

Annual Report 2023-24



Hindustan Engineering & Industries Limited

(An enterprise of THE HINDUSTHAN GROUP)



Hindusthan Engineering & Industries Limited

DIRECTORS

Shri V A Mody, Executive Chairman
Shri Satish Kapur
Dr. Ranjan Ghosh
Smt. Archana Agarwal
Shri A K D Singh, Executive Director (Technical)
Shri R.K. Duggar
Shri M.C. Gauba

CHIEF FINANCIAL OFFICER

Shri P K Himatsingka

COMPANY SECRETARY

Shri R K Agarwal

AUDITORS

M/s. Rajgaria & Associates, Chartered Accountants

BANKERS

State Bank of India
Punjab National Bank
Axis Bank Limited
ICICI Bank

REGISTERED OFFICE

"Mody Building"
27, Sir R N Mukherjee Road
Kolkata 700001
Phone: (033) 2248 0166 / 2248 0167
Fax: (033) 2248 1922
Email: ho@heilindia.com

Website: www.heilindia.com

CIN: U93000WB1998PLC086303

WORKS

Bamunari	(West Bengal)
Bharatpur	(Rajasthan)
Champdany	(West Bengal)
Faridabad	(Haryana)
Kolkata	(West Bengal)
Malanpur	(Madhya Pradesh)
Olpad	(Gujarat)
Santragachi	(West Bengal)

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Directors' Report

To,
The Members,

The Directors are pleased to present the Twenty Seventh Annual Report and Audited Financial Statement of the Company for the financial year ended 31st March, 2024.

The Operating Results (Standalone) of the Company for the year are as follows:

		(Rs. In Lakhs)
	<u>2023-2024</u>	<u>2022-2023</u>
The profit for the year after meeting all expenses but before providing for depreciation and taxation	3 11 82	1 28 91
From which have to be deducted: Depreciation for the current year	<u>35 85</u>	<u>34 57</u>
Profit Before Tax	2 75 97	94 34
Provision for Income Tax - Current Tax	73 00	27 40
- Deferred Tax	<u>(4 31)</u>	<u>(3 09)</u>
Net Profit after Tax	2 07 28	70 03
Other Comprehensive Income (Net of Tax)	<u>(1 51)</u>	<u>82</u>
Total Comprehensive Income	<u>2 05 77</u>	<u>70 85</u>

Dividend:

The Board, in order to conserve the resources of the Company, do not recommend any dividend for the year ended 31st March, 2024.

Reserves:

During the year under review no amount of profit has been transferred to any reserve.

Operational Performance:

The Company has adopted Indian Accounting Standards (IND AS) with effect from 1st April, 2016, pursuant to the notification of the Companies (Indian Accounting Standard) Rules, 2015 issued by the Ministry of Corporate Affairs.

The Engineering Division of the Company has achieved higher sales & higher profit as compared to last year.

Hindusthan Chemicals Company, the company's chemical division at Olpad, Dist. Surat (Gujarat) has achieved lower sales and higher profit as compared to last year.

Dalhousie Jute Company, the company's jute division at Champdany, West Bengal has achieved lower sales and lower profit as compared to last year.

Share Capital

The paid-up equity share capital as on 31st March, 2024 was Rs. 14,70,67,760. There has been no change in the equity share capital of the company during the year.

Subsidiary & Associate Companies:

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014 the Board's Report has been prepared on a Standalone basis. The Company has one Subsidiary Company.

Hindusthan Vidyut Corporation Limited (HVCL) is a wholly owned Subsidiary of the Company. The Company was formed for setting up a power plant. HVCL has not yet commenced any business activities.

Consolidated Financial Statement:

In accordance with Section 129 (3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and its Subsidiary which forms part of the Annual Report. A statement containing the salient features of the financial statement of the Subsidiary in Form AOC-1 is given in notes to the Consolidated Results of the Company.

Deposits:

During the year under review, the Company has not accepted any deposit from the public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

Directors' Responsibility Statement:

As required under Section 134 of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the profit and loss of the Company for the year ended 31st March, 2024;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Annual Return:

The Annual Return as required under Section 92(3) of the Companies Act, 2013 is placed on the Company's website at www.heilindia.com under Investors Section and the weblink is www.heilindia.com/pdf/HEIL_Annual_Return_2024.

Directors:**a) Changes in Directors and Key Managerial Personnel:**

Pursuant to the provision of Section 152 (6) of the Companies Act, 2013 Shri Vikram Aditya Mody retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In the 26th Annual General Meeting held on 30.09.2023, the shareholders approved the re-appointment of Shri Anil Kumar Damari Singh [Executive Director (Technical)] for a further period of 5 (Five) years w.e.f 16th April 2024.

Shri Vikram Aditya Mody was appointed as Executive Chairman w.e.f 1st January, 2024 by the Board of Directors and as recommended by the Nomination and Remuneration Committee (Subject to approval of Shareholders in the ensuing Annual General Meeting).

Shri Rajendra Kumar Duggar has been appointed as Additional Director (in the category of Independent Director) w.e.f. 19th July, 2024.

Shri Mool Chand Gauba has been appointed as Additional Director (in the category of Independent Director) w.e.f. 19th July, 2024.

Appropriate Resolution seeking the appointment / re-appointment of Directors are appearing in the Notice convening the ensuing Annual General Meeting of the Company.

The details of the above Directors about their qualification, other directorship, etc., as required in Secretarial Standard on General Meetings (SS-2) are provided in the explanatory statement under Section 102 of the Companies Act, 2013 forms part of the Notice.

b) Declaration by Independent Directors:

The Independent Directors have submitted the declaration of Independence under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Number of Board Meetings:

The Board of Directors met 7 (Seven) times during the year. The meetings of the Board of Directors were held on 05.06.2023, 14.07.2023, 20.09.2023, 30.12.2023, 08.02.2024, 20.02.2024 and 25.03.2024. The details of the attendance of the Directors in the Board Meeting are as hereunder.

Sl. No.	Name of the Director	Category	No of Board Meeting attended
1	Shri Vikram Aditya Mody	Executive Chairman	7
2	Shri Satish Kapur	Non-Executive Independent Director	7
3	Dr. Ranjan Ghosh	Non-Executive Independent Director	7
4	Smt. Archana Agarwal	Non-Executive Independent Director	7
5	Shri Anil Kumar Damari Singh	Executive Director (Technical)	6

Committee of the Board:

The Board of Directors has constituted Board Committees to deal with the specific areas and activities which concern the Company and require a closer review. The minutes of the Committee meetings are placed before the Board for noting. The Board currently has the following Committees:

a) Audit Committee**Composition and attendance**

The Audit Committee met 7 (Seven) times during the year. The meetings of the Audit Committee were held on 05.06.2023, 14.07.2023, 20.09.2023, 30.12.2023, 08.02.2024, 20.02.2024 and 25.03.2024. All the recommendations made by the Audit Committee were accepted by the Board. The table below highlights the composition and attendance of the members of the Committee:

Sl. No.	Name of the Director	Position	Category	No. of Meeting attended
1	Shri Satish Kapur	Chairman	Non-Executive Independent Director	7
2	Dr. Ranjan Ghosh	Member	Non-Executive Independent Director	7
3	Smt. Archana Agarwal	Member	Non-Executive Independent Director	7
4	Shri Anil Kumar Damari Singh	Member	Executive Director (Technical)	6

b) Nomination & Remuneration Committee**Composition and attendance**

The Committee met 3 (three) times during the year. The meeting of the Nomination and Remuneration Committee were held on 05.06.2023, 30.12.2023 and 20.02.2024. All the recommendations made by the Nomination and Remuneration Committee were accepted by the Board. The table below highlights the composition and attendance of the members of the Committee:

Sl. No.	Name of the Director	Position	Category	No. of Meeting attended
1	Shri Satish Kapur	Chairman	Non-Executive Independent Director	3
2	Dr. Ranjan Ghosh	Member	Non-Executive Independent Director	3
3	Smt. Archana Agarwal	Member	Non-Executive Independent Director	3

c) Stakeholders Relationship Committee**Composition and attendance**

The Stakeholders Relationship Committee met 3 (three) times during the year on 05.06.2023, 30.12.2023 and 20.02.2024. The table below highlights the composition and attendance of the members of the Committee:

Sl. No.	Name of the Director	Position	Category	No. of Meeting attended
1	Shri Satish Kapur	Chairman	Non-Executive Independent Director	3
2	Dr. Ranjan Ghosh	Member	Non-Executive Independent Director	3
3	Smt. Archana Agarwal	Member	Non-Executive Independent Director	3
4	Shri Anil Kumar Damari Singh	Member	Executive Director (Technical)	2

d) Corporate Social Responsibility Committee**Composition and attendance:**

The Corporate Social Responsibility Committee met 3 (three) times during the year on 05.06.2023, 30.12.2023 and 20.02.2024. The table below highlights the composition and attendance of the members of the Committee:

Sl. No.	Name of the Director	Position	Category	No. of meeting attended
1	Shri Vikram Aditya Mody	Executive Chairman	Executive Director	3
2	Shri Satish Kapur	Member	Non-Executive Independent Director	3
3	Dr. Ranjan Ghosh	Member	Non-Executive Independent Director	3
4	Smt. Archana Agarwal	Member	Non-Executive Independent Director	3

Independent Director's Meeting:

As required under section 149(8) & Schedule IV of the Companies Act, 2013 a Separate meeting of the Independent Directors was held on 20.02.2024.

Corporate Social Responsibility (CSR):

The Corporate Social Responsibility Committee (CSR) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: www.heilindia.com/pdf/CSR_Policy_2022. The Company has identified education as its focus area of engagement. The Company would also undertake other need based initiatives in compliance with Section 135 and Schedule VII of the Companies Act, 2013.

Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR in the prescribed format is attached as **Annexure-1** and forms an integral part of this report.

Auditors & Auditors' Report:

M/s. Rajgaria & Associates, Chartered Accountants, having Firm Registration No. 314241E of 135A, B.R.B. Basu Road, Kolkata – 700 001 were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years, from the conclusion of the 26th Annual General Meeting of the Company held on 30.09.2023 till the conclusion of 31st Annual General Meeting of the Company to be held in the year 2028.

As per the requirement of Section 134 of the Companies Act, 2013, in relation to the matter qualified by the Auditors in their Report, our explanation are as here under:

- (i) **Auditor's Report - Clause(a):** Malanpur Steel Ltd. (MSL) had been merged with the Company with retrospective effect from 1st April 2009 as per scheme sanctioned by the Hon'ble Board for Industrial & Financial Reconstruction (BIFR) vide its Order dated 4th September 2012. Certain amounts claimed by different authorities against which the necessary provision had been made in the scheme have not been provided for in the accounts as these are claimed but not payable by the Company & are under reconciliation with respective authorities. The same have been disclosed as contingent liability in the accounts. Reliefs / Concessions claimed from various statutory authorities viz. Income Tax, Sales Tax & Excise etc. are under consideration of respective authorities & approval of the same are awaited. However, the effects thereof have been taken in the accounts. Necessary adjustment, if required, shall be made on disposal thereof by respective authorities.
- (ii) **Clause(b) and 1(iii):** The Company is taking necessary steps to recover the Loans given, Trade Receivables and Advances. The Management is confident of recovery of the same in full and as such no provision has been made.
- (iii) **Clause 1(ix)(a):** Loan from WBIDC is adjustable against power subsidy receivable from Govt. of West Bengal, claim for which has been lodged by the Company. The Company has filed a Writ Petition before the Hon'ble Calcutta High Court and the matter is pending for adjudication and the adjustment if any, shall be made accordingly on final adjudication.

The management is taking necessary steps for payment of the stipulated instalments of interest free sales tax loan.

Fraud Reporting:

As required under Section 134(3)(ca), No frauds were reported by Auditors in terms of Section 143(12) of the Companies Act, 2013 and Rules, if any, made thereunder.

Cost Auditors:

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. S. K. Sahu & Associates and Smt. Poonam Shah, as Cost Auditors to audit the cost records of the Company for the financial year 2024-2025. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the Annual General Meeting for their ratification. The Cost Audit report for the year 2023-2024 will be submitted to the Central Government within the period stipulated under the Companies Act, 2013.

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s MKB & Associates, Kolkata a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as **Annexure-2** and forms an integral part of this report.

The Secretarial Audit Report do not contain any qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors.

Compliance with Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

Nomination & Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee adopted a Nomination & Remuneration Policy, which inter alia includes policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel and their remuneration. The highlight of the Policy is as follows:

Procedure for selection and appointment of the Board Members**Board membership criteria:**

The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member, KMP and SMP for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the area of complex issues facing the Company.

Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

Annual Evaluation of Board and Directors

As required under the Companies Act, 2013, an evaluation of the performance of the Independent Directors was carried out by the Board of Directors during the year, based on the criteria laid down by the Nomination and Remuneration Committee. On and overall assessment, it was found that all the Independent Directors have given a good account of themselves. The Board concluded that the Independent Directors individually and collectively were well qualified and their contributions were in the interest of the Company.

The Independent Directors in a separate meeting held on 20th February, 2024 reviewed and evaluated the performance of Non- Independent Directors, Board as a whole and the performance of the Chairman of the Company.

Keeping the requirements under the Act, the Independent Directors laid down broad areas for evaluation. After detail discussion, it was concluded that the performance of the Board collectively and the Directors individually on all counts of evaluation were appreciable.

The performance of the Executive Chairman and Executive Director was evaluated by Independent Directors for leadership and direction to the Company judging as per the parameters of the evaluation criteria and it was noted that their performance was satisfactory. It was further noted that the Executive Chairman took proper initiative in policy decision making with the senior executives and Board.

The Board carried out the performance evaluations of its committees.

Selection of Board Members/ extending invitation to a potential director to join the Board:

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then shall make an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

Procedure for selection and nomination of KMPs and SMPs

The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel and produce a written document thereon;

The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity and on the human resources market;

The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

A meeting of the Committee shall be convened and the qualifications, experience, skills and other capability of the initial candidates shall be examined. After such examination recommendation for appointment of KMP and SMP together with the relevant information about the appropriate candidate(s) shall be submitted to the Board of Directors;

The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

Remuneration to Non-Executive Directors:

The Non-Executive Directors of the company are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees and the commission. The sitting fees of the Non-Executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013 and amended from time to time.

Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director/Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

The Nomination & Remuneration Policy can be accessed at the www.heilindia.com/pdf/HEIL_NR_Policy

Annual Evaluation of Board and it's Committees Performance:

During the financial year, the Board evaluated its own performance as well as that of its Committees and individual Directors. The exercise was carried out covering various aspects of the Boards functioning such as composition of the Board & committees, qualification, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Non-Independent Directors. The performance of Independent Directors has been evaluated based on the guidelines as provided under Schedule IV of the Act. The evaluation of the Independent Directors was carried out by the entire Board except by the Director being evaluated. The directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Managerial Remuneration:

A statement showing the particulars of employee as prescribed in Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

Name	Designation	Remuneration received	Nature of employment	Qualification and experience	Date of Commencement of Employment	Age	Last employment held	Percentage of Equity Shares held	Whether relative of any director or manager
Vikram Aditya Mody	Executive Chairman	90000000	Full-Time	Graduate	1.1.2024	63	N.A.	0.00%	No

Material Changes and Commitments after the Balance Sheet date:

No material changes and commitments affecting the financial position of the Company have occurred from the close of the financial year ended 31.03.2024 till the date of this report.

Going Concern Status/ Material Orders of Judicial Bodies/ Regulators:

There was no instance of any material order passed by any regulator/court/tribunal impacting the going concern status of the Company and its future operations.

Changes in the nature of Business:

There is no change in the nature of Business of the Company during the financial year 2023-2024.

Internal Financial Control Systems and their Adequacy:

The Company has an adequate internal financial control which provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding assets, prevention and detection of fraud, accuracy and completeness of accounting records. The Internal Auditors monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies.

Related Party Transactions:

All the related party transactions that were entered into during the year under review were in ordinary course of business and on arm's length basis and do not attract the provision of section 188 of the Companies Act, 2013. There were no material related party transactions during the year. Hence AOC - 2 is not required. The details of transactions with related parties are provided in Note No. - 42 of the standalone financial statements.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as **Annexure - 3** and forms an integral part of this report.

Details of establishment of Vigil Mechanism for Directors and Employees:

The Company has formulated a Vigil Mechanism Policy for its Directors and employees to report genuine concerns. The policy provides adequate safeguards against victimization of persons who use such mechanism and provides direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The policy is posted on the website of the Company. No Director or employee has been denied access to the Chairman of the Audit Committee during the financial year 2023-2024.

Particulars of Loans, Guarantees or Investments:

The particular of Loan & Investments made by the Company has been disclosed in the Financial Statement.

Risk Management Policy:

As per the requirement of Section 134 of the Companies Act, 2013, the Company has formulated a Risk Management Policy to identify and then manage various elements of risk which, in the opinion of the Board could threaten or severally impact or bring down the organization and the strategy to mitigate such risks. The policy involves reviewing the operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

As required under the provision of The Sexual Harassment of Women at the workplace (Prevention & Redressal) Act, 2013 read with rule made thereunder, the Company has constituted an internal complaint Committee for redressal of the complaint related to sexual harassment. During the year under review there were no complaints of sexual harassment.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Details of application made or any proceeding pending under the Insolvency & Bankruptcy Code, 2016.

As required under section 134 read with rule 8(5)(XI) of the Companies (Accounts) Rules, 2014 as amended, we confirm that no application has been made and no proceeding is pending under the Insolvency & Bankruptcy Code, 2016.

Details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions.

As required under section 134 read with rule 8(5)(XII) of the Companies (Accounts) Rules, 2014 as amended, we confirm that company has not availed any one time settlement, so this do not apply.

For and on behalf of the Board of Directors

Anil Kumar Damari Singh
Director
DIN: 07160198

V.A. Mody
Director
DIN: 00193192

Place: Kolkata
Date: 19th day of July, 2024

Annual Report on Corporate Social Responsibility (CSR) Activities for the year ended 31st March, 2024
[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

As per the provisions of the Companies Act, 2013 and rules framed thereunder, the Company has formulated its CSR Policy with the vision to actively contribute for education of Girl Child.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Vikram Aditya Mody	Chairman / Executive Director	3	3
2	Shri Satish Kapur	Member / Independent Director	3	3
3	Dr. Ranjan Ghosh	Member / Independent Director	3	3
4	Smt. Archana Agarwal	Member / Independent Director	3	3

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

www.heilindia.com/pdf/CSR_Policy_2022.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. (a) Average net profit of the Company as per section 135(5): Rs. 6699.30 Lacs
 (b) Two percent of average net profit of the company as per section 135(5): Rs. 133.98 Lacs
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 (d) Amount required to be set off for the financial year, if any: NIL
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 133.98 Lacs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : Rs. 134 Lacs
 (b) Amount spent in Administrative Overheads : NIL
 (c) Amount spent on Impact Assessment, if applicable : NIL
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : Rs. 134 Lacs
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (Rs. in Lacs)	Amount Unspent (Rs. in Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
134	NIL	N.A.	N.A.	NIL	N.A.

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (Rs. in Lacs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	133.98
(ii)	Total amount spent for the Financial Year	134
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.02
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years:

Not Applicable

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:☐ Yes ☒ No

If Yes, enter the number of Capital Assets created/ acquired : Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

The Company has spent the prescribed amount in the financial year 2023-24.

For and on behalf of the Board of Directors

Anil Kumar Damari Singh
Director
DIN: 07160198

V.A. Mody
Chairman – CSR Committee
DIN: 00193192

Place: Kolkata
Date: 19th July, 2024

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company’s Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (as amended) (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder **(Not applicable to the Company during the Audit Period);**
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 (“SEBI Act”) or by SEBI **(Not applicable to the Company during the Audit Period);**
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

For Jute Unit-

- (a) The Jute Packaging Materials (Compulsory use in Packaging Commodities) Act, 1987
- (b) The Jute Manufactures Development Council Act, 1983
- (c) The Jute Manufactures Cess Act, 1983
- (d) The National Jute Board Act, 2008
- (e) The Jute Manufacturer’s Development Council (Procedural) Rules, 1984
- (f) The Indian Boilers Act, 1923

For Chemical Unit-

- (a) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 and Amendment Rule, 2000
- (b) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
- (c) The Public Liability Insurance Act, 1991 and 1992
- (d) The Hazardous Waste (Management and Handling) Rule, 1989 (Amended 2000 & 2003)
- (e) The Batteries (Management and handling) Rules, 2001
- (f) The Static & Mobile Pressure Vessels (SMPV) Rules, 1981
- (g) The Petroleum Act, 1934 & Petroleum Rules, 2002
- (h) The Gas Cylinder Rules, 2004

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except as mentioned above.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the following special resolutions have been passed during the year under review:

1. Re-appointment of Shri. Anil Kumar Damari Singh as Executive Director (Technical) for a period of 5 years from 16th April, 2024 to 15th April, 2029;
2. Increasing borrowing powers of the Company to Rs. 4000 crores under Section 180(1)(c) of the Companies Act, 2013;
3. Creation of security on the properties of the Company in favour of its lenders upto a limit of Rs. 4000 crores under Section 180(1)(a) of the Companies Act, 2013.

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

For MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Neha Somani
Partner
Membership no. 44522
COP no. 17322

Peer Review Certificate No. 1663/2022

Date: 19.7.2024
Place: Kolkata
UDIN: A044522F000776847

Annexure – I

To
The Members,
HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Neha Somani
Partner
Membership no. 44522
COP no. 17322

Peer Review Certificate No. 1663/2022

Date: 19.7.2024
Place: Kolkata
UDIN: A044522F000776847

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A) CONSERVATION OF ENERGY:

i) the steps taken or impact on conservation of energy:

The Company is continued to give major emphasis for conservation of energy and the measures taken in the previous year were continued. The significant energy conservation measures during the year were as follows:

Oxygen assisted melting, Old conventional motors for EOT Cranes etc. are being replaced by energy efficient motors phase wise, Installed Capacitor Bank in HT Power Line, Servicing/Repairing of LT Side Automatic Power Factor Controllers completed. Gas Fired Heat Treatment Furnace – 2 Nos. of Capacity 10 MT each have been under installation, Float switches have been installed in water tanks to stop pumps before overflow of water. Auto Temperature Control of One No. Heat Treatment Furnace. Installation of APFC Panel for 5th 1600 KVA Transformer. Installation of one 10 MT Induction Furnace for steel melting is under installation. Rearranging the overhead lighting system so that minimum number light is in operation as per requirement. Electricity bill is also reduced to some extent and we take further major for future improvement. Shifting of existing bearing mounting room from Point & Crossing section to wagon section to avoid double handling of wheel sets. To install dedicated compressor of small capacity for DM Line, CNC Cutting M/C to save power. One such compressor of small capacity has already been procured for P&C. We have taken time to time routine check-up to reduce the idle illumination and idle compressor run time. Installed one 10 T EOT crane in Point & Crossing section for handling of material. 750 KVA transformer has been made operational for proper load distribution.

ii) The steps taken by the company for utilising alternate sources of energy: The Company is exploring the possibilities for use of solar power.

iii) The capital investment on energy conservation equipment's: NIL

B) TECHNOLOGY ABSORPTION:

i) Efforts made towards technology absorption

Crossings Castings Quality and dimensional accuracy have improved. Accumulated Stock of Mn. Steel returns has reduced and resulted in Cost reduction of input materials in Melting. Reduction in Weight of Castings. To meet requirements of cost efficiency in casting production with improved quality standards. Grain-size is reduced in Mn-steel resulting in improved quality of CMS Crossing. Enhancement of company's technical capabilities by recruitment of skilled and Experienced Staff. The Company has successfully absorbed and adapted the technology for the manufacture of Hydrogen Cyanide, Sodium Cyanide, Potassium Cyanide and Diphenyl Guanidine. The products manufactured by us meet the international standards of quality and are well accepted in local as well as international market. We are continuously working on improvement of yield, Specific Consumption & Quality. We have successfully exploited our own R&D based processes for the manufacture of various HCN and Sodium Cyanide based products, e.g. Sodium/ Potassium Ferrocyanide, Sodium Dicyanamide, Mandelonitrile, Meta Phenoxy Benzaldehyde Cyanohydrin, Methyl Ethyl Ketone Cyanohydrin, Cyclo Hexanone Cyanohydrin, Acetone Cyanohydrin etc.

Company has also successfully implemented the R&D based processes for the treatment of effluent generated in the manufacturing processes & at Utility plant and reuse the treated effluent in the cooling tower and in the manufacturing process.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution.

New products based on Hydrogen Cyanide and Cyanide based chemicals has been added in the product line of the Company which will increase turnover and profitability of the Company. Product improvement & effective cost reduction enabled us to pass on substantial benefits to customers, improvement of quality, consumption and yield of finished goods, saving in energy consumption and development of some new products etc.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : N.A.

iv) The expenditure incurred on Research and Development	(Rs. In Lakhs)
i) Capital	Nil
ii) Recurring	25
iii) Total	25
iv) Total R&D expenditure as % of turnover	0.01%

C) FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign Exchanged earned in terms of actual inflows	Rs. 15 16
Foreign Exchange outgo in terms of actual outflows	Rs. 3 78 44

For and on behalf of the Board of Directors

Anil Kumar Damari Singh
Director
DIN: 07160198

V.A.Mody
Director
DIN: 00193192

Place: Kolkata
Date : 19th Day of July, 2024

**INDEPENDENT AUDITORS' REPORT
TO
THE MEMBERS OF
HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED**

Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **Hindusthan Engineering & Industries Limited** ("the company"), which comprise the Balance Sheet as at **31st March, 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph the aforesaid Standalone Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at **31st March, 2024** and its Statement of Profit and Loss (including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

- a. **Note No. 34** in respect of accounting of effect of certain reliefs/concessions which are yet to be approved by respective authorities. In view of pendency in disposal of such claims, we are unable to comment the impact, if any, thereof on the profit for the year & reserve & surplus at the year end.
- b. **Note No. 36** in respect of Loan to the subsidiary company, **Note No. 37** in respect of Loans given, **Note No. 39** in respect of Trade Receivables & Advances, whereby the extent of amounts recoverable there against is presently not ascertainable & therefore provision thereagainst & consequential impact thereof, if any, on the profit for the year & reserves & surplus could not be ascertained & commented upon by us.

