employee's Provident Fund Trust, it is to be borne by the Company. Moreover loss on Investment of Employee's Provident Fund Trust for the Financial Year 2023-24 amounting ₹559.43 Lakh has been provided as per Standing Operating Procedure Management and Regulation of EPF exempted Establishments during the Financial Year 2024-25.

33.35 Incertain areas like Transport and Hospital consumables like Spare Parts, Medicines and Stationary are treated as consumed during the year.

33.36 Net worth of the company as on 31-03-2024 is negative and also the company is not listed, hence Ind-AS is not applicable to the company for the F.Y. 2024-25.

33.37 In view of our claim on Kendriya Vidyalaya Sangathan (KVS), the claim of KVS ₹ 140.23 Lakh is not acknowledged in absence of relevant documents, and accordingly no provision has been made.

33.38 The previous year's figures have been regrouped, recasted, reclassified and rearranged to make them comparable as far as practicable with those of current year.

33.39 Ratio Analysis

Sl. No	Ratio in Times	Numerator	Denominator	As on 31.03.25	As on 31.03.24	Variance	Reason for Variance
A	Current Ratio	Current Assets(CA)	Current Liabilities(CL)	0.22	0.24	-10.02%	Non discharge of current liabilities
B	Debt-Equity Ratio	Total Debt	Average Shareholder's Funds	(-)ve	(-)ve	(-)7.06%	Negative Share Holder's Fund
C	Debt Service Covergae Ratio	EBITDA	Debt Serviced	(-)ve	(-)ve	(-)ve	Negative EBITDA
D	Return on Equity Ratio (%)	Profit After Tax	Average Shareholder's Funds	(-)ve	(-)ve	(-)ve	Negative Share Holder's Fund
E	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	3.02	1.64	84.58%	Increase in Sales
F	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	3.27	1.53	114.48%	Increase in Turnover
G	Trade Receivables Turnover Ratio	Net Credit Purchases	Average Trade Payables	0.75	0.23	226.08%	Increase in Production
H	Net Capital Turnover Ratio	Revenue from Operations	Average Net Working Capital	(-)ve	(-)ve	(-)ve	Negative Working Capital

I	Net Profit Ratio	Net Profit AfterTax	Revenue from Operations	-0.67	-1.67	-59.83%	Increase in Sales by 105.35%
J	Return on Capital Employed	EBIT	Average Capital Employed	(-)ve	(-)ve	(-)ve	Negative Capital Employed
K	Return on Investment	Net Profit AfterTax	Total Investments	(-)ve	(-)ve	(-)ve	(-)ve

Note: Ratio analysis of this year and previous year are as per the parameter given in guidance note on Division I of Schedule III of the Companies Act, 2013.

Details of ratio: -

- I. Average of all parameters are taken as (Opening Balance + Closing Balance)/2
- II. Capital Employed = Total Debt + Total Shareholder's Fund
- III. Cost of Goods Sold = Change in Inventory + Inventory consumed
- IV. Credit Purchases are substituted by Net Purchases
- V. Credit Sales are substituted by Net Sales
- VI. Debt Serviced = Interest + Principal Repayment
- VII. EBITDA = Earnings Before Interest, Tax and Depreciation & Amortization
- VIII. Total Investments = Short Term Investments + Long Term Investments
- IX. Working Capital = Current Asset- Current Liabilities

33.30 The Note No. 1 to 32 & Cash Flow Statement forms an integral part of these accounts.



A.K.Kanth
Company Secretary



CMA Rajesh Gandhi
DGM (A&B)/Fin



CMA Mukesh Kumar
Director Finance



Koppu Sadashiv Murthy
Chairman and Managing Director

**Signed for identification
For Santosh Bhaumik & Co.
Chartered Accountants**



(CA Manoj Kumar)
Partner
M. No. 063750
FRN(ICAI) 322039E

Place: Ranchi
Date:30-05-2025

UDIN: - 25063750BMIGBK7620

कंपनी की कार्यक्षमता

प्लांट विविध उत्पादों का निर्माण करने में समर्थ है, जिसमें कुछ उत्पादों का विवरण निम्नांकित है:

फाउन्ड्री फोर्ज प्लांट

आयरन कास्टिंग्स	: 100 टन वजन तक
स्टील कास्टिंग्स	: 90 टन वजन तक
नन-फेर्रस कास्टिंग्स	: 2 टन वजन तक
फोर्जिंग्स	: 40 टन वजन तक
रॉल्स	: हॉट रॉलिंग मिल, स्लैबिंग, ब्लॉमिंग मिल हेतु 40 टन वजन तक फोर्ज इंडक्शन हारडेंड रॉल्स, एस.सी., आयरन रॉल्स

