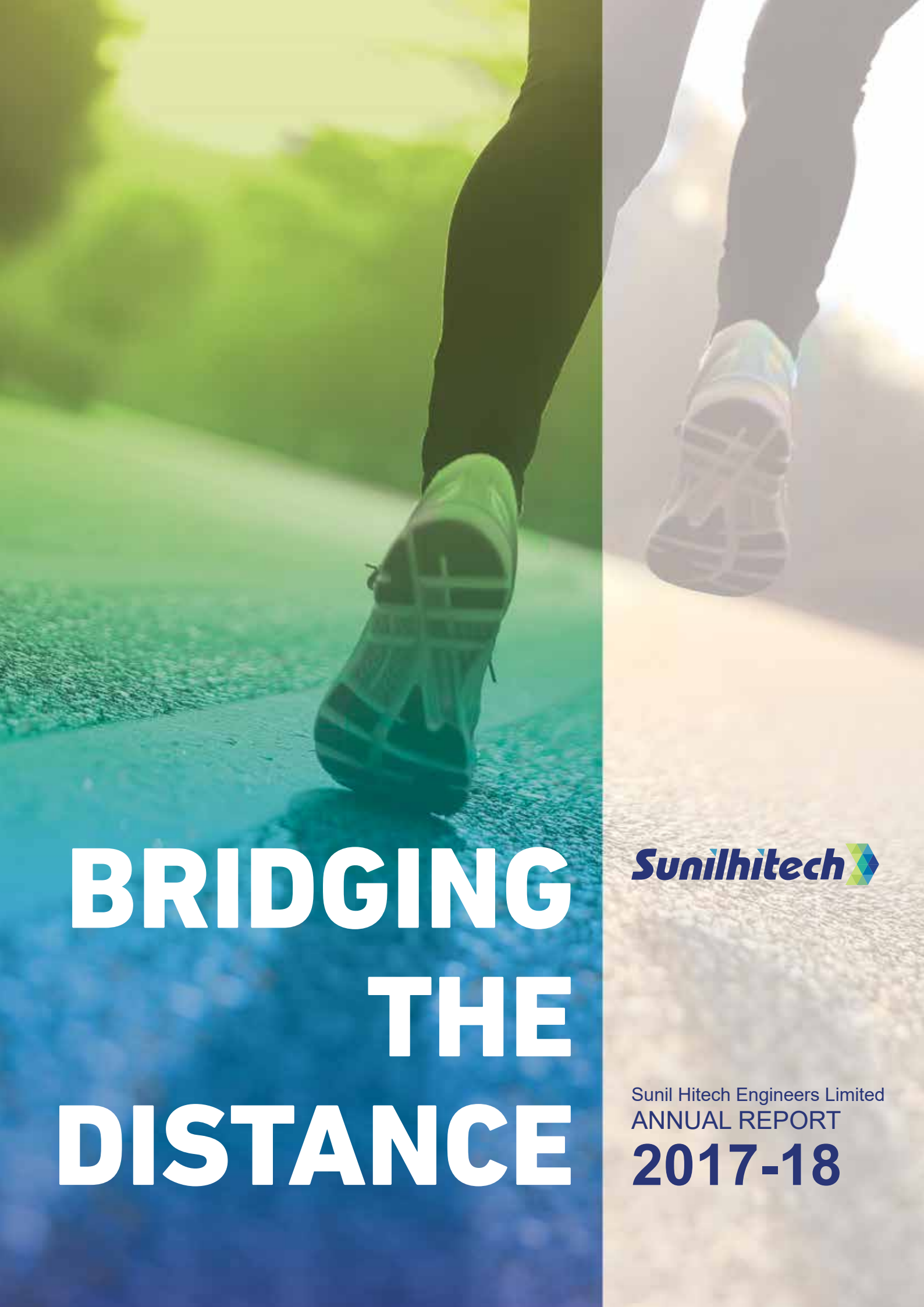


BRIDGING THE DISTANCE

Sunilhitech

Sunil Hitech Engineers Limited

ANNUAL REPORT

2017-18

Content

Forward Looking Statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

The government has given a major thrust to the infrastructure sector in FY18 with the Bharatmala Pariyojana programme being brought in to revamp the status of infrastructure in India.

