

एच.ई.सी.



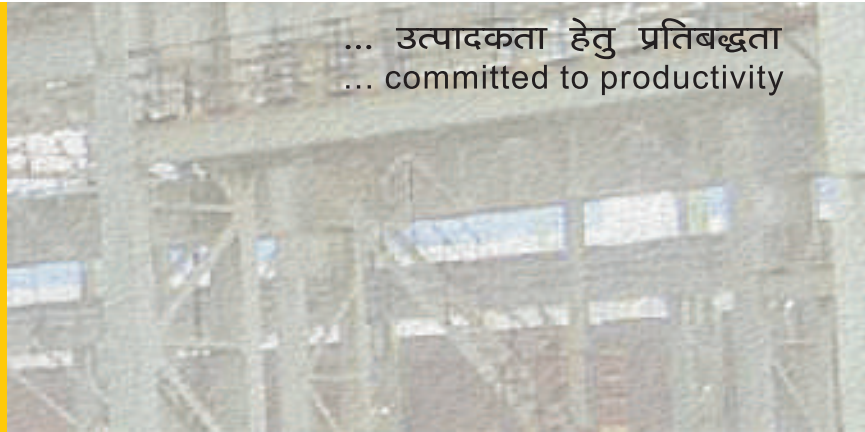
वार्षिक प्रतिवेदन

**Annual Report  
2010-2011**



... उत्पादकता हेतु प्रतिबद्धता  
... committed to productivity

हेवी इंजीनियरिंग कॉरपोरेशन लिमिटेड  
**HEAVY ENGINEERING CORPORATION LTD.**



## अविस्मरणीय क्षण (GLIMPSES OF SOME IMPORTANT EVENTS)



श्री जी. के. पिल्लई, सी.एम.डी., एच.ई.सी.लि., "बोर्ड फॉर रिक्न्स्ट्रक्शन आफ पब्लिक सेक्टर इन्टरप्राइजेज (बी.आर.पी.एस.ई.) टर्नअराउण्ड अवार्ड, 2010", डॉ. नीतिश सेनगुप्ता, भा.प्र.से., चेयरमैन, बी.आर.पी.एस.ई.से ग्रहण करते हुए। साथ में श्रीमति स्तुति कक्कड़, भा.प्र.से., सचिव बी.आर.पी.एस.ई. एवं श्री अरूप रॉय चौधरी, चेयरमैन, स्कोप एवं सी.एम.डी. एन.टी.पी.सी.।

Shri G K Pillai, CMD HEC Ltd receiving the "Board For Reconstruction Of Public Sector Enterprises (BRPSE) Turnaround Award 2010" from Dr Nitish Sengupta IAS, Chairman BRPSE in the presence of Smt Stuti Kacker, IAS, Secretary, BRPSE and Shri Arup Roy Choudhury, Chairman SCOPE and CMD NTPC at Tagore Hall, SCOPE Complex, New Delhi on 10.03.2011.



माननीय मुख्यमंत्री, गोवा श्री, दिगम्बर कामत द्वारा 16.05.2011 को गोवा में 15वें सी.ई.ओ. कान्फ्रेंस ऑफ इंडियन इंस्टीट्यूशन आफ इंडस्ट्रीयल इंजीनियरिंग (आई.आई. आई.ई.) के दौरान "परफॉर्मेंस एक्सेलेन्स अवार्ड, 2010 ग्रहण करते श्री जी. के. पिल्लई, सी.एम.डी., एच.ई.सी.लि.।

Shri G K Pillai, CMD, HEC Ltd. receiving the "Performance Excellence Award 2010" from Hon'ble Chief Minister of Goa, Shri Digambar Kamat during the 15th CEOs Conference of Indian Institution of Industrial Engineering (IIIE) at Goa on 16.05.2011.

# GLIMPSES OF SOME IMPORTANT EVENTS



*Lighting of lamp at the inauguration of Jharkhand Premier League Cricket - 2011 on 13.03.2011*



*Visit of H.E. Lt. Gen. (Rtd.) Andi M Ghalib, Indonesian Ambassador to HEC, Ranchi on 06.04.2011*

एच.ई.सी.



## गुणवत्ता नीति QUALITY POLICY

“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”

“TO ACHIEVE AND MAINTAIN A LEADING POSITION AS A SUPPLIER OF RELIABLE QUALITY PRODUCTS, SYSTEMS AND SERVICES TO MEET CUSTOMER NEEDS AND EXPECTATIONS”



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### *Board of Directors*

(As on 30.09.2011)

Chairman-cum-Managing Director	:	Shri G. K. Pillai
Director (Finance)	:	Shri R. Misra
Director (Marketing)	:	Shri B. Prasad
Director (Production)	:	Shri Kushal Saha
Directors	:	Shri Saurabh Chandra
	:	Shri Harbhajan Singh
Company Secretary	:	Shri Abhay Kumar Kanth
Auditors	:	M/s Anjali Jain & Associates, Chartered Accountants
Bankers	:	State Bank of India
Registered Office	:	Plant Plaza Road, Dhurwa, Ranchi - 834004 (Jharkhand)



## Notice of Annual General Meeting

Notice is hereby given to the Shareholders of Heavy Engineering Corporation Limited that 52nd Annual General Meeting of the Company will be held on Friday, the 30th September, 2011 at 11.00 AM at its Registered Office located at Plant Plaza Road, Dhurwa, Ranchi to transact the following business :-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report to the Shareholders for the financial year ended 31st March, 2011.
2. To receive, consider and adopt the audited Profit & Loss Account for the financial year ended 31st March, 2011 and Balance Sheet as on that date along with the Auditors Report thereon and our replies thereto.
3. Appointment of Auditor under Section 619 (2) of the Companies Act, 1956 for the financial year 2011-12 and authorize Board of Directors to fix remuneration of the Statutory Auditor for the financial year 2011-2012.

By order of Board of Directors

Date: 12.09.2011

A handwritten signature in black ink, appearing to read 'A.K. Kanth'.

( A.K.Kanth )

Co.Secretary

NOTE : 1. A Member of the Company entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and proxy need not be a Member of the Company.

# BOARD OF DIRECTORS

(As on 30.09.2011)



**G. K. PILLAI**  
*Chairman & Managing Director*



**SAURABH CHANDRA**  
*Director*



**HARBHAJAN SINGH**  
*Director*



**R. MISRA**  
*Director (Finance)*



**BHARAT PRASAD**  
*Director (Marketing)*

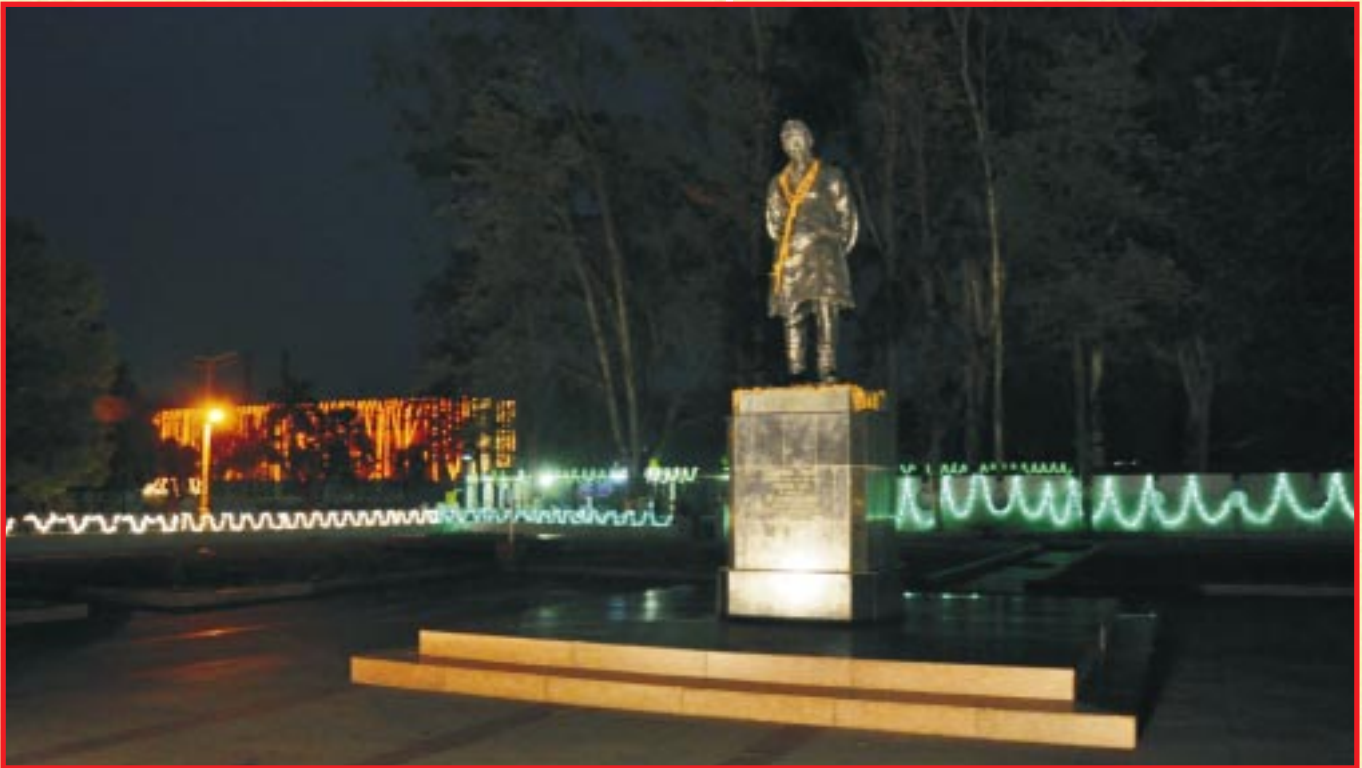


**KUSHAL SAHA**  
*Director (Production)*



**ABHAY KUMAR KANTH**  
*Company Secretary*

# GLIMPSES OF SOME IMPORTANT EVENTS



Decorative view of Nehru Park near Foundry Forge Plant of HEC on the eve of PSU Day 16.04.11



Address by CMD during induction programme of ET2010 batch on 19.01.2011





## Directors' Report

To  
The Shareholders  
Heavy Engineering Corporation Limited

Ladies and Gentlemen,

Heavy Engineering Corporation has completed its 52 years of service to the nation and the Directors of the Company have the pleasure to present the 52nd Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2011.

It is matter of great pride that your company continuously earned net profit for the 5th consecutive year and has been conferred BRPSE Turnaround Award 2010. Your company has also been conferred with "Performance Excellence Award" at the 15th CEOs Conference 2011 in the conference organised by Indian Institution of Industrial Engineering (IIIE).

### 1. PERFORMANCE HIGHLIGHTS

We are happy to inform you that your company has shown a sustained growth in all the areas in the concluded financial year. The gross turnover has gone up by 29% over that of the last financial year. The gross turnover during the year has been Rs.681.21 crore against Rs.528.53 crore during the previous year. Production during the year has increased by 30% to Rs.700.55 crore from Rs.537.72 crore during previous year.

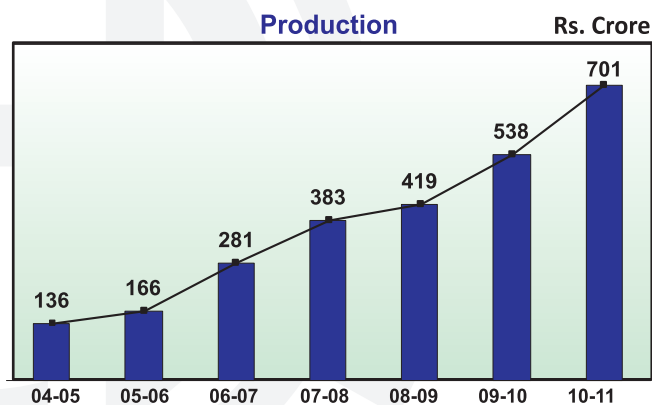
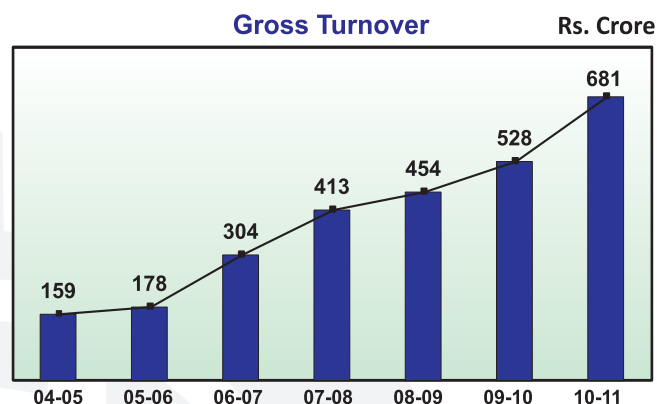
### 2. PRODUCTION & SALES

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

(Rs. in crore)

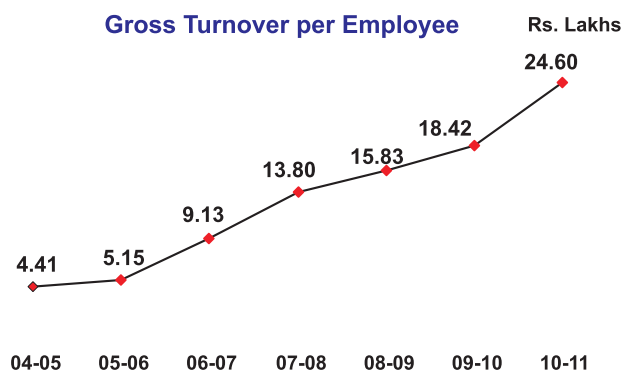
	2010-2011		2009-2010	
	MOU	Actual	MOU	Actual
Gross Turnover	700.00	681.21	550.00	528.53
Production	667.70	700.55	525.84	537.72

The Gross Turnover, Production and productivity for the last eight years are given below:



### Productivity

There is a marked improvement in Gross turnover per employee.



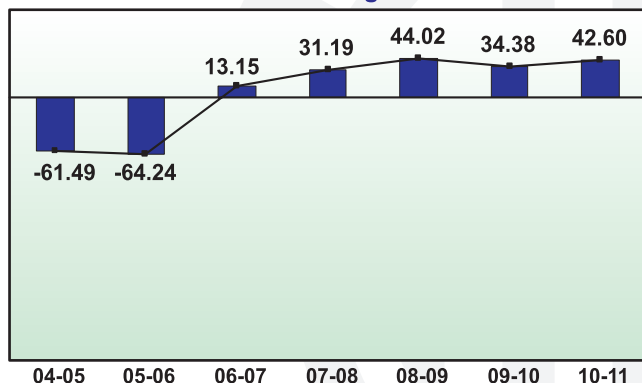
### 3. FINANCIAL RESULTS

(Rs. in crore)

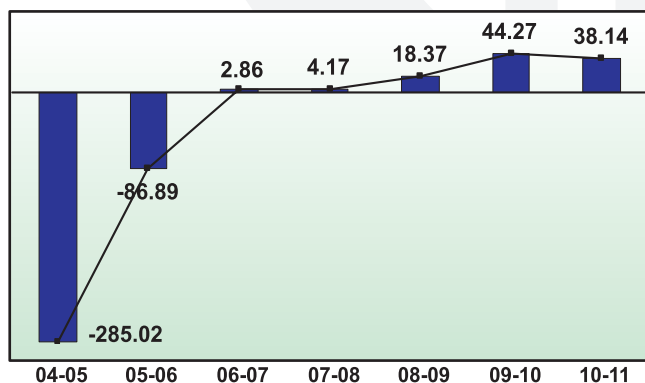
Particulars	2010-2011		2009-2010	
	MOU	Actual	MOU	Actual
Gross Margin	54.00	42.60	46.50	34.38
Interest	12.00	0.92	19.79	0.47
Depreciation	5.20	4.06	5.16	3.81
Profit before Tax	36.80	38.14	21.55	44.27
Net Profit	36.80	38.14	21.55	44.27
Cash Profit	42.00	42.20	35.41	48.08

● Profit before Depreciation, Interest, Tax, Prior Period and extra ordinary items.