हेवी मशीन बिल्डिंग प्लांट

- ब्लास्ट फर्नेस : क्षमता 1719,2000 एवं 3200 घन मी.
- कोक ओवेन बैटरिज : 4.3 से 7 मी. की ऊँचाई
- सिन्टरिंग प्लांट्स : आकार 75 वर्ग मी., 80 वर्ग मी., 252 वर्ग मी. एवं 312 वर्ग मी.
- 100 टन / 130 टन एवं 300 टन एल.डी कन्वर्टर्स समेत स्टील मेल्टिंग शॉप इकिवपमेंट
- कंटिन्यूअस कास्टिंग मशीन : स्लैबस एवं ब्लूम्स हेतु
- रॉलिंग मिल इकिवपमेंट
- इलेक्ट्रिक रोप शॉवेल्स: क्षमता 5 घन मी., 12.5 / 15 घन मी.
- हाईड्रोलिक शॉवेल्स: क्षमता 3 से 8 घन मी.
- वाकिंग ड्रैगलाइन्स 20/90 एवं 24/96
- उच्च शक्ति के मेटालर्जिकल क्रेन एवं अन्य ई.ओ.टी. क्रेन: क्षमता 450 टन एवं रोटेटिंग टौंग क्रेन
- मैटेरियल हैंडलिंग इकिवपमेंट यथा-वैगन टीपलर, एपरॉन फीडर, रिक्लेमर्स आदि।
- मूल उद्योगों की जरूरत हेतु विभिन्न प्रकार के उपकरण यथा प्राइमरी जाइरोरी एवं अन्य क्रसर्स
- ओवर बर्डेन ब्लॉस्ट होल ड्रिल्स: 250 मि.मी. व्यास
- प्रोजेक्ट डिवीजन निम्नांकित क्षेत्रों में टर्न-की आधारित प्रोजेक्टों का कार्य निष्पादन करने में समर्थ है :
 - मैटेरियल हैंडलिंग सिस्टम
 - कोल डीग्रेशन प्लांट
 - कोल डीग्रेसीफिकेशन प्लांट
 - स्टील प्लांट फैसिलिटीज यथा : सिन्टरिंग प्लांट, कंटिन्यूअस कास्टिंग प्लांट एवं कोक ओवेन बाई-प्रोडक्ट प्लांट
 - सीमेंट प्लांट

हेवी मशीन ट्रूल्स प्लांट

रेलवे हेतु विशेष प्रयोजनार्थ मशीन ट्रूल्स समेत विभिन्न प्रकार के मशीन ट्रूल्स, इसके साथ-साथ प्लांट कुछ मॉडल के सी.एन.सी मशीन के उत्पादन में भी समर्थ है।

CAPABILITIES OF THE COMPANY

The plants can manufacture various products, some of which are as here under:

Foundry Forge Plant

Iron Castings	- Weighing upto 100 T
Steel Castings	- Weighing upto 90 T
Non-Ferrous Casting	- Weighing upto 2 T
Forgings	- Weighing upto 40 T
Rolls	- Forged induction hardened Roolls weighing upto 40 T for Hot Rolling Mills, Slabbing Mills, Blooming Mills, SG Iron Roolls etc.

HEAVY MACHINE BULDING PLANT

- Blast Furance of Capacity 1719,2000 and 3200 Cu. M
- Koke Oven Batteries from 4.3 to 7m height
- Sinter plants of 75M2, 80 M2 252m2 and 312 M2 size
- Steel Melting Shop Equipment Inclusive of 100T/130T and 300T L.D. Converters
- Continuous Casting Machines for Stabs & Blooms
- Rollin Mill Equipment
- Electric Rope Shovels of capacity 5 M3, 10M3, 12.5/15M3
- Hydrualic Shovels of 3 to 8 Cu. M. capacity
- Walking Draglines 20/90 and 24/96
- Metallurgical Cranes and other EOT Cranes of high capacity up to 450 T and Rotating Tong Cranes
- Material Handling equipment namely, Wagon Tippler, Apron Feeder, Reclaimers etc.
- Various other equipment namely, Primary Gyratory and other Crushers needed by core sector industries.
- Over Burden Blast Hole Drills-Dia 250 mm
- The Project Division can take up execution of projects of turnkey basis in the following areas
 - Material handlling system
 - Coal Deshelling Washery
 - Coal Degasification Plant
 - Steel Plant facilities like Sintering Plant, Continuous Costing Plant and Coke Oven By-Product Plant
 - Cement Plants

HEAVY MACHINE TOOLS PLANT

Various types of machine tools including special purpose machine tools for Railways. The plants is capable of producing CNC Machine Tools of some models as well.





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