At Sunil Hitech Engineers Limited, the year 2017-18 represented the successful transition of the business into the infrastructure segment, under which we will be involved in working towards doing the transformation of the existing road and highway structure of the country.

As a result of this successful transition, 68% of our order book consists of road EPC projects and a HAM project and remaining part of the order book is split up into institutional buildings and power.

For India as well as the world, infrastructure development is essential for the socio-economic progress of a country. Sunil Hitech Engineers will be extremely focused on timely and efficient execution of projects to improve the existing infrastructure of the country primarily in the road sector.

BRIDGING THE DISTANCE

Our vision to become one of the biggest infrastructure players in the country remains as clear as ever.

The recent uptick in ordering has tested the ability of the sector to absorb large order inflows and has started benefitting able companies to scale up operations.

The going would only get better for the sector (more for able construction players) with another mammoth of orders expected in the coming years

BRIDGING THE DISTANCE

Corporate Information

Board of Directors

Mr. Sunil Ratnakar Gutte
Chairman and Managing Director

Mrs. Sudhamati Ratnakar Gutte
Non-Executive Director

Mr. Dilip Yeshwant Ghanekar
Independent Director

Mr. Sajid Ali
Independent Director

Mr. Parag Ashok Sakalikar
Independent Director

Mr. S.S. Waghmare
Independent Director

Mr. Anil Ramchandra Aurangabadkar
Independent Director

R & T Agents

M/s Bigshare Services Private Limited,
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai-400059

Depositories

National Securities Depositories Ltd.,
Central Depository Services (India) Ltd.

Chief Financial Officer

CA Harshvardhan Kaushik

Company Secretary

CS Shrikant Chandrashekhar Rikhe

Auditors

M/s. K.K. Mankeshwar& Co.,
Chartered Accountants,
7 Kingsway, Nagpur-440001

Bankers

Axis Bank
Bank of India
Bank of Maharashtra
Canara Bank
ICICI Bank
IDBI Bank
Karur Vysya Bank
Kotak Mahindra Bank
Lakshmi Vilas Bank
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
Syndicate Bank
UCO Bank
Union Bank of India

Registered office

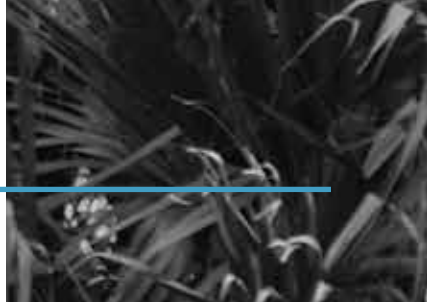
72, Floor-7, Plot-15A, Sagar Tarang CHS,
Khan Abdul Gaffar Khan Marg,
Worli Seaface, Worli Colony,
Mumbai – 400030, Maharashtra.

Corporate office

6th Floor, “C” Wing, MET Educational Complex,
Gen. A.K. Vaidya Marg, Bandra Reclamation,
Bandra (W), Mumbai-400050
Phone: +91 22 61872400/97
Fax: 61872455,
Email: info@sunilhitech.com,
cs@sunilhitech.com
Website: www.sunilhitech.com

Regional office (Central)

97, East High Court Road,
Ramdaspeth,
Nagpur - 440 010
Maharashtra



Sunil Hitech Engineers Ltd.