**Gross Margin** Rs. Crore



**Net Profit** Rs. Crore



Paid up Equity Capital of the Company on 31.03.2011 stands to be ₹ 606.08 crore.

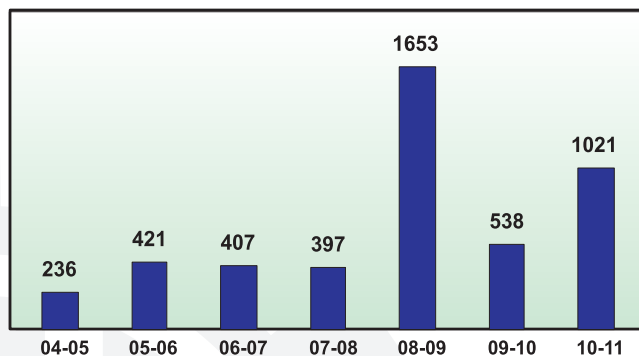
During the year your Company contributed ₹ 66.45 crores to Central and State Exchequers as compared to ₹ 69.33 crores in the prev. year.

### 4. MARKETING ACTIVITIES

#### ORDERS BOOKED & ORDER BOOK POSITION :

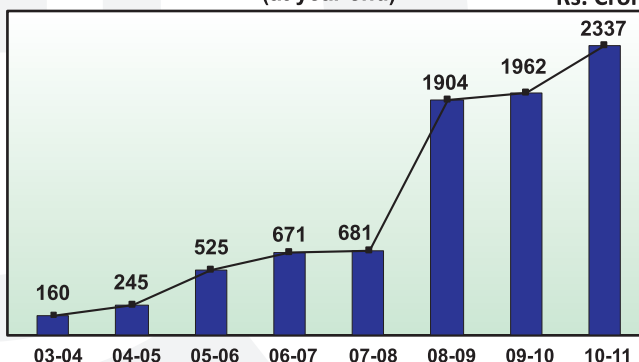
During the year orders worth ₹ 1021.25 crore were booked against ₹ 537.54 crore during previous year.

**Order Booking** Rs. Crore



The order book position of company as on 1.4.2011 has gone up to ₹ 2337.14 crores from ₹1962 crore in previous year.

**Orders in Hand (at year end)** Rs. Crore



During the year, the Company received prestigious orders as stated below :

- 2 nos. of Dragline worth ₹ 306 crore through competitive bid from NCL.
- HEC entered into the business of Coal Washery by bagging an order for 5 MTPA Coal Washery for Madhuband, BCCL worth ₹ 210 crore against International competitive bidding.
- 9 nos. of 5 cum Rope Shovel from CIL Units (CCL-03,WCL-06)

Apart from the above, a number of orders for Castings, Forgings Spares and miscellaneous spares have also been received from various Steel Plants, Mining & general engineering industries in Private sector.



## PROJECT ACTIVITIES :

The Project Division is currently executing the Turnkey orders of Ore Handling Plant, Part-A (Pkg-060) & Coal Handling Plant (062) of BSP Bhilai and Pkg-090 of RSP Rourkela. The execution of the projects at these sites is under progress.

The production achieved for 2010-11 was Rs.235 crore against the target of 180 crore.

Many high value orders are being expected from Steel & Mining Sector for Material/Coal Handling Plant projects in the coming years.

## EFFORTS FOR ENHANCING BUSINESS AREAS :

- a) Important MOU/Agreements Signed during 2010-11 :
1. MOU between M/s. HEC and M/s HMT Machine Tools Ltd. for joint marketing of machine tools and sharing of resources between the two organization.  
Joining together of HEC and HMT-MTL will make HEC as one of the world's premier company in the machine tools field with the capability to design, manufacture and supply a wide range of machine tools and offer total solution to customers, from smallest to largest machine tools from a single source.
  2. MOU between M/s. HEC and M/s RINL Visakhapatnam for supply of Equipments & Spares for Cone Crushers, Sinter m/c gear box, BOF related equipments, CCM related equipments, Light & Medium Merchant mill, Wire Rod Mill, Medium Merchant & Structural Mill, BF Equipments etc. by HEC
- b) **Railway Business**  
**Tower Wagon Car**
- ✓ HEC has participated and technically qualified on its own and is H1 amongst 3 parties in the tender for procurement of 45 nos. of Diesel-Hydraulic under slung type OHE Tower Wagon.
  - ✓ HEC is participating in the tender for procurement of 55 nos. of Diesel-Electric under slung type OHE Tower Wagon.

## 5. BIFR AND REVIVAL PACKAGE

Consequent upon winding up order of BIFR and subsequent appeal to AAIFR and Hon'ble High Court of Jharkhand, issue of revival of HEC was referred to BRPSE which recommended revival package for HEC on 7.10.2005. Govt. of India approved the package in Dec-2005. Continued efforts were made to settle the various issues pertaining to land, buildings, waiver of dues and fund to be provided by Govt. of Jharkhand. Govt. of Jharkhand (GOJ) in April 2009 agreed to waive outstanding electricity dues plus DPS on it and water dues; provide grant of Rs.275.51 crore out of which HEC would pay Rs.25.51 crore to Commercial Tax Dept. to settle the outstanding Commercial Tax Liabilities. HEC will transfer non-residential/residential buildings, presently given on rent to GOJ, and 2342 acres of land (including 85 acres of appurtenant land with buildings) to State Govt. In addition, GOJ agreed for transfer of 158 acres of land by HEC to CISF to settle their dues. Accordingly affidavits were filed by HEC, DHI and Govt. of Jharkhand based on which Hon'ble Jharkhand High Court approved the revival package on 13.11.2009.

Company has transferred 158 acres of Land to CISF. Govt. Jharkhand had taken possession of 1148 residential quarters, 17 non-residential buildings with 85.11 acres appurtenant land and 1902.64 acres of vacant land which in turn had released Rs.164.21 crore out of Rs.275.51 crore agreed earlier. In addition it had waived electricity dues upto 31.3.2006 and Delayed Payment Surcharge (DPS) upto 31.8.08. The reliefs like waiver of DPS for the period 1.9.2008 to 31.3.2010 and water dues and receipt of balance amount of grant of Rs.111.30 crore, settlement of commercial tax dues upto 31.03.2007 under the revival package approved by Hon'ble Jharkhand High Court is yet to be implemented. Accordingly, partial implementation of the Revival Scheme of Govt. of Jharkhand has not been accounted for in the Accounts.



## 6. SAFETY, ENVIRONMENT AND POLLUTION CONTROL

As always, your company gives utmost importance to the occupational safety and health of workers in the company. Various training and awareness programme were conducted regularly in order to inculcate safety consciousness among the employees. Complete medical check-ups were regularly carried on 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. National safety day and HEC Safety Week were celebrated by all the units.

The company does not compromise on environmental pollution and so takes all precautions towards pollution control as detailed below :-

- ✓ Compliance with all Statutory requirements laid down under Air (Prevention and Control of Pollution) Act, Water (Prevention and Control of Pollution) Act and Environment (Protection) Act.
- ✓ Obtaining running consent from the State Pollution Control Board and compliance with the stipulated conditions.
- ✓ Testing of water effluent samples regularly for pollutants, based on which consent for discharge of water to inland body is granted.
- ✓ Ambient air test is carried out regularly to ascertain limit of pollution gases before giving consent for air emission.
- ✓ Regular tree plantation activities are being carried out with the help of forest department to keep the HEC areas green and reduce the pollution.

## 7. MANPOWER POSITION

The manpower of the Company as on 31.03.2011 stood at 2769 as against 2870 on 31.03.2010.

## 8. INDUSTRIAL RELATIONS

During the period under review, the industrial relation climate, in general remained normal. A Memorandum

of Settlement on wage revision of workers was signed on 15th March, 2011. Subsequently wage revision for workmen has been implemented in August, 2011 w.e.f. 1.1.2009.

## 9. EMPLOYEE WELFARE

The Company runs a 250 bedded Hospital with 12 numbers of Broad Specialties. Keeping in mind the general perception that good health is the embodiment of a good mind, and helps individuals to have positive approach towards analyzing and solving problems, employees of the Corporation and their dependent family Members are given medical treatment free of cost. The medical facility is also being extended to the retired employees and spouses also. In addition, the general public is extended medical facilities in HEC Hospital on payment.

## 10. HUMAN RESOURCE DEVELOPMENT

Your company gives immense importance to human resource development, as a result of which company has been able to achieve substantial improvement in performance and making net profit since last 5 years. Our efforts have been recognized at the Asia Pacific HRM congress 2010 held at Bangalore in September 2010 with the theme "Unleashing Positivity in the Workplace".

Your company is running two schools for the wards of employees & others in the neighboring areas.

## 11. STATUS OF SCHEDULED CASTES AND SCHEDULED TRIBES

- i) No. of SC & ST employees as on 01.04.2011 stood at 337 and 539 respectively
- ii) Percentage of SC & ST employees w.r.t total employees stood as 12.17% and 19.47% respectively.
- iii) Out of 112 recruitments made during the year 2010-11, 19 nos. of SC candidates & 13 nos. of ST candidates have joined.



## 12. PROGRESSIVE USE OF HINDI

Rajbhasha Vibhag promotes the usage of Rajbhasha Hindi through out your company as an essential effort for wider implementation under the directives of Govt. of India.

The following steps were taken by the company during the year towards progressive use of Hindi as official language:

- i) The typists and stenographers of English have been given training for typing and stenography in Hindi.
- ii) Employees are being motivated and trained to become conversant with Hindi as a workable language.
- iii) The Official Language Implementation Committee organized its quarterly meetings regularly during the year.
- iv) Various checkpoints have been made to ensure successful implementation of Raj Bhasha Policy and attention of the Heads of Departments/Plants were attracted towards deficiencies found, if any. Directives were also issued to follow the rules rigidly.
- v) Raj Bhasha Fortnight was organized and various competitions such as Essay writings, Speech, Poetries, Noting, Drafting, Typing as well as for Raj Bhasha Shield and excellent work in Hindi were held. The winners were given attractive prizes. Two Hindi workshops were organized for the benefits of employees up to date their working knowledge in Hindi.

## 13. 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.

## 14. VIGILANCE ACTIVITIES

Preventive vigilance has been the thrust areas and same received focused attention during 2010-11 through periodic and surprise inspections by the Vigilance Department. Awareness amongst employees is generated by organizing training programs on various guidelines/procedures of CVC, disciplinary enquiry proceedings, their role in combating corruption etc. and need for transparent and fair working. 18 such programs were organized during the year. In addition, regular interactions by CVO/Vigilance Officers with senior executives/employees of HEC were organized to develop a positive approach among them towards corruption free efficient and transparent working. During the year E-procurement / tendering for leveraging of technology to enhance transparency in working was introduced. Efforts had been on timely disposal of complaints and enquiries.

Vigilance awareness week was observed as per CVC's guidelines. Essay/quiz competitions were organized to enhance vigilance awareness among the employees.

## 15. DISPOSAL OF REQUEST/APPEAL UNDER RTI ACT

Company emphasizes on transparency and timely submission of information sought was given priority.

## 16. QUALITY CONTROL

Your company never compromises on quality 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. The standards of Quality of products and services are being maintained as per relevant Indian standards and ISO 9001:2000.



- 17. ENERGY AUDIT :** Energy Audit was carried out by Petroleum Conservation Research Association (PCRA) in 2004-05 in a limited way with the objective to study the use of alternate fuel other than the currently used Producer Gas for Heat treatment/Reheating furnaces.

As Foundry Forge unit is the main energy consuming unit, energy audit of this unit with the help of an external agency M/s. Energo Engineering Projects Ltd (EEPL) was got done. Suggestions have been prioritized and action initiated in addition to modification of the Producer Gas plant and for operating furnaces.

- 18. R & D, TECHNOLOGY ABSORPTION, ADAPTATION, AND INNOVATION; ENERGY CONSERVATION**

The particulars required under section 217 (1) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, regarding R&D, Technology Absorption, Adaptation and Innovation as well as Energy Conservation are furnished in **Annexure- 'A'**.

- 19. DIRECTORS' RESPONSIBILITY STATEMENT :**

- i) That in the preparation of the Annual Accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year under review.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the Annual Accounts for the financial year ended March 31, 2011 on a going concern basis.

- 20. FOREIGN EXCHANGE**

The foreign exchange outgo during the year was Rs 49.91 Crores.

- 21. INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956**

None of the employees of the Company was in receipt of remuneration in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 during the financial year ending 31st March, 2011.

- 22. CORPORATE GOVERNANCE**

Report on Corporate Governance is placed at Annexure-B.

- 23. STATUTORY AUDITOR**

The Comptroller & Auditor General of India (CAG) has appointed M/s Anjali Jain & Associates, Chartered Accountants, Ranchi as the Statutory Auditor of the company for the financial year 2010-11.

- 24. COMMENTS OF C&AG AND STATUTORY AUDITORS AND**

**MANAGEMENT'S REPLIES THEREON** The comments of C&AG under Section 619 (4) of the Companies ACT, 1956 on the Accounts of the Company for the year ended 31.03.2011 along with the Review of Accounts of your Company by C&AG and Statutory Auditors' observations along with Management's replies thereto are furnished in ANNEXURE-'C'

- 25. BOARD OF DIRECTORS**

During the year, there were two part time Official Directors on the Board of HEC, in addition to the CMD, Director (Finance), Director (Marketing) and Director (Production).

During the year Shri V.K.Srivastava, Non-official Director and Shri S.K.Choudhary Director (Production) ceased to be Directors. Board places on



record its deep appreciation for the valuable services and contribution made by them during their tenure as Directors on the Board of Directors of HEC Ltd.

**26. AUDIT COMMITTEE**

As there were no independent Directors on the Board of HEC Ltd. the Audit Committee could not be reconstituted.

**27. ACKNOWLEDGMENT**

The Board also gratefully acknowledges the support and guidance received from the various Ministries of the Govt. of India.


The Board is particularly grateful to the Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises for their continued support in the revival of this Company.