These matters were also qualified in the report of previous auditors on the Standalone Financial Statements for the year ended 31st March, 2023.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified opinion.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and Statement of changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) rules, 2015 as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

Contd...

Independent Auditors Report on the Standalone Financial Statements – Hindusthan Engineering & Industries Limited
-31.03.2024 Contd...

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of the identified misstatements in the standalone financial statements

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable, as under:

- (i) (a) (A) The company is maintaining proper records showing full particulars including quantitative details & situation of Property, Plant & Equipment.
(B) The company is maintaining proper records showing full particulars of intangible assets.

(b) On the basis of available records checked by us as well as according to information available, Property, Plant & Equipment have been physically verified by the management according to a phased program designed to cover all the items over a period of three years which, based on the audit procedures applied by us is, in our opinion, reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) Based on the audit procedure applied by us & as per information available and explanations given to us, we report that the title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

Independent Auditors Report on the Standalone Financial Statements – Hindusthan Engineering & Industries Limited
-31.03.2024 Contd...

- (d) In accordance with the information available and explanations given to us, the company has not revalued its Property, Plant & Equipment (including Right of Use of assets) and/or intangible assets during the year.
- (e) Based on the audit procedure applied by us & as per information available and explanations given to us, we report that no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) Based on the audit procedures applied by us & as per the information available & explanations given by the management, we report that physical verification of inventory has been conducted by the management at reasonable intervals and, the coverage and procedure of such verification by the management is in our opinion, reasonable. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification of inventory as compared to book records.
- (b) In respect of sanction of working capital limits in excess of Rs. 5 crores, in aggregate, from banks and/or financial institutions on the basis of security of current assets, as per the information available & explanations given by the management & on the basis of such checks as were considered appropriate, we report that the quarterly returns or statements filed by the company with such banks and/or financial institutions are in agreement with the books of accounts.
- (iii) (a) Based on the audit procedures applied by us & as per the information available & explanations given by the management, we report that during the year, the Company has given loan of **Rs 1 lakh** to subsidiary company and **Rs 7,966 lakhs** to parties other than Subsidiary, Joint Venture & Associates. The Balance amount outstanding as on date to subsidiary company is **Rs 804 lakhs & Rs 21,493 lakhs** to parties other than Subsidiary, Joint Venture & Associates. The company has not provided any guarantee or security to any companies, firms, LLP or other parties. No Investments have been made during the year.
- (b) Based on the audit procedures applied by us & as per information available & explanations given to us, we are of the opinion that the terms & conditions of Loans granted during the year are not prejudicial to the interest of the company.
- (c) According to the information available & explanation given to us, there is no stipulated schedule of repayment of principal & interest. Further, no repayment of principal & Interest has been demanded by the company.
- (d) According to the information available & explanation given to us & on the basis of available record checked by us, there is no overdue amount remaining outstanding as the balance sheet date.
- (e) No loans or advances in the nature of loans, which have fallen due during the year, have been renewed or extended and no fresh loans have been granted to settle the overdue of existing loans given to same parties.
- (f) According to the information available & explanations given to us, the Company has granted loans/advances in the nature of loans repayable on demand. The aggregate amount of loans repayable on demand to Related Parties was **Rs 12,903 lakhs (57.87% of total loans)** out of total loan of **Rs 22,297 lakhs**.
- (iv) According to information available & explanations given to us, the company has complied with the provisions of Section 185 and 186. of the Companies Act, 2013 in respect of loans given & investments made. No guarantee or security has been issued by the company.
- (v) According to the information available and explanations given to us, the company has not accepted any deposit within the meaning of the section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) According to the records of the company, the company is generally regular in depositing the undisputed statutory dues including Income Tax, Provident Fund, ESI, GST and other statutory dues to appropriate authorities. According to the information & explanation given to us, there are no undisputed statutory dues outstanding as at the year-end for a period of more than six months from the date of the same becoming payable
- (b) According to the information available & explanation given to us, following statutory dues were outstanding, net of payments, if any, as at the year-end on account of disputes pending before appropriate authorities:

Contd...

**Independent Auditors Report on the Standalone Financial Statements – Hindusthan Engineering & Industries Limited
-31.03.2024 Contd...**

<u>Name of Statute</u>	<u>Nature of dues</u>	<u>Amount (Rs. in lakh)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
W.B. VAT Act, 2003	Sales Tax	1,210.40	2012-16 & 2017-18	Taxation Tribunal Court
W.B. VAT Act, 2003	Sales Tax	260.42	2016-17	Appellate & Revisional Board
CST Act, 1956	Sales Tax	0.41	1987-88	Appellate & Revisional Board
CST Act, 1956	Sales Tax	0.05	1981-82	High Court
BFST Act, 1941	Sales Tax	0.53	1975-76	Deputy Commissioner
BFST Act, 1941	Sales Tax	0.49	1984-85	Asst. Commissioner
WBST Act, 1954	Sales Tax	0.77	1982-83	Appellate & Revisional Board
M.P. Sales Tax Act	Sales Tax	235.93	1990-97	Appellate Authorities
Central Excise Act, 1944	Excise Duty	183.01	1998-99, 2001-02, 2010-2014	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	1,652.50	1986-88, 1994-2004, 2008-2018	CESTAT
Central Excise Act, 1944	Excise Duty	4.55	1992-95	High Court
Central Excise Act, 1944	Excise Duty	2.66	2013-14	Asst. Commissioner
Service Tax	Service Tax	46.56	2007-2012	CESTAT
Goods & Service Tax	Goods & Service Tax	74.91	2017-2018	Commissioner (Appeals)
Income Tax Act, 1	Income Tax	214.15	2009-10 to 2015-16	Assessing Officer
Income Tax Act,	Income Tax	23.97	2020-21 & 2022-23	Assessing Officer

- (viii) Based on the audit procedures applied & as per the information available and explanations given by the management, we report that the company, during the year, has not surrendered or disclosed any transaction in the tax assessment under Income Tax Act, 1961 which was previously not recorded in the books of account.
- (ix) (a) Based audit procedures applied by us & as per the information available & explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders except as under:
- Rs. 101 lakhs payable to WBIDC which were due for more than one year and were not repaid for the reasons mentioned in Footnote (ii) to Note No. 15 attached to the financial statements
 - Rs. 223 lakhs payable on account of interest free sales tax loan which was repayable in 14 equal half yearly instalments w.e.f. 4th September 2015.
- (b) As per the information available and explanations given by the management, we report that the company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) Based on the audit procedures applied & as per the information available and explanations given by the management, we report that no terms loans have been obtained by the company during the year.
- (d) Based on the audit procedures applied & as per the information available and explanations given by the management, we report that funds raised on short term basis have not been utilized for long term purposes.
- (e) Based on the audit procedures applied & as per the information available and explanations given by the management, we report that the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures.
- (f) Based on the audit procedures applied & as per the information available and explanations given by the management, we report that the company has not raised any loan during the year on the pledge of securities held in subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made any preferential allotment or private allotment of shares or convertible debentures (fully, partially or optionally convertible) during the year.

Independent Auditors Report on the Standalone Financial Statements – Hindusthan Engineering & Industries Limited -31.03.2024 Contd...

- (xi) (a) During the course of our examination of the books of account and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information & explanation given to us, we have neither come across any incidence of fraud on or by the company nor we have been informed of any such case as by the management.
- (b) No report u/s 143(12) in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 has been filed by us with the Central Government during the year.
- (c) As represented by the Management, there are no whistle blower complaints received by the company during the year.
- (xii) According to the information available and explanations given to us, the Company is not a Nidhi Company.
- (xiii) According to the information available & explanations given to us, the company has complied with provisions of section 177 & 188 of the Act, where applicable, in respect of transactions with the related parties and details thereof have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) (a) According to the information available & explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the internal auditors for the period under audit were considered by us.
- (xv) Based on the audit procedure applied by us & as per the information available & explanation given to us, we are of opinion that the company has not entered into any non-cash transaction with any of the directors or persons connected with them.
- (xvi) (a) Based on the audit procedures applied by us & as per the information available & explanations given by the management, we are of the opinion that the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India as per Reserve Bank of India Act, 1934.
- (c) As per the information available & explanation given to us, we are of opinion that the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) As per the information available and explanations given by the management, we report that the company does not have any CIC.
- (xvii) The company has not incurred cash losses in the current financial year and immediately preceding financial year.
- (xviii) There was no resignation by the statutory auditors during the year and accordingly requirement of taking into consideration the issues, objections or concerns raised by the outgoing auditors do not arise.
- (xix) Based on the financial ratios, ageing & expected dates of realization of financial assets and payment of financial liabilities & other information accompanying the financial statements as well as our knowledge of the Board of Directors and management plan, we are of the opinion that, as on the date of the audit report, no material uncertainty exists about the company's capability of meeting its liabilities existing at the date of balance sheet as & when they fall due within a period of one year from the date of balance sheet.
- (xx) (a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII to the Companies Act, in compliance with second proviso to section 135 (5) of the said Act.
- (b) Since there are no ongoing projects in connection with CSR activities, reporting under this clause is not applicable.
2. As required by section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. Except for the effects of the matters described in the basis for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and Statement of changes in equity dealt by this report are in agreement with the books of account.

Independent Auditors Report on the Standalone Financial Statements – Hindusthan Engineering & Industries Limited -31.03.2024 Contd...

- d. Except for the effects of the matter described in the basis for qualified opinion paragraph above, in our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended.
- e. On the basis of written representations received from the directors as on **31st March, 2024**, taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2024**, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- g. In our opinion and to the best of our knowledge and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position other than those, if any, already disclosed in the financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (v) No dividend was declared or paid during the year by the Company requiring compliance with section 123 of the Act.
- (vi) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the financial year for all relevant transactions recorded in the said softwares. During the course of performing our audit procedures, we did not notice any instance of audit trail feature being tampered with.
- Further, as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit & Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

For Rajgaria & Associates
Chartered Accountants
Registration No. **327314E**

Kolkata; 19th July, 2024
UDIN: 24051957BKDGDK9372

(CA R K Rajgaria)
Partner
Membership No. **051957**

Annexure-A to the Standalone Independent Auditors' Report on Standalone Financial Statements - 31.03.2024**Report on the Internal Financial Controls under Clause (i) sub –section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls with reference to standalone Financial statement of **Hindusthan Engineering & Industries Limited** ('the Company') as of **31st March, 2024** in conjunction with our audit of the standalone financial statements of the Company for the year ended on the date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone Financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal- Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to standalone Financial statement

A company's internal financial controls with reference to standalone Financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company asset; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements,

Inherent Limitations of Internal Financial Controls with reference to standalone Financial statement

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March, 2024**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Rajgaria & Associates**
Chartered Accountants
Registration No. **314241E**

Kolkata; 19th July, 2024
UDIN: 24051957BKDGDK9372

(**CA R K Rajgaria**)
Partner
Membership No. **051957**

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
CIN : U93000WB1998PLC086303
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2024

			Amount in Rupees Lakh	
PARTICULARS	Note No.	As At 31.03.2024	As At 31.03.2023	
<u>ASSETS</u>				
<u>Non-Current Assets</u>				
Property, Plant & Equipment	2	33,103		29,445
Capital Work in Progress	3	418		3,672
Intangible Assets	2	28		1,426
Financial Assets				
- Investments	4	10,831	11,315	
- Other Financial Assets	5	12,911	23,742	18,454
Other Non Current Assets	6	56	7,139	45
<u>Current Assets</u>				
Inventories	7	69,678		36,981
Financial Assets				
- Investments	8	22	15	
- Trade Receivables	9	25,063	22,094	
- Cash & Cash Equivalents	10	1,930	6,310	
- Loan	11	22,297	19,598	
- Other Financial Assets	5	30,430	79,742	77,322
Current Tax Assets (Net)	12	2,526	29,305	3,280
Other Current Assets	6	12,655		9,754
Total		2,21,948		1,80,379
<u>EQUITY AND LIABILITIES</u>				
<u>EQUITY</u>				
Equity Share Capital	13	1,471	1,471	
Other Equity	14	1,38,409	1,39,880	1,20,694
<u>LIABILITIES</u>				
<u>Non-Current Liabilities</u>				
Provisions	16	5,708	5,726	
Deferred Tax Liabilities (Net)	17	1,187	6,895	7,366
<u>Current Liabilities</u>				
Financial Liabilities				
- Borrowings	15	41,033	28,382	
- Trade Payables	18			
Dues to Micro & Small Enterprises		437	406	
Dues to Others		27,605	15,682	
- Other Financial Liabilities	19	2,609	71,684	47,669
Other Current Liabilities	20	2,532	3,199	3,606
Provisions	16	957		1,044
Total		2,21,948		1,80,379
<u>Significant Accounting Policies</u>				
	1			

The notes referred to above form an integral part of these standalone financial statements.

This is the Standalone Balance Sheet referred to in our report of even date

For and on behalf of

Rajgaria & Associates

Chartered Accountants

Registration No. 314241E

For & on behalf of Board of Directors

V A Mody

Director

DIN : 00193192

CA R K Rajgaria

Partner

Membership No. 051957

P. K. Himatsingka
CFO

R K Agarwal
Co. Secretary

A K D Singh
Director

Place: Kolkata

Dated: 19th July, 2024

DIN : 07160198

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED**CIN : U93000WB1998PLC086303****STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2024**

PARTICULARS	Note No.	Amount in Rupees Lakh	
		Year Ended 31.03.2024	Year Ended 31.03.2023
INCOME			
Revenue from Operations	21	2,75,437	1,75,616
Other Income	22	4,233	2,718
Total Income		2,79,670	1,78,334
EXPENSES			
Cost of Raw Materials Consumed	23	1,94,727	1,26,710
Changes in Inventories of Finished Goods, Work-In-Progress & Stock in Trade	24	(7,243)	(6,042)
Employee Benefit Expenses	25	14,410	13,961
Finance Costs	26	3,071	1,887
Depreciation and Amortisation Expenses	27	3,585	3,457
Other Expenses	28	43,523	28,927
Total Expenses		2,52,073	1,68,900
PROFIT/(LOSS) BEFORE TAX		27,597	9,434
TAX EXPENSES			
Current Tax		7,300	2,740
Deferred Tax		(431)	(309)
PROFIT/(LOSS) AFTER TAX		20,728	7,003
OTHER COMPREHENSIVE INCOME			
a) Item that will not be reclassified to Profit & Loss			
- Remeasurment of Defined Benefit Plan		311	110
- Changes in fair values of investment in equities carried at fair value through OCI		(484)	-
- Income Tax on (a) above		(22)	28
b) Item that will be reclassified to Profit & Loss		-	-
Other Comprehensive Income (a+b)		(151)	82
TOTAL COMPREHENSIVE INCOME		20,577	7,085
Basic & Diluted Earning (Rs./P)	29	140.94	47.49
Significant Accounting Policies	1		

The notes referred to above form an integral part of these standalone financial statements

This is the Standalone Statement of Profit & Loss referred to in our report of even date

For and on behalf of

For & on behalf of Board of Directors

Rajgaria & Associates

Chartered Accountants

Registration No. 314241E**V A Mody**

Director

DIN : 00193192

CA R K Rajgaria

Partner

Membership No. 051957**P. K. Himatsingka**

CFO

R K Agarwal

Co. Secretary

A K D Singh

Director

DIN : 07160198

Place: Kolkata

Dated: 19th July, 2024

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

PARTICULARS	Amount in Rupees Lakh	
	Year Ended 31.03.2024	Year Ended 31.03.2023
(A) Cash Flow From Operating Activities :-		
Net Profit/(Loss) Before Tax	27,597	9,434
Adjustments For :-		
Depreciation & Amortization Expenses	3,585	3,457
Remeasurment of Defined Benefit Plan- under OCI	311	110
Interest Paid/(Received) (net)	(1,182)	(766)
(Gain)/Loss on Foreign Exchange Fluctuation	36	50
Net Gain on Restatement of Investments	(7)	(1)
(Profit)/Loss on sale/ discard of Fixed Assets (net)	(32)	(17)
Operating Profit/(Loss) Before Working Capital Changes	30,308	12,267
Adjustments For :-		
Trade and other Assets	(5,881)	(8,244)
Inventories	(32,697)	(12,341)
Trade and other Payables	10,185	9,133
Cash Generated From Operations :-	1,915	815
Direct Taxes Paid (Net)	6,546	2,354
Net Cash Flow From Operating Activities	(4,631)	(1,539)
(B) Cash Flow From Investing Activities :-		
Purchase of Fixed Assets (Including CWIP)	(4,024)	(4,458)
Sale of Fixed Assets	74	97
Loan/Financial Assets	(9,596)	(5,754)
Gain/(Loss) on Foreign Exchange Fluctuation	(36)	(50)
Interest Received	4,125	2,541
Net Cash Flow From Investing Activities	(9,457)	(7,624)
(C) Cash Flow From Financing Activities :-		
Changes in Equity	-	-
Changes in Borrowings	12,651	13,708
Finance Cost	(2,943)	(1,775)
Net Cash Flow From Financing Activities	9,708	11,933
Net Increase/(Decrease) in Cash & Cash Equivalents :-	(4,380)	2,770
Opening Balance of Cash & Cash Equivalents	6,310	3,540
Closing Balance of Cash & Cash Equivalents (Note No.10.0)	1,930	6,310
Supplementary Information:		
Restricted Cash & Cash Equivalent	Nil	Nil

This is the Standalone Cash Flow Statement referred to in our report of even date

For and on behalf of

Rajgaria & Associates

Chartered Accountants

Registration No. 314241E

For & on behalf of Board of Directors

V A Mody

Director

DIN : 00193192

CA R K Rajgaria

Partner

Membership No. 051957

P. K . Himatsingka

CFO

R K Agarwal

Co. Secretary

A K D Singh

Director

DIN : 07160198

Place: Kolkata

Dated: 19th July, 2024

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

A. Equity Share Capital	Amount in Rupees Lakh	
Particulars	No of Shares	Amount
Balance as at 1st April, 2022	1,50,00,782	1,500
Add/ (Less) : Effect of Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the previous reporting period	1,50,00,782	1,500
Add/ (Less) : Additions/ (Deductions) during the year	(2,94,006)	(29)
Balance as at 31st March 2023	1,47,06,776	1,471
Add/ (Less) : Effect of Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the reporting period	1,47,06,776	1,471
Add/ (Less) : Additions/ (Deductions) during the year	-	-
Balance as at 31st March 2024	1,47,06,776	1,471

B. Other Equity	Amount in Rupees Lakh					
	Reserves and Surplus			Other Comprehensive Income		
Particulars	Capital Redemption Reserve	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through OCI
Balance as at 1st April, 2022	1,041	-	43,631	18,744	48,998	(337)
Add/ (Less) : Effect of Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	1,041	-	43,631	18,744	48,998	(337)
Additions/ (Deductions) during the year	-	29	-	-	-	-
Profit/ (Loss) for the year	-	-	-	-	7,003	-
Other Comprehensive Income	-	-	-	-	-	-
Balance as at 31st March, 2023	1,041	29	43,631	18,744	56,001	(337)
Add/ (Less) : Effect of Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1,041	29	43,631	18,744	56,001	(337)
Additions/ (Deductions) during the year	-	-	-	-	(1,391)	-
Profit/ (Loss) for the year	-	-	-	-	20,728	-
Other Comprehensive Income	-	-	-	-	-	(384)
Transferred to Retained Earning	-	-	-	-	347	-
Balance as at 31st March, 2024	1,041	29	43,631	18,744	75,685	(721)

Footnote: For purpose & nature of Other Equity, refer Note No. 14.7

For and on behalf of

Rajgaria & Associates
Chartered Accountants
Registration No. 314241E

CA R K Rajgaria
Partner
Membership No. 051957

Place: Kolkata
Dated: 19th July, 2024

V A Mody
Director
DIN : 00193192

R K Agarwal
Co. Secretary

P. K. Himatsingka
CFO

A K D Singh
Director
DIN : 07160198

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Hindusthan Engineering Industries Limited is a public Company domiciled in India & incorporated under the provision of the erstwhile Companies Act, 1956. It is mainly engaged in production of Jute goods, Chemicals, Railway Wagons & Railway Rolling Stock.

The Registered Office of the Company is situated at 27, Sir R N Mukherjee Road, Kolkata - 700 001

Statement of Compliance

These financial statements comply in all material aspects with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accountings Standard) Rules, 2015 (as amended) read with section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

The standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest lakh except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The company categorizes Assets and Liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) Level 3: inputs for the assets or liability which are not based on observable market data.

Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition or deemed cost on date of transition less accumulated depreciation and impairment losses, if any. Cost of an asset comprises of purchase price, borrowing cost and any other cost directly attributable to bringing the asset to its working condition for its intended use.

Capital work in progress includes machinery to be installed, construction and erection materials, borrowing costs, unallocated pre-operative and other expenditures directly attributable towards construction and erection of the assets.

Depreciation on PPE commences when the assets are ready for their intended use. Depreciation has been provided on straight line method as per the useful life determined which is similar to that specified under Schedule II to the Companies Act, 2013. Depreciation on incremental cost arising on account of exchange difference is computed prospectively with respect to the residual life of respective asset.

Leasehold Land is amortised over the period of lease.

Intangible Assets

Intangible assets are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same. Accordingly, Intangible assets have been amortized over a period of 3 to 5 years on straight line basis.

Impairment of Tangible and Intangible Assets

Impairment of assets are assessed at each Balance Sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD...

Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company which is generally taken as 12 month otherwise these are classified as non- current.

Financial Assets and Liabilities

The classification of financial instruments whether to be measured at amortized cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate.

Classification of financial instruments are determined on initial recognition.

(i) Financial assets and financial liabilities measured at Amortized Cost

Financial assets held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows are measured at amortized cost.

The financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

(ii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

(iii) Financial Assets or Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are measured at Fair Value through Profit or Loss.

Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

The company measures the loss allowance for a financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivable or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD...

De-recognition of financial instruments

The company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities are derecognized if the company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability/assets derecognized and the consideration there against is recognized in Statement of Profit and Loss.

Inventories

Inventories are stated at lower of cost & net realisable value. Inventory of finished goods, where the products are made under specific orders, are recognized only on approval of the product by the prospective buyer. The cost for the purpose of valuation of raw materials is being computed on FIFO basis except in case of Jute & Chemical Units where weighted average method is being followed. Cost for the purpose of valuation of stores and spares is computed on weighted average method. Cost of work-in-progress and finished goods represents estimated cost of raw materials, direct labour and appropriate portion of factory overhead in most of the cases.

The liability for GST on the bonded materials as at the end of the year are duly provided for.

Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing at the time of the transaction. Foreign currency monetary assets and liabilities at the year end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of foreign currency transactions during the year (except those relating to the fixed assets which are adjusted to the cost of the assets) are recognised as income or expense and are adjusted to the Statement of Profit and Loss

Revenue

Sales

Sales exclude GST and are accounted for on passing of property of goods irrespective of actual despatches. Rebates, discounts, claims and other non-recoverables are excluded therefrom.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest income is accounted on time proportion basis taking into account amount outstanding & rate applicable unless otherwise stated. Insurance claims/ other claims are accounted as and when admitted/determined.

GST Credit

GST Credit admissible against GST paid on goods / PPE are accounted for by reducing the purchase cost of the related goods / PPE

Employee Benefits

Contributions to defined Schemes such as Provident Fund / Pension Fund, Employees State Insurance Scheme are charged to Statement of Profit & Loss on accrual basis. The Company also provides for gratuity and leave encashment in accordance with projected Unit Credit Method based on actuarial valuation carried out as at the balance sheet date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD...

Borrowing Cost

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

Research and Development

Expenditure on research and development except capital expenses which are shown as additions to PPE, are charged to Statement of Profit and Loss in the year in which these are incurred.

Leases

Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as lessor

Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

Company as Lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

Right of Use Assets

The Company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment loss, if any, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right of use assets are also subject to impairment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD...

Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise for acquisition of non current assets are credited to respective assets.

Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws enacted or substantively enacted on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future. Deferred Tax Assets & Deferred Tax Liabilities have been offset as they relate to the same governing tax laws.