Sunil Hitech Engineers Limited (SHEL) was incorporated in 1984 by the Gutte Family and is spearheaded by Mr Sunil Gutte, the Chairman and Managing Director. The company has completely transformed from a family business to being a corporate organisation. The company has evolved into a diversified entity, having presence in EPC and Construction of Road & Bridges, Building works of institutions, hospitals and housing projects, cross country pipeline, civil & mechanical works of power and steel plants, cooling towers, chimneys, etc., also in renewable sector. SHEL has executed projects across 17 States in India. The company has executed projects for marquee clients across public and private sectors like NTPC, BHEL, MORTH, NHAI, BSHB, MAHAGENCO, MPPGCL, CSPGCL, NHIDCL, L&T, JSW, Reliance Infra, PWD, TATA Projects, Adani, SCCL, KDA, UPRRNL, BIDCO, ABIR, NBCC, GSECL, JRD, etc. The company has a vast experience extending to roads and bridges, power sector, civil engineering projects, construction and urban buildings infrastructure.

VAG Buildtech

VAG Buildtech Ltd. is the infrastructure development arm of Sunil Hitech Group. The company has launched various projects in urban infrastructure, solid waste management and road development. The company now focuses on the following verticals of infrastructure:

- Landfill management and renewable power generation
- Sewage/ waste water treatment
- Recycle and reuse water treatment management
- Sea water desalination
- Solar Energy

Key Subsidiaries:

SEAM Industries

SEAM Industries is a subsidiary of Sunil Hitech Engineers (holding 88.61%), which was established to cater to the needs of undertaking fabrication and erection related works required for the Power Plant Construction. It is primarily backward integration to help SHEL to augment and consolidate as a supplier-cum-on site repairer in the Power business. Seam Industries Limited manufactures boiler pressure parts and components, industrial boilers, ROB and RUB railway girder slabs, steel pipes, and pipe fittings, etc. and complements Sunil Hitech's EPC Projects.

Competencies

- In the Road projects, the company is qualified for Road EPC projects from NHAI and MORTH for 2/4/6 lanes projects up to Rs. 1,200 Cr and BOT & Annuity Projects up to Rs. 1,500 Cr.
- In Buildings construction, SHEL provides Building Construction services to Hospitals, National Institutions, Government Housing projects, industrial, commercial buildings, hostels, industrial sheds, etc.
- In Power projects, SHEL has extensive experience and provides design, manufacturing, supply, erection, testing and commissioning of BOP & EPC assignments.
- The company also executes Operation, Overhauling and Maintenance (renovation and modernization) of Power and Steel plants up to 800 MW.
- SHEL also has a manufacturing arm for heavy engineering equipment in Power, Infrastructure, Process and Chemical Industries.
- The company has also forayed into EPC for various high growth sectors like River Linking, Railways, Water and Sewage Management.

Vision

The vision of the company going forward will be towards the infrastructure segment as well as the river interlinking projects. The government has laid out a huge opportunity of orders in this space and the company plans to play an active role in participating in these projects laid out by the government.

To meet quality, price and schedule benchmarks and consistently satisfy customers.

People Capital

Sunil Hitech (with an employee base of over 500 members) prides itself on being an equal opportunity employer. Nearly 80% of its employees comprise of graduates and diploma engineers, 20% are MBAs, CAs, CS, and other academic qualifications.

Listing and market capitalisation

The equity shares of Sunil Hitech are listed on the Bombay and National Stock Exchange with the promoters holding a 40% stake in its equity share capital with a further increase expected through infusion of the convertible warrants to the promoters. The Company's market capitalisation (free float) stood at Rs. 312 Cr as on 31 March 2018.

Location

Sunil Hitech is headquartered in Mumbai with extensive operations in Nagpur and Delhi. The Company manages projects across more than 12 Indian States.