The company also wishes to place on record its thanks to the Govt. of Jharkhand for all their support in the revival process of the company.

The company wishes to place on record its appreciation of the continued co-operation received from all its stake holders including the suppliers, banks, financial institutions, the Comptroller and Auditor General of India and Statutory Auditors.

The company wishes to record its deep gratitude to all the members of the HEC family who have worked very sincerely and dedicatedly in bringing this company to another year of profitability and growth.

For and on behalf of Board of Directors



( G.K. Pillai )

Chairman-cum-Managing Director

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

### RESEARCH & DEVELOPMENT ACTIVITIES

The company continued its efforts for the technology up gradation and development of products/systems during the year.

#### I. Specific areas in which R&D activities were carried out by the company are detailed below :-

##### (i) Patent for modified Coke Quenching Car.

The Coke quenching car, for which the company have received Patent Certificate, has been supplied to RSP, Rourkela. The patent was granted on 06/12/2010 with effect from 21st March,2005 for 20 years. The present invention provides an improved coke quenching car having a bottom quenching arrangement and an outer gate opening arrangement. In the present invention, the bottom quenching arrangement is for quenching hot coke from the bottom and the outer gate opening arrangement is provided to supply water from side as well as to retain water for a preset period for uniform quenching of the hot coke to ensure that the moisture content in quenched coke is less than 4%. Earlier, quenching of hot coke in coke quenching car was done by spraying water from coke quenching tower from top only. While spraying from top, hot coke at the top gets quenched while hot coke at the bottom was not quenched properly. In order to quench hot coke at the bottom also, more water was sprayed from top which results in uneven quenching of coke without having any control of moisture content in quenched coke.

##### (ii) Primary / Secondary Hammer Crusher

Earlier design of manual Opening/closing of Top Cover Assembly of Primary & Secondary Hammer Crusher with the help of screw / nut mechanism has been modified and now it will be operated through Hydraulic cylinder and Hydraulic Power Pack with solenoid control valve. This system has been successfully tested in our shop. This is being implemented for Hammer Crushers being supplied to RSP, Rourkela having capacity 250 / 150 TPH.

#### II. Import Substitution Efforts

##### Following important items were manufactured and supplied

- CNC Vertical Borer of 3000mm Table Dia.
- 9 nos. of 5 Cum Rope Shovels and 1 no. of Walking Dragline to CIL subsidiaries.

#### III. Technology Absorption, Adaptation and Innovation

i) Development of Special purpose CNC Railway machine tool with latest features such as Automatic operator Guidance System. These machines developed as per the collaboration with M/s Hegenscheidt were produced and are under customer inspection.

ii) Improved products were offered to the customers to meet their exact requirements and order procured against global competition. Exercises were carried out continuously to offer the best product with reduced cost through continuous research and adoption of better technology and low rejection of components.

iii) **Single Spot Coke Pusher** : Efforts are being made for bringing in improvement in the functioning of Travel Mechanism, Door Extractor, Fram cleaner, Door cleaner, and Leveller door opening & closing mechanism keeping maximum wheel load within permissible limit of the existing civil foundation of the rail track.

a) **Travel mechanism:-** Change in transmission system is being made in to order to overcome the frequent trouble due to torque transmission through open gearing to two driving wheel in existing coke pusher.

In the improved design, output shaft of the gear box will be directly coupled to the driving wheel through gear coupling. In addition, functioning of the buffer is being improved by repositioning it on the structure itself.





- b) **Door extractor** :- Change in design to handle the new leak proof doors - introduction of hydraulic cylinders with linear displacement transducer or sensing the position of door in each oven and for vertical compensation, which helps in exact positioning of the extracted Door after performing Door Cleaning. Improvement in locking device of the door, which is being actuated by hydraulic cylinder
- c) **Frame cleaner** :- The design of the frame cleaner is improved to make it simple & user friendly. The slewing mechanism is improved similarly as being done for door extractor.
- d) **Door cleaner** :- Design is being improved for cleaning the new leak proof doors and to make it simple & user friendly.
- e) **Leveller door opening & closing mechanism**:- Linkage of this is being redesigned for proper functioning. Position of leveller door is being sensed by hydraulic cylinder with linear displacement transducer for proper opening & closing of leveller door. Leveller muff is being introduced for controlling the emission during levelling.
- Overall performance of the coke pusher will be improved by providing VFD control, PLC, LDT, encoders & proximity switches.

#### iv) **Facilities upgradation in RPD**

To reduce the overall cycle time, facilities RPD / HMBP have been upgraded to make the designs faster and more accurate. Migration from 2D to 3D concept has been envisaged as a part of the modernization and accordingly the softwares have been selected for design and analysis. The design and drawing management system is built on LAN, based on Client & Server architecture.

#### IV. **Energy Conservation**

Foundry Forge unit of the company is the most energy intensive unit which consumes more than 75% of total electrical energy and 100% of Coal.

Various efforts made for reduction in melting cycle helped in substantial reduction in specific electricity consumption in the melting area during the year 2007-08. However, due to production of high quality steel the energy consumption had gone up during 2008-09. In addition, electric arc furnaces need upgradation, as these were installed in 60s'. Delay in upgradation has affected specific Power consumption. Power consumption in melting area are as under :

	2010-11	2009-10	2008-09	2007-08	2006-07
Power Consumption (KWH) per Ton of Liquid Metal Production	960.31	937.35	981.46	868.72	1029.69

Company had initiated various steps to conserve the energy in Foundry forge unit.

The various steps being taken in Foundry Forge unit to bring down energy overall consumption and specific energy consumption are as under:

- Reduction in maximum Demand of Power by proper load planning.
- Use of energy efficient high pressure sodium vapor lamps/Tube lights.
- Replacement of MG Sets by use of Static Transformers and Rectifiers.
- Use of ceramic lining in Furnaces and by installing programmable controller in electric pit furnace.
- Reduction in heat cycle time for melting furnaces etc.
- Replacement of centralized compressor unit with decentralized Air Compressor at the load centres.
- Provision of Transparent Sheets at roof tops of production shops so as to utilize sunlight for illumination.



Performance of Foundry Forge Unit in both physical and financial terms has been badly affected due to delay in upgradation program of 2650T press. Energy consumption in this area is quasi variable as such specific energy consumption has gone up despite overall reduction in consumption of electricity and diesel. Coal is used for producing producer gas. Quality of Coal and deteriorating condition of gas plant has resulted in increased consumption of coal. Energy Consumption details per Ton of physical production of FFP during the recent years are as under :

Particulars	Units Consumption per Ton of Production			
	2010-11	2009-10	2008-09	2007-08
Electricity (KWH)	2904.83	2554.47	2421.87	2436.91
Coal (MT)	5.55	4.62	4.49	4.32
Diesel (Liters)	24.11	24.62	20.35	18.93



**REPORT ON CORPORATE GOVERNANCE  
(As on 31.03.2011)**

The Directors present the Company's activities on Corporate Governance.

**COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE**

Heavy Engineering Corporation Limited (HEC Ltd.) believes in transparent business activities, to enhance the value for all those who are associated with the Company viz., Customers, Suppliers, Govt. of India, Ministry of Heavy Industry, Department of Public Enterprises as owners and any other capacity, various State Governments, other Governmental agencies/departments and the society at large. Essentially it involves practicing of good Corporate Governance policies and HEC believes honesty and integrity through transparency, accountability and attaining maximum level of enrichment of the enterprises. HEC also received global recognition by ensuring value addition to its domestic as also the International customers.

HEC complies with all the laws and manages its affairs in a competitive market and monitors and regulates the management policies/decision 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 by letter and spirit. Keeping with the spirit of the code, the Company has enlarged and strengthened the scope of the committees formed in accordance with the Companies Act, 1956.

**Board of Directors :**

The Board of Directors oversees all major actions/ activities proposed to be undertaken by the company. The Board also reviews and approves the strategic and business plans including monitoring of corporate performance.

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. The Directors are not required to hold any qualification shares.

As on the date of reporting, the Board of HEC Ltd. consists of six Directors who have been classified in two classes viz., (i) Functional Directors (Whole time) (ii) Government Nominee Official Directors. The Board includes (a) Chairman-cum-Managing Director (CMD), three Functional Directors i.e. Director (Finance), Director (Marketing) and Director (Production) (b) Two Government of India Nominee Official Directors from Ministry of Heavy Industry. The terms, conditions and tenure of appointment of Directors including CMD are decided by Government of India, Ministry of Heavy Industry.

The remuneration/compensation payable to Directors is also fixed by Government of India and the CMD and Executive (whole time) Directors are paid monthly remuneration as fixed by Government of India.

The whole-time Functional Directors are :-

- a) Shri G.K.Pillai : Chairman-cum- Managing Director
- b) Shri R.Misra : Director (Finance)
- c) Shri Bharat Prasad : Director (Marketing)
- d) Shri Kushal Saha : Director (Production) (w.e.f. 20.06.2011)
- e) Shri M.R.Venugopal : Director (Personnel) (ceased to be Director w.e.f. 20.05.2010 due to his death)
- f) S.K.Chaudhary : Director (Production) (ceased to be Director w.e.f. 31.08.2010 due to his superannuation)

**Govt. of India Nominee Part-time Official Director are :-**

- a) Shri Saurabh Chandra, AS&FA, Govt. of India
- b) Shri Harbhajan Singh, JS, DHI, Govt. of India

Govt. of India Nominee Non-Official (Part-time) Director is :-

- a) Shri V.K.Srivastava : (ceased to be Director w.e.f. 31.07.2010 due to his superannuation from his parent organisation)

## 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.

### Number of Board Meetings :

During the year 2010-11, four (4) Meetings were held, the details of which are given below :-

Sl.No.	Date	Board Strength	No. of Directors present
1.	08.06.2010	07	07
2.	09.09.2010	05	04
3.	27.12.2010	05	05
4.	24.03.2011	05	05

### 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
<b>(a) Executive Directors (Whole-time Functional Directors.</b>				
1. Shri G.K.Pillai, CMD	1.04.2010 to 31.03.2011	04	04	01
2. Shri M.R.Venugopal Director (Personnel)	01.04.2010 to 20.05.2010	---	---	---
3. Shri R.Misra, Director (Finance)	01.04.2010 to 31.03.2011	04	04	---
4. Shri Bharat Prasad Director (Marketing)	01.04.2010 to 31.03.2011	04	04	---
5. Shri S.K.Chaudhary Director (Production)	01.04.2010 to 31.08.2010	01	01	---
<b>(b) Govt. of India Nominee Part-time Official Director</b>				
1. Shri Saurabh Chandra	01.04.2010 to 31.03.2011	04	04	06
2. Shri Harbhajan Singh	01.04.2010 to 31.03.2011	04	03	08
<b>(c) Part-time Non-Official Director</b>				
1. Shri V.K.Srivastava	01.04.2010 to	01	---	---

## Board Agenda and Material :-

The Board believes that a carefully planned Agenda is important for effective Board Meetings. All major issues included in the Agenda are backed by comprehensive background information to enable the Board to take decisions. The agenda is flexible enough to accommodate any unexpected development (s) requiring Board's attention and its decision. Agenda papers are, generally circulated well in advance to the Members of the Board. The Board members, in consultation with the Chairman may bring up any relevant matter for the consideration of the Board.



## Auditors Report

The Members of,

HEAVY ENGINEERING CORPORATION LIMITED

RANCHI

1. We have audited the attached balance sheet of Heavy Engineering Corporation Limited as at 31st March, 2011, and also the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure-2 a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to above, we report that:
  - (a) We have 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 accounts as required by law have been kept by the company as far as appears from our examination of those books.
  - (c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section-211 of the Companies Act, 1956.
  - (e) In terms of Notification No. GSR 829(E) dated 21-10-2003 issued by the Department of Company Affairs, Government of India, the provisions of Section 274(1) (g) of the Companies Act, 1956 are not applicable to the Company.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other Accounting Policies and Notes to Accounts given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India to be read with the Audit Observations in Annexure-1 forming part of the report.
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
- c) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For Anjali Jain & Associates  
Chartered Accountants

CA Anjali Jain  
(Partner)

Membership No. 72022  
FRN 003247C

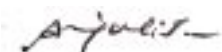
Place: Ranchi

Dated: 22/08/2011

## Replies of Annexure 1 to the Auditors Report

	Auditor's Report	Replies
1.	<p>The debtors of Project Division include ₹1458.032 Lacs which is resultant of an arbitration award in favor of the company. The party (defendant) filed an appeal before Hon'ble Delhi court which was rejected by the Hon'ble Delhi High court. The party again filed an appeal before Hon'bl Supreme Court. At this point of time we are unable to comment on the above mentioned amount of debtor as it is under the judicial proceedings.</p>	<p>The claim was awarded by Sole Arbitrator appointed by the Secretary, Deptt. Of Public enterprises, Govt, of India. The award was confirmed by Additional Secretary, Deptt. Of Law &amp; Justice and company affairs, Govt. of India. Further as observed by Statutory Audit the appeal of the party before Hon'ble High Court, Delhi has been rejected. As such there is no uncertainty regarding realization of the amount although the party has moved in Supreme Court</p>
2.	<p>The Penalty of ₹ 9501.54 Lacs levied by the PF Commissioner U/s 14B has not been accounted and provided in the accounts. The amount mentioned is shown as contingent liabilities.</p> <p>Although the company had filed an appeal before the Appellate Tribunal and also filed an appeal before Hon'ble High Court of Jharkhand for the waiver of damages but the High Court order is awaited, pending the decision, in our opinion the current liabilities are under stated to that extent and profit is overstated to that extent.</p>	<p>This has been dealt in Note No. 2 of Schedule -25 (Notes on Accounts). The decision of the Hon'ble High Court of Jharkhand in this regard is pending and expected shortly.</p>

For Anjali Jain & Associates  
Chartered Accountants

  
CA Anjali Jain  
(Partner)  
Membership No. 72022

Place: Ranchi  
Dated: 22/08/2011

  
( S K Chakraborty )  
General Manager (Finance)/HEC



## Replies of Annexure 2 to the Auditors Report

Annexure referred to in paragraph 3 of the Auditors' Report to the Members of M/s. Heavy Engineering Corporation Limited on the accounts for the year ended 31st March, 2011.