Provisions, Contingent liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

Earning Per Share

Basic earning per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Cash Flow

Cash flows are reported using indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature and/or for items of income & expenses associated with investing and financing activities. The cash flows from operating, investing & financing activities of the company are segregated.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE NO. 2.0		Amount in Rupees Lakh							
PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK			
	As At 01.04.2023	Additions during the year	Deductions/ Adjustments	Total as at 31.03.2024	Up to 31.03.2023		For the year	Deductions/ Adjustments	Total up to 31.03.2024
<u>(A) PROPERTY, PLANT & EQUIPMENT</u>									
Land (Free Hold)	1,411 (1,370)	85 (41)	-	1,496 (1,411)	-	-	-	-	1,496 (1,411)
Right to use of Assets	186 (186)	-	-	186 (186)	12 (9)	3 (3)	-	15 (12)	171 (174)
Buildings	3,986 (3,303)	665 (683)	29	4,622 (3,986)	1,379 (1,261)	126 (118)	-	1,505 (1,379)	3,117 (2,607)
Machinery	47,228 (45,505)	6,266 (1,854)	20 (131)	53,474 (47,228)	22,794 (19,635)	3,337 (3,230)	10 (71)	26,121 (22,794)	27,353 (24,434)
Railway Siding	10 (19)	40 -	-	50 (10)	2 (6)	-	-	2 (2)	48 (8)
Electrical Installation, Water & Sanitation System	479 (413)	28 (67)	1 (1)	506 (479)	87 (50)	42 (37)	-	129 (87)	377 (392)
Tools & Implements	163 (57)	92 (106)	-	255 (163)	14 (8)	14 (6)	-	28 (14)	227 (149)
Furniture & Fixtures	127 (139)	6 (3)	11 (15)	122 (127)	84 (84)	6 (9)	10 (9)	80 (84)	42 (43)
Motor Cars & Vehicles	445 (468)	95 (64)	2 (87)	538 (445)	218 (250)	49 (46)	1 (78)	266 (218)	272 (227)
Total (A)	54,035 (51,460)	7,277 (2,818)	63 (243)	61,249 (54,035)	24,590 (21,303)	3,577 (3,450)	21 (163)	28,146 (24,590)	33,103 (29,445)
<u>(B) INTANGIBLE ASSETS</u>									
Goodwill (on Merger)	1,391 (1,391)	-	1,391	-	-	-	-	-	-
Software	75 (57)	1 (18)	-	76 (75)	40 (33)	8 (7)	-	48 (40)	28 (35)
Total (B)	1,466 (1,448)	1 (18)	1,391	76 (1,466)	40 (33)	8 (7)	-	48 (40)	28 (1,426)

Footnote:

- i) Figures in brackets are for previous year.
ii) Land (freehold) includes 49 acres which is jointly held with The North Brook Jute Co Ltd in which the Company's share is approx 50% i.e. 24.462 acres. The proportionate original cost of such jointly held Land is Rs. 5 Lakh.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
3.0	<u>CAPITAL WORK-IN-PROGRESS</u>				
3.1	Capital Work-in-Progress	418		3,672	
		418		3,672	
3.2	<u>Ageing of Capital Work In Progress</u>				
		Projects in Progress	Projects Temporarily suspended	Projects in Progress	Projects Temporarily suspended
	Outstanding for less than 1 year	134	-	1,867	-
	Outstanding for 1 to 2 years	4	-	-	-
	Outstanding for 2 to 3 years	-	-	-	-
	Outstanding for more than 3 years	280	-	1,805	-
		418	-	3,672	-

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
4.0	<u>NON-CURRENT INVESTMENTS</u>				
4.1	<u>INVESTMENT IN UNQUOTED EQUITY SHARES OF RS. 10/- EACH (At Cost)</u>				
	<u>Subsidiary Company</u>	<u>No.of Shares</u>	<u>Amount</u>	<u>No.of Shares</u>	<u>Amount</u>
	Hindusthan Vidyut Corporation Ltd.	14,01,520	141	14,01,520	141
4.2	<u>INVESTMENT IN UNQUOTED EQUITY SHARES OF RS. 10/- EACH (At Fair Value through OCI)</u>				
	Woodland Multispeciality Hospital Ltd.	1,250	10	1,250	-
	Hindustan Speciality Chemicals Ltd.	1,50,00,000	555	1,50,00,000	1,049
4.3	<u>INVESTMENT IN UNQUOTED PREFERENCE SHARES (At Fair Value through Statement of Profit & Loss)</u>				
	Redeemable 1% Non-cumulative, Non-convertible Preference Share of Rs. 10/ each:				
	Hindusthan Urban Infrastructure Ind. Ltd.	9,51,89,700	10,125	9,51,89,700	10,125
			10,831		11,315
4.4	Aggregate Book value of Unquoted Investments	10,831		11,315	
4.5	Fair Value of unquoted shares has been determined on the basis of last available Audited Accounts of Investee Companies.				

		Amount in Rupees Lakh			
Note No.	PARTICULARS	As At 31.03.2024		As At 31.03.2023	
5.0	OTHER FINANCIAL ASSETS	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
	Security Deposits- Unsecured considered good				
	- To Related Parties (Refer to Note 42.2)	210	1	182	11
	- To Others	1,250	9	1,350	-
	Deposits with Companies	-	1,200	1,200	2,000
	Interest Receivable	-	-	-	-
	- From Related Parties (Refer Note 42.2)	-	7,410	-	7,671
	- From Others	-	1,796	-	992
	Balances with Banks	-	-	-	-
	- In Deposit Account	7,900	4,100	1,369	2,000
	- In Deposit Account - Margin Money	3,551	15,914	3,038	16,631
		12,911	30,430	7,139	29,305

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
6.0	<u>OTHER ASSETS</u>	Non Current	Current	Non Current	Current
	Loans & Advances				
	- To Related Parties (Refer Note 42.2)	-	1	-	-
	- To Employees	54	73	45	70
	- To Supplier	-	7,673	-	5,079
	- To Others	2	198	-	199
	Prepaid Expenses	-	675	-	561
	Claims Receivable	-	2,331	-	203
	Balance with Statutory Authorities	-	1,704	-	3,642
		56	12,655	45	9,754

Footnote:

i Claims receivable includes Rs.22 Lakhs (PY Rs 72 Lakhs) in respect of stocks in a fire mishap Any Short/Excess therein shall be adjusted on final approval from insurance authority.

ii No advances/ other Receivables are due from directors or other officers of the company either severally or jointly with any other person of from firm or Private companies in which any director is a partner/director/ member, except as disclosed in Note 42.0 - Related Party Transaction, if any.

		Amount in Rupees Lakh	
Note	PARTICULARS	As At	As At
No.		31.03.2024	31.03.2023
7.0	<u>INVENTORIES</u>		
	(At lower of cost & net realisable value; as taken, valued and certified by the Management)		
	Raw Materials	42,501	17,277
	Work-in-progress	20,801	14,211
	Finished Goods	2,824	2,171
	Stores and Spares	3,035	2,918
	Loose Tools	517	404
		69,678	36,981

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
8.0	<u>CURRENT INVESTMENTS</u>				
8.1	<u>INVESTMENT IN UNITS OF MUTUAL FUNDS</u>				
	<u>Measured at Fair Value Through Statement of Profit & Loss A/c</u>	<u>No. of Units</u>	<u>Amount</u>	<u>No. of Units</u>	<u>Amount</u>
	HDFC Large & Midcap Fund - Regular Plan - Growth	7,800	22	7,800	15
			22		15

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
9.0	<u>TRADE RECEIVABLES</u>		
	Unsecured, Undisputed, Considered good unless stated otherwise	25,063	22,094
		<u>25,063</u>	<u>22,094</u>
9.1	<u>Ageing of Trade Receivables</u>		
	Outstanding for less than 6 months	19,304	14,768
	Outstanding for 6 months to 1 year	480	1,163
	Outstanding for 1 to 2 years	493	705
	Outstanding for 2 to 3 years	496	1,269
	Outstanding for more than 3 years	4,290	4,189
		<u>25,063</u>	<u>22,094</u>

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
10.0	<u>CASH & CASH EQUIVALENTS</u>		
10.1	<u>BALANCES WITH BANKS</u>		
	In Current Account	730	411
	In Cash Credit Account	1	-
	In Deposit Account	1,186	5,880
10.2	<u>CASH ON HAND</u>	13	19
		<u>1,930</u>	<u>6,310</u>
Footnote: Balances with Banks Rs. 2 Lakhs (PY Rs. 2 Lakhs) are subject to confirmation.			

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
11.0	<u>LOANS</u>		
		<u>Non Current</u>	<u>Non Current</u>
		<u>Current</u>	<u>Current</u>
	Loans - Unsecured, considered Good		
	-To Related Parties (Refer to Note 42.2)	-	8,000
	-to Subsidiary Company (Refer to Note 36)	-	803
	-To Others	-	10,795
		<u>22,297</u>	<u>19,598</u>

Footnote:

No loans are due from directors or other officers of the company either severally or jointly with any other person or from firm or Private companies in which any director is a partner, a director or member, except as disclosed in Note 42.0 - Related Party Transaction, if any.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Amount in Rupees Lakh	
		As At 31.03.2024	As At 31.03.2023
12.0	<u>CURRENT TAX ASSETS (NET)</u>		
	Payment of Income Tax (Net of Provision)	2,526	3,280
		<u>2,526</u>	<u>3,280</u>

Footnote:

Payment of Income Tax (Net of Provisions) includes Rs. 11 Lakh (P.Y. : Rs. 11 Lakh) on account of TDS, credit of which is subject to admittance by the Tax Authorities & is net of Rs. 182 Lakh (P.Y.: Rs. 182 Lakh) on account of tax refund received in earlier years, details for which are not available. Adjustment for any short/ excess received & interest included therein shall be made on receipt of such details.

Note No.	PARTICULARS	Amount in Rupees Lakh			
		As At 31.03.2024		As At 31.03.2023	
13.0	<u>SHARE CAPITAL</u>				
13.1	<u>AUTHORISED</u>	<u>No. of Shares</u>	<u>Amount</u>	<u>No. of Shares</u>	<u>Amount</u>
	Equity Shares of Rs. 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
	Preference Shares of Rs.10 each	50,00,000	500	50,00,000	500
		<u>2,50,00,000</u>	<u>2,500</u>	<u>2,50,00,000</u>	<u>2,500</u>
13.2	<u>ISSUED, SUBSCRIBED & FULLY PAID UP</u>				
	Equity Shares of Rs. 10/- each:				
	At the beginning of the year	1,47,06,776	1,471	1,50,00,782	1,500
	Additions/(Deductions) during the year	-	-	(2,94,006)	(29)
	At the end of the year	<u>1,47,06,776</u>	<u>1,471</u>	<u>1,47,06,776</u>	<u>1,471</u>
	Footnote: Deductions during the previous year represents shares cancelled in terms of order passed by Hon'ble National Company Law Tribunal (NCLT) dated 18th May, 2022.				
13.3	<u>SHAREHOLDERS HOLDING MORE THAN 5% OF SHARE CAPITAL AS AT THE END OF THE YEAR</u>				
	<u>Equity Shares</u>	<u>No. of Shares</u>	<u>% held</u>	<u>No. of Shares</u>	<u>% held</u>
	Hindusthan Consultancy & Services Ltd	60,94,889	41.44%	60,94,889	41.44%
	Promain Ltd	14,34,122	9.75%	14,34,122	9.75%

Footnote: In case, where any shareholder is holding more than 5% of share capital in one year but 5% or less in another year, the information about shareholding for the year in which the shareholding is 5% or less has not been furnished.

13.4	<u>EQUITY SHARES HELD BY THE PROMOTERS AT THE END OF THE YEAR</u>				
	<u>Name of Promoter</u>	<u>No. of Shares</u>	<u>% held</u>	<u>No. of Shares</u>	<u>% held</u>
	Hindusthan Consultancy and Services Ltd	60,94,889	41.44%	60,94,889	41.44%
	Promain Limited	14,34,122	9.75%	14,34,122	9.75%
	Associated General Trading Society Ltd	7,13,420	4.85%	7,13,420	4.85%
	Anuradha Investments Limited	6,50,233	4.42%	6,50,233	4.42%
	Olympic General Trading Ltd	6,27,239	4.26%	6,27,239	4.26%
	Foster Engineering Industries Ltd	5,43,377	3.69%	5,43,377	3.69%
	Carbo Industrial Holdings Ltd	4,79,647	3.26%	4,79,647	3.26%
	Ratlam Industrial Limited	4,61,675	3.14%	4,61,675	3.14%
	Paramount Enterprises Limited	4,39,785	2.99%	4,39,785	2.99%
	Orient Bonds And Stock Limited	3,54,599	2.41%	3,54,599	2.41%
	Hindusthan Business Corporation Limited	2,62,004	1.78%	2,62,004	1.78%
	Intercontinental Trading and Investment Company Limited	1,47,308	1.00%	1,47,308	1.00%
	Pradyumna Steels Limited	1,25,884	0.86%	1,25,884	0.86%
	Vikram Aditya Mody	100	0.00%	100	0.00%
	R A Mody	5	0.00%	5	0.00%

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
13.0	<u>EQUITY SHARE CAPITAL CONTD...</u>				
13.5	<u>CHANGES IN SHAREHOLDINGS OF PROMOTERS</u>				
	<u>Name of Promoter</u>	<u>Change in Shareholding</u>		<u>Change in Shareholding</u>	
	<u>Equity Shares</u>	<u>No. of Shares</u>	<u>% Change</u>	<u>No. of Shares</u>	<u>% Change</u>
	R A Mody	Nil	Nil	5	0.00%
	Promain Limited	Nil	Nil	(5)	0.00%
13.6	<u>SHARES HELD BY HOLDING COMPANY OR ITS ULTIMATE HOLDING COMPANY INCLUDING BY SUBSIDIARY OR ASSOCIATE OF HOLDING/ ULTIMATE HOLDING COMPANY</u>				
		<u>No. of Shares</u>	<u>% held</u>	<u>No. of Shares</u>	<u>% held</u>
	The Company does not have any Holding Company or Ultimate Holding Company.				
13.7	Information about movement in aggregate number of shares during the period of five years immediately preceding the date at which Balance Sheet is prepared:				
		<u>Date</u>	<u>No. of Shares</u>	<u>Date</u>	<u>No. of Shares</u>
	i) Equity Shares bought back	Nil	Nil	Nil	Nil
	ii) Shares allotted as fully paid up pursuant to contract without payment being received in cash	Nil	Nil	Nil	Nil
	iii) Shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil
13.8	The company has only one class of shares outstanding viz. Equity Shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share & is entitled to pro-rata dividend, if any, declared on equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholdings.				

		Amount in Rupees Lakh	
Note	PARTICULARS	As At	As At
No.		31.03.2024	31.03.2023
14.0	<u>OTHER EQUITY</u>		
14.1	<u>CAPITAL REDEMPTION RESERVE</u>		
	At the beginning of the year	1,041	1,041
	Additions/(Deductions) during the year	-	-
	At the end of the year	1,041	1,041
14.2	<u>CAPITAL RESERVE</u>		
	At the beginning of the year	29	-
	Additions/(Deductions) during the year	-	29
	At the end of the year	29	29
14.3	<u>SECURITIES PREMIUM</u>		
	At the beginning of the year	43,631	43,631
	Additions/(Deductions) during the year	-	-
	At the end of the year	43,631	43,631
	Balance C/F	44,701	44,701

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Amount in Rupees Lakh	
		As At 31.03.2024	As At 31.03.2023
14.0	<u>OTHER EQUITY</u>		
	Balance B/F	44,701	44,701
14.4	<u>GENERAL RESERVE</u>		
	At the beginning of the year	18,744	18,744
	Additions/ (Deductions) during the year	-	-
	At the end of the year	18,744	18,744
14.5	<u>RETAINED EARNINGS</u>		
	At the beginning of the year	56,001	48,998
	Profit/ (Loss) for the year	20,728	7,003
	Add: Transferred from OCI	347	-
	Less : Goodwill (on Merger) written off	(1,391)	-
	At the end of the year	75,685	56,001
14.6	<u>OTHER COMPREHENSIVE INCOME</u>		
	<u>a) Equity Instruments through OCI (Net of Tax)</u>		
	At the beginning of the year	(337)	(337)
	Additions/ (Deductions) during the year	(384)	-
	At the end of the year	(721)	(337)
	<u>b) OCI arising from remeasurement of Defined benefit Obligation (Net of Tax)</u>		
	At the beginning of the year	114	32
	Additions/ (Deductions) during the year	233	82
	Less: Transferred to Retained Earnings	(347)	-
	At the end of the year	-	114
		<u>1,38,409</u>	<u>1,19,223</u>
14.7	Nature & Purpose of Other Equity		
	i) Capital Reserve represents amount created on account of cancellation of shares as explained in Footnote to Note 13.2		
	ii) Capital Redemption Reserve represents amount created on account of buyback/redemption of shares in earlier years.		
	iii) Securities Premium represents amount received in excess of par value of shares issued.		
	iv) General Reserve is created from time to time by transfer of profit from Retained Earnings for appropriation purposes.		
	v) Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company. It includes Rs. 805 Lakhs represented by Revaluation Reserve as on the date of the transition which is not available for distribution as dividend.		
	vi) "Other Comprehensive Income - Equity Instruments through OCI" represents gain/(loss) on re-measurement of Investments at fair value, net of Taxes. This will not be reclassified to Statement of Profit and Loss.		
	vii) "Other Comprehensive Income - arising from remeasurement of Defined benefit Obligation" represents gain/(loss) relating to defined benefit obligation (net of taxes). This has been transferred to Retained Earnings.		

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Amount in Rupees Lakh			
		As At 31.03.2024		As At 31.03.2023	
		Non Current	Current	Non Current	Current
15.0 BORROWINGS					
15.1 SECURED					
	Acceptance - Inland Bills Discounting	-	16,698	-	7,901
	Working Capital Demand Loan from Banks	-	18,429	-	13,542
	Cash Credit from Banks	-	2,543	-	3,905
	Bank Overdraft	-	3,039	-	2,710
15.2 UNSECURED					
	Interest free Sales Tax Loan	-	223	-	223
	Loan from WBIDC	-	101	-	101
		-	41,033	-	28,382

Footnote:

i) a) Working Capital Demand Loan and Cash Credit of Rs. 17,572 Lakhs (PY Rs. 14,147 Lakhs) are secured by hypothecation of Book Debts & Inventories of Engineering Unit. These are further secured by 1st charge over Fixed Assets of Bamunari, Santragachi & Tiljala Plants.

b) Acceptance of Rs. 16,698 (PY Rs. 7,901) are secured by pledge of Fixed Deposit held by Bank as margin. These are further secured by 1st charge over Fixed Assets of Bamunari, Santragachi & Tiljala Plants of Engineering Unit.

c) Working Capital Demand Loan & Bank Overdraft of Rs. 6,439 Lakhs (PY Rs. 6,010 Lakhs) are secured by pledge of fixed deposits held as margin.

ii) Loan from WBIDC is adjustable against power subsidy receivable from Govt. of West Bengal, claim for which has been lodged by the Company & the matter is sub-judice in the Hon'ble High Court at Kolkata. Adjustment, if any, shall be made on final adjudication.

iii) Interest free Sales Tax Loan of Rs. 223 Lakhs was repayable in Half yearly equal installments over a period of 7 years w.e.f September, 2015.

Note No.	PARTICULARS	Amount in Rupees Lakh			
		As At 31.03.2024		As At 31.03.2023	
		Non Current	Current	Non Current	Current
16.0 PROVISIONS					
	Provision for Employee Benefits				
	- Gratuity	5,443	892	5,476	984
	- Leave Entitlements	265	65	250	60
		5,708	957	5,726	1,044

Note No.	PARTICULARS	Amount in Rupees Lakh			
		As At 31.03.2024		As At 31.03.2023	
17.0 DEFERRED TAX LIABILITIES/(ASSETS) (NET)					
	In respect of timing difference in Depreciation		3,187		3,364
	In respect of timing difference in Expenses/Income (Net)		(2,000)		(1,724)
			1,187		1,640

Footnote:

In view of virtual uncertainty of realisation, Deferred Tax Asset of Rs. 218 Lakhs (PY Rs. 218 Lakhs) in respect of unabsorbed Capital losses available under Income Tax Act has not been recognised.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
18.0	TRADE PAYABLES				
	<u>Trade Payables (Undisputed)</u>				
	- Due to Micro, Medium and Small Enterprise	437		406	
	- Others	27,605		15,682	
		<u>28,042</u>		<u>16,088</u>	
18.1	<u>Ageing of Trade Payables</u>	Dues to MSME	Dues to Others	Dues to MSME	Dues to Others
	Outstanding for less than 1 year	437	27,374	406	15,561
	Outstanding for 1 to 2 years	-	116	-	33
	Outstanding for 2 to 3 years	-	28	-	20
	Outstanding for more than 3 years	-	87	-	68
		<u>437</u>	<u>27,605</u>	<u>406</u>	<u>15,682</u>

		Amount in Rupees Lakh			
Note No.	PARTICULARS	As At 31.03.2024		As At 31.03.2023	
19.0	OTHER FINANCIAL LIABILITIES	Non- Current	Current	Non- Current	Current
	Interest accrued & due on borrowings	-	68	-	73
	Security Deposit Received				
	-From Related Parties (Refer to Note 42.2)	-	14	-	-
	-From Others	-	462	-	79
	Other Payables	-	2,065	-	3,047
		<u>-</u>	<u>2,609</u>	<u>-</u>	<u>3,199</u>

		Amount in Rupees Lakh	
Note	PARTICULARS	As At	As At
No.		31.03.2024	31.03.2023
20.0	<u>OTHER CURRENT LIABILITIES</u>		
	Advances from Customers	2,017	2,832
	Statutory Liabilities	515	774
		<u>2,532</u>	<u>3,606</u>

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh	
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
21.0	REVENUE FROM OPERATIONS		
21.1	Sale of Products		
	a) Manufactured Goods		
	-Sodium Cyanide	10,760	13,251
	-Potassium Cyanide	259	548
	-Sodium Ferro Cyanide	-	46
	- Diphenyl Guanidine	3,390	2,626
	- MPBAD Cyanohydrin	2,451	3,763
	- Jute Goods	36,109	45,859
	- Points & Crossing	2,189	5,655
	- Railway Rolling Stock	1,98,173	91,788
	- Steel Casting	2,362	2,802
	- Others	17,923	8,092
		2,73,616	1,74,430
21.2	Other Operating Revenue		
	- Income from Electricity Generation	198	232
	- Export-Import Benefit/Incentive	74	-
	- Scrap/ Raw Materials Sales	1,549	954
	Net Revenue from Operations	2,75,437	1,75,616
21.3	Disaggregation of Revenue		
	i) Revenue Based on Geography		
	- Within India	2,73,891	1,75,616
	- Outside India	1,546	-
		2,75,437	1,75,616
	ii) Revenue Based on Business Segment		
	- Chemical	17,355	20,763
	- Jute	36,247	45,961
	- Enginnering	2,21,835	1,08,892
		2,75,437	1,75,616
21.4	Reconcillation of Revenue From Operation with Contract Price		
	Revenue as per contracted price	2,69,071	1,72,239
	Adjustments for:		
	Sales Return	(177)	(1,184)
	Rate Difference/Escalation/De-escalation	6,591	4,685
	Quantity Claim	(2)	(3)
	Discounts	(46)	(121)
		6,366	3,377
		2,75,437	1,75,616

		Amount in Rupees Lakh	
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
22.0	OTHER INCOME		
	Interest Income (Gross)	4,125	2,541
	Profit on Sale/Discard of Fixed Assets (Net)	32	17
	Net Gain on Restatement of Investments	7	1
	Other Non Operating Income	69	159
		4,233	2,718

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh		
Note	PARTICULARS	Year Ended		Year Ended
No.		31.03.2024		31.03.2023
23.0	<u>COST OF MATERIALS CONSUMED</u>			
	Inventory at the beginning of the year	17,277		11,384
	Add: Purchases during the year	<u>2,19,951</u>	<u>2,37,228</u>	<u>1,32,603</u>
	Less: Inventory at the end of the year		<u>42,501</u>	<u>17,277</u>
			<u>1,94,727</u>	<u>1,26,710</u>
23.1	<u>Particulars of Raw Materials Consumed</u>			
	Castic Soda/Potash	1,772		3,055
	Ammonia Liquid	2,019		3,395
	Natural Gas	1,961		1,656
	Raw Jute	21,742		30,573
	Scrap	10,488		7,140
	Steel	1,53,006		76,496
	Others	3,739		4,395
		<u>1,94,727</u>		<u>1,26,710</u>
		<u>% of Total</u>		<u>% of Total</u>
23.2	<u>Break-up of Raw Materials consumed</u>	<u>Amount</u>	<u>Consumption</u>	<u>Amount</u>
	Imported	33,237	17.07%	5,674
	Indigenous	1,61,490	82.93%	1,21,036
		<u>1,94,727</u>	<u>100.00%</u>	<u>1,26,710</u>
				<u>100.00%</u>

		Amount in Rupees Lakh		
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023	
24.0	<u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE</u>			
24.1	<u>Inventories at the beginning of the year</u>			
	- Finished Goods	2,171	2,009	
	- Work-in-Progress	14,211	8,331	10,340
24.2	<u>Inventories at the end of the year</u>			
	- Finished Goods	2,824	2,171	
	- Work-in-Progress	20,801	14,211	16,382
	Net (Increase)/Decrease	<u>(7,243)</u>		<u>(6,042)</u>

		Amount in Rupees Lakh		
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023	
25.0	<u>EMPLOYEE BENEFIT EXPENSES</u>			
	Salary, Wages & Allowances	13,378		12,863
	Contribution to Provident & Other Funds	892		966
	Staff Welfare Expenses	140		132
		<u>14,410</u>		<u>13,961</u>

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Amount in Rupees Lakh			
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
26.0	<u>FINANCE COST</u>		
	Interest Expenses	2,943	1,775
	Other Borrowing Cost	128	112
		<u>3,071</u>	<u>1,887</u>

Amount in Rupees Lakh			
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
27.0	<u>DEPRECIATION & AMORTISATION EXPENSES</u>		
	Depreciation on Tangible Assets	3,577	3,450
	Amortisation of Intangible Assets	8	7
		<u>3,585</u>	<u>3,457</u>

		Amount in Rupees Lakh		
Note	PARTICULARS	Year Ended	Year Ended	
No.		31.03.2024	31.03.2023	
28.0	OTHER EXPENSES			
	Consumption of Stores and Spare Parts	15,987	11,907	
	Power, Fuel & Water Charges	8,677	6,690	
	Payment to Auditors:			
	- Statutory Audit Fee	3	2	
	- Tax Audit Fee	-	-	
	Brokerage & Commission	261	527	
	Bank Charges	756	474	
	Charity & Donation	137	89	
	Directors' Fee	5	4	
	Freight & Transport (Net)	4,982	1,803	
	Insurance Charges	177	177	
	Net Loss on Foreign Exchange Fluctuation	36	50	
	Rent (Net)	129	111	
	Rates & Taxes	373	287	
	Royalty	-	84	
	Repairs			
	- Building	343	291	
	- Machinery	823	695	
	- Others	363	680	
	Research & Development Expenses	25	31	
	Jobs on Contract	6,095	2,829	
	Miscellaneous Expenses	4,351	2,196	
		43,523	28,927	
		% of Total	% of Total	
28.1	Break-up of Stores & Spare Parts Consumed			
	Amount	Consumption	Amount	Consumption
	- Imported	467	669	5.62%
	- Indigenous	15,520	11,238	94.38%
	15,987	100.00%	11,907	100.00%

Footnote:

Charity & Donation includes amount paid on account of Corporate Social Responsibility (CSR) activities Rs. 134 Lakhs (PY: Rs. 84 Lakhs).