Key Milestones

1984
Mr. Ratnakar M Gutte started the business under the name Sunil Engineering Works.

1994
Initially struggled for 10 years and then received the first major order from BHEL at Chandrapur of Rs. 2.4 Cr

1998
Sunil Hitech Engineers Pvt. Ltd. was incorporated with the registration No. 11-155155 dated 29/05/1998.

2003
ISO 9001-2008 Certification dated 28/03/2003.

2004
Major work order from NTPC of Rs. 34 Cr.

2006
Crossed Revenue of Rs. 100 Cr, Listed on BSE & NSE with 9 times over subscription of IPO.

2008
QIP of Rs. 81 Cr in January 2008. Diversified in T&D segment & manufacturing through Seam Industries Ltd & OHSAS 18001-2007 Certification dated 29/04/2008.

2009
First of its kind Civil, Structural & Architectural Work Project from BHEL worth Rs. 235 Cr.

2010
First BOP job worth Rs. 487 Cr; Civil & Structural job of 660 MW & 600 MW from L&T and Avantha Power worth Rs. 700 Cr.

2012
Erection of 800 MW Doosan Boiler.

2013
Bagged first Institutional Buildings order from PWD - Punjab for construction of Central Sudhar Ghar worth Rs. 350 Cr.

2014
Foray into EPC Road business with World Bank funded orders in the state of WB, Bihar and Karnataka worth Rs. 900 Cr for NHAI/MORTH.

2015
Commissioned the pilot 5 MW Solar Power EPC Project through a Wholly-Owned-Subsidiary for gaining EPC experience.

2016
Further strengthened Buildings portfolio by bagging largest Housing Sector order from Bihar state worth Rs. 415 Cr & UPRNNL Firozabad medical college order for Rs. 130 Cr.

2017
Bagged more than Rs. 2,078 Cr of road EPC contract including HAM of Rs. 982 Cr. Standalone Topline crossed Rs. 2,000 Cr.

2018
Received an early completion bonus of Rs. 10 Cr for the company's road EPC project in West Bengal, started bidding for further orders in the roads space through the Bharatmala Pariyojana.

Key Awards & Accolades

Awards

Great Achievers Award for Industry Development
- 2016-17

Individual Contribution for National Economic & Social Development
- 2015-16

World Consulting & Research Corporation Leader Award
- 2015-16

Best Safety Performance Award (Momento) and "Excellence in Safety" certificate from NTPC

Recognition

- Marathwada Bhushan Mitra Gaurav Award' – given by Honourable Chief Minister Mr. Prithviraj Chavan
- 'NCCL Award' For Outstanding Performance in Industry & Business Sector – Nagpur Chamber of Commerce
- Excellence Award – Global Organization
- Life Time Udyog Achievement Award – Economic Growth Society of India
- Fastest Growing Business Excellence Award – Indian Organisation for Commerce and Industry
- Great Achiever of Industrial Excellence Award – Indian Organisation of Commerce and Industry.

Key Clients

Order Book

Rs. 4404.96 Crore (as on 31st March, 2018)

Roads & Bridges

Strengths

The company's strengths is comprised of timely delivery, budgeted targets and adherence with international safety and quality standards. The company's key focus is on timely execution of projects going forward. A key example of this was noted when the company completed one of its road EPC projects in Bankura - Purulia, West Bengal, recently. The project was successfully completed 95 days prior to the forecasted date. The Company received a bonus of Rs. 9.66 Cr on the project cost of Rs. 322 Cr. Timely and efficient execution is going to be the key focus of the company, going forward.

The Major Projects which the company has in its road portfolio is as seen along side, of which the company was awarded 4 projects floated by MORTH backed by the World Bank (the first 4 projects):

Overview

From local Roads to major Motorways, SHEL´s experienced civil engineers have been building sustainable roads and structures for the country´s infrastructure. Across the country, execution of some remarkable transportation projects include:

Construction of Road, Expressways, National Highways and State Highways with paved shoulder

|

Rail Overbridges and rail Underbridges

|

Major and minor bridges

|

Toll plaza, etc

Progress

In FY 2012-13, the Company had an order book of Rs. 10 Cr. Currently, the Company has an order book valued at Rs. 3,000 Cr, which comprises of 10 road EPC projects and 1 HAM project. Being a relatively new entity in the roads space, the Company has progressed tremendously over the past 6 years, while seizing the chunk of these orders in the last two years. Previously, the Company was qualified for road projects of 2/4 lane worth Rs. 500 Cr and BOT/ Annuity Projects worth Rs. 700 Cr. During the year, the company progressed drastically in terms of qualification and now it is qualified for 2/4/6 lane projects worth Rs. 1,200 Cr and BOT/ Annuity Projects worth Rs. 1,500 Cr.