	<b>Auditor's Report</b>	<b>Replies</b>
<b>1</b>	<p><b>Fixed Assets</b></p> <p>(a) The company has generally maintained proper records to show particulars of fixed assets including Quantitative details and situation of assets for all the fixed assets except furniture &amp; fixture, office equipments.</p> <p>(b) Some of the Fixed Assets of the Company (except building) have been physically verified in all units by an outside Chartered Accountant Firm during the year. However, the verification has not been reconciled with the Fixed Assets Register</p> <p>(c) According to the information and explanations available to us, 17 No's of non residential buildings and 1148 residential quarters which has 85.11 acres of appurtenant land along with 1902. 64acres of land is in possession of Govt, of Jharkhand under the scheme recommended by BRPSE and approved by Govt, of India. In our opinion this does not constitute the substantial part of fixed assets of the company and such disposal has not affected the going concern status of the company.</p>	<p>Noted</p> <p>Physical verification of Assets of all plants, Project, HQrs., Branch Offices etc, has been done by outside Chartered Accountant firm during the year 2010-11 with reference to the records of Assets in the Assets Register.</p> <p>No Comments</p>
<b>2</b>	<p><b>Inventories</b></p> <p>(a) Stock of raw material and stores and spares were physically verified by an outside Chartered Accountant Firm during the year. Considering the size of the company &amp; nature of its business the procedure of physical verification of raw materials and stores and spares need to be strengthen.</p> <p>(b) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory. As explained to us, the discrepancies noticed during physical verification of inventory were compared to the book records and it has been adjusted at the year end.</p>	<p>Noted for future guidance.</p> <p>No Comments</p>



	Auditor's Report	Replies
3	<p><b>Loans</b> In our opinion and according to the information and explanations given to us, the Company has not granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained Under Section 301 of the Companies Act 1956. Consequently, clauses (iii)(a) to (iii)(g) of paragraph 4 of CARO are not applicable.</p>	No comment
4	<p><b>Internal Controls</b> In our opinion and according to the information and explanations given to us, and on the basis of tests and checks carried out during the course of Audit, there is adequate internal control system commensurate with the size of the company and nature of its business relating the purchase of inventory and fixed assets and for sale of goods and services, But there are certain areas where internal controls needs improvement. Some of the major areas where internal control system in operation needs to be strengthened strictly adhered to are as follows:</p> <p>(a) Regularisation of invoices of unbilled debtors,</p> <p>(b) Inclusion of goods dispatched but title is not transferred to the buyer.</p>	<p>Noted</p> <p>(a) This is a regular process. As soon as entire contractual obligation is over, bill is immediately raised on the client.</p> <p>(b) Title is passed on to the buyer as soon as the goods are dispatched and entered in the premises of the buyer. In any case goods can not be taken back once the goods have entered the premises of the buyer.</p>
5	<p>In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the companies Act 1956, to the best of our knowledge and according to the information and explanation given to us:</p> <p>a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the register maintained under the said section have been so entered.</p> <p>b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.</p>	<p>Noted</p> <p>Noted</p>





6	<p><b>Acceptance of deposits from Public</b> In our opinion and according to the information and explanations given to us, The company has not accepted deposits from the public within the meaning of section 58 AA or any other relevant provisions of the companies act, 1956 and the rules framed there under.</p>	Noted																								
7	<p><b>Internal Audit System</b> Internal Audit of the company was carried out by an outside Chartered Accountant Firm during the year, however considering the size of the company and nature of its business, it needs more coverage of financial transactions and should be done during the year and not after the year ending.</p>	Noted. Already covered vast areas like Plants, Projects, Hqrs, Township, Hospital, Transport, Branch Offices, HTI, Transit Camp to the extent possible. The internal Audit work for 2010-11 was started from February,2011.																								
8	<p><b>Cost Records</b> As explained to us by the Management, the Central Government has not prescribed maintenance of Cost records under section 209(i)(d) of the Companies Act, 1956 for the products of the Company.</p>	No comment																								
9	<p><b>Statutory Dues</b> (a) According to the information and explanations given by the Company, undisputed statutory dues including Provident fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues are generally deposited regularly and no undisputed dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable except the cases which are stated below:</p> <table border="1" data-bbox="224 1213 930 1423"> <thead> <tr> <th>Name of the Act</th> <th>Type</th> <th>Amount</th> <th>Period</th> </tr> </thead> <tbody> <tr> <td>Municipal Tax Act</td> <td>Municipal Tax</td> <td>51,50,000</td> <td>July, 1999 to Dec., 2005</td> </tr> </tbody> </table> <p>(b) According to the information and explanations given by the Company, there is no disputed dues of Income Tax, Sales Tax, wealth Tax, Service Tax, Custom Duty, Excise, Cess that have not been deposited on account of matters pending before appropriate authorities except the cases which are stated as below :-</p> <table border="1" data-bbox="224 1654 930 1913"> <thead> <tr> <th>Name of the Act</th> <th>Commissioner /JCCT/Appeals /CTO(Rs)</th> <th>Tribunal (Rs.)</th> <th>Total (Rs)</th> </tr> </thead> <tbody> <tr> <td>Provident Fund Act</td> <td>-</td> <td>950,153,513</td> <td>950,153,513</td> </tr> <tr> <td>JST</td> <td>119,498,000</td> <td>10,524,000</td> <td>130,022,000</td> </tr> <tr> <td>CST</td> <td>127,966,000</td> <td>14,402,000</td> <td>142,368,000</td> </tr> </tbody> </table>	Name of the Act	Type	Amount	Period	Municipal Tax Act	Municipal Tax	51,50,000	July, 1999 to Dec., 2005	Name of the Act	Commissioner /JCCT/Appeals /CTO(Rs)	Tribunal (Rs.)	Total (Rs)	Provident Fund Act	-	950,153,513	950,153,513	JST	119,498,000	10,524,000	130,022,000	CST	127,966,000	14,402,000	142,368,000	<p>Payment is being made every quarter against old dues based on the agreement with Municipal Corporation.</p> <p>Disclosed in Notes on accounts</p>
Name of the Act	Type	Amount	Period																							
Municipal Tax Act	Municipal Tax	51,50,000	July, 1999 to Dec., 2005																							
Name of the Act	Commissioner /JCCT/Appeals /CTO(Rs)	Tribunal (Rs.)	Total (Rs)																							
Provident Fund Act	-	950,153,513	950,153,513																							
JST	119,498,000	10,524,000	130,022,000																							
CST	127,966,000	14,402,000	142,368,000																							



10	<p><b>Cash Losses</b></p> <p>The Accumulated loss of the Company as on 31st March, 2011 exceed 50% of its net worth. The company has not incurred cash losses during the current financial year covered by our audit and also in the immediately preceding financial year.</p>	<p>As per Accounts of the company it transpires that the company has earned a cash profit of Rs. 42.20 crore during financial year 2010-11.</p>
11	<p><b>Repayment of Dues</b></p> <p>In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.</p>	<p>No comments</p>
12	<p>According to the information and explanation given to us, the company has not granted any loan or advances on the basis of security, by way of pledge of shares, debentures and other securities.</p>	<p>No comments</p>
13	<p>In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a Nidhi/Mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.</p>	<p>No comments</p>
14	<p>The Company has not done any transactions for trading in Shares, securities, debentures and other investments during the financial year under audit.</p>	<p>No comments</p>
15	<p>According to the information and explanation given to us, the Company has not given guarantees for loans taken by others for Banks or financial institutions, the terms and conditions, whereof, in our opinion, are prima facie prejudicial to the interest of the company.</p>	<p>No comments</p>
16	<p>According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, We are of the opinion that the term loans were applied for the purpose for which the loans were obtained.</p>	<p>No comments</p>
17	<p>According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, We report that no funds raised on short-term basis have been used for long-term investment by the Company.</p>	<p>No comments</p>



18	According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act.	No comments
19	The Clauses 4(xix) & (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company	No comments
20	During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the Management	No comments

**For Anjali Jain & Associates  
Chartered Accountants**

CA Anjali Jain  
(Partner)  
Membership No. 72022

Place: Ranchi  
Dated: 22/08/2011

( S K Chakraborty )  
General Manager (Finance)/HEC



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HEAVY ENGINEERING CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2011.**

The preparation of financial statements of Heavy Engineering Corporation Limited for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 22 August 2011.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Heavy Engineering Corporation Limited for the year ended 31 March 2011. 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under section 619(4) of the Companies Act, 1956.

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

Place: Ranchi  
Date: 16.9.2011

A handwritten signature in black ink, appearing to read 'Manoj Sahay', with a horizontal line underneath it.

(Manoj Sahay)  
Principal Director of Commercial Audit

# WHAT WE SELL



*Spares of 5 cum Shovel*



*Assembly of 450 Ton EOT Crane trolley before despatch*

# WHAT WE SELL



*Dispatch to NCL of bucket of capacity 24 cum for Dragline*

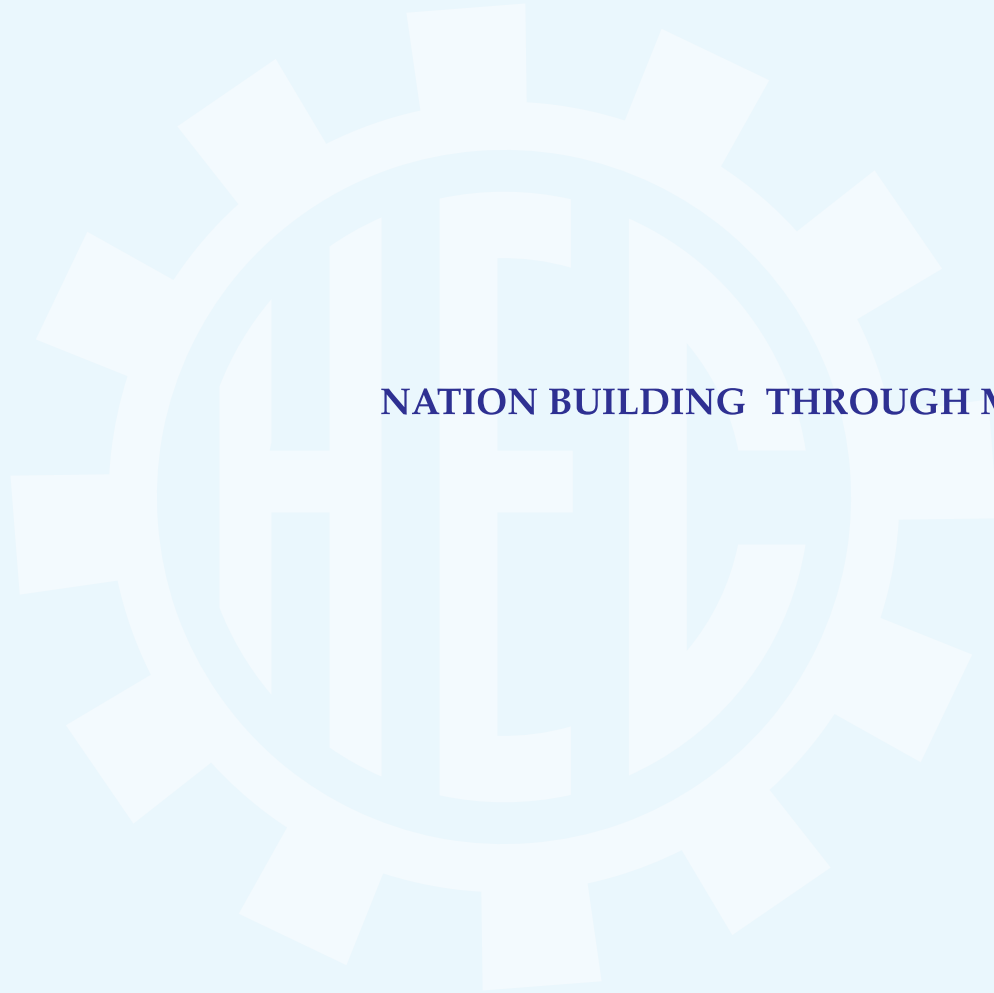


*Dispatch of bridge of 300T EOT crane for BSL*

# **HEAVY ENGINEERING CORPORATION LIMITED**

(A Government of India Enterprise)

Ranchi - 834004



Our Motto:

**NATION BUILDING THROUGH MACHINE**

**BALANCE SHEET  
AND  
PROFIT & LOSS ACCOUNT  
FOR THE FINANCIAL YEAR  
2010-2011**







## *Significant Accounting Policies*

1. 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.

### 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 of Rs./- 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 10years 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 REVENUE RECOGNITION

- i) Sales are recorded when significant risks and rewards of ownership are transferred to the customers. Part supplies against long term contracts for which bills have been raised are accounted for at contract price or provisional price. In case of dispatches for which challans and gate passes have been issued but bills are not raised, sales are accounted for at contract or provisional prices as unbilled sales.
- 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. Variation is accounted for when there is provision in contract or evidence of acceptance by the customer.
- iii) Sales are accounted for inclusive of excise duty but exclusive of sales tax.

### 5 LONG TERM TURNKEY CONTRACTS

- i) Revenue recognition:  
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.  
  
Income from supply/ erection of equipment/system and civil works is recognized based on dispatches to customers and works done at Project Site. Works executed but not measured/part executed at the end of the year are accounted for based on certification by the Engineers at Project Site.



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

## 6 PROVISION FOR WARRANTY

A provision of 0.5% on sales is made for liabilities under contractual obligations/ warranties. Expenses on warranties / contractual obligation are accounted for against natural heads in the year of incurrence.

## 7 EMPLOYEES BENEFITS:

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.

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

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.

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 XIV of the Companies Act and in respect of additions to/ deductions from the fixed assets during the year; depreciation is charged on prorata 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

This includes items billed at provisional rates pending finalization of prices and receipt of formal orders from customers and also value of dispatches which are unbilled after adjustment on pro-rata basis of advances/progress payments received against the relevant contract.

## 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 DEFERRED REVENUE EXPENDITURE

To lump sum payment towards foreign collaboration in the form of technical know-how, documentation and reports for any product is treated as Deferred Revenue Expenditure, which is written off in five years.

### 15 CLAIM BY/AGAINST THE COMPANY

- (i) Liquidated damages payable as per contracts are accounted for on ascertainment 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 after expiry of three years of recovery.

- (iii) 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.

### 16 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.

### 17 INVENTORY

Non moving items of stores are analysed 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.



## BALANCE SHEET AS AT 31ST MARCH, 2011

₹ in Lakhs

Schedule	AS AT 31.03.2011	AS AT 31.03.2010	
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUND</b>			
Share Capital	1	60607.89	60607.89
Reserves & Surplus	2	12295.11	12746.58
<b>LOAN FUNDS :-</b>			
Secured Loans	3	8965.67	11206.55
<b>Total</b>		<b>81868.67</b>	<b>84561.02</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets :-</b>			
Gross Block		34081.83	33799.09
Less : Depreciation to date		<u>28381.47</u>	<u>27975.19</u>
Net Block	5	5700.36	5823.90
Capital Work-in - Progress	6	2537.37	2494.77
Investments	7	0.36	0.36
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	8	23455.37	15930.78
Sundry Debtors	9	50266.67	33497.14
Cash & Bank Balances	10	2447.86	17698.72
Loans & Advances	11	<u>2914.50</u>	<u>2123.26</u>
<b>Total</b>		<b>79084.40</b>	<b>69249.90</b>
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Liabilities	12	78552.30	72203.80
Provisions	13	<u>17526.72</u>	<u>15330.18</u>
<b>Total</b>		<b>96079.02</b>	<b>87533.98</b>
<b>NET CURRENT ASSETS</b>		(16994.62)	(18284.08)
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)			
Deferred Revenue Expenditure	14	305.55	392.44
<b>PROFIT &amp; LOSS ACCOUNT:</b>			
Balance as per Annexed Account		<u>90319.65</u>	<u>94133.63</u>
<b>Total</b>		<b>81868.67</b>	<b>84561.02</b>

Notes to Accounts

25

Schedules 1 to 14, 25 &amp; Significant Accounting Policies form an integral part of the Balance Sheet.