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Amount in Rupees Lakh			
Note	PARTICULARS	Year Ended	Year Ended
No.		31.03.2024	31.03.2023
29.0	<u>EARNING PER SHARE (EPS - FACE VALUE RS.10)</u>		
	- Net Profit/(Loss) attributable to Shareholders	20,728	7,003
	- Weighted Average number of Equity Shares outstanding as at the year end	1,47,06,776	1,47,45,440
	- Basic & Diluted Earning per Share (Rs./P)	140.94	47.49

Amount in Rupees Lakh			
Note	PARTICULARS	Year Ended	Year Ended
No.		31.03.2024	31.03.2023
30.0	Contingent Liabilities not Provided for		
	Claims against the Company not acknowledged as debts (to the extent ascertained, Net of Payments thereagainst, if any)		
	i) Sales Tax matters under appeal	1,709	2,960
	ii) Central Excise matters under appeal	1,877	1,698
	iii) Service Tax matters under appeal	47	47
	iv) Income Tax demand under appeal/ subject to rectification	238	238
	v) Goods and Service Tax Under Appeal	41	45
	vi) Others	7,495	6,978
	vii) Raw Jute Matter under appeal	23	23
	viii) Fuel & Power Purchase Adjustment Surcharge (FPPAS) Demand as per Electricity Amendment Rules 2022	350	-

Amount in Rupees Lakh			
Note	PARTICULARS	Year Ended	Year Ended
No.		31.03.2024	31.03.2023
31.0	Capital Commitments not provided for, Net of Advances, if any	80	110

Amount in Rupees Lakh			
Note	PARTICULARS	Year Ended	Year Ended
No.		31.03.2024	31.03.2023
32.0	<u>PAYMENT MADE TO MANAGERIAL PERSONNEL (Whole Time Directors)</u>		
	Salary & Allowances	954	45
	Contribution to Provident Fund	2	2

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Amount in Rupees Lakh	
		Year Ended 31.03.2024	Year Ended 31.03.2023
33.0	Details of Corporate Social Responsibility (CSR) Expenses:		
	(a) amount required to be spent by the company during the year,	134	84
	(b) amount of expenditure incurred,	134	84
	(c) shortfall at the end of the year,	-	-
	(d) total of previous years shortfall,	-	-
	(e) reason for shortfall,	NA	NA
	(f) nature of CSR activities	Promoting Education	Promoting Education

Note No.	PARTICULARS
34.0	Malanpur Steel Ltd.(MSL) had merged with the company with retrospective effect from 1st April 2009 as per "Scheme" sanctioned by the Board for Industrial & Financial Reconstruction (BIFR) vide its Order dated 4th September 2012. Certain amounts claimed by different authorities against which necessary provision had been made in the scheme have not been provided for in these accounts as these are claimed to be not payable by the company & are under reconciliation with respective authorities. The same have been disclosed as contingent liability in these accounts. Reliefs / concessions claimed from various statutory authorities viz. Income Tax, Sales Tax & Excise are under consideration of respective authorities & approvals of the same are awaited. However, the effects thereof have been taken in these accounts. Necessary adjustment, if required, shall be made on disposal thereof by respective authorities.
35.0	Additional regulatory Information as required by Schedule III of Companies Act,2013
35.1	The Company does not have any relationship with any struck off company u/s 248 of the Companies Act,2013
35.2	Compliance with number of layers of companies: The company has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act,2013 read with Companies (Restriction on Number of layers) rules 2017.
35.3	Utilization of borrowed funds & Share Premium: The company has not advanced or loaned or invested any amount either out of borrowed fund or share premium or any other source and has not provided any guarantee, security or the like to any other person(s) or entities with an understanding of reinvestment thereof on behalf of the Company.
35.4	The company has not been declared as a Wilful Defaulter by any Bank or financial institution or other lender.
35.5	There are no charges pending for creation or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
35.6	The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities , which are in agreement with the books of accounts.
35.7	No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder.
35.8	There is no amount of income or transaction which have been surrendered or disclosed as income in the tax assessment of the Company during the current year as well as during the previous year and which have not been recorded or disclosed in the books of accounts of the company.
36.0	Loan to Subsidiary (Note No. 11.0) include advances given and administrative & other expenses allocated to project of Subsidiary Company. Implementation of the said project has been rendered ineffective by the Government & the matter is subjudice. Pending final adjudication, the amount is considered good & recoverable.
37.0	In terms of Orders of Hon'ble Calcutta High Court in respect of certain loans given in earlier years and remaining outstanding Rs. 1,836 Lakh (PY: Rs. 1,859 Lakh), interest for the period from 1st April 1997 stands waived and the same has therefore not accrued. However, interest thereon already accrued and accounted for upto 31st March 1997 is being recovered where principal amounts have been fully realized and amount outstanding is Rs. 7,148 Lakhs (PY: Rs. 7,200 Lakhs).

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS
38.0	Balances of Trade Receivables, Security Deposits, Advances, Statutory Dues/claims & Other Payables are subject to confirmation and consequential reconciliation / adjustments.
39.0	Trade Receivables and Advances aggregating to Rs. 2386 Lakh (PY: Rs. 2,941 Lakh), pending outcome of persuasive and other steps being taken by the company, are considered good and recoverable.

Note No.	PARTICULARS	Amount in Rupees Lakh	
		As At 31.03.2024	As At 31.03.2023
40.0	<u>Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act), to the extent ascertained and as per notification</u>		
	i) The principal amount and the interest due thereon remaining unpaid at the end of each financial year:		
	Trade Payable		
	- Principal	437	406
	- Interest	-	-
	Other Financial Liability		
	- Principal	-	-
	- Interest	-	-
	ii) The amount of interest paid in terms of section 16 of the MSME Act, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year		
	- Principal	-	-
	- Interest	-	-
	iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSME Act.	-	-
	iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
	v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSME Act	-	-

Note No.	PARTICULARS
41.0	Gratuity & Other Post Employment Benefit Plans
	The Company has a defined benefit gratuity plan which is unfunded. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act 1972.
	This company also extends benefit of compensated absense to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment. This is also unfunded.
	The following tables summarizes the components of net benefit/expenses recognised in the Statement of Profit and Loss & the Balance Sheet for the respective plans.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS		
41.0	Gratuity & Other Post Employment Benefit Plans Contd...		
41.1	Movement In Obligation	Amount in Rupees Lakh	
	Particulars	Gratuity	Leave
	Present Value of Obligation- March 31,2022	6,436	309
	Current Service Cost	253	77
	Interest Cost	458	22
	Benefits/Settlement paid	(526)	(149)
	Acturial loss/(gain):	(161)	51
	Present Value of obligation- March 31,2023	6,460	310
	Current Service Cost	248	69
	Interest Cost	477	23
	Benefits/Settlement paid	(458)	(153)
	Acturial loss/(gain):	(392)	81
	Present Value of obligation- March 31,2024	6,335	330
41.2	Recognised in Statement of Profit and Loss	Amount in Rupees Lakh	
	Particulars	Gratuity	Leave
	Current Service Cost	253	77
	Interest Cost	458	22
	For the year ended March 31,2023	711	99
	Current Service Cost	248	69
	Interest Cost	477	23
	For the year ended March 31,2024	725	92
41.3	Recognised in Other Comprehensive Income	Amount in Rupees Lakh	
	Particulars	Gratuity	Leave
	Remeasurement		
	Acturial loss/(gain) for the year ended March 31,2023	(161)	51
	Acturial loss/(gain) for the year ended March 31,2024	(392)	81
41.4	The principal actuarial assumptions used for estimating the Company's defined benefit obligations in respect of Gratuity & Leave are set out as below:		
	Weighted average actuarial assumptions	Year ended March 31,2024	Year ended March 31,2023
	Attrition rate	1% to 8%	1% to 8%
	Discount rate	7.10%	7.40%
	Expected rate of increase in salary	6.00%	6.00%
	Expected rate of return on plan assets	-	-
	Mortality rate	IALM(2012-14) Table	
	The assumptions of future salary increase takes into account the inflation,seniority,promotion and other relevant factors such as supply and demand in employment market.		

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS		
41.0	Gratuity & Other Post Employment Benefit Plans Contd...		
41.5	Sensitivity Analysis: (a) Gratuity	Effect on Gratuity obligation	
	Particulars	Change in Assumption	Year ended March 31,2024 Year ended March 31,2023
	Discount rate	> 1%	(314) (325)
		<1%	370 377
	Salary Growth rate	> 1%	365 399
		<1%	(315) (349)
	Withdrawal Rate	> 1%	16 32
		<1%	9 (12)
	(b) Leave Encashment	Effect on Leave obligation	
	Particulars	Change in Assumption	Year ended March 31,2024 Year ended March 31,2023
	Discount rate	> 1%	(19) (18)
		<1%	22 21
	Salary Growth rate	> 1%	21 21
		<1%	(19) (19)
	Withdrawal Rate	> 1%	1 2
		<1%	- (2)
The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions, may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as in calculating the defined benefit obligation recognised in the Balance sheet.			
41.6	Statement of Employee Benefit Provision	Amount in Rupees Lakh	
	Particulars	Year ended March 31,2024	Year ended March 31,2023
	Gratuity	6,335	6,460
	Leave Entitlement	330	310
	Total	6,665	6,770

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS			
42.0	<u>RELATED PARTY DISCLOSURES</u>			
42.1	List of related parties where control exists and with whom transactions have taken place during the year:			
A. Controlling Companies	Nil			
B. Subsidiary Companies	Hindusthan Vidyut Corporation Ltd.			
C. Associate Companies	Nil			
D. Key Management Personnel	1) Sri V A Mody, Chairman 2) Sri A K D Singh, Executive Director - Technical 3) Sri P K Himatsingka, Chief Financial Officer 4) Sri R K Agarwal, Company Secretary			
E. Relatives of Key Management Personnel	1) Sri R P Mody 2) Sri R A Mody			
F. Enterprises over which Key Management Personnel & their relatives have significant influence :	1) Associated General Trading Society Ltd. 2) Anuradha Investments Ltd. 3) Carbo Industrial Holdings Ltd. 4) Foster Engineering Ind. Ltd. 5) Hindusthan Urban Infrastructure Ltd 6) Hindusthan Consultancy & Services Ltd 7) Hindusthan Speciality Chemicals Ltd 8) Olympic General Trading Ltd. 9) Promain Ltd. 10) Paramount Enterprises Ltd.			
G. Firms where key Management Personnel & their relatives have significant influence :	Nil			
42.2	Details of transactions with related parties :			
Particulars	Transaction during the year		Amount in Rupees Lakh	
	31.03.2024	31.03.2023	Balance Outstanding 31.03.2024	31.03.2023
<u>Rent Received</u>				
Hindusthan Urban Infrastructure Ltd	0	0	0	-
Hindusthan Consultancy & Services Ltd.	32	-	-	-
<u>Sale of Scrap</u>				
Hindusthan Urban Infrastructure Ltd	-	17	-	26
<u>Miscellaneous Charges Received</u>				
Hindusthan Urban Infrastructure Ltd	1	3	-	1
<u>Interest Received</u>				
Hindusthan Urban Infrastructure Ltd	294	169	262	153
Hindusthan Speciality Chemicals Ltd	423	170	0	318
Promain Ltd	-	-	1,031	1,081
Hindusthan Consultancy & Services Ltd.	-	-	3,569	3,569
Anuradha Investments Ltd.	-	-	485	485
Associated General Trading Society Ltd.	-	-	715	715
Carbo Industrial Holdings Ltd.	-	-	434	434
Foster Engineering Industries Ltd.	-	-	478	478
Olympic General Trading Co.	-	-	436	438
<u>Remuneration</u>				
Sri AKD Singh	54	45	-	-
Sri V A Mody	900	-	-	-
Sri R P Mody	300	300	14	14
Sri P K Himatsingka	30	26	2	2
Sri R K Agarwal	29	27	2	1
<u>Director Sitting Fees</u>				
Sri V A Mody	1	1	-	-
<u>Staff Welfare Expenses</u>				
Sri R P Mody	3	1	-	-

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

42.2 Details of transactions with related parties Contd.. :			Amount in Rupees Lakh	
Particulars	Transaction during the year		Balance Outstanding	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
<u>Rent Paid (Exclusive of Taxes)</u>				
Hindusthan Consultancy & Services Ltd.	2	2	7	8
Hindusthan Urban Infrastructure Ltd	2	-	-	-
Paramount Enterprises Ltd	103	98	-	-
Promain Ltd	0	0	-	-
<u>Consultancy Service</u>				
Sri R A Mody	29	7	2	2
<u>Maintenance & Electricity Charges etc</u>				
Hindusthan Consultancy & Services Ltd.	103	103	2	2
Paramount Enterprises Ltd	9	9	-	-
<u>Loan Given/ (Repayment Received) during the year</u>				
Hindusthan Vidyut Corporation Ltd	1	0	804	803
Hindusthan Urban Infrastructure Ltd	1,056	1,000	3,456	2,400
Hindusthan Consultancy & Services Ltd.	(20)	(20)	1,433	1,453
Promain Ltd	-	(60)	-	-
Hindusthan Speciality Chemicals Ltd	3,066	2,141	6,807	3,741
Anuradha Investments Ltd.	-	-	108	108
Associated General Trading Society Ltd.	(3)	(3)	16	19
Carbo Industrial Holdings Ltd.	-	-	122	122
Foster Engineering Industries Ltd.	-	-	157	157
<u>Advances/ Security Deposits Given</u>				
Sri R K Agarwal	1	-	1	-
Hindusthan Consultancy & Services Ltd.	(1)	(1)	21	22
Promain Ltd	19	(10)	190	171
<u>Trade Deposit Received</u>				
Hindusthan Consultancy & Services Ltd.	14	-	14	-
<u>Purchase of Asset</u>				
Hindusthan Urban Infrastructure Ltd	-	50	-	-

Footnotes:

1) Transactions only during the period of existence of relationship have been disclosed hereinabove. Also in cases where relationship ceased to exist as at the end of the year, balances outstanding, if any, from such parties have not been disclosed.

2) Transactions with related parties are at arms length price. Outstanding balances as at year end are unsecured & settlement occurs generally in cash. The company has not recorded any impairment in respect of outstandings with related parties during the year as well as in the preceeding year.

			Amount in Currency Lakh	
Note	PARTICULARS	Year Ended	Year Ended	
No.		31.03.2024	31.03.2023	
43.0	<u>PARTICULARS RELATING TO FOREIGN CURRENCY TRANSACTIONS</u>			
	<u>Unhedged Foreign Currency Exposure (in Lakh)</u>			
	Trade & Other Payables	EUR 0		EUR 0
	Trade & Other Receivable	EUR 1	USD 0	-
				USD 0

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

44.0 a) Information about Business segments		Amount in Rupees Lakh					
Particulars	Chemicals			Engineering			Total
	2023-24	2022-23	2023-24	2023-24	2022-23	2023-24	2022-23
<u>REVENUE</u>							
External Sales/Other Income (Gross)	17,355	20,763	36,247	2,21,835	1,08,892	2,75,437	1,75,616
Inter-segment Sales/Other Income	-	-	-	-	-	-	18
Total Revenue	17,355	20,763	36,247	2,21,835	1,08,892	2,75,437	1,75,634
<u>RESULT</u>							
Unallocated Expenses	2,830	1,632	317	25,804	8,685	28,951	10,934
Operating profit						2,484	2,314
Finance Cost						26,467	8,620
Interest / Dividend Income						3,071	1,887
Net Gain/(Loss) on sale/reinstatement of Investments						4,125	2,541
Other Non-Operating Income						7	1
						69	159
<u>Income Taxes</u>							
Current Tax						7,300	2,740
Deferred Tax						(431)	(309)
<u>Net Profit</u>						20,728	7,003
<u>OTHER INFORMATION</u>							
Segment assets	9,592	9,651	10,080	1,11,727	70,427	1,31,399	90,452
Unallocated assets						90,549	89,927
Total assets						2,21,948	1,80,379
Segment liabilities	1,793	2,359	9,172	28,757	16,640	39,722	29,502
Unallocated Liabilities						42,346	30,183
Total Liabilities						82,068	59,685
Capital expenditure (Including CWIP)	241	292	1,314	2,469	2,956	4,024	4,428
Unallocated						-	30
Total						4,024	4,458
Depreciation	437	625	683	846	681	1,966	1,839
Unallocated						1,619	1,618
Total						3,585	3,457
<u>Break-up of Segment Revenue:-</u>							
Sales	16,870	20,252	36,109	2,20,636	1,08,319	2,73,615	1,74,430
Other Income							
Export Incentive	-	-	-	74	-	74	-
Other Operating Income	485	511	138	1,125	573	1,748	1,186
Total Revenue	17,355	20,763	36,247	2,21,835	1,08,892	2,75,437	1,75,616

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS		
44.0 Information about Business segments Contd..			
	b) Operating segments are defined as components of an enterprise for which discrete financial information is available which is evaluated regularly by the Chief Financial Officer in deciding how to allocate resources & assess performance.		
	c) Based on the synergies, risks and return associated with business operation, the Company is engaged in following business segments.		
	Identified Segments:		
	i) Chemicals comprising Manufacturing & Sale of Cyanide, Guanidine, MPBAD Cyanohydrine etc.		
	ii) Jute comprising Manufacturing & Sale of Jute Goods		
	iii) Engineering comprising Manufacturing & Sale of Steel Castings, Points & Crossings, Railway Rolling Stock		
	d) Information about secondary business segments :		
		Amount in Rupees Lakh	
		For the year ended	For the year ended
		31.03.2024	31.03.2023
Sales:			
- within India	2,73,891		1,75,616
- Outside India	1,546		-
	<u>2,75,437</u>		<u>1,75,616</u>
Trade Receivables:			
- within India	24,835		21,902
- Outside India	228		192
	<u>25,063</u>		<u>22,094</u>

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh	
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
45.0	<u>FINANCIAL INSTRUMENTS DISCLOSURE</u>		
	<u>CATEGORIES OF FINANCIAL INSTRUMENTS</u>		
	<u>A) Financial Assets</u>		
	<u>i) Measured at Cost/Amortised Cost</u>		
	Investments at Cost - Non Current	4.0 141	141
	Other Financial Assets - Non Current	5.0 12,911	7,139
	Trade Receivables	9.0 25,063	22,094
	Cash and Cash Equivalents	10.0 1,930	6,310
	Loans	11.0 22,297	19,598
	Other Financial Assets - Current	5.0 30,430	29,305
	Total Financial Assets Measured at Cost/ Amortised Cost	<u>92,772</u>	<u>84,587</u>
	<u>ii) Measured at Fair Value through Statement of Profit or Loss</u>		
	Investments - Non Current	4.0 10,125	10,125
	Investments - Current	8.0 22	15
	Total Financial Assets Measured at Fair Value through Statement of Profit or Loss	<u>10,147</u>	<u>10,140</u>
	<u>iii) Measured at Fair Value through Other Comprehensive Income</u>		
	Investments - Non Current	4.0 565	1,049
	Total Financial Assets Measured at Fair Value through OCI	<u>565</u>	<u>1,049</u>
	<u>B) Financial Liabilities</u>		
	<u>i) Measured at Amortised Cost</u>		
	Borrowings - Current	15.0 41,033	28,382
	Trade Payables	18.0 28,042	16,088
	Other Financial liabilities -Current	19.0 2,609	3,199
	Total Financial Liabilities measured at Amortised Cost	<u>71,684</u>	<u>47,669</u>
	<u>ii) Measured at Fair Value through Statement of Profit or Loss</u>		
	Total Financial Liabilities measured at Fair Value through Statement of Profit or Loss	<u>-</u>	<u>-</u>

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS			
46.0	FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES			
	The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables, The main purpose of these financial liabilities is to finance the company's operations. The company's financial assets include trade and other receivables, cash and cash equivalents, investments at cost/fair value and loans/deposits. The Company is exposed to market risk. The company's senior management oversees the management of the risks. The Board of Directors reviews and agrees to policies for managing each of these risks, which are summarised below:			
	Market Risk			
	Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of risk, such as raw material price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.			
	Credit Risks			
	Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).			
	Liquidity Risk			
	The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The need of the funds of the company are being met by internal accrual and borrowings. The short and medium terms requirements are met through the committed lines of credit.			
	The table provides undiscounted cash flow towards non- derivative financial liability into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.			
	Particulars	Current	Non-Current	Total
	As at 31st March 2023			
	Other Financial Liabilities	3,199	-	3,199
	Borrowings	28,382	-	28,382
	Trade Payable	16,088	-	16,088
	As at 31st March 2024			
	Other Financial Liabilities	2,609	-	2,609
	Borrowings	41,033	-	41,033
	Trade Payable	28,042	-	28,042

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS
47.0	SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure of contingent liabilities. Uncertainty about these assumption and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. JUDGEMENTS Fair value as Deemed Cost for Property Plant & Equipment. Property, plant and equipment has been carried in accordance with previous GAAP carrying value as deemed cost at the date of transition , which has been considered as deemed cost. Lease as Finance Lease Lease as Finance Lease has been included in the Property, Plant and Equipment while considering the overall context of transfer of risk and rewards incidental to ownership. Depreciation/Amortisation of and Impairment Loss on Property Plant and Equipment/Intangible Assets Property, Plant and Equipment are depreciated and intangible assets are amortised on Straight Line basis over the estimated useful lives (or Lease Term if shorter) in accordance with Schedule II of the Companies Act 2013, taking into account the estimated residual value, wherever applicable. The company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation/ amortisation expense to be recorded during any reporting period. This reassessment may result in change in depreciation expense in future periods. The Company reviews its carrying value of its Tangible and Intangible assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount. Impairment loss on Trade Receivables The Company evaluated whether there is any objective evidence that trade receivable are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivable balances, creditworthiness of the trade receivables and historical written off experience. If the financial conditions of the trade receivables were to deteriorate, actual writeoffs would be higher than estimated. Estimates and assumptions The key assumptions concerning the future and other key sources of estimations uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described above. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about the future developments, however , may change due to market changes or circumstances arising that are beyond the control of the company . Such changes are reflected in the assumption when they occur. Defined benefit plans (Gratuity & Leave benefits) The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumption that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and it's long term nature , a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India , the mangement considers the interest rate of government bonds in currencies consistent with the currencies of the post employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023	% Change
48.0	Ratio Analysys & its Elements			
	(a) Current Ratio	2.19	2.43	-10.03%
	Numerator : Current Assets			
	Denominator : Current Liabilities			
	<u>Reason of Variance: Not Applicable being below 25%</u>			
	(b) Debt-Equity Ratio	0.29	0.24	24.74%
	Numerator : Total External Borrowings (Long Term & Short Term)			
	Denominator : Shareholders Fund			
	<u>Reason of Variance: Not Applicable being below 25%</u>			
	(c) Debt Service Coverage Ratio	8.86	6.58	34.64%
	Numerator : Total Comprehensive Income + Interest on external Borrowings + Depreciation & Amortisation + Foreign Exchange Fluctuation + Gain/Loss on sale of assets & Investments.			
	Denominator : Interest on External Borrowings + Repayment commitment of Borrowings			
	<u>Reason of Variance: Increase in Total Comprehensive Income with Increase in Revenue from Operation</u>			
	(d) Return on Equity Ratio	0.16	0.06	161.15%
	Numerator : Total Comprehensive Income			
	Denominator : Average Shareholder's Equity			
	<u>Reason of Variance: Increased revenue resuting in spread of overhead expenditure</u>			
	(e) Inventory Turnover Ratio	5.13	5.66	-9.37%
	Numerator : Sale of Products & Services			
	Denominator : Average Inventory			
	<u>Reason of Variance: Not Applicable being below 25%</u>			
	(f) Trade Receivables turnover ratio	11.60	8.80	31.90%
	Numerator : Sale of Products & Services			
	Denominator : Average Trade Receivables			
	<u>Reason of Variance: Increase in Revenue from Operation</u>			
	(g) Trade payables turnover ratio	9.97	10.32	-3.41%
	Numerator : Net Purchase of Raw Materials & Stores			
	Denominator : Average Trade Payables			
	<u>Reason of Variance: Not Applicable being below 25%</u>			
	(h) Net capital turnover ratio	3.06	2.33	31.59%
	Numerator : Sale of Products & Services			
	Denominator : Working Capital (Current Assets-Current Liaibities)			
	<u>Reason of Variance: Increase in Revenue from Operation</u>			
	(i) Net profit ratio	7.52%	4.06%	85.15%
	Numerator : Total Comprehensive Income			
	Denominator : Sale of Products & Services			
	<u>Reason of Variance: Increase in Revenue resuting in spread of overhead expenditure</u>			
	(j) Return on Capital employed	16.76%	7.57%	121.50%
	Numerator : Total Comprehensive Income before interest on external borrowings & Tax			
	Denominator : Tangible Net Worth + Total External Borrowings (Long Term & Short Term) + Deferred Tax Liability			
	<u>Reason of Variance: Increased revenue resuting in spread of overhead expenditure</u>			
	(k) Return on investment.	-	-	-
	Numerator : Dividend + Net Realized Gain/Loss from Investments			
	Denominator : Average Investments - both Long Term & Short Term (At Cost)			
	<u>Reason of Variance: Not Applicable.</u>			

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Amount in Rupees Lakh	
		Year Ended 31.03.2024	Year Ended 31.03.2023
49.0	<u>TAX EXPENSE</u>		
	Current Tax	7,300	2,740
	Deferred Tax	(431)	(309)
	Tax Expense Total	6,869	2,431
49.1	Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss		
	Profit/(Loss) Before Tax	27,597	9,434
	Income Tax Rate (As applicable)	25.168%	25.17%
	Estimated Income Tax Expense	6,946	2,374
	Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense	-	-
	Permanent Difference - Others	-77	57
	Income tax expense in Statement of Profit & Loss	6,869	2,431

50.0 Figures of the previous year have been regrouped/ rearranged whenever considered necessary.

For and on behalf of
Rajgaria & Associates
Chartered Accountants
Registration No. 314241E

For & on behalf of Board of Directors

V A Mody
Director
DIN : 00193192

CA R K Rajgaria
Partner
Membership No. 051957

P. K . Himatsingka
CFO

R K Agarwal
Co. Secretary

A K D Singh
Director
DIN : 07160198

Place: Kolkata
Dated: 19th July, 2024

**INDEPENDENT AUDITORS' REPORT
TO
THE MEMBERS OF
HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED**

Report on the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **Hindusthan Engineering & Industries Limited** ("the Holding Company"), its subsidiary (the Holding Company & its subsidiary together referred to as "the Group") which comprise the Balance Sheet as at **31st March, 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph the aforesaid Consolidated Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the group as at **31st March, 2024**, and its Statement of Profit and Loss (including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

a. Note No. 34 in respect of accounting of effect of certain reliefs/concessions which are yet to be approved by respective authorities. In view of pendency in disposal of such claims, we are unable to comment the impact, if any, thereof on the profit for the year & reserve & surplus at the year end.

b. Note No. 38 in respect of Trade Receivables & Advances, whereby the extent of amounts recoverable there against is presently not ascertainable & therefore provision there against & consequential impact thereof, if any, on the profit for the year & reserves & surplus could not be ascertained & commented upon by us

c. Note No. 48 regarding the present status of Integrated Lignite Mining-cum-Power Generation Project being implemented by the subsidiary Company. The Implementation Agreement was made ineffective by the Government of Rajasthan & the matter is subjudice as described in the Note. The matter being under litigation, we are unable to comment on the realization of the project expenditure pending allocation amounting to Rs. 11,40.33

These matters were also qualified in the report of previous auditors on the Consolidated Financial Statements for the year ended 31st March, 2023.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified opinion.