2012-13

Rs. 10 Cr of Order Book

NOW

Rs. 3000 Cr of Order Book

Over the year

Rs. 1200 Cr- 2/4/6 lane

Rs. 1500 Cr- BOT/ Annuity

Madhugiri-Mulbagal, Karnataka	Bankura-Purulia, West Bengal (COD achieved Six Months ahead of schedule & provisional certificate received from Authority. Company to get bonus of Rs 9.66 crores)	Sitamarhi-Jaynagar-Narahia, Bihar, Lot I	Sitamarhi-Jaynagar-Narahia, Bihar, Lot II, MORTH
MORTH	**MORTH**	**MORTH**	**MORTH**
Hunli-Anini, Arunachal Pradesh, NHIDC	Parli-Pimpla-Dahiguda, Maharashtra	Mehkar-Ajispur, Maharashtra	Ajanta-Buldhana-Khamgaon-Shegaon-Deori, Maharashtra
NHIDC	**MORTH**	**MORTH**	**MORTH**
Nanded-Bhokar-Himayatnagar-Kinwat-Sarkhani-Mahur-Arni, Maharashtra	Kutchery Chowk-Ranchi-Piska More-Biju Para, Jharkhand	Bodhre-Dhule, Maharashtra	
MORTH	**NHAI**	**NHAI**	

Buildings

Overview

SHEL entered the buildings space by successfully leveraging their rich experience derived from Balance of Plant and EPC projects to enter the construction services for Public Works Department (PWD) and other Govt. departments. We provide EPC services for:

01 Hospitals

02 National Institutions

03 Government Housing projects

04 Industrial

05 Commercial Buildings

06 Hostel

07 Industrial Sheds

SHEL has successfully executed single building projects worth Rs. 180 crs in last 2 years for PWD. SHEL is qualified for up to Rs. 500 crs for single project which would entail higher margins for lower competition.

Vision

The Company intends to focus on Institutional Buildings like IITs, IIMs, AIIMS, Administrations Buildings, etc. The company envisages tremendous opportunity to bid in this space as the market size available for the same would be around Rs. 15,000 Cr.

Key Projects in Buildings

- *Kanpur- KDA - Construction of EWS Houses*
- *Govindval- Construction of Central Sudhar Griha*
- *Singreni- SCCL - Construction of Staff Quarters, GM Bungalow at Singareni TPP*
- *Firozabad- UPRNNL - Construction of Medical college buildings*
- *Bihar- BSHB - Construction of 1054 Flats at Dalpatpur (G+11)*

Power

Overview

SHEL entered the Power Sector in 1984 and entered this business vertical mainly in carrying out the civil works with structures in 2008. Over the years, SHEL has completed projects up to 46,129 MW by FY17 year end.

The company specialises in setting up EPC / turnkey projects (up to 660 MW), which includes erecting boilers, Turbine Generators and auxiliaries, Transmission & Distribution projects, etc. This end-to-end presence of SHEL has cemented its reputation as one of the most reliable names in these segments. SHEL's strength lies in creating a synergy with renewable and alternate sources of power resulting in attaining the leadership position in design, procurement, and construction of thermal and nuclear-fuelled power plants. The company will not be aggressively bidding for projects in this segment going forward as it intends to make a paradigm shift in becoming more of a non-power player.