A . K . Kanth  
Company Secretary

S.K. Chakraborty  
General Manager (Fin)

R. Misra  
Director Finance

G. K. Pillai  
Chairman Cum Managing DirectorIn terms of our report of even date  
For Anjali Jain Associates, Chartered Accountants

(ANJALI JAIN)  
Partner, M No. 72022Place : Ranchi  
Date : 22-08-2011



## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

₹ in Lakhs

Schedule	2010-11	2009-10
<b>EARNINGS</b>		
Turnover (Gross)	68120.59	52852.68
Less: - Excise Duty	4030.64	3196.65
Turnover (Net)	64089.95	49656.03
Job done for Internal use	820.04	972.89
Add: - Interplant Transfer	28.38	16.62
Accretion/ (Decretion) to Value of W.I.P and Finished Stock	15	5117.05
Other Income	16	2118.40
<b>Total</b>	<b>72173.82</b>	<b>56355.64</b>
<b>OUTGOINGS</b>		
Consumption of Raw Materials & Components	19953.29	17020.44
Less:- Interplant Transfer	5082.58	4650.84
Consumption of Stores & Spares	23565.02	11142.67
Less:- interplant Transfer	2067.52	1292.42
Research & Development Expenditure	17	45.52
Employees' Remunerations & Benefits	18	13795.91
Other Expenses of Manufacturing, Administration, Selling & Distribution	19	15074.84
Less :- Interplant Transfer (Services)	608.28	14466.56
Interest	20	92.37
Depreciation	5	363.03
Provisions	21	1338.91
Township and Social Welfare	22	1206.40
Miscellaneous Losses written off		735.27
Profit for the year carried down		3761.64
<b>Total</b>	<b>72173.82</b>	<b>56355.64</b>
Profit/ (Loss) for the year brought down		3761.64
Prior Period Income/ (Expenditure)	23	52.34
<b>Total</b>	<b>3813.98</b>	<b>4427.07</b>
Expenditure under V.R.S.		0.00
<b>Net Profit/(Loss) Before Tax</b>	<b>3813.98</b>	<b>4427.01</b>
Provision for Taxation		0.00
<b>Net Profit/(Loss) After Tax</b>	<b>3813.98</b>	<b>4427.01</b>
Balance being loss brought forward from Previous year		94133.63
Extra Ordinary Items	24	0.00
Balance being loss carried to Balance Sheet		90319.65
Earning Per Share (Face value ₹1000/-)	- Basic (in ₹)	62.93
	- Diluted (in ₹)	62.93
Notes to Accounts	25	

Schedules 15 to 25, 5 &amp; Significant Accounting Policies form an integral part of the Profit &amp; Loss Accounts.

A. K. Kanth

Company Secretary

S.K. Chakraborty

General Manager (Fin)

R. Misra

Director Finance

G. K. Pillai

Chairman Cum Managing Director

In terms of our report of even date  
For Anjali Jain Associates, Chartered Accountants  
(ANJALI JAIN)

Partner, M No. 72022

Place : Ranchi  
Date : 22-08-2011



₹ in Lakhs

	AS AT 31.03.2011	AS AT 31.03.2010
<b>Schedule -1</b>		
<b>SHARE CAPITAL</b>		
Authorised Capital	100000.00	100000.00
10000000 ( previous Year 10000000 ) Equity Shares of ₹1000/- each		
Issued & Subscribed & Paidup Capital		
60,60,788(Previous year 60,60,788 ) Equity Shares of ₹ 1000/- each fully Paid up, of which	60607.88	60607.88
5496 (Previous year 5496 ) Shares allotted for consideration other than cash		
Share Application Money ( Pending allotment of share)	0.01	0.01
<b>Total</b>	<b>60607.89</b>	<b>60607.89</b>
<b>Schedule -2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve		
Opening Balance	12746.58	21118.27
Addition during the year	16.07	0.00
<b>Total</b>	<b>12762.65</b>	<b>21118.27</b>
Deletion during the year	0.00	7910.38
Amortisation during the year	467.54	461.31
<b>Net</b>	<b>12295.11</b>	<b>12746.58</b>
<b>Schedule -3</b>		
<b>Secured Loans</b>		
Working Capital Loan		
From Bank	8965.67	11206.55
(Secured by Hypothecation of Raw Materials, Finished Goods , Work-in- Progress, stores and Spare parts and Book Debts)		
<b>Total</b>	<b>8965.67</b>	<b>11206.55</b>


**Schedule - 5**  
**FIXED ASSETS**

₹ in Lakhs

Type of Assets	Gross Block			Depreciation			Net Block			
	Cost as at	Addition /	Deduction /	Cost as at	Upto	for the	Deduction	Upto	As at	As at
	01.04.2010	Adjustment	Adjustment	31.03.11	31.03.10	Year	Adjustment	31.03.11	31.03.11	31.03.10
1	2	3	4	5	6	7	8	9	10	11
Land	158.97	0.00	0.00	158.97	0.00	0.00	0.00	0.00	158.97	158.97
Development of Land	113.78	0.00	0.00	113.78	0.00	0.00	0.00	0.00	113.78	113.78
Plant & Machinery	23058.20	228.56	0.00	23286.76	19835.62	306.71	0.00	20142.33	3144.43	3222.58
Plant Buildings	4606.80	0.00	0.00	4606.80	4230.21	7.91	0.00	4238.12	368.68	376.59
Residential Buildings	1260.47	12.48	0.00	1272.95	751.59	20.03	0.00	771.62	501.33	508.88
Non- Residential Buildings	700.93	0.79	0.00	701.72	374.35	11.09	0.00	385.44	316.28	326.58
Roads & Bridges	272.39	0.00	0.00	272.39	106.73	4.43	0.00	111.16	161.23	165.66
Railway Lines & Sidings	334.67	0.00	0.00	334.67	282.29	2.33	0.00	284.62	50.05	52.38
Water Works & Sewerage	589.23	0.00	0.00	589.23	538.11	1.48	0.00	539.59	49.64	51.12
Electrical Installations	557.96	6.53	0.00	564.49	508.65	3.17	0.00	511.82	52.67	49.31
Vehicles & Locomotives	274.76	0.00	0.00	274.76	232.04	2.33	0.00	234.37	40.39	42.72
Construction & Other Equip.	340.06	0.00	0.00	340.06	297.99	0.44	0.00	298.43	41.63	42.07
Furniture Fixtures & Other office Equip.	684.63	34.73	0.35	719.01	524.94	33.69	0.00	558.63	160.38	159.69
Asset to be transferred to GOI										
Land	69.03	0.00	0.00	69.03	0.00	0.00	0.00	0.00	69.03	69.03
Residential Buildings	245.88	0.00	0.00	245.88	148.19	4.01	0.00	152.20	93.68	97.69
Non- Residential Buildings	531.33	0.00	0.00	531.33	144.48	8.66	0.00	153.14	378.19	386.85
<b>Total :</b>	<b>33799.09</b>	<b>283.09</b>	<b>0.35</b>	<b>34081.83</b>	<b>27975.19</b>	<b>406.28</b>	<b>0.00</b>	<b>28381.47</b>	<b>5700.36</b>	<b>5823.90</b>
<b>Previous year's figures</b>	<b>33705.40</b>	<b>945.95</b>	<b>852.26</b>	<b>33799.09</b>	<b>27619.05</b>	<b>356.80</b>	<b>0.66</b>	<b>27975.19</b>	<b>5823.90</b>	

Current period Depreciation	363.03
Prior period Depreciation	0.31
Depreciation shown in Schedule "22"	42.94
Total Depreciation	406.28

**Notes :-**

- Residential Buildings include 6743 Nos. ( Previous Year. 6743 Nos) Leased out Quarters, at cost of Rs. 807.08 lakhs ( Previous Year. Rs. 807.08 Lakhs ). depreciated value Rs. 344.88 L ( Previous Year Rs. 358.04 Lakhs).
- Deed of conveyance of land for 7199.53 acres includes 2313 acres of land obtained free of cost from the State Govt. This also includes 316.19 acres directly transferred by Bihar Govt, to other Govt, agencies . 158 acres of land transferred to CISF .
- Land includes 362.99 acres leased out land at cost of Rs. 16.91 Lakhs.
- Fixed Assets includes impaired assets worth Rs. 1595.36 Lakhs ,WDV Rs. 79.77 Lakhs for which necessary provision has been made.

**Schedule - 6****Capital Work-in-Progress at Cost**

Plant & Machinery	3408.31	3365.71
Less : Provisions	870.94	870.94
<b>Total</b>	<b>2537.37</b>	<b>2494.77</b>

Note 1 : Items under Capital Work-in-Progress above Rs. 10 Lakhs having no / slow Progress amounts to ₹833.93 L (Previous year ₹ 833.93 L)

**Schedule - 7****Other than trade investments. Unquoted**

918 ( Pr. Yr. 918 ) Equity Share of ₹ 38.95 each of Engineering (Projects) India Limited. *	0.36	0.36
<b>Total</b>	<b>0.36</b>	<b>0.36</b>

\* The paid up value of equity share of Engineering (Projects) India Limited has been reduced from Rs. 1000/- to Rs. 38.95 due to restructuring as confirmed by Central Government vide order no. 40/1/2003-CL-III Dated 17.11.2003.



₹ in Lakhs

AS AT 31.03.2011

AS AT 31.03.2010

**Schedule - 8****Inventories**

(As certified by the Management)

Raw Materials & Components	6378.66		5251.95	
Less:- Provision	1731.47		1617.85	
Less:- Stock Adjustment	65.56	4581.63	65.56	3568.54
Stores, Spares & Components including- construction materials	1033.38		1004.34	
Less:- Provision / Stock Adjustment	343.41	689.97	345.82	658.52
Goods -in-Transit/ Under Inspection	2160.57		769.31	
Less:- Provision	259.51	1901.06	344.17	425.14
Loose tools, Drawing instruments etc.	982.20		1140.04	
Less:- Provision	46.87	935.33	51.26	1088.78
Stock of finished products	446.92		339.16	
Less:- Provision	39.36	407.56	40.01	299.15
Work-in -Progress	9513.28		7225.82	
Less:- Provision	79.41	9433.87	119.30	7106.52
Work-in -Progress (Turnkey Project)	5505.95		2784.13	
Less:- Provision	0.00	5505.95	0.00	2784.13
Discarded Assets	3.52		3.52	
Less:- Provision	3.52	0.00	3.52	0.00
Total Inventory	26024.48		18518.27	
Less:- Provision	2503.55		2521.93	
Less:- Stock Adjustment	65.56	23455.37	65.56	15930.78

Notes :-

- Finished Stock & WIP includes items worth Rs. 35.12 L ( Previous Year ₹ 38.37 L ) against closed cancelled & old workorders which has been valued at scrap rates.
- Non-Moving Raw Materials and Store & Spares for more than 3 yrs are ₹2039.54 L ( PreviousYear ₹1940.03 L). The existing Provision is considered adequate.
- Goods In Transit includes CV Duty ₹ 220.35 Lakhs, ( Previous Year ₹64.88 Lakhs ).
- Material lying with third parties amounting to ₹ 142.35 L for which adequate provision exists.
- Finished goods includes ₹14.37 Lakhs ( Previous year ₹ 23.96 lakhs ) lying at Depot.
- Raw Materials & Components including scrap at shop floor ₹ 41.91 L ( Previous year ₹ 71.91 L )

**Schedule - 9****Sundry Debtors - Unsecured Debts outstanding**

	Over Six Months	Other Debts	Total Debts		Over Six Months	Other Debts	Total Debts	
(A) Public Sector & Govt. Deptt								
Considered Good	7975.40	42161.75	50137.15		6262.26	26825.41	33087.67	
Considered Doubtful	4858.13	0.00	4858.13		4132.22	12.43	4144.65	
	12833.53	42161.75	54995.28	54995.28	10394.48	26837.84	37232.32	37232.32
(B) Others								
Considered Good	58.92	70.60	129.52		30.09	379.38	409.47	
Considered Doubtful	394.54	4.84	399.38		407.85	0.00	407.85	
	453.46	75.44	528.90	528.90	437.94	379.38	817.32	817.32
Less : Provision for Doubtful Debts			4889.03	55524.18			4370.64	38049.64
Provision against LD deducted & charged			368.48	5257.51			181.86	4552.50
<b>Total</b>				<b>50266.67</b>				<b>33497.14</b>

- Note:** i) Sundry Debtors include unbilled despatches Rs. 19886.79 L (Previous year Rs. 4736.04 L )  
ii) Sundry Debtors also include Rs. 25510.42 L (Previous year Rs. 9600.78 L) towards equipments already supplied but realisation there of is subject to compliance of certain contractual obligation.