Information other than the Financial Statements & Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report including Annexures to Board's Report etc. but does not include the financial statements and our Auditor's Report thereon.

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

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

Responsibility of Management for Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and Statement of changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) rules, 2015 as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditors Report on the Consolidated Financial Statements- Hindusthan Engineering & Industries Limited - 31.03.2024 Contd...

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

Other Matters

We did not audit the financial statements/financial information of the subsidiary company whose financial statements/financial information reflect total assets of Rs. 1,213.18 lakh and net assets of Rs. 140.15 lakh as at 31st March 2024, total revenue of Rs. Nil and net cash flows of Rs. 0.70 lakh for the year ended on that date as considered in the consolidated financial statements. This financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we refer to Para 1 clause (xi)(a) of our report on accounts of Hindusthan Engineering & Industries Limited which has been included in this Consolidated Financial Statements, under "Report on other Legal and Regulatory Requirements" containing qualification/ adverse remarks.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the effects of the matters described in the basis for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and Statement of changes in equity dealt by this report are in agreement with the books of account.
 - d. Except for the effects of the matter described in the basis for qualified opinion paragraph above, in our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended.
 - e. On the basis of written representations received from the directors as on **31st March, 2024**, taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2024**, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
 - g. In our opinion and to the best of our knowledge and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position other than those, if any, already disclosed in the financial statements.

Contd...

Independent Auditors Report on the Consolidated Financial Statements- Hindusthan Engineering & Industries Limited - 31.03.2024 Contd...

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (v) No dividend was declared or paid during the year by the Company requiring compliance with section 123 of the Act.
- (vi) Based on our examination, which included test checks, the Holding Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the financial year for all relevant transactions recorded in the said softwares. During the course of performing our audit procedures, we did not notice any instance of audit trail feature being tampered with. The Subsidiary Company has maintained its books of accounts manually and hence proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is not applicable for the year
Further, as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit & Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

For Rajgaria & Associates
Chartered Accountants
Registration No. **327314E**

Kolkata; 19th July, 2024
UDIN: 24051957BKDGDL7175

(CA R K Rajgaria)
Partner
Membership No. **051957**

Report on the Internal Financial Controls under Clause (i) sub –section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to Consolidated Financial Statements of **Hindusthan Engineering & Industries Limited** ("the Holding Company"), its subsidiary (the Holding Company & its subsidiary together referred to as "the Group") as of **31st March, 2024** in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on the date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statement were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to consolidated financial statement

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company asset; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements,

Inherent Limitations of Internal Financial Controls with reference to consolidated Financial statement

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March, 2024**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajgaria & Associates
Chartered Accountants
Registration No. **327314E**

Kolkata; 19th July, 2024
UDIN: 24051957BKDGDL7175

(CA R K Rajgaria)
Partner
Membership No. **051957**

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
CIN : U93000WB1998PLC086303
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2024

			Amount in Rupees Lakh	
PARTICULARS	Note No.	As At 31.03.2024	As At 31.03.2023	
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	2	33,103		29,445
Capital Work in Progress	3	1,606		4,860
Intangible Assets	2	28		1,426
Financial Assets				
- Investments	4	10,690	11,174	
- Other Financial Assets	5	12,921	7,149	18,323
Other Non Current Assets	6	56		45
Current Assets				
Inventories	7	69,678		36,981
Financial Assets				
- Investments	8	22	15	
- Trade Receivables	9	25,063	22,094	
- Cash & Cash Equivalents	10	1,931	6,310	
- Loan	11	21,493	18,795	
- Other Financial Assets	5	30,445	29,320	76,534
Current Tax Assets (Net)	12	2,526		3,280
Other Current Assets	6	12,655		9,754
Total		2,22,217		1,80,648
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	13	1,471	1,471	
Other Equity	14	1,38,409	1,19,223	1,20,694
LIABILITIES				
Non-Current Liabilities				
Provisions	16	5,708	5,726	
Deferred Tax Liabilities (Net)	17	1,187	1,640	7,366
Current Liabilities				
Financial Liabilities				
- Borrowings	15	41,033	28,382	
- Trade Payables	18			
Dues to Micro & Small Enterprises		437	406	
Dues to Others		27,605	15,682	
- Other Financial Liabilities	19	2,878	3,468	47,938
Other Current Liabilities	20	2,532		3,606
Provisions	16	957		1,044
Total		2,22,217		1,80,648
Significant Accounting Policies				
	1			

The notes referred to above form an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date

For and on behalf of

For & on behalf of Board of Directors

Rajgaria & Associates

Chartered Accountants

Registration No. 314241E

V A Mody
Director
DIN : 00193192

CA R K Rajgaria

Partner

Membership No. 051957

P. K . Himatsingka
CFO

R K Agarwal
Co. Secretary

A K D Singh
Director
DIN : 07160198

Place: Kolkata

Dated: 19th July, 2024

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED**CIN : U93000WB1998PLC086303****CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2024**

PARTICULARS	Note No.	Amount in Rupees Lakh	
		Year Ended 31.03.2024	Year Ended 31.03.2023
INCOME			
Revenue from Operations	21	2,75,437	1,75,616
Other Income	22	4,233	2,718
Total Income		2,79,670	1,78,334
EXPENSES			
Cost of Raw Materials Consumed	23	1,94,727	1,26,710
Changes in Inventories of Finished Goods, Work-In-Progress & Stock in Trade	24	(7,243)	(6,042)
Employee Benefit Expenses	25	14,410	13,961
Finance Costs	26	3,071	1,887
Depreciation and Amortisation Expenses	27	3,585	3,457
Other Expenses	28	43,523	28,927
Total Expenses		2,52,073	1,68,900
PROFIT/(LOSS) BEFORE TAX		27,597	9,434
TAX EXPENSES			
Current Tax		7,300	2,740
Deferred Tax		(431)	(309)
PROFIT/(LOSS) AFTER TAX		20,728	7,003
Profit/Loss attributable to the Owner of the Company		20,728	7,003
Profit/Loss attributable to the Non Controlling Interest		-	-
OTHER COMPREHENSIVE INCOME			
a) Item that will not be reclassified to Profit & Loss			
- Remeasurment of Defined Benefit Plan		311	110
- Changes in fair values of investment in equities carried at fair value through OCI		(484)	-
- Income Tax on (a) above		(22)	28
b) Item that will be reclassified to Profit & Loss		-	-
Other Comprehensive Income (a+b)		(151)	82
TOTAL COMPREHENSIVE INCOME		20,577	7,085
Basic & Diluted Earning (Rs./P)	29	140.94	47.49
Significant Accounting Policies	1		

The notes referred to above form an integral part of these consolidated financial statements

This is the Consolidated Statement of Profit & Loss referred to in our report of even date

For and on behalf of

For & on behalf of Board of Directors

Rajgaria & Associates

Chartered Accountants

Registration No. 314241E

V A Mody

Director

DIN : 00193192

CA R K Rajgaria

Partner

Membership No. 051957

P. K. Himatsingka
CFO**R K Agarwal**
Co. Secretary**A K D Singh**

Director

DIN : 07160198

Place: Kolkata

Dated: 19th July, 2024

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

PARTICULARS	Amount in Rupees Lakh	
	Year Ended 31.03.2024	Year Ended 31.03.2023
(A) Cash Flow From Operating Activities :-		
Net Profit/(Loss) Before Tax	27,597	9,434
Adjustments For :-		
Depreciation & Amortization Expenses	3,585	3,457
Remeasurment of Defined Benefit Plan- under OCI	311	110
Interest Paid/(Received) (net)	(1,182)	(766)
(Gain)/Loss on Foreign Exchange Fluctuation	36	50
Net Gain on Restatement of Investments	(7)	(1)
(Profit)/Loss on sale/ discard of Fixed Assets (net)	(32)	(17)
Operating Profit/(Loss) Before Working Capital Changes	30,308	12,267
Adjustments For :-		
Trade and other Assets	(5,881)	(8,244)
Inventories	(32,697)	(12,341)
Trade and other Payables	10,185	9,132
Cash Generated From Operations :-	1,915	814
Direct Taxes Paid (Net)	6,546	2,354
Net Cash Flow From Operating Activities	(4,631)	(1,540)
(B) Cash Flow From Investing Activities :-		
Purchase of Fixed Assets (Including CWIP)	(4,024)	(4,458)
Sale of Fixed Assets	74	97
Loan/Financial Assets	(9,595)	(5,754)
Gain/(Loss) on Foreign Exchange Fluctuation	(36)	(50)
Interest Received	4,125	2,541
Net Cash Flow From Investing Activities	(9,456)	(7,624)
(C) Cash Flow From Financing Activities :-		
Changes in Equity	-	-
Changes in Borrowings	12,651	13,708
Finance Cost	(2,943)	(1,775)
Net Cash Flow From Financing Activities	9,708	11,933
Net Increase/(Decrease) in Cash & Cash Equivalents :-	(4,379)	2,769
Opening Balance of Cash & Cash Equivalents	6,310	3,541
Closing Balance of Cash & Cash Equivalents (Note No.10.0)	1,931	6,310
Supplementary Information:		
Restricted Cash & Cash Equivalent	Nil	Nil

This is the Consolidated Cash Flow Statement referred to in our report of even date

For and on behalf of

Rajgaria & Associates

Chartered Accountants

Registration No. 314241E

For & on behalf of Board of Directors

V A Mody

Director

DIN : 00193192

CA R K Rajgaria

Partner

Membership No. 051957

P. K . Himatsingka

CFO

R K Agarwal

Co. Secretary

A K D Singh

Director

DIN : 07160198

Place: Kolkata

Dated: 19th July, 2024

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

A. Equity Share Capital			Amount in Rupees Lakh					
Particulars	No of Shares	Amount						
Balance as at 1st April, 2022	1,50,00,782	1,500						
Add/ (Less) : Effect of Changes in accounting policy or prior period errors	-	-						
Restated balance at the beginning of the previous reporting period								
Add/ (Less) : Additions/ (Deductions) during the year								
Balance as at 31st March 2023	1,50,00,782	1,500						
Add/ (Less) : Effect of Changes in accounting policy or prior period errors	(2,94,006)	(29)						
Restated balance at the beginning of the reporting period								
Add/ (Less) : Additions/ (Deductions) during the year	1,47,06,776	1,471						
Balance as at 31st March 2024	1,47,06,776	1,471						
B. Other Equity			Amount in Rupees Lakh					
Particulars	Reserves and Surplus			Other Comprehensive Income				
	Capital Redemption Reserve	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through OCI	OCI arising from remeasurement of Defined benefit Obligation	Total
Balance as at 1st April, 2022	1,041	-	43,631	18,744	48,998	(337)	32	1,12,109
Add/ (Less) : Effect of Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	1,041	-	43,631	18,744	48,998	(337)	32	1,12,109
Additions/ (Deductions) during the year	-	29	-	-	-	-	-	29
Profit/ (Loss) for the year	-	-	-	-	7,003	-	-	7,003
Other Comprehensive Income	-	-	-	-	-	-	82	82
Balance as at 31st March, 2023	1,041	29	43,631	18,744	56,001	(337)	114	1,19,223
Add/ (Less) : Effect of Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1,041	29	43,631	18,744	56,001	(337)	114	1,19,223
Additions/ (Deductions) during the year	-	-	-	-	(1,391)	-	-	(1,391)
Profit/ (Loss) for the year	-	-	-	-	20,728	-	-	20,728
Other Comprehensive Income	-	-	-	-	-	(384)	233	(151)
Transferred to Retained Earning	-	-	-	-	347	-	(347)	-
Balance as at 31st March, 2024	1,041	29	43,631	18,744	75,685	(721)	-	1,38,409

Footnote: For purpose & nature of Other Equity, refer Note No. 14.7

For and on behalf of

Rajgaria & Associates
Chartered Accountants
Registration No. 314241E

CA R K Rajgaria
Partner
Membership No. 051957

Place: Kolkata
Dated: 19th July, 2024

V A Mody
Director
DIN : 00193192

R K Agarwal
Co. Secretary

P. K. Himatsingka
CFO

A K D Singh
Director
DIN : 07160198

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Hindusthan Engineering Industries Limited (Holding Company) is a public Company domiciled in India & incorporated under the provision of the erstwhile Companies Act, 1956. It is mainly engaged in production of Jute goods, Chemicals, Railway Wagons & Railway Rolling Stock.

The Registered Office of the Company is situated at 27, Sir R N Mukherjee Road, Kolkata - 700 001

II. The consolidated financial statements presents the Consolidated Accounts of Hindusthan Engineering & Industries Limited with its Subsidiary incorporated in India:

Particulars	Proportion of ownership As at 31, March 2024
<u>Subsidiary</u> Hindusthan Vidyut Corporation Ltd.	100%

III. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary:

Particulars	Net Assets i.e total assets minus total Liabilities		Share in Profit/(Loss)	
	As % of Consolidated net Assets	Amount	As % of Consolidated Profit	Amount
Parents Hindusthan Engineering & Industries Ltd.	100.00%	1,39,880	100.00%	20,577
Subsidiary (Indian) Hindusthan Vidyut Corporation Ltd.	0.00%	-	-	-
Minority Interest in Subsidiary	-	-	-	-
Consolidated	100.00%	1,39,880	100.00%	20,577

Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Holding Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Ind As 110 - "Consolidated Financial Statements".
- The difference between the cost of investment in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be. However in case of consolidated financial statement of Associates companies such Goodwill/ Capital Reserve has been disclosed by way of notes only.

Statement of Profit & Loss

The subsidiary of the Company is yet to commence commercial production and hence does not prepare Statement of Profit & Loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD...

Statement of Compliance

These financial statements comply in all material aspects with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accountings Standard) Rules, 2015 (as amended) read with section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

The consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest lakh except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The company categorizes Assets and Liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) Level 3: inputs for the assets or liability which are not based on observable market data.

Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition or deemed cost on date of transition less accumulated depreciation and impairment losses, if any. Cost of an asset comprises of purchase price, borrowing cost and any other cost directly attributable to bringing the asset to its working condition for its intended use.

Capital work in progress includes machinery to be installed, construction and erection materials, borrowing costs, unallocated pre-operative and other expenditures directly attributable towards construction and erection of the assets.

Depreciation on PPE commences when the assets are ready for their intended use. Depreciation has been provided on straight line method as per the useful life determined which is similar to that specified under Schedule II to the Companies Act, 2013. Depreciation on incremental cost arising on account of exchange difference is computed prospectively with respect to the residual life of respective asset.

Leasehold Land is amortised over the period of lease.

Intangible Assets

Intangible assets are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same. Accordingly, Intangible assets have been amortized over a period of 3 to 5 years on straight line basis.

Impairment of Tangible and Intangible Assets

Impairment of assets are assessed at each Balance Sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD...

Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company which is generally taken as 12 month otherwise these are classified as non- current.

Financial Assets and Liabilities

The classification of financial instruments whether to be measured at amortized cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate.

Classification of financial instruments are determined on initial recognition.

(i) Financial assets and financial liabilities measured at Amortized Cost

Financial assets held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows are measured at amortized cost.

The financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

(ii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

(iii) Financial Assets or Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are measured at Fair Value through Profit or Loss.

Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

The company measures the loss allowance for a financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivable or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD...

De-recognition of financial instruments

The company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities are derecognized if the company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability/assets derecognized and the consideration there against is recognized in Statement of Profit and Loss.

Inventories

Inventories are stated at lower of cost & net realisable value. Inventory of finished goods, where the products are made under specific orders, are recognized only on approval of the product by the prospective buyer. The cost for the purpose of valuation of raw materials is being computed on FIFO basis except in case of Jute & Chemical Units where weighted average method is being followed. Cost for the purpose of valuation of stores and spares is computed on weighted average method. Cost of work-in-progress and finished goods represents estimated cost of raw materials, direct labour and appropriate portion of factory overhead in most of the cases.

The liability for GST on the bonded materials as at the end of the year are duly provided for.

Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing at the time of the transaction. Foreign currency monetary assets and liabilities at the year end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of foreign currency transactions during the year (except those relating to the fixed assets which are adjusted to the cost of the assets) are recognised as income or expense and are adjusted to the Statement of Profit and Loss

Revenue

Sales

Sales exclude GST and are accounted for on passing of property of goods irrespective of actual despatches. Rebates, discounts, claims and other non-recoverables are excluded therefrom.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest income is accounted on time proportion basis taking into account amount outstanding & rate applicable unless otherwise stated. Insurance claims/ other claims are accounted as and when admitted/determined.

GST Credit

GST Credit admissible against GST paid on goods / PPE are accounted for by reducing the purchase cost of the related goods / PPE

Employee Benefits

Contributions to defined Schemes such as Provident Fund / Pension Fund, Employees State Insurance Scheme are charged to Statement of Profit & Loss on accrual basis. The Company also provides for gratuity and leave encashment in accordance with projected Unit Credit Method based on actuarial valuation carried out as at the balance sheet date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD...

Borrowing Cost

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

Research and Development

Expenditure on research and development except capital expenses which are shown as additions to PPE, are charged to Statement of Profit and Loss in the year in which these are incurred.

Leases

Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as lessor

Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

Company as Lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

Right of Use Assets

The Company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment loss, if any, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right of use assets are also subject to impairment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD...

Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise for acquisition of non current assets are credited to respective assets.

Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws enacted or substantively enacted on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future. Deferred Tax Assets & Deferred Tax Liabilities have been offset as they relate to the same governing tax laws.

Provisions, Contingent liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

Earning Per Share

Basic earning per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Cash Flow

Cash flows are reported using indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature and/or for items of income & expenses associated with investing and financing activities. The cash flows from operating, investing & financing activities of the company are segregated.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE NO. 2.0		GROSS BLOCK				DEPRECIATION		Amount in Rupees Lakh	
PARTICULARS	As At	Additions	Deductions/	Total as at	Up to	For the year	Deductions/	Total up to	NET BLOCK
	01.04.2023	during the year	Adjustments	31.03.2024	31.03.2023		Adjustments	31.03.2024	As At
									31.03.2024
(A) PROPERTY, PLANT & EQUIPMENT									
Land (Free Hold)	1,411	85	-	1,496	-	-	-	-	1,496
	(1,370)	(41)	-	(1,411)	-	-	-	-	(1,411)
Right to use of Assets	186	-	-	186	12	3	-	15	171
	(186)	-	-	(186)	(9)	(3)	-	(12)	(174)
Buildings	3,986	665	29	4,622	1,379	126	-	1,505	3,117
	(3,303)	(683)	-	(3,986)	(1,261)	(118)	-	(1,379)	(2,607)
Machinery	47,228	6,266	20	53,474	22,794	3,337	10	26,121	27,353
	(45,505)	(1,854)	(131)	(47,228)	(19,635)	(3,230)	(71)	(22,794)	(24,434)
Railway Siding	10	40	-	50	2	-	-	2	48
	(19)	-	(9)	(10)	(6)	(1)	(5)	(2)	(8)
Electrical Installation, Water & Sanitation System	479	28	1	506	87	42	-	129	377
	(413)	(67)	(1)	(479)	(50)	(37)	-	(87)	(392)
Tools & Implements	163	92	-	255	14	14	-	28	227
	(57)	(106)	-	(163)	(8)	(6)	-	(14)	(149)
Furniture & Fixtures	127	6	11	122	84	6	10	80	42
	(139)	(3)	(15)	(127)	(84)	(9)	(9)	(84)	(43)
Motor Cars & Vehicles	445	95	2	538	218	49	1	266	272
	(468)	(64)	(87)	(445)	(250)	(46)	(78)	(218)	(227)
Total (A)	54,035	7,277	63	61,249	24,590	3,577	21	28,146	33,103
Previous Year	(51,460)	(2,818)	(243)	(54,035)	(21,303)	(3,450)	(163)	(24,590)	(29,445)
(B) INTANGIBLE ASSETS									
Goodwill (on Merger)	1,391	-	1,391	-	-	-	-	-	-
	(1,391)	-	-	(1,391)	-	-	-	-	(1,391)
Software	75	1	-	76	40	8	-	48	28
	(57)	(18)	-	(75)	(33)	(7)	-	(40)	(35)
Total (B)	1,466	1	1,391	76	40	8	-	48	28
Previous Year	(1,448)	(18)	-	(1,466)	(33)	(7)	-	(40)	(1,426)

Footnote:

- i) Figures in brackets are for previous year.
ii) Land (freehold) includes 49 acres which is jointly held with The North Brook Jute Co Ltd in which the Company's share is approx 50% i.e. 24.462 acres. The proportionate original cost of such jointly held Land is Rs. 5 Lakh.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh		
Note	PARTICULARS	As At	As At	
No.		31.03.2024	31.03.2023	
3.0	<u>CAPITAL WORK-IN-PROGRESS</u>			
3.1	Capital Work-in-Progress	1,606		4,860
		<u>1,606</u>		<u>4,860</u>
3.2	<u>Ageing of Capital Work In Progress</u>			
		Projects in Progress	Projects Temporarily suspended	Projects in Progress
				Projects Temporarily suspended
	Outstanding for less than 1 year	135	-	1,868
	Outstanding for 1 to 2 years	5	-	1
	Outstanding for 2 to 3 years	1	-	1
	Outstanding for more than 3 years	1,465	-	2,990
		<u>1,606</u>	<u>-</u>	<u>4,860</u>
				<u>-</u>

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
4.0	NON-CURRENT INVESTMENTS				
4.1	<u>INVESTMENT IN UNQUOTED EQUITY SHARES OF RS. 10/- EACH (At Fair Value through OCI)</u>				
	Woodland Multispeciality Hospital Ltd.	1,250	10	1,250	-
	Hindustan Speciality Chemicals Ltd.	1,50,00,000	555	1,50,00,000	1,049
4.2	<u>INVESTMENT IN UNQUOTED PREFERENCE SHARES (At Fair Value through Statement of Profit & Loss)</u>				
	<u>Redeemable 1% Non-cumulative, Non-convertible Preference Share of Rs. 10/ each:</u>				
	Hindusthan Urban Infrastructure Ind. Ltd.	9,51,89,700	10,125	9,51,89,700	10,125
			10,690		11,174
4.3	Aggregate Book value of Unquoted Investments		10,690		11,174
4.4	Fair Value of unquoted shares has been determined on the basis of last available Audited Accounts of Investee Companies.				

		Amount in Rupees Lakh			
Note No.	PARTICULARS	As At 31.03.2024		As At 31.03.2023	
5.0	OTHER FINANCIAL ASSETS	Non Current	Current	Non Current	Current
	Security Deposits- Unsecured considered good				
	- To Related Parties (Refer to Note 41.2)	210	1	182	11
	- To Others	1,260	24	1,360	15
	Deposits with Companies	-	1,200	1,200	2,000
	Interest Receivable	-	-	-	-
	- From Related Parties (Refer Note 41.2)	-	7,410	-	7,671
	- From Others	-	1,796	-	992
	Balances with Banks	-	-	-	-
	- In Deposit Account	7,900	4,100	1,369	2,000
	- In Deposit Account - Margin Money	3,551	15,914	3,038	16,631
		<u>12,921</u>	<u>30,445</u>	<u>7,149</u>	<u>29,320</u>

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
6.0	<u>OTHER ASSETS</u>	Non Current	Current	Non Current	Current
	Loans & Advances				
	- To Related Parties (Refer Note 41.2)	-	1	-	-
	- To Employees	54	73	45	70
	- To Supplier	-	7,673	-	5,079
	- To Others	2	198	-	199
	Prepaid Expenses	-	675	-	561
	Claims Receivable	-	2,331	-	203
	Balance with Statutory Authorities	-	1,704	-	3,642
		56	12,655	45	9,754

Footnote:

i Claims receivable includes Rs.22 Lakhs (PY Rs 72 Lakhs) in respect of stocks in a fire mishap Any Short/Excess therein shall be adjusted on final approval from insurance authority.

ii No advances/ other Receivables are due from directors or other officers of the company either severally or jointly with any other person of from firm or Private companies in which any director is a partner/director/ member, except as disclosed in Note 41.0 - Related Party Transaction, if any.

		Amount in Rupees Lakh	
Note	PARTICULARS	As At	As At
No.		31.03.2024	31.03.2023
7.0	<u>INVENTORIES</u>		
	(At lower of cost & net realisable value; as taken, valued and certified by the Management)		
	Raw Materials	42,501	17,277
	Work-in-progress	20,801	14,211
	Finished Goods	2,824	2,171
	Stores and Spares	3,035	2,918
	Loose Tools	517	404
		69,678	36,981

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
8.0	<u>CURRENT INVESTMENTS</u>				
8.1	<u>INVESTMENT IN UNITS OF MUTUAL FUNDS</u>				
	<u>Measured at Fair Value Through Statement</u>				
	<u>of Profit & Loss A/c</u>	No. of Units	Amount	No. of Units	Amount
	HDFC Large & Midcap Fund - Regular Plan - Growth	7,800	22	7,800	15
			22		15

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
9.0	<u>TRADE RECEIVABLES</u>		
	Unsecured, Undisputed, Considered good unless stated otherwise	25,063	22,094
		<u>25,063</u>	<u>22,094</u>
9.1	<u>Ageing of Trade Receivables</u>		
	Outstanding for less than 6 months	19,304	14,768
	Outstanding for 6 months to 1 year	480	1,163
	Outstanding for 1 to 2 years	493	705
	Outstanding for 2 to 3 years	496	1,269
	Outstanding for more than 3 years	4,290	4,189
		<u>25,063</u>	<u>22,094</u>

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
10.0	<u>CASH & CASH EQUIVALENTS</u>		
10.1	<u>BALANCES WITH BANKS</u>		
	In Current Account	731	411
	In Cash Credit Account	1	-
	In Deposit Account	1,186	5,880
10.2	<u>CASH ON HAND</u>	13	19
		<u>1,931</u>	<u>6,310</u>
Footnote: Balances with Banks Rs. 2 Lakhs (PY Rs. 2 Lakhs) are subject to confirmation.			

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
11.0	<u>LOANS</u>		
		<u>Non Current</u>	<u>Current</u>
	Loans - Unsecured, considered Good		
	-To Related Parties (Refer to Note 41.2)	-	8,000
	-To Others	-	10,795
		<u>21,493</u>	<u>18,795</u>

Footnote:

No loans are due from directors or other officers of the company either severally or jointly with any other person or from firm or Private companies in which any director is a partner, a director or member, except as disclosed in Note 41.0 - Related Party Transaction, if any.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
12.0	<u>CURRENT TAX ASSETS (NET)</u>		
	Payment of Income Tax (Net of Provision)	2,526	3,280
		<u>2,526</u>	<u>3,280</u>

Footnote:

Payment of Income Tax (Net of Provisions) includes Rs. 11 Lakh (P.Y. : Rs. 11 Lakh) on account of TDS, credit of which is subject to admittance by the Tax Authorities & is net of Rs. 182 Lakh (P.Y.: Rs. 182 Lakh) on account of tax refund received in earlier years, details for which are not available. Adjustment for any short/ excess received & interest included therein shall be made on receipt of such details.

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
13.0	<u>SHARE CAPITAL</u>		
13.1	<u>AUTHORISED</u>	<u>No. of Shares</u>	<u>Amount</u>
	Equity Shares of Rs. 10/- each	2,00,00,000	2,000
	Preference Shares of Rs.10 each	50,00,000	500
		<u>2,50,00,000</u>	<u>2,500</u>
13.2	<u>ISSUED, SUBSCRIBED & FULLY PAID UP</u>	<u>No. of Shares</u>	<u>Amount</u>
	Equity Shares of Rs. 10/- each:		
	At the beginning of the year	1,47,06,776	1,500,782
	Additions/(Deductions) during the year	-	(2,94,006)
	At the end of the year	<u>1,47,06,776</u>	<u>1,471</u>
	Footnote: Deductions during the previous year represents shares cancelled in terms of order passed by Hon'ble National Company Law Tribunal (NCLT) dated 18th May, 2022.		
13.3	<u>SHAREHOLDERS HOLDING MORE THAN 5% OF SHARE CAPITAL AS AT THE END OF THE YEAR</u>	<u>No. of Shares</u>	<u>% held</u>
	Equity Shares		
	Hindusthan Consultancy & Services Ltd	60,94,889	41.44%
	Promain Ltd	14,34,122	9.75%

Footnote: In case, where any shareholder is holding more than 5% of share capital in one year but 5% or less in another year, the information about shareholding for the year in which the shareholding is 5% or less has not been furnished.

13.4	<u>EQUITY SHARES HELD BY THE PROMOTERS AT THE END OF THE YEAR</u>	<u>No. of Shares</u>	<u>% held</u>	<u>No. of Shares</u>	<u>% held</u>
	<u>Name of Promoter</u>				
	Hindusthan Consultancy and Services Ltd	60,94,889	41.44%	60,94,889	41.44%
	Promain Limited	14,34,122	9.75%	14,34,122	9.75%
	Associated General Trading Society Ltd	7,13,420	4.85%	7,13,420	4.85%
	Anuradha Investments Limited	6,50,233	4.42%	6,50,233	4.42%
	Olympic General Trading Ltd	6,27,239	4.26%	6,27,239	4.26%
	Foster Engineering Industries Ltd	5,43,377	3.69%	5,43,377	3.69%
	Carbo Industrial Holdings Ltd	4,79,647	3.26%	4,79,647	3.26%
	Ratlam Industrial Limited	4,61,675	3.14%	4,61,675	3.14%
	Paramount Enterprises Limited	4,39,785	2.99%	4,39,785	2.99%
	Orient Bonds And Stock Limited	3,54,599	2.41%	3,54,599	2.41%
	Hindusthan Business Corporation Limited	2,62,004	1.78%	2,62,004	1.78%
	Intercontinental Trading and Investment Company Limited	1,47,308	1.00%	1,47,308	1.00%
	Pradyumna Steels Limited	1,25,884	0.86%	1,25,884	0.86%
	Vikram Aditya Mody	100	0.00%	100	0.00%
	R A Mody	5	0.00%	5	0.00%

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh			
Note	PARTICULARS	As At		As At	
No.		31.03.2024		31.03.2023	
13.0	<u>EQUITY SHARE CAPITAL CONTD...</u>				
13.5	<u>CHANGES IN SHAREHOLDINGS OF PROMOTERS</u>				
	<u>Name of Promoter</u>	<u>Change in Shareholding</u>		<u>Change in Shareholding</u>	
	<u>Equity Shares</u>	<u>No. of Shares</u>	<u>% Change</u>	<u>No. of Shares</u>	<u>% Change</u>
	R A Mody	Nil	Nil	5	0.00%
	Promain Limited	Nil	Nil	(5)	0.00%
13.6	<u>SHARES HELD BY HOLDING COMPANY OR ITS ULTIMATE HOLDING COMPANY INCLUDING BY SUBSIDIARY OR ASSOCIATE OF HOLDING/ ULTIMATE HOLDING COMPANY</u>				
		<u>No. of Shares</u>	<u>% held</u>	<u>No. of Shares</u>	<u>% held</u>
	The Company does not have any Holding Company or Ultimate Holding Company.				
13.7	Information about movement in aggregate number of shares during the period of five years immediately preceding the date at which Balance Sheet is prepared:				
		<u>Date</u>	<u>No. of Shares</u>	<u>Date</u>	<u>No. of Shares</u>
	i) Equity Shares bought back	Nil	Nil	Nil	Nil
	ii) Shares allotted as fully paid up pursuant to contract without payment being received in cash	Nil	Nil	Nil	Nil
	iii) Shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil
13.8	The company has only one class of shares outstanding viz. Equity Shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share & is entitled to pro-rata dividend, if any, declared on equity shares. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholdings.				

		Amount in Rupees Lakh	
Note	PARTICULARS	As At	As At
No.		31.03.2024	31.03.2023
14.0	<u>OTHER EQUITY</u>		
14.1	<u>CAPITAL REDEMPTION RESERVE</u>		
	At the beginning of the year	1,041	1,041
	Additions/(Deductions) during the year	-	-
	At the end of the year	1,041	1,041
14.2	<u>CAPITAL RESERVE</u>		
	At the beginning of the year	29	-
	Additions/(Deductions) during the year	-	29
	At the end of the year	29	29
14.3	<u>SECURITIES PREMIUM</u>		
	At the beginning of the year	43,631	43,631
	Additions/(Deductions) during the year	-	-
	At the end of the year	43,631	43,631
	Balance C/F	44,701	44,701

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Amount in Rupees Lakh	
		As At 31.03.2024	As At 31.03.2023
14.0	<u>OTHER EQUITY</u>		
	Balance B/F	44,701	44,701
14.4	<u>GENERAL RESERVE</u>		
	At the beginning of the year	18,744	18,744
	Additions/ (Deductions) during the year	-	-
	At the end of the year	18,744	18,744
14.5	<u>RETAINED EARNINGS</u>		
	At the beginning of the year	56,001	48,998
	Profit/ (Loss) for the year	20,728	7,003
	Add: Transferred from OCI	347	-
	Less : Goodwill (on Merger) written off	(1,391)	-
	At the end of the year	75,685	56,001
14.6	<u>OTHER COMPHRENSIVE INCOME</u>		
	<u>a) Equity Instruments through OCI (Net of Tax)</u>		
	At the beginning of the year	(337)	(337)
	Additions/ (Deductions) during the year	(384)	-
	At the end of the year	(721)	(337)
	<u>b) OCI arising from remeasurement of Defined benefit Obligation (Net of Tax)</u>		
	At the beginning of the year	114	32
	Additions/ (Deductions) during the year	233	82
	Less: Transferred to Retained Earnings	(347)	-
	At the end of the year	-	114
		<u>1,38,409</u>	<u>1,19,223</u>

14.7 Nature & Purpose of Other Equity

- i) Capital Reserve represents amount created on account of cancellation of shares as explained in Footnote to Note 13.2
- ii) Capital Redemption Reserve represents amount created on account of buyback/redemption of shares in earlier years.
- iii) Securities Premium represents amount received in excess of par value of shares issued.
- iv) General Reserve is created from time to time by transfer of profit from Retained Earnings for appropriation purposes.
- v) Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company. It includes Rs. 805 Lakhs represented by Revaluation Reserve as on the date of the transition which is not available for distribution as dividend.
- vi) "Other Comprehensive Income - Equity Instruments through OCI" represents gain/(loss) on re-measurement of Investments at fair value, net of Taxes. This will not be reclassified to Statement of Profit and Loss.
- vii) "Other Comprehensive Income - arising from remeasurement of Defined benefit Obligation" represents gain/(loss) relating to defined benefit obligation (net of taxes). This has been transferred to Retained Earnings.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Amount in Rupees Lakh			
		As At 31.03.2024		As At 31.03.2023	
		Non Current	Current	Non Current	Current
15.0 BORROWINGS					
15.1 SECURED					
	Acceptance - Inland Bills Discounting	-	16,698	-	7,901
	Working Capital Demand Loan from Banks	-	18,429	-	13,542
	Cash Credit from Banks	-	2,543	-	3,905
	Bank Overdraft	-	3,039	-	2,710
15.2 UNSECURED					
	Interest free Sales Tax Loan	-	223	-	223
	Loan from WBIDC	-	101	-	101
		-	41,033	-	28,382

Footnote:

i) a) Working Capital Demand Loan and Cash Credit of Rs. 17,572 Lakhs (PY Rs. 14,147 Lakhs) are secured by hypothecation of Book Debts & Inventories of Engineering Unit. These are further secured by 1st charge over Fixed Assets of Bamunari, Santragachi & Tiljala Plants.

b) Acceptance of Rs. 16,698 (PY Rs. 7,901) are secured by pledge of Fixed Deposit held by Bank as margin. These are further secured by 1st charge over Fixed Assets of Bamunari, Santragachi & Tiljala Plants of Engineering Unit.

c) Working Capital Demand Loan & Bank Overdraft of Rs. 6,439 Lakhs (PY Rs. 6,010 Lakhs) are secured by pledge of fixed deposits held as margin.

ii) Loan from WBIDC is adjustable against power subsidy receivable from Govt. of West Bengal, claim for which has been lodged by the Company & the matter is sub-judice in the Hon'ble High Court at Kolkata. Adjustment, if any, shall be made on final adjudication.

iii) Interest free Sales Tax Loan of Rs. 223 Lakhs was repayable in Half yearly equal installments over a period of 7 years w.e.f September, 2015.

Note No.	PARTICULARS	Amount in Rupees Lakh			
		As At 31.03.2024		As At 31.03.2023	
		Non Current	Current	Non Current	Current
16.0 PROVISIONS					
	Provision for Employee Benefits				
	- Gratuity	5,443	892	5,476	984
	- Leave Entitlements	265	65	250	60
		5,708	957	5,726	1,044

Note No.	PARTICULARS	Amount in Rupees Lakh			
		As At 31.03.2024		As At 31.03.2023	
17.0 DEFERRED TAX LIABILITIES/(ASSETS) (NET)					
	In respect of timing difference in Depreciation		3,187		3,364
	In respect of timing difference in Expenses/Income (Net)		(2,000)		(1,724)
			1,187		1,640

Footnote:

In view of virtual uncertainty of realisation, Deferred Tax Asset of Rs. 218 Lakhs (PY Rs. 218 Lakhs) in respect of unabsorbed Capital losses available under Income Tax Act has not been recognised.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
18.0	<u>TRADE PAYABLES</u>		
	Trade Payables (Undisputed)		
	- Due to Micro, Medium and Small Enterprise	437	406
	- Others	27,605	15,682
		<u>28,042</u>	<u>16,088</u>
18.1	<u>Ageing of Trade Payables</u>		
		Dues to MSME	Dues to Others
	Outstanding for less than 1 year	437	27,374
	Outstanding for 1 to 2 years	-	116
	Outstanding for 2 to 3 years	-	28
	Outstanding for more than 3 years	-	87
		<u>437</u>	<u>27,605</u>

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
19.0	<u>OTHER FINANCIAL LIABILITIES</u>		
		Non- Current	Current
	Interest accrued & due on borrowings	-	68
	Security Deposit Received		
	-From Related Parties (Refer to Note 41.2)	-	14
	-From Others	-	462
	Other Payables	-	2,334
		<u>-</u>	<u>2,878</u>

		Amount in Rupees Lakh	
Note No.	PARTICULARS	As At 31.03.2024	As At 31.03.2023
20.0	<u>OTHER CURRENT LIABILITIES</u>		
	Advances from Customers	2,017	2,832
	Statutory Liabilities	515	774
		<u>2,532</u>	<u>3,606</u>

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh	
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
21.0	<u>REVENUE FROM OPERATIONS</u>		
21.1	<u>Sale of Products</u>		
	<u>a) Manufactured Goods</u>		
	-Sodium Cyanide	10,760	13,251
	-Potassium Cyanide	259	548
	-Sodium Ferro Cyanide	-	46
	- Diphenyl Guanidine	3,390	2,626
	- MPBAD Cyanohydrin	2,451	3,763
	- Jute Goods	36,109	45,859
	- Points & Crossing	2,189	5,655
	- Railway Rolling Stock	1,98,173	91,788
	- Steel Casting	2,362	2,802
	- Others	17,923	8,092
		2,73,616	1,74,430
21.2	<u>Other Operating Revenue</u>		
	- Income from Electricity Generation	198	232
	- Export-Import Benefit/Incentive	74	-
	- Scrap/ Raw Materials Sales	1,549	954
	Net Revenue from Operations	2,75,437	1,75,616
21.3	<u>Disaggregation of Revenue</u>		
	<u>i) Revenue Based on Geography</u>		
	- Within India	2,73,891	1,75,616
	- Outside India	1,546	-
		2,75,437	1,75,616
	<u>ii) Revenue Based on Business Segment</u>		
	- Chemical	17,355	20,763
	- Jute	36,247	45,961
	- Enginnering	2,21,835	1,08,892
		2,75,437	1,75,616
21.4	<u>Reconcillation of Revenue From Operation with Contract Price</u>		
	Revenue as per contracted price	2,69,071	1,72,239
	Adjustments for:		
	Sales Return	(177)	(1,184)
	Rate Difference/Escalation/De-escalation	6,591	4,685
	Quantity Claim	(2)	(3)
	Discounts	(46)	(121)
		6,366	3,377
		2,75,437	1,75,616

		Amount in Rupees Lakh	
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
22.0	<u>OTHER INCOME</u>		
	Interest Income (Gross)	4,125	2,541
	Profit on Sale/Discard of Fixed Assets (Net)	32	17
	Net Gain on Restatement of Investments	7	1
	Other Non Operating Income	69	159
		4,233	2,718

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh			
Note No.	PARTICULARS	Year Ended 31.03.2024		Year Ended 31.03.2023	
23.0	<u>COST OF MATERIALS CONSUMED</u>				
	Inventory at the beginning of the year	17,277	11,384		
	Add: Purchases during the year	<u>2,19,951</u>	<u>1,32,603</u>	1,43,987	
	Less: Inventory at the end of the year	<u>42,501</u>		17,277	
		<u>1,94,727</u>		<u>1,26,710</u>	
23.1	<u>Particulars of Raw Materials Consumed</u>				
	Castic Soda/Potash	1,772		3,055	
	Ammonia Liquid	2,019		3,395	
	Natural Gas	1,961		1,656	
	Raw Jute	21,742		30,573	
	Scrap	10,488		7,140	
	Steel	1,53,006		76,496	
	Others	3,739		4,395	
		<u>1,94,727</u>		<u>1,26,710</u>	
		<u>% of Total</u>		<u>% of Total</u>	
23.2	<u>Break-up of Raw Materials consumed</u>	<u>Amount</u>	<u>Consumption</u>	<u>Amount</u>	<u>Consumption</u>
	Imported	33,237	17.07%	5,674	4.48%
	Indigenous	<u>1,61,490</u>	<u>82.93%</u>	<u>1,21,036</u>	<u>95.52%</u>
		<u>1,94,727</u>	<u>100.00%</u>	<u>1,26,710</u>	<u>100.00%</u>

		Amount in Rupees Lakh		
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023	
24.0	<u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE</u>			
24.1	<u>Inventories at the beginning of the year</u>			
	- Finished Goods	2,171	2,009	
	- Work-in-Progress	14,211	8,331	10,340
24.2	<u>Inventories at the end of the year</u>			
	- Finished Goods	2,824	2,171	
	- Work-in-Progress	20,801	14,211	16,382
	Net (Increase)/Decrease	<u>(7,243)</u>		<u>(6,042)</u>

		Amount in Rupees Lakh		
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023	
25.0	<u>EMPLOYEE BENEFIT EXPENSES</u>			
	Salary, Wages & Allowances	13,378		12,863
	Contribution to Provident & Other Funds	892		966
	Staff Welfare Expenses	140		132
		<u>14,410</u>		<u>13,961</u>

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Amount in Rupees Lakh			
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
26.0	<u>FINANCE COST</u>		
	Interest Expenses	2,943	1,775
	Other Borrowing Cost	128	112
		<u>3,071</u>	<u>1,887</u>

Amount in Rupees Lakh			
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
27.0	<u>DEPRECIATION & AMORTISATION EXPENSES</u>		
	Depreciation on Tangible Assets	3,577	3,450
	Amortisation of Intangible Assets	8	7
		<u>3,585</u>	<u>3,457</u>

		Amount in Rupees Lakh		
Note	PARTICULARS	Year Ended	Year Ended	
No.		31.03.2024	31.03.2023	
28.0	OTHER EXPENSES			
	Consumption of Stores and Spare Parts	15,987	11,907	
	Power, Fuel & Water Charges	8,677	6,690	
	Payment to Auditors:			
	- Statutory Audit Fee	3	2	
	- Tax Audit Fee	-	-	
	Brokerage & Commission	261	527	
	Bank Charges	756	474	
	Charity & Donation	137	89	
	Directors' Fee	5	4	
	Freight & Transport (Net)	4,982	1,803	
	Insurance Charges	177	177	
	Net Loss on Foreign Exchange Fluctuation	36	50	
	Rent (Net)	129	111	
	Rates & Taxes	373	287	
	Royalty	-	84	
	Repairs			
	- Building	343	291	
	- Machinery	823	695	
	- Others	363	680	
	Research & Development Expenses	25	31	
	Jobs on Contract	6,095	2,829	
	Miscellaneous Expenses	4,351	2,196	
		43,523	28,927	
		% of Total	% of Total	
28.1	Break-up of Stores & Spare Parts Consumed			
	Amount	Consumption	Amount	Consumption
	- Imported	467	669	5.62%
	- Indigenous	15,520	11,238	94.38%
	15,987	100.00%	11,907	100.00%

Footnote:

Charity & Donation includes amount paid on account of Corporate Social Responsibility (CSR) activities Rs. 134 Lakhs (PY: Rs. 84 Lakhs).

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Amount in Rupees Lakh			
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
29.0	<u>EARNING PER SHARE (EPS - FACE VALUE RS.10)</u>		
	- Net Profit/(Loss) attributable to Shareholders	20,728	7,003
	- Weighted Average number of Equity Shares outstanding as at the year end	1,47,06,776	1,47,45,440
	- Basic & Diluted Earning per Share (Rs./P)	140.94	47.49

Amount in Rupees Lakh			
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
30.0	Contingent Liabilities not Provided for		
	Claims against the Company not acknowledged as debts (to the extent ascertained, Net of Payments thereagainst, if any)		
	i) Sales Tax matters under appeal	1,709	2,960
	ii) Central Excise matters under appeal	1,877	1,698
	iii) Service Tax matters under appeal	47	47
	iv) Income Tax demand under appeal/ subject to rectification	238	238
	v) Goods and Service Tax Under Appeal	41	45
	vi) Others	7,495	6,978
	vii) Raw Jute Matter under appeal	23	23
	viii) Fuel & Power Purchase Adjustment Surcharge (FPPAS) Demand as per Electricity Amendment Rules 2022	350	-

Amount in Rupees Lakh			
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
31.0	Capital Commitments not provided for, Net of Advances, if any	80	110

Amount in Rupees Lakh			
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
32.0	<u>PAYMENT MADE TO MANAGERIAL PERSONNEL (Whole Time Directors)</u>		
	Salary & Allowances	954	45
	Contribution to Provident Fund	2	2

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Amount in Rupees Lakh	
		Year Ended 31.03.2024	Year Ended 31.03.2023
33.0	Details of Corporate Social Responsibility (CSR) Expenses:		
	(a) amount required to be spent by the company during the year,	134	84
	(b) amount of expenditure incurred,	134	84
	(c) shortfall at the end of the year,	-	-
	(d) total of previous years shortfall,	-	-
	(e) reason for shortfall,	NA	NA
	(f) nature of CSR activities	Promoting Education	Promoting Education

Note No.	PARTICULARS
34.0	Malanpur Steel Ltd.(MSL) had merged with the company with retrospective effect from 1st April 2009 as per "Scheme" sanctioned by the Board for Industrial & Financial Reconstruction (BIFR) vide its Order dated 4th September 2012. Certain amounts claimed by different authorities against which necessary provision had been made in the scheme have not been provided for in these accounts as these are claimed to be not payable by the company & are under reconciliation with respective authorities. The same have been disclosed as contingent liability in these accounts. Reliefs / concessions claimed from various statutory authorities viz. Income Tax, Sales Tax & Excise are under consideration of respective authorities & approvals of the same are awaited. However, the effects thereof have been taken in these accounts. Necessary adjustment, if required, shall be made on disposal thereof by respective authorities.
35.0	Additional regulatory Information as required by Schedule III of Companies Act,2013
35.1	The Company does not have any relationship with any struck off company u/s 248 of the Companies Act,2013
35.2	Compliance with number of layers of companies: The company has complied with the number of layers prescribed under clause 87 of section 2 of the Companies Act,2013 read with Companies (Restriction on Number of layers) rules 2017.
35.3	Utilization of borrowed funds & Share Premium: The company has not advanced or loaned or invested any amount either out of borrowed fund or share premium or any other source and has not provided any guarantee, security or the like to any other person(s) or entities with an understanding of reinvestment thereof on behalf of the Company.
35.4	The company has not been declared as a Wilful Defaulter by any Bank or financial institution or other lender.
35.5	There are no charges pending for creation or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
35.6	The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities , which are in agreement with the books of accounts.
35.7	No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder.
35.8	There is no amount of income or transaction which have been surrendered or disclosed as income in the tax assessment of the Company during the current year as well as during the previous year and which have not been recorded or disclosed in the books of accounts of the company.
36.0	In terms of Orders of Hon'ble Calcutta High Court in respect of certain loans given in earlier years and remaining outstanding Rs. 1,836 Lakh (PY: Rs. 1,859 Lakh), interest for the period from 1st April 1997 stands waived and the same has therefore not accrued. However, interest thereon already accrued and accounted for upto 31st March 1997 is being recovered where principal amounts have been fully realized and amount outstanding is Rs. 7,148 Lakhs (PY: Rs. 7,200 Lakhs).