₹ in Lakhs

	31.03.2011	31.03.2010
<b>Schedule -10</b>		
Cash and Bank Balances		
Cash , Cheques and Draft in hand (including stamps/Mutilated note ₹ 0.14 lakhs Previous Year ₹0.13 lakhs)	7.18	15.41
Cheques - in - Transit	47.88	181.54
Balance with Schedule Bank Current Account [includes ₹ 112.72 lakhs. (Previous, year ₹ 112.78 lakhs) kept aside for specific / identified expenses ]	755.47	320.72
Short Term Deposit	1500.00	17050.00
Balance with Other Bank Short Term Deposit	137.33	131.05
<b>Total</b>	<b><u>2447.86</u></b>	<b><u>17698.72</u></b>
<b>Schedule -11</b>		
<b>Loans and Advances</b>		
Advances and 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)		
Unsecured Advances	1793.29	1382.84
Advances to Employees	199.84	170.50
Deposits with Private Parties	2.25	2.25
Deposits with Government Authorities.	810.17	674.44
Prepaid Expenses	27.98	31.87
Claims Receivable	531.41	285.80
Income Tax deducted at source	515.58	464.61
Security Deposit of Staff and Contractors as per contra in Schedule -12	0.81	0.81
<b>Total</b>	<b><u>3881.33</u></b>	<b><u>3013.12</u></b>
Less : Provision for bad & doubtful Advances	966.83	889.86
Net	<u>2914.50</u>	<u>2123.26</u>

Amount due from Directors ₹ 0.00 Lakh Maximum amount due at any time during the year from Directors ₹ 0.25 Lakh



₹ in Lakhs

	31.03.2011	31.03.2010
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**Schedule -12****Liabilities**

Sundry Creditors	12105.31	9746.92	
Employee's Liability	5635.06	5911.79	
Dues to SME	66.31	51.73	
VRS Liabilities	6.84	6.84	
Others	<u>4405.55</u>	<u>2213.64</u>	<u>17930.95</u>

**Other Liabilities**

Advance from Customers	6639.59	5879.47	
Security & Other deposits from contractors etc.	17730.27	16916.35	
Security & Other deposits as per contra in schedule-11	0.81	0.81	
Book Overdraft with Scheduled Bank	323.29	344.37	
Electricity Dues	27655.02	27640.01	
Water Dues	3541.22	3028.56	
Miscellaneous			
	<u>443.03</u>	<u>463.31</u>	<u>54272.88</u>
NET		<u>78552.30</u>	<u>72203.80</u>

**Schedule -13****Provisions**

Provision for Gratuity	9977.45	9469.28
Provision for Leave Encashment	4917.30	4570.22
Provision for RTA	122.95	137.56
Provision for Sick Leave	625.39	637.97
Provision for Revision of Pay Scale for Employees	1214.22	0.00
Provision for Impaired Assets	79.77	17.70
Provision for Warranty Expenses	589.64	497.45
<b>Total</b>	<b><u>17526.72</u></b>	<b><u>15330.18</u></b>

**Schedule -14****Deferred Revenue Expenditure**

(I) Deferred Actuarial Valuation of RTA	40.18	80.37
(ii) Deferred Actuarial Valuation of Sick Leave	114.58	229.17
(iii) Technical Know How Fees	150.79	82.90
<b>Total</b>	<b><u>305.55</u></b>	<b><u>392.44</u></b>



₹ in Lakhs

	2010-11		2009-10	
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**Schedule -15**

## ACCRETION / (DECRETION) TO VALUE OF W.I.P &amp; FINISHED STOCK

## Work-in-Progress

Opening Stock	10009.94		6813.40	
Closing Stock	<u>15019.23</u>	5009.29	<u>10009.94</u>	3196.54
Finished Stock				
Opening Stock	339.16		409.30	
Closing Stock	<u>446.92</u>	<u>107.76</u>	<u>339.16</u>	<u>(70.14)</u>
<b>Total</b>		<b><u>5117.05</u></b>		<b><u>3126.40</u></b>

**Schedule -16****Other Income**

Interest		24.20		6.54
Rent		0.94		0.58
Miscellaneous Income		1181.33		196.70
Excess provision written back		605.55		2164.10
Sale of Stores		282.98		197.39
Income from HTI		<u>23.40</u>		<u>18.39</u>
<b>Total</b>		<b><u>2118.40</u></b>		<b><u>2583.70</u></b>

**Note:** Sales of stores including ED ₹ 155.57 Lakhs Previous year ₹62.98 Lakhs

**Schedule -17****Research & Development Expenses**

Material Stores & Spares Consumed		2.04		0.85
Salary & Allowances		<u>43.48</u>		<u>5.67</u>
<b>Total</b>		<b><u>45.52</u></b>		<b><u>6.52</u></b>

**Schedule -18****Employee's Remunerations & Benefits**

Salaries, Wages & Bonus		11913.05		9962.61
Corporation Contribution to Provident Fund & Employee's Pension Fund		1174.95		757.80
Workmen and Staff Welfare Expenses		433.01		382.45
Gratuity		<u>1604.50</u>		<u>3823.08</u>
<b>Total</b>		<b><u>15125.51</u></b>		<b><u>14925.94</u></b>

**Less :**

i) Transferred to Township & Social Overhead Expenses	1286.12		1276.10	
ii) Transferred to R & D Expenses	<u>43.48</u>	<u>1329.60</u>	<u>5.67</u>	<u>1281.77</u>
<b>Total</b>		<b><u>13795.91</u></b>		<b><u>13644.17</u></b>

**REMUNERATION TO DIRECTORS**

(including Chairman cum Managing Director)

Salary (including Leave Salary)		39.30		38.89
Provident Fund Contribution		4.36		3.49
Gratuity		<u>1.04</u>		<u>1.25</u>
<b>Total</b>		<b><u>44.70</u></b>		<b><u>43.63</u></b>

**Note :** Full time Directors have been allowed use of Company's Car including private journeys upto a ceiling of 750 Kms. per month on payment of ₹ 325/- per month in accordance with the latest amendment issued vide Govt, of India, Ministry of Industry, dated 23 rd Sept., 1999



₹ in Lakhs

	2010-11	2009-10
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**Schedule -19****Other Expenses of Manufacturing , Adminstration .Selling & Distribution**

Water, Power & Fuel	2798.93	2558.40
Rent	13.75	11.47
Excise Duty	265.68	124.97
Insurance	94.76	81.56
Security Expenses (CISF)	1220.05	1101.34
Travelling & Conveyance Expenses	375.26	366.52
Consultancy and Legal Expenses	280.32	271.96
Bank Charges	118.63	100.08
Miscellaneous Expenses	305.23	339.49
Wealth Tax	0.23	0.25
Motor Vehicle Running Expenses	103.76	165.00
LD deducted and Charged	398.88	203.62
Sales Promotion	119.66	30.91

**Repairs & Maintenance**

Plant & Machinrey	357.73	360.66
Buildings	50.06	47.35
Others	65.17	51.55
	<u>472.96</u>	<u>459.56</u>

**Auditor's Remuneration**

Audit Fees	1.44	1.44
Tax Audit Fees	0.20	0.20
Service tax	0.17	0.17
	<u>1.81</u>	<u>1.81</u>

**Amortisation**

Tools	1040.27	1028.61
Techinal know how	42.36	20.72
	<u>1082.63</u>	<u>1049.33</u>
Training Expenses	7.22	12.94

**Other Charges For Production**

Machining & Assembly Charges*	2994.46	2402.46
Turnkey Project Expenses	4361.52	4666.93
Others*	59.10	17.48
	<u>7415.08</u>	<u>7086.87</u>

**Total****15074.84****13966.08**

**Note :** Repairs & Maintenance includes Stores & Spares ₹ 331.53 Lakhs ( Pre. Year ₹ 332.94 Lakhs including bonus ₹ 77.52 lakhs (Previous year ₹ 72.16 Lakhs) payable under Works Contract

**Schedule -20****Interest**

Interest on Others	92.37	47.19
<b>Total</b>	<u>92.37</u>	<u>47.19</u>



₹ in Lakhs

	2010-11	2009-10
<b>Schedule-21</b>		
<b>Provisions</b>		
Provision for Bad & Doubtful Debts	613.18	301.55
Provision for Bad & Doubtful Advances	86.63	60.82
Provision for Warranty Expenses	356.51	265.50
Provision for Impaired Assets	62.20	0.00
Miscellaneous Provisions	220.39	144.73
<b>Total</b>	<b>1338.91</b>	<b>772.60</b>
<b>Schedule-22</b>		
<b>Township and Social Welfare Expenses</b>		
Payment to and Provision for Employees	1286.12	1276.10
Genl. Expenses (including environmental exp. ₹ 2.00 lakhs & previous year ₹ 2.00 lakhs)	76.37	60.31
Water & Electricity Charges	546.45	441.43
Municipal Taxes / Charges	8.00	8.00
Motor Vechile Running Expenses	2.16	0.11
Repairs & Maintenance : (including Stores ₹ 0.00 lakhs, previous year ₹ 0.60 lakhs) Includes Bonus of ₹ 4.60 Lakhs ( Pre. Year ₹ 4.47 Lakhs ) payable underworks Contract	38.30	16.43
Buildings	7.93	15.94
Others	46.23	32.37
Depreciation	42.94	42.69
Provision	0.00	3.99
Miscellaneous Losses Written off	0.00	1.88
<b>Total</b>	<b>2008.27</b>	<b>1866.88</b>
<b>Income from Township</b>		
Rent, Water and Electricity Charges	731.71	726.78
Excess provision written back	24.96	41.25
Interest	0.00	0.01
Miscellaneous Income	45.20	62.69
	801.87	830.73
Debit to Profit & Loss Account	<b>1206.40</b>	<b>1036.15</b>
<b>Schedule-23</b>		
<b>Prior Period Adjustment Income</b>		
Sales (including services)	(15.18)	100.09
Previous yr. exp. written back	0.00	0.12
Liability not required written back	66.22	919.98
Misc Income	0.25	5.90
<b>Total</b>	<b>51.29</b>	<b>1026.09</b>
<b>Less: Expenses</b>		
Raw Materials Consumed	0.00	73.78
Payment to & Provision for Employees	0.00	18.76
Township Load	(2.28)	(462.41)
Depreciation	0.27	(23.98)
Miscellaneous Expenses (Net)	0.96	3.34
<b>Total</b>	<b>(1.05)</b>	<b>(390.51)</b>
<b>Net</b>	<b>52.34</b>	<b>1416.60</b>
<b>Schedule-24</b>		
<b>Extra Ordinary Items</b>		
(i) Settlement of CISF Liability & Interest	0.00	7900.72
<b>Net</b>	<b>0.00</b>	<b>7900.72</b>



**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR THE PERIOD APRIL, 2010 - MARCH, 2011**

₹ in Lakhs

	2010-11	2009-10
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	3813.98	4427.01
Adjustments for:		
Depreciation	406.28	356.80
Interest Expenses	92.37	47.19
Deferred Revenue Expenditure	86.89	71.85
Lease Income,	(467.54)	(461.31)
Incremental Provisions	2196.54	4674.96
Operating Profit before Working Capital Changes	6128.52	9116.50
Adjustments for:		
Trade and Other Receivables	(16769.53)	(13036.93)
Inventories	(7524.59)	(3625.16)
Trade Payables	6348.50	9666.62
Loans & Advances	(791.24)	(610.90)
Cash Generated from Operations	(12608.34)	1510.13
Net Cash from Operating Activities	(12608.34)	1510.13
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(283.09)	(945.95)
Sale/Adjustment of Fixed Assets	0.35	852.26
Adjustment in Accumulated Depreciation	0.00	(0.66)
Adjustment in Capital Work-in-Progress	(42.60)	(343.16)
Lease income	467.54	461.31
Net Cash from Investing Activities	142.20	23.80
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Reduction) in Share capital	0.00	15284.53
Interest Payment	(92.37)	(47.19)
Extra Ordinary Items	0.00	7900.72
Short Term Loans	(2240.88)	11151.72
Adjustment of Share Application Money	0.00	(15284.53)
Liability for leased assets	(467.54)	(8371.69)
Net cash from in financing activities	(2800.79)	10633.56
Net increase /(Decrease) in cash and cash equivalents	(15266.93)	12167.49
Opening Balance of Cash and Cash Equivalents	17698.72	5531.23
Closing Balance of Cash and Cash Equivalents	2447.86	17698.72
<b>Note:</b> Cash Flow has been prepared by following Indirect method	(15250.86)	12167.49
<b>Details of Opening Balance of Cash and Cash Equivalents</b>		
Cash, Cheques and Draft in hand	15.41	12.24
Cheques - in- Transit	181.54	323.89
Balance with Schedule Bank in Current Account	320.72	486.38
Balance with Schedule Bank in Cash Credit Account	0.00	4583.53
Balance with Schedule Bank in Short Term Deposit	17050.00	0.00
Balance with Other Bank in Short Term Deposit	131.05	125.19
<b>Total</b>	<b>17698.72</b>	<b>5531.23</b>
<b>Details of Closing Balance of Cash and Cash Equivalents</b>		
Cash, Cheques and Draft in hand	7.18	15.41
Cheques - in- Transit	47.88	181.54
Balance with Schedule Bank in Current Account	755.47	320.72
Balance with Schedule Bank in Short Term Deposit	1500.00	17050.00
Balance with Other Bank in Short Term Deposit	137.33	131.05
<b>Total</b>	<b>2447.86</b>	<b>17698.72</b>

**Note:** Cash Flow has been prepared by following Indirect method

**Details of Opening Balance of Cash and Cash Equivalents**

Cash, Cheques and Draft in hand	15.41	12.24
Cheques - in- Transit	181.54	323.89
Balance with Schedule Bank in Current Account	320.72	486.38
Balance with Schedule Bank in Cash Credit Account	0.00	4583.53
Balance with Schedule Bank in Short Term Deposit	17050.00	0.00
Balance with Other Bank in Short Term Deposit	131.05	125.19
<b>Total</b>	<b>17698.72</b>	<b>5531.23</b>

**Details of Closing Balance of Cash and Cash Equivalents**

Cash, Cheques and Draft in hand	7.18	15.41
Cheques - in- Transit	47.88	181.54
Balance with Schedule Bank in Current Account	755.47	320.72
Balance with Schedule Bank in Short Term Deposit	1500.00	17050.00
Balance with Other Bank in Short Term Deposit	137.33	131.05
<b>Total</b>	<b>2447.86</b>	<b>17698.72</b>

**A. K. Kanth**  
Company Secretary

**S.K. Chakraborty**  
General Manager (Fin)

**R. Misra**  
Director (Finance)

**G. K. Pillai**  
Chairman Cum Managing Director

In terms of our report of even date  
For Anjali Jain Associates, Chartered Accountants

**(ANJALI JAIN)**  
Partner, M No. 72022

Place : Ranchi  
Date : 22-08-2011



## Schedule – 25

## *Notes on Accounts*

1. (i) The accounts of the company have been prepared based on "going concern - basis". 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'ble High Court of Jharkhand for quashing/staying the winding up order. Hon'ble 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'ble Court. Thereafter a number of hearings were held between 9.9.2004 to 13.11.2009 and ultimately Hon'ble 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'ble 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'ble 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 ₹15.27 crores 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 ₹ 1101.02 crores.	Implemented in March, 2006
c) To provide non-plan loan of ₹ 102 crores, in the form of Non Plan loan of ₹ 92.03 crores, plan loan of ₹ 4.985 crores which will be repaid by the company in three years and also ₹ 4.985 crores as equity. (Sl.No. a,b,c was approved by Hon'ble High Court of Jharkhand on 13.7.2006)	Implemented in March, 2006
d) To mobilise resources (approx. ₹ 330.00 crores) 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 ₹ 85.44 crores from long term lease of residential quarters.