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS
37.0	Balances of Trade Receivables, Security Deposits, Advances, Statutory Dues/claims & Other Payables are subject to confirmation and consequential reconciliation / adjustments.
38.0	Trade Receivables and Advances aggregating to Rs. 2386 Lakh (PY: Rs. 2,941 Lakh), pending outcome of persuasive and other steps being taken by the company, are considered good and recoverable.

Note No.	PARTICULARS	Amount in Rupees Lakh	
		As At 31.03.2024	As At 31.03.2023
39.0	<u>Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act), to the extent ascertained and as per notification</u>		
	i) The principal amount and the interest due thereon remaining unpaid at the end of each financial year:		
	Trade Payable		
	- Principal	437	406
	- Interest	-	-
	Other Financial Liability		
	- Principal	-	-
	- Interest	-	-
	ii) The amount of interest paid in terms of section 16 of the MSME Act, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year		
	- Principal	-	-
	- Interest	-	-
	iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSME Act.	-	-
	iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
	v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSME Act	-	-

Note No.	PARTICULARS
40.0	Gratuity & Other Post Employment Benefit Plans
	The Company has a defined benefit gratuity plan which is unfunded. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act 1972.
	This company also extends benefit of compensated absense to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment. This is also unfunded.
	The following tables summarizes the components of net benefit/expenses recognised in the Statement of Profit and Loss & the Balance Sheet for the respective plans.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS		
40.0	Gratuity & Other Post Employment Benefit Plans Contd...		
40.1	Movement In Obligation	Amount in Rupees Lakh	
	Particulars	Gratuity	Leave
	Present Value of Obligation- March 31,2022	6,436	309
	Current Service Cost	253	77
	Interest Cost	458	22
	Benefits/Settlement paid	(526)	(149)
	Acturial loss/(gain):	(161)	51
	Present Value of obligation- March 31,2023	6,460	310
	Current Service Cost	248	69
	Interest Cost	477	23
	Benefits/Settlement paid	(458)	(153)
	Acturial loss/(gain):	(392)	81
	Present Value of obligation- March 31,2024	6,335	330
40.2	Recognised in Statement of Profit and Loss	Amount in Rupees Lakh	
	Particulars	Gratuity	Leave
	Current Service Cost	253	77
	Interest Cost	458	22
	For the year ended March 31,2023	711	99
	Current Service Cost	248	69
	Interest Cost	477	23
	For the year ended March 31,2024	725	92
40.3	Recognised in Other Comprehensive Income	Amount in Rupees Lakh	
	Particulars	Gratuity	Leave
	Remeasurement		
	Acturial loss/(gain) for the year ended March 31,2023	(161)	51
	Acturial loss/(gain) for the year ended March 31,2024	(392)	81
40.4	The principal actuarial assumptions used for estimating the Company's defined benefit obligations in respect of Gratuity & Leave are set out as below:		
	Weighted average actuarial assumptions	Year ended March 31,2024	Year ended March 31,2023
	Attrition rate	1% to 8%	1% to 8%
	Discount rate	7.10%	7.40%
	Expected rate of increase in salary	6.00%	6.00%
	Expected rate of return on plan assets	-	-
	Mortality rate	IALM(2012-14) Table	
	The assumptions of future salary increase takes into account the inflation,seniority,promotion and other relevant factors such as supply and demand in employment market.		

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS		
40.0	Gratuity & Other Post Employment Benefit Plans Contd...		
40.5	Sensitivity Analysis: (a) Gratuity	Effect on Gratuity obligation	
	Particulars	Change in Assumption	Year ended March 31,2024 Year ended March 31,2023
	Discount rate	> 1%	(314) (325)
		<1%	370 377
	Salary Growth rate	> 1%	365 399
		<1%	(315) (349)
	Withdrawal Rate	> 1%	16 32
		<1%	9 (12)
	(b) Leave Encashment	Effect on Leave obligation	
	Particulars	Change in Assumption	Year ended March 31,2024 Year ended March 31,2023
	Discount rate	> 1%	(19) (18)
		<1%	22 21
	Salary Growth rate	> 1%	21 21
		<1%	(19) (19)
	Withdrawal Rate	> 1%	1 2
		<1%	- (2)
The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions, may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as in calculating the defined benefit obligation recognised in the Balance sheet.			
40.6	Statement of Employee Benefit Provision	Amount in Rupees Lakh	
	Particulars	Year ended March 31,2024	Year ended March 31,2023
	Gratuity	6,335	6,460
	Leave Entitlement	330	310
	Total	6,665	6,770

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS			
41.0	<u>RELATED PARTY DISCLOSURES</u>			
41.1	List of related parties where control exists and with whom transactions have taken place during the year:			
A. Controlling Companies	Nil			
B. Associate Companies	Nil			
C. Key Management Personnel	1) Sri V A Mody, Chairman 2) Sri A K D Singh, Executive Director - Technical 3) Sri P K Himatsingka, Chief Financial Officer 4) Sri Shyamal Dutta 5) Sri Tapan Kumar Adhikary 6) Sri R K Agarwal, Company Secretary			
D. Relatives of Key Management Personnel	1) Sri R P Mody 2) Sri R A Mody			
E. Enterprises over which Key Management Personnel & their relatives have significant influence :	1) Associated General Trading Society Ltd. 2) Anuradha Investments Ltd. 3) Carbo Industrial Holdings Ltd. 4) Foster Engineering Ind. Ltd. 5) Hindusthan Urban Infrastructure Ltd 6) Hindusthan Consultancy & Services Ltd 7) Hindusthan Speciality Chemicals Ltd 8) Olympic General Trading Ltd. 9) Promain Ltd. 10) Paramount Enterprises Ltd.			
F. Firms where key Management Personnel & their relatives have significant influence :	Nil			
41.2	Details of transactions with related parties :			
	Amount in Rupees Lakh			
Particulars	Transaction during the year	Balance Outstanding		
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
<u>Rent Received</u>				
Hindusthan Urban Infrastructure Ltd	0	0	0	-
Hindusthan Consultancy & Services Ltd.	32	-	-	-
<u>Sale of Scrap</u>				
Hindusthan Urban Infrastructure Ltd	-	17	-	26
<u>Miscellaneous Charges Received</u>				
Hindusthan Urban Infrastructure Ltd	1	3	-	1
<u>Interest Received</u>				
Hindusthan Urban Infrastructure Ltd	294	169	262	153
Hindusthan Speciality Chemicals Ltd	423	170	0	318
Promain Ltd	-	-	1,031	1,081
Hindusthan Consultancy & Services Ltd.	-	-	3,569	3,569
Anuradha Investments Ltd.	-	-	485	485
Associated General Trading Society Ltd.	-	-	715	715
Carbo Industrial Holdings Ltd.	-	-	434	434
Foster Engineering Industries Ltd.	-	-	478	478
Olympic General Trading Co.	-	-	436	438
<u>Remuneration</u>				
Sri AKD Singh	54	45	-	-
Sri V A Mody	900	-	-	-
Sri R P Mody	300	300	14	14
Sri P K Himatsingka	30	26	2	2
Sri R K Agarwal	29	27	2	1
<u>Director Sitting Fees</u>				
Sri V A Mody	1	1	-	-
Sri Shyamal Dutta	0	0	-	-
Sri Tapan Kumar Adhikary	0	0	-	-
<u>Staff Welfare Expenses</u>				
Sri R P Mody	3	1	-	-

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

41.2 Details of transactions with related parties Contd.. :			Amount in Rupees Lakh	
Particulars	Transaction during the year		Balance Outstanding	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
<u>Rent Paid (Exclusive of Taxes)</u>				
Hindusthan Consultancy & Services Ltd.	2	2	7	8
Hindusthan Urban Infrastructure Ltd	2	-	-	-
Paramount Enterprises Ltd	103	98	-	-
Promain Ltd	0	0	-	-
<u>Consultancy Service</u>				
Sri R A Mody	29	7	2	2
<u>Maintenance & Electricity Charges etc</u>				
Hindusthan Consultancy & Services Ltd.	103	103	2	2
Paramount Enterprises Ltd	9	9	-	-
<u>Loan Given/ (Repayment Received) during the year</u>				
Hindusthan Urban Infrastructure Ltd	1,056	1,000	3,456	2,400
Hindusthan Consultancy & Services Ltd.	(20)	(20)	1,433	1,453
Promain Ltd	-	(60)	-	-
Hindusthan Speciality Chemicals Ltd	3,066	2,141	6,807	3,741
Anuradha Investments Ltd.	-	-	108	108
Associated General Trading Society Ltd.	(3)	(3)	16	19
Carbo Industrial Holdings Ltd.	-	-	122	122
Foster Engineering Industries Ltd.	-	-	157	157
<u>Advances/ Security Deposits Given</u>				
Sri R K Agarwal	1	-	1	-
Hindusthan Consultancy & Services Ltd.	(1)	(1)	21	22
Promain Ltd	19	(10)	190	171
<u>Trade Deposit Received</u>				
Hindusthan Consultancy & Services Ltd.	14	-	14	-
<u>Purchase of Asset</u>				
Hindusthan Urban Infrastructure Ltd	-	50	-	-

Footnotes:

- 1) Transactions only during the period of existence of relationship have been disclosed hereinabove. Also in cases where relationship ceased to exist as at the end of the year, balances outstanding, if any, from such parties have not been disclosed.
- 2) Transactions with related parties are at arms length price. Outstanding balances as at year end are unsecured & settlement occurs generally in cash. The company has not recorded any impairment in respect of outstandings with related parties during the year as well as in the preceeding year.

			Amount in Currency Lakh	
Note	PARTICULARS	Year Ended		Year Ended
No.		31.03.2024		31.03.2023
42.0	PARTICULARS RELATING TO FOREIGN CURRENCY TRANSACTIONS			
	<u>Unhedged Foreign Currency Exposure (in Lakh)</u>			
	Trade & Other Payables	EUR 0		EUR 0
	Trade & Other Receivable	EUR 1	USD 0	USD 0

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

43.0 a) Information about Business segments

Particulars	Chemicals			Jute Goods			Engineering			Amount in Rupees Lakh	
	2023-24	2022-23	2023-24	2023-24	2022-23	2023-24	2023-24	2022-23	2023-24	2023-24	Total
<u>REVENUE</u>											
External Sales/Other Income (Gross)	17,355	20,763	36,247	36,247	45,961	2,21,835	2,75,437	1,08,892	2,75,437	1,75,616	
Inter-segment Sales/Other Income	-	-	-	-	18	-	-	-	-	18	
Total Revenue	17,355	20,763	36,247	36,247	45,979	2,21,835	2,75,437	1,08,892	2,75,437	1,75,634	
<u>RESULT</u>											
Unallocated Expenses	2,830	1,632	317	317	617	25,804	28,951	8,685	28,951	10,934	
Operating profit							2,484		2,484	2,314	
Finance Cost							26,467		26,467	8,620	
Interest / Dividend Income							3,071		3,071	1,887	
Net Gain/(Loss) on sale/reinstatement of Investments							4,125		4,125	2,541	
Other Non-Operating Income							7		7	1	
							69		69	159	
<u>Income Taxes</u>											
Current Tax							7,300		7,300	2,740	
Deferred Tax							(431)		(431)	(309)	
<u>Net Profit</u>							20,728		20,728	7,003	
<u>OTHER INFORMATION</u>											
Segment assets	9,592	9,651	10,080	10,080	10,374	1,11,727	1,31,399	70,427	1,31,399	90,452	
Unallocated assets							90,818		90,818	90,196	
Total assets							2,22,217		2,22,217	1,80,648	
Segment liabilities	1,793	2,359	9,172	9,172	10,503	28,757	39,722	16,640	39,722	29,502	
Unallocated Liabilities							42,615		42,615	30,452	
Total Liabilities							82,337		82,337	59,954	
Capital expenditure (Including CWIP)	241	292	1,314	1,314	1,180	2,469	4,024	2,956	4,024	4,428	
Unallocated							-		-	1,218	
Total							4,024		4,024	5,646	
Depreciation	437	625	683	683	533	846	1,966	681	1,966	1,839	
Unallocated							1,619		1,619	1,618	
Total							3,585		3,585	3,457	
<u>Break-up of Segment Revenue:-</u>											
Sales	16,870	20,252	36,109	36,109	45,859	2,20,636	2,73,615	1,08,319	2,73,615	1,74,430	
Other Income											
Export Incentive	-	-	-	-	-	74	74	-	74	-	
Other Operating Income	485	511	138	138	102	1,125	1,748	573	1,748	1,186	
Total Revenue	17,355	20,763	36,247	36,247	45,961	2,21,835	2,75,437	1,08,892	2,75,437	1,75,616	

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS		
43.0 Information about Business segments Contd..			
b) Operating segments are defined as components of an enterprise for which discrete financial information is available which is evaluated regularly by the Chief Financial Officer in deciding how to allocate resources & assess performance.			
c) Based on the synergies, risks and return associated with business operation, the Company is engaged in following business segments.			
Identified Segments:			
i) Chemicals comprising Manufacturing & Sale of Cyanide, Guanidine, MPBAD Cyanohydrine etc.			
ii) Jute comprising Manufacturing & Sale of Jute Goods			
iii) Engineering comprising Manufacturing & Sale of Steel Castings, Points & Crossings, Railway Rolling Stock			
d) Information about secondary business segments :			
		Amount in Rupees Lakh	
		For the year ended	For the year ended
		31.03.2024	31.03.2023
Sales:			
- within India		2,73,891	1,75,616
- Outside India		1,546	-
		<u>2,75,437</u>	<u>1,75,616</u>
Trade Receivables:			
- within India		24,835	21,902
- Outside India		228	192
		<u>25,063</u>	<u>22,094</u>

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

		Amount in Rupees Lakh	
Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023
44.0	<u>FINANCIAL INSTRUMENTS DISCLOSURE</u>		
	<u>CATEGORIES OF FINANCIAL INSTRUMENTS</u>		
	<u>A) Financial Assets</u>		
	<u>i) Measured at Cost/Amortised Cost</u>		
	Investments at Cost - Non Current 4.0	-	-
	Other Financial Assets - Non Current 5.0	12,921	7,149
	Trade Receivables 9.0	25,063	22,094
	Cash and Cash Equivalents 10.0	1,931	6,310
	Loans 11.0	21,493	18,795
	Other Financial Assets - Current 5.0	30,445	29,320
	Total Financial Assets Measured at Cost/ Amortised Cost	<u>91,853</u>	<u>83,668</u>
	<u>ii) Measured at Fair Value through Statement of Profit or Loss</u>		
	Investments - Non Current 4.0	10,125	10,125
	Investments - Current 8.0	22	15
	Total Financial Assets Measured at Fair Value through Statement of Profit or Loss	<u>10,147</u>	<u>10,140</u>
	<u>iii) Measured at Fair Value through Other Comprehensive Income</u>		
	Investments - Non Current 4.0	565	1,049
	Total Financial Assets Measured at Fair Value through OCI	<u>565</u>	<u>1,049</u>
	<u>B) Financial Liabilities</u>		
	<u>i) Measured at Amortised Cost</u>		
	Borrowings - Current 15.0	41,033	28,382
	Trade Payables 18.0	28,042	16,088
	Other Financial liabilities -Current 19.0	2,878	3,468
	Total Financial Liabilities measured at Amortised Cost	<u>71,953</u>	<u>47,938</u>
	<u>ii) Measured at Fair Value through Statement of Profit or Loss</u>		
	Total Financial Liabilities measured at Fair Value through Statement of Profit or Loss	<u>-</u>	<u>-</u>

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS																																				
45.0	FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES																																				
	The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables, The main purpose of these financial liabilities is to finance the company's operations. The company's financial assets include trade and other receivables, cash and cash equivalents, investments at cost/fair value and loans/deposits. The Company is exposed to market risk. The company's senior management oversees the management of the risks. The Board of Directors reviews and agrees to policies for managing each of these risks, which are summarised below: Market Risk Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of risk, such as raw material price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc. Credit Risks Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables). Liquidity Risk The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The need of the funds of the company are being met by internal accrual and borrowings. The short and medium terms requirements are met through the committed lines of credit. The table provides undiscounted cash flow towards non- derivative financial liability into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.																																				
	<table><tr><th>Particulars</th><th>Current</th><th>Non-Current</th><th>Total</th></tr><tr><td>As at 31st March 2023</td><td></td><td></td><td></td></tr><tr><td>Other Financial Liabilities</td><td>3,468</td><td>-</td><td>3,468</td></tr><tr><td>Borrowings</td><td>28,382</td><td>-</td><td>28,382</td></tr><tr><td>Trade Payable</td><td>16,088</td><td>-</td><td>16,088</td></tr><tr><td>As at 31st March 2024</td><td></td><td></td><td></td></tr><tr><td>Other Financial Liabilities</td><td>2,878</td><td>-</td><td>2,878</td></tr><tr><td>Borrowings</td><td>41,033</td><td>-</td><td>41,033</td></tr><tr><td>Trade Payable</td><td>28,042</td><td>-</td><td>28,042</td></tr></table>	Particulars	Current	Non-Current	Total	As at 31st March 2023				Other Financial Liabilities	3,468	-	3,468	Borrowings	28,382	-	28,382	Trade Payable	16,088	-	16,088	As at 31st March 2024				Other Financial Liabilities	2,878	-	2,878	Borrowings	41,033	-	41,033	Trade Payable	28,042	-	28,042
Particulars	Current	Non-Current	Total																																		
As at 31st March 2023																																					
Other Financial Liabilities	3,468	-	3,468																																		
Borrowings	28,382	-	28,382																																		
Trade Payable	16,088	-	16,088																																		
As at 31st March 2024																																					
Other Financial Liabilities	2,878	-	2,878																																		
Borrowings	41,033	-	41,033																																		
Trade Payable	28,042	-	28,042																																		

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	
46.0	<u>Investment in Subsidiary</u>	
	Statement containing salient features of the financial statement of Subsidiary Company	
	Part A- Subsidiary Company:	56851
	Name of the Subsidiary	Hindusthan Vidyut Corporation Limited
	The date since when subsidiary was acquired	05.03.2014
	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	No
	Reporting currency and Exchange rate as on the last date of the relevant financial year in case of Foreign Subsidiary	NA
	Share Capital	140
	Reserves & Surplus	-
	Total Assets	1,214
	Total Liabilities	1,074
	Investments	-
	Turnover	-
	Profit before taxation	-
	Provision for taxation	-
	Profit after taxation	-
	Proposed Dividend	-
	% of shareholding	100
	Notes	
	Name of the Subsidiary which are yet to commence the operation	Hindusthan Vidyut Corporation Limited None
	Name of the Subsidiary which have been liquidated or sold during the year	

Note No.	PARTICULARS
47.0	SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure of contingent liabilities. Uncertainty about these assumption and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. JUDGEMENTS Fair value as Deemed Cost for Property Plant & Equipment. Property, plant and equipment has been carried in accordance with previous GAAP carrying value as deemed cost at the date of transition , which has been considered as deemed cost. Lease as Finance Lease Lease as Finance Lease has been included in the Property, Plant and Equipment while considering the overall context of transfer of risk and rewards incidental to ownership. Depreciation/Amortisation of and Impairment Loss on Property Plant and Equipment/Intangible Assets Property, Plant and Equipment are depreciated and intangible assets are amortised on Straight Line basis over the estimated useful lives (or Lease Term if shorter) in accordance with Schedule II of the Companies Act 2013, taking into account the estimated residual value, wherever applicable. The company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation/ amortisation expense to be recorded during any reporting period. This reassessment may result in change in depreciation expense in future periods. The Company reviews its carrying value of its Tangible and Intangible assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount. Impairment loss on Trade Receivables The Company evaluated whether there is any objective evidence that trade receivable are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivable balances, creditworthiness of the trade receivables and historical written off experience. If the financial conditions of the trade receivables were to deteriorate, actual writeoffs would be higher than estimated. Estimates and assumptions The key assumptions concerning the future and other key sources of estimations uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described above. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about the future developments, however , may change due to market changes or circumstances arising that are beyond the control of the company . Such changes are reflected in the assumption when they occur. Defined benefit plans (Gratuity & Leave benefits) The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumption that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and it's long term nature , a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India , the mangement considers the interest rate of government bonds in currencies consistent with the currencies of the post employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS	Year Ended 31.03.2024	Year Ended 31.03.2023	% Change
48.0	Ratio Analysys & its Elements			
	(a) Current Ratio	2.17	2.41	-9.77%
	Numerator : Current Assets			
	Denominator : Current Liabilities			
	<u>Reason of Variance: Not Applicable being below 25%</u>			
	(b) Debt-Equity Ratio	0.29	0.24	24.74%
	Numerator : Total External Borrowings (Long Term & Short Term)			
	Denominator : Shareholders Fund			
	<u>Reason of Variance: Not Applicable being below 25%</u>			
	(c) Debt Service Coverage Ratio	8.86	6.58	34.64%
	Numerator : Total Comprehensive Income + Interest on external Borrowings + Depreciation & Amortisation + Foreign Exchange Fluctuation + Gain/Loss on sale of assets & Investments.			
	Denominator : Interest on External Borrowings + Repayment commitment of Borrowings			
	<u>Reason of Variance: Increase in Total Comprehensive Income with Increase in Revenue from Operation</u>			
	(d) Return on Equity Ratio	0.16	0.06	161.15%
	Numerator : Total Comprehensive Income			
	Denominator : Average Shareholder's Equity			
	<u>Reason of Variance: Increased revenue resuting in spread of overhead expenditure</u>			
	(e) Inventory Turnover Ratio	5.13	5.66	-9.37%
	Numerator : Sale of Products & Services			
	Denominator : Average Inventory			
	<u>Reason of Variance: Not Applicable being below 25%</u>			
	(f) Trade Receivables turnover ratio	11.60	8.80	31.90%
	Numerator : Sale of Products & Services			
	Denominator : Average Trade Receivables			
	<u>Reason of Variance: Increase in Revenue from Operation</u>			
	(g) Trade payables turnover ratio	9.97	10.32	-3.41%
	Numerator : Net Purchase of Raw Materials & Stores			
	Denominator : Average Trade Payables			
	<u>Reason of Variance: Not Applicable being below 25%</u>			
	(h) Net capital turnover ratio	3.10	2.36	31.28%
	Numerator : Sale of Products & Services			
	Denominator : Working Capital (Current Assets-Current Liaibities)			
	<u>Reason of Variance: Increase in Revenue from Operation</u>			
	(i) Net profit ratio	7.52%	4.06%	85.15%
	Numerator : Total Comprehensive Income			
	Denominator : Sale of Products & Services			
	<u>Reason of Variance: Increase in Revenue resuting in spread of overhead expenditure</u>			
	(j) Return on Capital employed	16.76%	7.57%	121.50%
	Numerator : Total Comprehensive Income before interest on external borrowings & Tax			
	Denominator : Tangible Net Worth + Total External Borrowings (Long Term & Short Term) + Deferred Tax Liability			
	<u>Reason of Variance: Increased revenue resuting in spread of overhead expenditure</u>			
	(k) Return on investment	-	-	-
	Numerator : Dividend + Net Realized Gain/Loss from Investments			
	Denominator : Average Investments - both Long Term & Short Term (At Cost)			
	<u>Reason of Variance: Not Applicable</u>			

HINDUSTHAN ENGINEERING & INDUSTRIES LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Note No.	PARTICULARS
49.0	The Subsidiary Company was awarded Integrated Lignite Mining-cum-Power Generation Project through International Competitive Bidding by Government of Rajasthan (GOR) in 1996. Necessary 'Implementation Agreement' and 'Power Purchase Agreement' were signed by the Company with the concerned Authorities. The Company obtained all the approvals required by making all out efforts and incurring huge expenses. However, even after a period of 4 years, GOR was unable to give the Mining Lease Approval, which was an essential pre-requisite for setting up the plant as mining was an integral part of the project as per tender conditions. This failure on the part of GOR halted the project and nothing could move further. GOR, thereafter, declared the 'Implementation Agreement' ineffective. The matter was referred to arbitration between the Company and GOR. The Arbitral Tribunal vide its Award dated 02.01.2007, has awarded a sum of Rs.1140.33lakhs to the company with future interest against GOR. The objections filed by GOR in the court of District Judge, Jaipur City, Jaipur have been rejected and award has been upheld by the court. GOR has filed an appeal before Hon'ble High Court of Rajasthan at Jaipur & the matter is still sub-judice. Necessary adjustment shall be carried out on final adjudication.