**(B) Revival Scheme approved by Govt, of India in September - 2008**

a) Conversion of Plan Loan (₹ 5.825 crores) and Non Plan Loan (₹102.21 crores) into Equity.	Implemented in March,2009
b) Conversion of outstanding interest of ₹44.81 crores up to 18.9.2008 into Equity	Implemented in March,2009
c) Enhancing the Govt, guarantee from ₹150 crores to ₹253 crores for meeting working capital. Implemented in March, 2009	Implemented in March, 2009
d) To settle the liability of ₹79.06 crores of CISF by transferring commensurate amount of land of the company to the CISF.	158 acres of land has been transferred to CISF in March, 2009 for liquidation of dues of ₹ 79.06 crores. In addition, Waiver of the interest and penal interest on CISF dues amounting to ₹ 37.91 crores and freezing of interest and penal interest amount after 31-7-2008 was approved by Govt, of India in Sept-08 and implemented

**C. Status of Revival Package : Agreed to amongst DHI.GOI, Govt, of Jharkhand and HEC Ltd.**

Revival Package approved by

₹ in Crore

	CCEA	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 ₹ 500 Crores against electricity dues was approved.	Waival of electricity dues of ₹ 306.37 crores and delayed payment surcharge up to the date of Final settlement by JSEB after approval of Hon'ble High Court of Jharkhand.	₹ 969.85 Crores total amount to be waived / Adjusted.	Waived ₹ 853.42 Crores (Electricity dues of ₹ 306.37 Crores and DPS of ₹ 547.05 Crores upto 31.08.2008)	₹ 116.42 Crores against DPS from 01.09.2008 to 31.03.2010 yet to be waived.
2	Waiver of PHED dues of ₹ 31.03 Crore	Waival of PHED dues ₹ 32.65 crores as on 31.03.2007.	₹ 32.65 crores (Waiver)	0.00	₹ 32.65 crores (Waiver)
3	Waiver of Sales Tax dues of ₹ 25.51 Crores	The GOJ agreed that payment of ₹ 25.51 Crores by HEC will be treated as full and final settlement of all commercial Tax liability upto 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.	1. ₹ 25.51 crores to be paid by GOJ 2. The company is to deposit ₹ 25.51 crores with GOJ 3. Order of waiver all Commercial tax liability up to 31.03.2007 is to be issued by GOJ.	1. ₹ 25.51 crores 2. ₹ 25.51 Crores deposited by HEC towards Commercial Taxes. 3. Order not issued	1. NIL 2. NIL 3. Order for waiver of all dues upto 31.03.07 by Govt, of Jharkhand is still awaited.
4	To authorize HEC to receive ₹ 250 Crores from Govt. of Jharkhand with no future commitment for transfer of any more land or building.	Grant of ₹ 275.51 crores including ₹ 25.51 crores mentioned in SI.No. '3' above.	₹ 275.51 crores	₹ 164.21 crores	₹ 111.30 crores
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 1902.64 acres of land had been handed over to GOJ for which Deed of Conveyance is yet to be executed. Balance 354.25 acres of land is to be handed over after removal of encroachment.		
6	To allow HEC to accept transfer of 17 buildings and 1155 residential quarters along with land appurtenant there to valuing ₹ 142.23 Crores 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. Registration of Buildings are yet to be executed.		

The above package has not been accounted for due to non implementation of package in full by Govt, of Jharkhand and also non completion of registration of Buildings and deed of conveyance for land . Accordingly the amount received from Govt, of Jharkhand has been kept as advance.



2. The prayer of HEC Limited to the Chairman of Central Board of Trustees, Employees Provident Fund Organisation, for waiver of damages amounting to ₹ 95.02 crore 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 CP 05/2004 before Hon'ble High Court of Jharkhand. Against the aforesaid order Hon'ble High Court of Jharkhand has stayed recovery of damages till further order.
3. **Contingent Liabilities :**
  - a) Estimated amount of contracts, remaining to be executed on capital account and not provided for is ₹ 16.85 Lakhs (Previous year ₹19.34 Lakhs) .
  - b) Unexpired Letter of Credit ₹ 2,522.06 Lakhs(Previous year ₹ 1,216.84 Lakhs)
  - c) Unexpired Bank Guarantee ₹ 11,278.94 Lakhs (Previous year ₹ 11,114.64 Lakhs)
  - d) Delayed payment surcharge on Energy charges ₹ 69592.83 Lakhs (Previous Year ₹ 69,592.83 Lakhs)
  - e) Water Charges ₹1,451.36 Lakhs (Previous year ₹ 1,213.86 Lakhs)
  - f) Damages towards PF dues ₹ 9,501.54 Lakhs (Previous year ₹ 9,501.54 Lakhs)
  - g) Others including Legal Cases ₹ 1105.82 Lakhs and Commercial Taxes ₹ 2723.90 Lakhs, total amounting to ₹ 3829.72 Lakhs (Previous year ₹ 3,820.21 Lakhs)
4. Out of ₹ 23005.29 Lakhs received towards Long Term Lease from 1995-96 onwards to 31.03.2011, a sum of ₹ 467.54 Lakhs has been amortised in proportion to the period of lease irrespective of the date of agreement and the profitability for the year has been increased to that extent.
5.
  - (a) Net Turnover includes services ₹ 896.80 Lakhs (Previous Year ₹ 403.58 Lakhs).
  - (b) Net Turnover includes unbilled sales amounting to ₹ 17759.47 Lakhs including escalation (previous year ₹ 3954.41 Lakhs) due to part supply as per billing schedule under respective work orders.
  - (c) Interplant transfer of ₹ 7758.38 Lakhs (previous year ₹6532.09 Lakhs) have been excluded from total Turnover of the Company.
6. As per the Wage Revision agreement dated 06.07.2011 w.e.f 01.01.2007 in respect of Workmen provision for arrear payment of ₹ 1214.22 Lakhs has been considered from 01.01.2009 to 31.03.2011. However, In absence of Wage Revision Agreement in respect of Officers & Supervisors, no provision for pay revision due from 01.01.2007 has been considered in accounts.
7.
  - (a) Net Turnover includes ₹ 23542.27 Lakhs in respect of turnkey contract executed by Project Division (previous year ₹ 12625.14 lakhs ) valued on the basis of as approved billing schedule and payment terms of the contract to the extent works completed, inspected, despatched / 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 Lakhs

	2010-11	2009-10
Contract revenue recognized during the year	23542.27	12625.14

**In respect of Contract in progress as on 31.03.2011**

- Cost incurred and recognized profits(less recognized losses)	39132.80	15543.62
- Amount of advance received	11257.43	8929.61
- Amount of retentions (deferred debts)	5505.95	2784.13

**In respect of dues from customers after appropriate netting off**

- Gross amount due from customers for the contract work as an asset	12107.44	8646.74
- Gross amount due to customers for the contract work as a liability	7401.76	5920.72
- 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( R ) Construction Contracts are reviewed and up dated periodically during the year by the management and necessary adjustments are made in the current year's account.

8. Despite issuance of letter to Major Clients for confirmation of Sundry Debtors balance, 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.
9. Interest on over due amount relating to Micro and Small Enterprises has not been provided and the same has also been shown in Annexure 'I'.
10. A sum of ₹ 11297.59 Lakhs has been considered as Sales based on actual delivery of goods from our premises to the carrier for delivering the same to customer like BCCL, BSL, BSP, CCL, DSP, HCL, IISCO, MCL, NCL, NINL, NMDC, SAIL, VSP, WCL, RSP, ASP and VISL etc. but the goods were not reached to the customer's premises till 31.03.2011.
11. 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 their being virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such deferred tax assets could be realised. The Provision for current Income Tax has not been made as the Company has unabsorbed depreciation and carry forward of lossess which would be set off against taxable income.
12. 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. Disclosure Requirements has been shown in **Annexure - II**.

The transitional liability on actuarial valuation towards (a) Sick Leave amounting to ₹ 572.91 Lakhs, and (b) Retirement Travelling Assistance amounting to ₹ 200.91 Lakhs as an expenses over a period of five years. During the year a sum of ₹154.78 Lakhs has been charged as expenses and balance amounting to ₹154.76 Lakhs has been shown under Deferred Revenue Expenditure in **Schedule - 14**.

- '13. Contingent liability for damages excludes the payment of damages on defaulted CPF/EPF dues for the period from October'99 to March '2005 as no notice for payment of the same has been received from Regional Provident Fund Commissioner, Ranchi.
14. Segment information in accordance with Accounting Standard -17 (AS-17) issued by ICAI are furnished at **Annexure-III**.
15. Disclosure as required under Accounting Standard- 18 (AS -18)" Related Party Disclosures" issued by ICAI is as follows :- (₹ in lakhs).

Names of the Related Parties			Details of Transaction	
	Key Management personnel	Period	Remunerations	Terminal Benefits
1	Sri G. K. Pillai CMD	04/2010- 03/2011	12.13	0.86
2	Late M R Venugopal Director (P)	04/2010- 05/2010	1.37	0.19
3.	Sri R Misra Director ( F)	04/2010-03/2011	12.80	1.43
4	Sri Bharat Prasad Director ( Mktg.)	04/2010-03/2011	10.95	1.22
5	Sri S.K. Choudhary Director ( Prod.)	04/2010-08/2010	3.44	0.31
		<b>Total</b>	<b>40.69</b>	<b>4.01</b>

In addition to the above they had been provided housing, car at concessional rate.

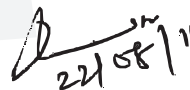
16. In certain areas like Transport and Hospital consumables like Spare Parts, Medicines and Stationary are treated as consumed during the year.
17. As required under section 211(3A), (3B) and (3C) of the companies act, 1956 the following disclosure is made. Deviation from Accounting Standards as mentioned in sub section (3C) with reasons and impact are mentioned below :-
- (a) Valuation of inventories of finished and semi finished goods covered under Inter Plant items could not be done in conformity with the requirement of AS - 2 as the amount is not ascertainable.
- (b) Accountal of Net Turnover in a few cases as mentioned in Note No. 10 is not in conformity with AS - 9 as the goods has been dispatched / delivered to the carrier.
18. 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.
19. The Schedules 1 to 25 and the Statement of Accounting Policy forms an integral part of these accounts.



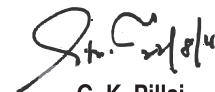
**A .K .Kanth**  
Company Secretary



**S.K. Chakraborty**  
General Manager (Fin)



**R. Misra**  
Director (Finance)



**G. K. Pillai**  
Chairman Cum Managing Director

In terms of our report of even date  
For Anjali Jain Associates, Chartered Accountants



**(ANJALI JAIN)**

Partner, M No. 72022

Place : Ranchi  
Date : 22-08-2011

## ANNEXURE TO NOTE NO.9 OF SCHEDULE '25'

Disclosure required under the Micro, Small &amp; Medium Development Act,2006

₹ in Lakhs

	2010-11	2009-10
Delayed payments due as at the end of each accounting year on account of		
	<b>Principle</b>	
	<b>Interest</b>	
	66.31	51.73
	20.21	21.43
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

**Annexure - II**
**ANNEXURE TO NOTE NO. 12 OF SCHEDULE - "25"  
EMPLOYEE BENEFITS**

- (A) The company has determined the liability for Employee Benefits as at March 31,2011 in accordance with the revised Accounting Standard 15-Employee benefits issued by ICAI
- (B) Defined benefit plans - As per Actuarial valuation on March 31,2011

₹ in Lakhs

	GRATUITY	LEAVE ENCASHMENT	RETD.TRAVEL ALLOWANCE	SICK LEAVE
<b>I. Expense recognised in the statement of Profit &amp; Loss Account for the year ended March 31,2011</b>				
1. Current Service Cost	356.68	207.39	5.51	42.65
2. Past Service Cost	0.00	0.00	0.00	0.00
3. Interest Cost	719.66	347.34	10.45	48.48
4. Net actuarial(gain) / loss recognised during the year	537.10	257.38	28.77	(103.71)
5. <b>Total Expense</b>	<b>1613.44</b>	<b>812.11</b>	<b>44.73</b>	<b>(12.58)</b>
<b>II. Net Asset/ (Liability) recognised in the Balance Sheet</b>				
1. Present value of the obligation	9977.45	4917.30	122.95	625.39
2. Funded status [(surplus/( deficit)]	(9977.45)	(4917.30)	(122.95)	(625.39)
3. Net Asset/ (Liability) recognised in the Balance Sheet	(9977.45)	(4917.30)	(122.95)	(625.39)
<b>III. Change in the Present value of the Obligation during the year ended March 31,2011</b>				
1. Present value of the obligation as at April 1,2010	9469.28	4570.22	137.56	637.97
2. Current service cost	356.68	207.39	5.51	42.65
3. Interest Cost	719.66	347.34	10.45	48.48
4. Past Service Cost	0.00	0.00	0.00	0.00
5. Benefits paid	(1105.27)	(465.03)	(1.81)	0.00
6. Actuarial (gain)/ loss on obligation	537.10	257.38	(28.76)	(103.71)
7. Present value of obligation as at March 31,2011	9977.45	4917.30	122.95	625.39
<b>IV. Actuarial Assumptions</b>				
1. Discount rate	8.00%	8.00%	8.00%	8.00%
2. Rate of Increase in Compensation	6.00%	6.00%	6.00%	6.00%
3. Mortality rate			LIC (1994-96) Table	

**ANNEXURE TO NOTE NO. 14 OF SCHEDULE. "25"  
INFORMATION ABOUT DIFFERENT BUSINESS UNITS (SEGMENTS) 2010-2011**

₹ in Lakhs

	FFP	HMBP	HMTF	PROJECT	HEC
<b>REVENUE</b>					
External Sales	3507.69	38522.66	2547.97	23542.27	68120.59
Inter-plant/Job done for own use	5920.22	2529.94	156.64	0.00	8606.80
<b>Total Revenue</b>	<b>9427.91</b>	<b>41052.60</b>	<b>2704.61</b>	<b>23542.27</b>	<b>76727.39</b>
<b>RESULT</b>					
Net Profit (Before IntL)	(7926.20)	11300.88	(1099.89)	1579.22	3854.01
Interest	22.17	62.81	7.39	0.00	92.37
Profit from ordinary activities	(7948.37)	11238.07	(1107.28)	1579.22	3761.64
Prior Period Income	64.00	(14.90)	3.24	0.00	52.34
V.R.S. Exp.	0.00	0.00	0.00	0.00	0.00
<b>Net Profit</b>	<b>(7884.37)</b>	<b>11223.17</b>	<b>(1104.04)</b>	<b>1579.22</b>	<b>3813.98</b>
<b>OTHER INFORMATION</b>					
Segment Assets	11967.52	43331.89	6022.76	19938.87	81261.04
Addition during the year	51.82	158.49	20.58	1.55	232.44
Unallocated Assets					5829.01
Total Assets					87322.49
Segment Liabilities	9976.12	18394.65	2714.18	14599.49	45684.44
Unallocated Liabilities					50394.58
Total Liabilities					96079.02
Capital Expenditure	84.82	159.01	29.66	1.55	275.04
Unallocated Capital Expendt.					50.30
Total Capital Expendt.					325.34
Depreciation	253.33	41.84	33.51	6.76	335.44
Unallocated Depreciation					70.84
<b>Total Depreciation</b>					<b>406.28</b>



**ADDITIONAL INFORMATION PURSUANT TO THE PROVISION  
PARAGRAPH OF 4A, 4B, 4C & 4D OF PART-II, SCHEDULE-VI TO THE COMPANIES ACT. 1956.**

- (A) 1. Employees who were in receipt of or were entitled to receive emoluments (including benefits) of ₹ 24,00,000.00 or more for the year (and ₹ 2,00,000 or more per month when employed for apart of the year for current year). (₹ in Lakhs)

	Current Year Nil	Previous Year Nil
<b>2. Auditor's Expenses :</b>		
i) Statutory Auditor's Remuneration	1.44	1.44
ii) Tax Audit Fees	0.20	0.20
iii) Other Expenses	0.32	0.47

**(B) Capacity and Production**

	Licensed Capacity		Installed Capacity		Actual Production	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	III/II	III/II				
Goods Manufactured :	Stage in M.T.	Stage in M.T.	M.T.	M.T.	M.T.	M.T.
<b>Foundry Forge Plant.</b>						
Grey Iron Castings	33345	33345	33345	33345	1644	1170
Steel Castings	40182	40182	40182	40182	4340	4135
Forging and Forged Rolls	41463	41463	41463	41463	2052	3359
Non Ferrous Castings	700	700	700	700	65	108
G.I. Moulds	1110	1110	1110	1110	82	221
Steel Ingots, Core and Synthetic Iron	40000	40000	40000	40000	2933	4531
Rolls (G.I. & Steel)	17740	17740	17740	17740	0	0
Bye- Product-Coal Tar		0		0	2434	2355
	<b>174540</b>	<b>174540</b>	<b>174540</b>	<b>174540</b>	<b>13550</b>	<b>15879</b>

**Note:** Production figures are inclusive of production for the inter plant transfer of 3594.61 MT (Prev. Year 4805.23 MT) & job done for internal use of 4665.73 MT (Prev. Year 5556.72 MT) and are indicated on the production of individual shop against each license. Some of the Finished Products are used as inputs in other shops. Production Figures are as certified by the Management.