Note No.	PARTICULARS	Amount in Rupees Lakh	
		Year Ended 31.03.2024	Year Ended 31.03.2023
50.0	TAX EXPENSE		
	Current Tax	7,300	2,740
	Deferred Tax	(431)	(309)
	Tax Expense Total	6,869	2,431
50.1	Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss		
	Profit/(Loss) Before Tax	27,597	9,434
	Income Tax Rate (As applicable)	25.168%	25.17%
	Estimated Income Tax Expense	6,946	2,374
	Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense	-	-
	Permanent Difference - Others	-77	57
	Income tax expense in Statement of Profit & Loss	6,869	2,431

51.0 Figures of the previous year have been regrouped/ rearranged whenever considered necessary.

For and on behalf of
Rajgaria & Associates
Chartered Accountants
Registration No. 314241E

For & on behalf of Board of Directors

V A Mody
Director
DIN : 00193192

CA R K Rajgaria
Partner
Membership No. 051957

P. K . Himatsingka
CFO

R K Agarwal
Co. Secretary

A K D Singh
Director
DIN : 07160198

Place: Kolkata
Dated: 19th July, 2024

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of Hindusthan Engineering & Industries Ltd. will be held on Monday, the 30th September, 2024 at 02.00 P.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

As Ordinary Business:

1. To receive, consider and adopt:
 - (a) the audited standalone Financial Statements of the Company for the financial year ended 31st March, 2024 and the Reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated Financial Statements of the Company for the financial year ended 31st March, 2024 and the Report of Auditors thereon.
2. To appoint a Director in place of Shri Vikram Aditya Mody (DIN: 00193192), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

As Special Business:

3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration as approved by the Board of Directors and details below, to be paid (apart from taxes as applicable and reimbursement of actual travel and out-of-pocket expenses) to the Cost Auditors S.K. Sahu & Associates and Poonam Shah, to conduct the Cost Audit for the financial year ending 31st March, 2025 be and is hereby ratified and approved."

Name of the Industry	Name of the Manufacturing Units and their locations	Name of the Cost Auditors	Remuneration (in Rs.)
Engineering	Bamunari Plant, Santragachi Plant & Tiljala Plant, West Bengal	S K Sahu & Associates	40,000
Jute	Dalhousie Jute Company, Champdany, West Bengal	S K Sahu & Associates	20,000
Chemical	Hindusthan Chemicals Company, Olpad, District: Surat, Gujarat	Poonam Shah	70,000

"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

4. Appointment of Shri Rajendra Kumar Duggar as an Independent Director of the Company

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of section 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, the Articles of Association of the Company and on recommendation of Nomination and Remuneration Committee and approval of Board of Directors of the Company, Shri Rajendra Kumar Duggar (DIN: 00403512), who has been appointed as an Additional Director of the Company in the Independent category and has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a member, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) years from 19th July, 2024 to 18th July, 2029 (both days inclusive) on such terms and conditions as stated in the explanatory statement hereto."

5. Appointment of Shri Mool Chand Gauba as an Independent Director of the Company

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of section 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, the Articles of Association of the Company and on recommendation of Nomination and Remuneration Committee and approval of Board of Directors of the Company, Shri Mool Chand Gauba (DIN: 02942664), who has been appointed as an Additional Director of the Company in the Independent category and has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a member, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) years from 19th July, 2024 to 18th July, 2029 (both days inclusive) on such terms and conditions as stated in the explanatory statement hereto."

6. To appoint Shri Vikram Aditya Mody as Executive Chairman of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014

(including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the approval of the members of the Company be and is hereby accorded to the appointment of Shri Vikram Aditya Mody (DIN:00193192), to hold the office as Whole-time Director designated as Executive Chairman of the Company, for a period of 3 (Three) years commencing from 1st January, 2024 to 31st March, 2026 on the remuneration and other terms and conditions as set out in the explanatory statement to this resolution with power to the Board of Directors to alter and vary the terms and conditions of his appointment and/or remuneration as it may deem fit and in such manners, as may be agreed to between the Board and Shri Vikram Aditya Mody and in the event of absence or inadequacy of profit, the Company may pay remuneration to Shri Vikram Aditya Mody by way of salary and perquisites as Minimum Remuneration notwithstanding that such remuneration is in excess of the limits specified in the Companies Act, 2013 (including any statutory modification(s) thereof from time to time).

7. To make loan / investment and give guarantee / provide security under section 186 of the Companies Act, 2013

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:-

“RESOLVED THAT in supersession to the resolution passed by the shareholders of the Company on 3.9.2014 and pursuant to Section 186 and all other applicable provisions of the Companies Act, 2013 read with Rule 11 and 13 of the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended, from time to time and Articles of Association of the Company, approval of the Shareholders of the Company be and is hereby given to the Board of Directors for:-

- i) giving any loan to any person or other body corporate,
- ii) giving any guarantee or providing security in connection with a loan to any other body corporate or persons and / or
- iii) acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate.

up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs.2000 Crores which shall be over and above the limits as specified in Section 186(2) of the Companies Act, 2013 and the aggregate outstanding amount of loans/guarantees/securities given/provided to wholly owned subsidiary companies and /or joint venture companies and investments made in wholly owned subsidiary companies, from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide, from time to time, terms and conditions, execute necessary documents, papers agreements etc. for investment to be made, loans/guarantees to be given and securities to be provided to any person and/or any body corporate, do all such acts, deed, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Managing Director or Whole time Director or Director or officer of the Company or any other person.

8. Approval of loans, investments, guarantee or security under section 185 of Companies Act, 2013

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken/to be taken by any company in which any director of the company is deemed to be interested, upto an amount, the aggregate outstanding of which shall not exceed, at any given of time, Rs. 2000 Crores (Rupees Two thousand Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

Registered Office
 ‘Mody Building’
 27, Sir R.N. Mukherjee Road
 Kolkata – 700 001
 Date: 19th Day of July, 2024

By Order of the Board of Directors

CIN: U93000WB1998PLC086303
 Phone: 033 2248 0166
 Fax: 033 2248 1922
 Email: ho@heilindia.com
 Website: www.heilindia.com

R.K.Agarwal
 Company Secretary
 Membership No.FCS-5047

NOTES

1. The Explanatory Statements setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 Dated : 8th April, 2020, General Circular No. 17/2020 Dated : 13th April, 2020, General Circular No. 20/2020 Dated : 5th May, 2020, General Circular No. 02/2021 Dated : 13th January, 2021, General Circular No. 19/2021 Dated : 8th December, 2021, General Circular No. 21/2021 Dated : 14th December, 2021, General Circular No. 2/2022 Dated : 5th May, 2022, General Circular No. 10/2022 Dated : 28th December, 2022 and General Circular No. 09/2023 Dated : 25th September, 2023 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM, pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Rajgaria & Associates, Chartered Accountants, having Firm Registration No. 314241E of 135A, B. R. B. Basu Road, Kolkata – 700 001, have been appointed as the Statutory Auditors at the 26th Annual General Meeting of the Company for a period of five years. As per Companies (Amendment) Act, 2017 (Section 139 of the Companies Act, 2013), notified on 07 May, 2018, the requirement of ratification of appointment of the Statutory Auditor at every Annual General Meeting has been done away with. As such, resolution for ratification of appointment of Auditor is no longer required to be passed at the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2024 to 30st September, 2024 (both days inclusive) for the purpose of AGM.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. In compliance with the MCA Circulars the Annual Report for the financial year 2023-2024, Notice of the 27th AGM and instruction for remote e-voting are being sent by electronic mode to all members whose email IDs are registered with the Company/Depository Participants(s). In view of the current COVID – 19 pandemic physical copies of Annual Report and Notice for this AGM will not be sent in physical. The Notice of AGM is also available on the Company's website www.heilindia.com. The Notice shall also be available on the e-Voting website of NSDL viz. www.evoting.nsdl.com.
10. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least 10 (ten) days in advance of the Annual General Meeting through email on ho@heilindia.com. The same will be replied by the Company suitably.
11. **The name and address of the Company's Registrar and Share Transfer Agent is C.B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700019. Hence, any correspondence relating to shares and debentures may be made with them only.**
12. Members holding shares in physical form, who have multiple accounts in identical names or joint accounts in the same order, are requested to send the Share Certificates to the Company's Share Transfer Agent for consolidation of such shareholdings in one account to facilitate better service.
13. To support the 'Green Initiative', the Members who have not registered their e-mail addresses, are requested to register the same with the Registrar in case of shares held in certificate form and with the Depositories in case of shares held in demat form. Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014 requires a Company to provide advance opportunity at least once in a financial year, to the Member to register his email address and any changes therein. In compliance with the same, we request the Members who do not have their email id registered with the Company to get the same registered with the Company. Members are also requested to intimate to the Company the changes, if any in their email address.

14. **Members are requested to avail the dematerialization facility of Company's shares. Demat ISIN No. allotted by National Securities Depository Ltd. and Central Depository Services (India) Ltd. is INE 665C01026. The address of the Company's interface Registrar is C.B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata- 700019.**
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company at its Registered Office or to the Registrar and Share Transfer Agents.
16. Pursuant to Section 113 of the Act and Rules framed thereunder, the Institutional/ Corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the purpose of participation and voting during the AGM. In this regard, the corporate members are requested to send a certified true copy of the board resolution together with attested specimen signature of authorized representative to the scrutinizer through email at scrutinizermkb@gmail.com with a copy marked to evoting@nsdl.co.in.
17. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names as per the Register of Members will be entitled to vote. The voting rights of the member shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date.
18. Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, PAN, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, in case the shares are held by them in physical form.
19. Non-resident Indian members are requested to inform CB Management Services (P) Ltd., immediately of any change in their residential status on return to India for permanent settlement.
20. All documents referred to in the Notice and the Explanatory Statement shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at ho@heilindia.com from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers.

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at NSDL e-Voting system at <https://www.evoting.nsdl.com>.

21. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto
22. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amended Rules, 2015, the Company is pleased to provide its members facility to exercise their right to vote on the resolution proposed to be considered at the AGM by electronic means and the business may be transacted through e -Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - III. The remote e-voting period will commence on 27th September, 2024 (9.00 am) and end on 29th September, 2024 (5.00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. 23rd September, 2024 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

IV. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 27th September, 2024 at 09:00 A.M. and ends on 29th September, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 – 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID

- for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizermkb@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **23rd September, 2024**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30** . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **23rd September, 2024** may follow steps mentioned in the Notice of the AGM under Step 1: "Access to NSDL e-Voting system" (Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 4886 7000 or send a request to and /or Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to rta@cbmsl.com & to ho@heilindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to rta@cbmsl.com & to ho@heilindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join Meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at ho@heilindia.com from Friday, 20th September, 2024 (9:00 A.M.) to Sunday, 22nd September, 2024 (5:00 PM).
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Chairman of the Meeting/the Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.
7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
9. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.
 - V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - VI. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 23rd September, 2024.

- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at AGM.
- IX. The Company has appointed Shri Raj Kumar Banthia, (Membership No. ACS 17190 & CP No. 18428) Partner, M/s MKB & Associates, Company Secretaries, Kolkata as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.
- X. The Scrutinizer shall after the conclusion of the voting at the Annual General Meeting, will first count the votes cast at the meeting and there after unblock the votes cast through remote e-voting in presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
- XI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.heilindia.com and on the website of NSDL immediately after the declaration of the result by the Chairman or a person authorised by him in writing.
- XII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the meeting i.e., 30th September, 2024.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

Resolution at Item No. 3

In accordance with the provision of Section 148 of the Companies Act, 2013 read with and the Companies (Audit and Auditors) Rules, 2014 the remuneration of the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors shall be ratified by the members. Accordingly ratification by the member is sought to the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2025 by passing an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financial or otherwise, in the resolution.

The Board of Directors recommends the resolution for approval of Shareholders.

Resolution at Item No. 4

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company through a resolution passed on 19th July, 2024, approved the appointment of Shri Rajendra Kumar Duggar (DIN: 00403512) as an Additional Director on the Board of the Company in Independent category for a term of 5 (five) years from 19th July, 2024 to 18th July, 2029, subject to approval of the shareholders of the Company.

Pursuant to the provisions of Section 161 of the Act, Shri Rajendra Kumar Duggar will hold office up to the date of the ensuing Annual General Meeting and is eligible for appointment as Director, not liable to retire by rotation, subject to the approval of the shareholders.

The Company has also received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Rajendra Kumar Duggar for the office of Independent Director in the Company. The notice is available for inspection by the members in electronic mode.

Brief Profile of Shri Rajendra Kumar Duggar:

Shri Rajendra Kumar Duggar is a Member of the Institute of Chartered Accountants of India. He has a wide and varied experience across variety of industries.

The Company has received from Shri Rajendra Kumar Duggar (i) consent to act as Director in writing in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 (ii) disclosure in Form DIR-8 pursuant to Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub section (1) and (2) of Section 164 of the Companies Act, 2013 (iii) declaration to the effect that he meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Act, Rules made thereunder (iv) declaration to the effect that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (v) declaration to the effect that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. Shri Rajendra Kumar Duggar has also confirmed that the directorships held by him are within the limits as prescribed under the Act.

Copy of draft letter of appointment of Shri Rajendra Kumar Duggar as an Independent Director, setting out the terms and conditions of appointment, is available for inspection by the Members in electronic mode. Members seeking to inspect such documents are requested to follow the procedure mentioned in the Notes to this Notice.

In terms of Section 152 of the Companies Act, 2013 read with Rules framed thereunder, the Board of Directors is of the opinion that Shri Rajendra Kumar Duggar fulfills the conditions for independence specified in the Act, the Rules made thereunder and that he is independent of the Company's management. He also possesses appropriate skills, experience and knowledge required for discharge of his duties as an Independent Director. The Directors are of the view that the vast knowledge and varied experience of Shri Rajendra Kumar Duggar will be of immense benefit to the Company and hence his appointment as an Independent Director is justified in terms of Secretarial Standards on General Meeting (SS-2).

Shri Rajendra Kumar Duggar shall be paid remuneration by way of fee for attending meetings of the Board and Committees thereof, reimbursement of expenses for participating in such meetings.

Except Shri Rajendra Kumar Duggar and his relatives, no other Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution as set out in item no. 4 of this Notice.

The Board of Directors recommends the Resolution set out in the Item No. 4 of the Notice for your approval.

Resolution at Item No. 5

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company through a resolution passed on 19th July, 2024, approved the appointment of Shri Mool Chand Gauba (DIN: 02942664) as an Additional Director on the Board of the Company in Independent category for a term of 5 (five) years from 19th July, 2024 to 18th July, 2029, subject to approval of the shareholders of the Company.

Pursuant to the provisions of Section 161 of the Act, Shri Mool Chand Gauba will hold office up to the date of the ensuing Annual General Meeting and is eligible for appointment as Director, not liable to retire by rotation, subject to the approval of the shareholders.

The Company has also received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Mool Chand Gauba for the office of Independent Director in the Company. The notice is available for inspection by the members in electronic mode.

Brief Profile of Shri Mool Chand Gauba:

Shri Mool Chand Gauba is a Qualified CAIIB (Associate of Indian Institute of Bankers). He has a wide and varied experience across variety of industries.

The Company has received from Shri Mool Chand Gauba (i) consent to act as Director in writing in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 (ii) disclosure in Form DIR-8 pursuant to Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub section (1) and (2) of Section 164 of the Companies Act, 2013 (iii) declaration to the effect that he meets the criteria of independence as prescribed under subsection (6) of Section 149 of the Act, Rules made thereunder (iv) declaration to the effect that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (v) declaration to the effect that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. Shri Mool Chand Gauba has also confirmed that the directorships held by him are within the limits as prescribed under the Act.

Copy of draft letter of appointment of Shri Mool Chand Gauba as an Independent Director, setting out the terms and conditions of appointment, is available for inspection by the Members in electronic mode. Members seeking to inspect such documents are requested to follow the procedure mentioned in the Notes to this Notice.

In terms of Section 152 of the Companies Act, 2013 read with Rules framed thereunder, the Board of Directors is of the opinion that Shri Mool Chand Gauba fulfills the conditions for independence specified in the Act, the Rules made thereunder and that he is independent of the Company's management. He also possesses appropriate skills, experience and knowledge required for discharge of his duties as an Independent Director. The Directors are of the view that the vast knowledge and varied experience of Shri Mool Chand Gauba will be of immense benefit to the Company and hence his appointment as an Independent Director is justified in terms of Secretarial Standards on General Meeting (SS-2).

Shri Mool Chand Gauba shall be paid remuneration by way of fee for attending meetings of the Board and Committees thereof, reimbursement of expenses for participating in such meetings.

Except Shri Mool Chand Gauba and his relatives, no other Directors, Key Managerial Personnel of the Company or their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution as set out in item no. 5 of this Notice.

The Board of Directors recommends the Resolution set out in the Item No. 5 of the Notice for your approval.

Resolution at Item No. 6

Shri Vikram Aditya Mody was appointed as a Director of the Company with effect from 6th October, 2017 and Chairman of the Company with effect from 1st July, 2020. Shri Vikram Aditya Mody, having more than 39 years of experience in industry has wide and varied experience in engineering, jute and chemicals production, sales and administration and has held senior positions in the past in the company. The Board of Directors of the Company, in their Meeting held on 30th December, 2023, has appointed Shri Vikram Aditya Mody as Whole time Director (designated as Executive Chairman) of the Company for a period of 3 (Three) years with effect from 1st January, 2024 to 31st March, 2026 liable to retire by rotation, subject to approval of the members at the ensuing Annual General Meeting of the Company. The Board has also approved the remuneration, perquisites and other benefits payable to Vikram Aditya Mody as the Whole time Director (designated as Executive Chairman) based on the approval accorded by a resolution passed by the Nomination and Remuneration Committee and Audit Committee. The broad particulars of remuneration and perquisites payable to and other principal terms and conditions of his appointment as contained in the letter of appointment issued by the Company to Shri Vikram Aditya Mody, are as under:

I. Tenure of appointment: 3 (Three) years with effect from 1st January, 2024 to 31st March, 2026.

II. Remuneration:

- a) A lumpsum remuneration of Rs.9 crores per financial year 2023-24, 2024-25 and 2025-26, notwithstanding that his period of office in any financial year is less than a year.
- b) All taxes, deductions etc. as per Law & Rules and as are applicable from time to time will be deducted at source.

The above remuneration shall also be paid as minimum remuneration in case of inadequacy of profit.

III. Other Conditions:

- a) As long as Shri Vikram Aditya Mody is the Executive Chairman of the Company, no sitting fees will be paid to him for attending the Meetings of the Board of Directors or Committee thereof, nor will he be entitled to supplement his earning under the Agreements with any buying or selling commission. He will not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- b) He will hold the above office for a period of 3 (Three) years from 1st January, 2024 to 31st March, 2026 unless determined earlier by voluntary resignation or any other reason.
- c) His services may be terminated by one month's notice on either side.
- d) If at any time he ceases to be a Director of the Company for any cause whatsoever, he will cease to be Executive Chairman.
- e) If at any time he ceases to be in the employment of the Company for any cause whatsoever, he will cease to be a Director of the Company.
- f) He will observe secrecy about all affairs of the Company as may come to his knowledge while discharging his duties.
- g) The Executive Chairman shall be considered as a Key Managerial Personnel pursuant to the provision of Section 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Keeping in view the wide experience of Shri Vikram Aditya Mody, the Nomination and Remuneration Committee and Board of Directors accorded their approvals to the above and in the interest of the Company have recommended the aforesaid Resolution as set out in this Notice for approval of members as special resolution.

The information/details of Shri Vikram Aditya Mody as required under Secretarial Standard -2 on General Meetings are provided in the Annexure to the Notice.

Except Shri Vikram Aditya Mody, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution for approval of Shareholders by way of Special Resolution.

Resolution at Item No. 7

Pursuant to Section 186(2) of the companies Act, 2013 (Act) and Rule 11 and 13 of the Companies (Meetings of Board and its Powers) Rules 2014 (Rules), the Board of Directors is authorized to give loan, guarantee or provide security in connection with a loan to any person or other body corporate, or acquire by way of subscription, purchase or otherwise, the securities including shares, debentures etc. of any other body corporate, up to an amount, the aggregate of which should not exceed 60% of the paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account of the company, whichever is higher. In case the company exceeds the above mentioned limits then, prior approval of shareholder by way of a Special resolution is required to be obtained. However, Rule 11 of the Rules provides that where a loan or guarantee is given or where a security is provided by a company to its wholly owned subsidiary or a joint venture company or acquisition is made by a holding company, by way of subscription, purchase or otherwise of the securities of its wholly owned subsidiary company, approval of shareholder is not required but such amounts will be taken into consideration for calculating the above limits.

The Company is planning to undertake various business activities through its subsidiaries and joint ventures and is also making strategic investments, from time to time, in subsidiaries, joint ventures, associates companies, other bodies corporate and would, therefore, be required to provide financial assistance / support by way of giving of loans / guarantees, providing of securities, making of investment in securities in order to expand its business activities and also for optimum utilization of funds.

Accordingly, Board of Directors of the Company may be authorized to give loans, guarantees or provide securities or make investments as mentioned above, up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 2000 crores which shall be over and above the said limits as specified in Section 186(2) of the Act and the aggregate outstanding amount of loans/ guarantee/ securities provided/ made to wholly owned subsidiary companies and joint venture companies and investments made in wholly owned subsidiary companies, from time to time. The Board of Directors had, in its meeting considered and approved, subject to the approval of shareholders, this proposal and recommends Resolution no.7 of the accompanying Notice to the shareholders for their approval by way of special resolution.

The Directors and / or Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested, financial or otherwise, in the resolution to the extent loan is given or guarantee/ security is provided to the Company in which he is interested.

Resolution at Item No. 8

Pursuant to Section 185 of the Companies Act, 2013 ("the Act"), a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any company covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to Section 185(2)(b) of the Companies Act, 2013, after passing a Special Resolution in the general meeting.

It is proposed to make loan(s) including loan represented by way of Book Debt to, and/or give guarantee(s) and/or provide security(ies) in connection with any loan taken/to be taken by any entity in whom any of the Director of the Company is deemed to be interested as specified in the explanation to Section 185(2)(b) of the Act, from time to time. Such loans shall be utilized by the borrowing company for its principal business activities and other matters connected and incidental thereto, within the limits as mentioned in the notice.

The members may note that Board of Directors would carefully evaluate the proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, and the proposed loan shall be at such rate of interest as agreed by the parties in the best interest of the Company and shall be used by the borrowing company for its principal business activities only.

The Board of Directors had, in its meeting considered and approved, subject to the approval of shareholders, this proposal and recommends Resolution of the accompanying Notice to the shareholders for their approval by way of special resolution.

The Directors and / or Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested, financial or otherwise, in the resolution to the extent loan is given or guarantee/ security is provided to the Company in which he is interested.

Details of Directors seeking Appointment / Re-appointment in the ensuing Annual General Meeting of the Company.

Name	Shri Vikram Aditya Mody	Shri Rajendra Kumar Duggar	Shri Mool Chand Gauba
DIN	00193192	00403512	02942664
Date of Birth	17.11.1961	26.11.1950	12.05.1952
Age	63 Years	74 Years	72 Years
Nationality	Indian	Indian	Indian
Qualification	Graduate in Commerce	Chartered Accountant	Qualified CAIIB (Associate of Indian Institute of Bankers)
Experience and Expertise in specific functional area	Wide business experience across the variety of industries.	Wide experience across the variety of industries.	Wide experience in Banking and Corporate Finance.
Terms and Condition of appointment / reappointment	As mentioned in the Explanatory Statement	As mentioned in the Explanatory Statement	As mentioned in the Explanatory Statement
Remuneration sought to be paid	As stated in the Explanatory Statement	As stated in the Explanatory Statement	As stated in the Explanatory Statement
Remuneration last drawn by such person	Rs. 9,00,00,000/-	NIL	NIL
Date of first Appointment on the Board of the Company	06.10.2017	19.07.2024	19.07.2024
Shareholding in the Company	100 Equity Shares	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	NIL	NIL

Number of Meetings of the Board attended during the Financial Year 2023-2024	7 (Seven)	NIL	NIL
List of other Directorships held	2 (Two) Hindusthan Vidyut Corporation Limited Fairplan Chemical & Industries Limited	5 (Five) Nutan Finvest Pvt. Ltd. Sunny Realters Pvt. Ltd. Duggar Agencies Pvt. Ltd. Duggar Estate Management Pvt. Ltd. NPR Finance Ltd.	3 (Three) Promain Limited Hindusthan Business Corporation Ltd. Kidspreneurship India Pvt. Ltd.
Membership/Chairmanship of the Committees of other Boards	Nil	NPR Finance Ltd. Chairman - Audit Committee, Stakeholders Relationship Committee, Risk Management Committee Member – Nomination & Remuneration Committee	Nil

Registered Office
'Mody Building'
27, Sir R.N. Mukherjee Road
Kolkata – 700 001
Date: 19th Day of July, 2024

By Order of the Board of Directors

CIN: U93000WB1998PLC086303
Phone: 033 2248 0166
Fax: 033 2248 1922
Email: ho@heilindia.com
Website: www.heilindia.com

R.K.Agarwal
Company Secretary
Membership No.FCS-5047