**Heavy Machine Building Plant**

Metallurgical Machinery & Equipment	80000	80000	80000	80000	9055	9821
Structurals	25000	25000	25000	25000	0	0
	<b>105000</b>	<b>105000</b>	<b>105000</b>	<b>105000</b>	<b>9055</b>	<b>9821</b>



**Notes:**

1. Production figures are as certified by the management.
2. Total Production figures derived by deduction of opening stock from total sales and closing stock.
3. Actual Production includes despatches from off-loading parties and other suppliers.
4. Production figures are inclusive of production for internal use.
5. Production figures are inclusive of inter plant sales 748.91 MT (Prev. Year 496.80 MT)

<b>Turn Key Project: No of Contract</b>	<b>3 Nos</b>	<b>4 Nos</b>	<b>23543</b>	<b>12625</b>
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**Heavy Machine Tools Plant**

Machine Tools, Accessories/ Spares & Other products	10000	10000	10000	10000	420	362
Including Machinery					5 Nos	7 Nos
Including special accessories and jobbing					328 Nos	962 Nos

**Note :**

1. Actual production figures are inclusive of inter plant transfer 4.80 MT (Prev. Year 3.47 MT)
2. Production figures are as certified by the Management.





## C. NET TURNOVER

(₹ in lakhs)

	Quantity		Sales less return value	
	2010-11	2009-10	2010-11	2009-10
<b>Foundry Forge Plant</b>				
Grey Iron Castings	711.51	484.47	523.79	410.61
Steel Castings	1695.00	2070.98	1350.80	2178.74
Forging & Forged Rolls	439.27	619.36	553.29	1264.47
Export Sales	9.86	0.00	20.36	0.00
Bye Product- Coal Tar	2647.05	2626.64	464.88	380.00
<b>Services</b>	0.00	0.00	342.40	25.60
	<b>5502.69</b>	<b>5801.45</b>	<b>3255.52</b>	<b>4259.42</b>

**Note:** Sales exclude Excise duty ₹ 252.17 lakhs (previous Year ₹ 346.61 lakhs) .inter unit transfer and items for internal use.

**Heavy Machine Building Plant**

Metallurgical Machinery & Equipment	8230.50	9438.20	34966.63	30798.56
	<b>8230.50</b>	<b>9438.20</b>	<b>34966.63</b>	<b>30798.56</b>
<b>Turn Key Project</b>			<b>23543.29</b>	<b>12625.14</b>
<b>Heavy Machine Tools Plant</b>				
Machine Tools 05 Nos. (Pre. Year 07 Nos.)	236.51	221.48	1305.04	921.46
Special Accessories & Jobbing (328 Nos.) (Pre. Year 962 Nos.) and services	178.69	137.84	1020.49	1051.45
	<b>415.20</b>	<b>359.32</b>	<b>2325.53</b>	<b>1972.91</b>

## D. STOCK OF FINISHED GOODS

(₹ in lakhs)

Goods Manufactured:-	Opening Stock (01.04.2010)		Closing Stock (31.03.2011)	
	Quantity (MT)	Value	Quantity (MT)	Value
<b>Foundry Forge Plant</b>				
Grey Iron Castings	0.00 (12.44)	0.00 (9.45)	0.00 0.00	0.00 0.00
Steel Forging & Forged Rolls	1.92 (1.92)	0.12 (0.12)	1.92 (1.92)	0.12 (0.12)
Non Ferrous Castings	0.00 (0.32)	0.00 (1.26)	0.00 0.00	0.00 0.00
Bye Product-Coal Tar	597.47 (869.11)	102.00 (78.44)	384.44 (597.47)	69.20 (102.00)
	<u>599.39</u> (883.79)	<u>102.12</u> (89.27)	<u>386.36</u> (599.39)	<u>69.32</u> (102.12)
<b>Heavy Machine Building Plant</b>				
Metallurgical Machinery & Equipments	69.64 (183.64)	219.53 (302.52)	145.23 (69.64)	360.09 (219.53)

## Heavy Machine Tools Plant

	Quantity	(MT)	Value	Quantity	(MT)	Value
Machine Tools	0No	0.00	0.00	0No	0.00	0.00
	0No	0.00	0.00	0No	0.00	0.00
Special Accessories & Spares & Jobbing work.	1 No (1 No)	17.00 (17.00)	17.51 (17.51)	1 No (1No)	17.00 (17.00)	17.51 (17.51)
	1 No (1 No)	17.00 (17.00)	17.51 (17.51)	1 No (1 No)	17.00 (17.00)	17.51 (17.51)

**Note :** Figures in brackets are for previous year.

**Raw Material Consumption**

(Including bought out items and direct despatches)

Items	2010-11		2009-10		
	Quantity	Value (₹)	Quantity	Value (₹)	
<b>Foundry Forge Plant.</b>					
Alloy Steel	MT	223.71	170.64	400.68	286.36
Ferrous & Ferro Alloy	MT	8254.55	2044.15	9898.61	2550.46
Non- Ferrous Alloy	MT	102.91	344.44	157.18	400.96
Crank Shaft	Nos	27	213.12	0	0.00
Timber	CM	2976.04	29.90	215.99	52.50
	SQ.FT	2880.00		21162.13	
<b>Total</b>		<b>2802.25</b>		<b>3290.28</b>	
<b>Heavy Machine Building Plant</b>					
Grey Iron Castings	MT	89.72	62.83	1147.68	188.24
Steel Castings	MT	1818.17	2248.80	728.84	1727.21
Steel Forging	MT	1011.69	2374.97	1139.27	2158.42
Non-Ferrous Castings	MT	27.17	233.65	38.63	334.48
Steel Plates, Profiles &	MT	3265.07	1444.89	4329.94	1828.80
Component/ Accessories &	NOS	1035	4101.36	867	1968.61
Miscellaneous (GR-99)	LTR	460.00	0.06	3452.00	3.01
Fabricated Items	NOS	303620	956.01	231915	466.50
Machinery Parts	MTRS	26010.25		24466.61	
Spares	KG	11246.61		2401.83	
Bolts, Nuts, Tools etc.	SQRMT	38.50		267.00	
Electricals	MTRS	133057.39	3151.35	112492.00	3581.48
	NOS	92062		57286	
	KG	2118.96		1720.43	
Bearings	NOS	2899	572.73	2939	394.60
<b>Total</b>		<b>15746.65</b>		<b>12651.35</b>	
<b>Heavy Machine Tools Plant</b>					
Castings (Indigenous)	Nos	1790	287.34	1915	362.51
Components (Imported)	Nos	872	1283.81	365	179.48
Misc.Items (Indigenous)	Nos	487499	433.05	275328	536.82
<b>Total</b>		<b>2004.20</b>		<b>1078.81</b>	

Value of consumption of Raw Materials, Components, Stores & Spare Parts (Including purchase of finished goods) and percentage thereof.

(₹ in lakhs)

	2010-11		2009-10	
	Value	%	Value	%
<b>(a) Raw Materials</b>				
(i) Imported*	4211.78	21.11	363.17	2.13
(ii) Indigenous	15741.32	78.89	16657.27	97.87
<b>Total</b>	<b>19953.10</b>	<b>100.00</b>	<b>17020.44</b>	<b>100.00</b>
<b>(b) Stores &amp; Spares</b> (Including stores and spares used for repairs and Maintenance)				
(i) Imported	100.92	2.34	207.24	1.81
(ii) Indigenous	4209.18	97.66	11269.23	98.19
<b>Total</b>	<b>4310.10</b>	<b>100.00</b>	<b>11476.47</b>	<b>100.00</b>
<b>Note:</b> Exclusive of imports through canalised agencies.				
<b>F. Value of Imports on CIF Basis</b>				
Raw materials, Spare Parts, Components	4854.85		370.39	
Capital Goods	9.96		225.21	
<b>Total</b>	<b>4864.81</b>		<b>595.60</b>	
In case of HMBP CIF value of Raw Material, Spare Parts include Cost of Material and 5.5 % of cost of material for insurance and freight.				
<b>G. Expenditure in Foreign Currency</b>				
Technical know-how fee		112.33		88.49
Directors & Officers Abroad		14.14		4.10
<b>Total</b>		<b>126.47</b>		<b>92.59</b>



**HEAVY ENGINEERING CORPORATION LTD.**  
Annexed to and forming part of the Account

(₹ in Lakhs)

Additional Information pursuant to Part IV of Schedules VI to the Companies Act, 1956.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1. Registration Details**

Registration No.  
0 0 0 6 3 0

State Code  
0 3

Balance Sheet Date  
3 1 0 3 1 1

Date Month Year

**2. Capital Raised during the year**

Public Issue  
N I L

Right Issue  
N I L

Bonus Issue  
N I L

Private Placement  
N I L

**3. Position of Mobilisation and Deployment of Funds.**

Total Liabilities  
8 1 8 6 9

Total Assets  
8 1 8 6 9

**Sources of Funds:-**

Paid - up Capital  
6 0 6 0 8

Reserve & Surplus  
1 2 2 9 5

Secured Loans  
8 9 6 6

Unsecured Loans  
0

**Application of Funds:-**

Net Fixed Assets  
8 2 3 8

Investment  
1

Net Current Assets  
- 1 6 9 9 5

Misc. Expenditure  
3 0 6

Accumulated Loss  
9 0 3 2 0

**4. Performance of Company**

Turn Over  
6 8 1 2 1

Total Expenditure  
6 4 3 0 7

+ - Profit / Loss before Tax  
+ 3 8 1 4

+ - Profit / Loss after Tax  
+ 3 8 1 4

Earning per Share Diluted (in Rs.)  
6 3

Dividend Rate %  
0

**5. Generic Names of three Principal**

Product/Service of the Company (as per monetary terms)

Item Code No. (ITC Code).

Product Description

S T E E L P L A N T  
M I N I N G E Q U I P M E N T

Item Code No. (ITC Code)

Product Description

S T E E L C A S T I N G  
F O R G I N G S & R O L L

Item Code No. (ITC Code).

Product Description

H E A V Y M A C H I N E  
T O O L S



## कंपनी की कार्यक्षमता

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

### फाउन्ड्री फोर्ज प्लांट (आई.एस.ओ. – 9001 : 2000 यूनिट)

आयरन कास्टिंग्स	: 100 टन वजन तक
स्टील कास्टिंग्स	: 90 टन वजन तक
नन-फेरस कास्टिंग्स	: 2 टन वजन तक
फोर्जिंग्स	: 40 टन वजन तक
रॉल्ल्स	: हॉट रॉलिंग मिल, स्लैबिंग मिल, ब्लोमिंग मिल हेतु 40 टन वजन तक फोर्ज्ड इंडक्शन हारडेंड रॉल्ल्स, एस. सी., आयरन रॉल्ल्स

### हवी मशीन बिल्डिंग प्लांट (आई.एस.ओ.–9001 : 2000 यूनिट)

- 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. कन्वर्टरस समेत स्टील मेल्टिंग शॉप इक्विपमेंट
- कंटिन्यूअस कास्टिंग मशीन : स्लैब्स एवं ब्लूमस हेतु
- रॉलिंग मिल इक्विपमेंट
- इलेक्ट्रिक रोप शॉवल्स: क्षमता 5 घन मी., 10 घन मी., 12.5/15 घन मी.
- हाइड्रोलिक शॉवल्स : 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 टॉंग क्रेन
- मेटेरियल हैंडलिंग इक्विपमेंट यथा – वैगन टीपलर, एपरॉन फीडर, रिक्लेमर्स आदि।
- मूल उद्योगों की जरूरत हेतु विभिन्न प्रकार के उपकरण यथा प्राइमरी जाइरेटरी एवं अन्य क्रसर्स
- ओवर बर्डन ब्लॉस्ट होल ड्रिल्ल्स : 250 मि.मी व्यास
- प्रोजेक्ट डिवीजन निम्नांकित क्षेत्रों में टर्न-की आधारित प्रोजेक्टों का कार्य निष्पादन करने में समर्थ हैं :
  - मेटेरियल हैंडलिंग सिस्टम
  - कोल डीसेलिंग सिस्टम
  - कोल डीगैसीफिकेशन प्लांट
  - स्टील प्लांट फैसिलिटीज यथा : सिन्टरिंग प्लांट, कंटिन्यूअस कास्टिंग प्लांट एवं कोक ओवेन बाई-प्रोडक्ट प्लांट
  - सीमेंट प्लांट

### हवी मशीन टूल्स प्लांट (आई.एस.ओ. 9001-2000 यूनिट)

रेलवे हेतु विशेष प्रयोजनार्थ मशीन टूल्स समेत विभिन्न प्रकार के मशीन टूल्स, 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 (ISO 9001:2000 UNIT)

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

### HEAVY MACHINE BUILDING PLANT (ISO 9001 : 2000 UNIT)

- Blast Furnace of Capacity 1719,2000 and 3200 Cu.M
- Coke Oven Batteries from 4.3 to 7 M height
- Sinter Plants of 75 M2, 80 M2, 252 M2 and 312 M2 size
- Steel Melting Shop Equipment inclusive of 100T/130T and 300 T.L.D. Converters
- Continuous Casting Machines for Slabs & Blooms
- Rolling Mill Equipment
- Electric Rope Shovels of capacity 5 M3, 10 M3, 12.5/15 M3
- Hydraulic Shovels of 3 to 8 Cu. M. capacity
- Walking Draglines 20/90 and 24/96
- Metallurgical Cranes and other EOT Cranes of high capacities up to 450 T and Rotating Tong Cranes
- Material Handling equipment namely, Wagon Tippler, Apron Feeder, Reclaimers etc.
- Various other equipment namely, Primary Gyrotory 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 Handling System
  - Coal Deshelling Washery
  - Coal Degasification Plant
  - Steel Plant facilities like Sintering Plant, Continuous Casting Plant and Coke Oven By-Product Plant
  - Cement Plants

### HEAVY MACHINE TOOLS PLANT (ISO 9001: 2000 UNIT)

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

एच.ई.सी.



**On the 50th year of rebirth we know....  
People, Purpose & Productivity ... only way to go forward**

**HEAD OFFICE, RANCHI**

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