For BOP & EPC assignments, SHEL provides:

Designing and Manufacturing
|
Supply and Erection
|
Testing and Commissioning

Key Projects in Power Sector

- *Koradi – MAHAGENCO – Civil, Structural & Arch works of 3x660MW Main plant package*
- *DB Power – Raigad, CG – Civil, Structural & Arch works of 2x600MW Main plant & BOP Pkg*
- *NTPC Kudgi – Construction of Ash Dyke for 3x800MW*
- *NTPC Meja – CW & Make up water system package of 2x660MW*
- *ACPL/Abir Singhi Rtarai Erection Testing & Commissioning of boilers for 2x600 MW*
- *BHEL North Karanpura – Main plant Civil works package of Unit-1 & 3, 3x660MW*
- *MAHAGENCO Parli – Balance of Plant (BOP) Package on EPC Basis*

Operation & Maintenance

Over the years SHEL has made strong Rs.oads for Power and Steel plants in providing permanent solutions to:

- **Operation**
- **Maintenance**
- **Overhauling**

The Company has evaluated the best team of skilled technicians and qualified engineers. The service portfolio covers the entire spectrum of operation and maintenance of a plant including:

Boilers, Turbine Generators and auxiliaries

Repair, Modification and Rehabilitation for utility Boilers & ESP up to 800 MW

Pressure parts, Milling system, Rotating parts and Ducting

High Pressure/Low Pressure piping works

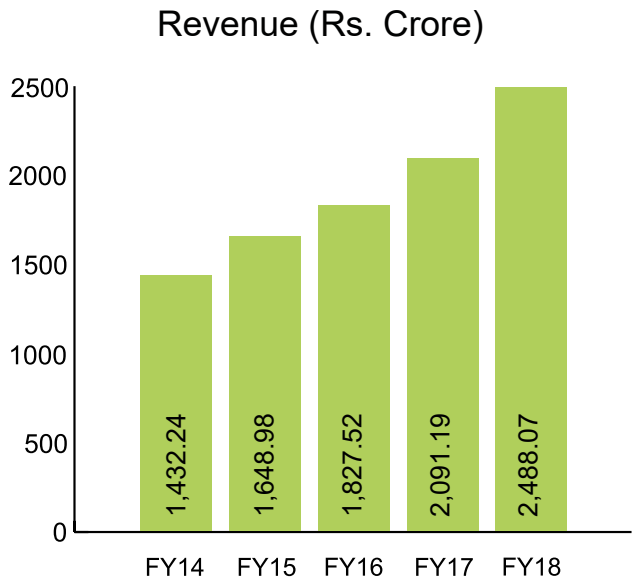
Coal Handling Plants(CHP) and Ash Handling Plants(AHP)

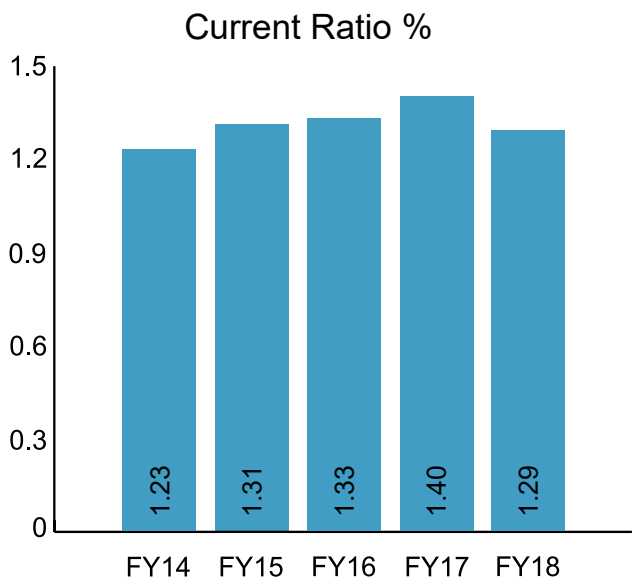
Heavy Engineering

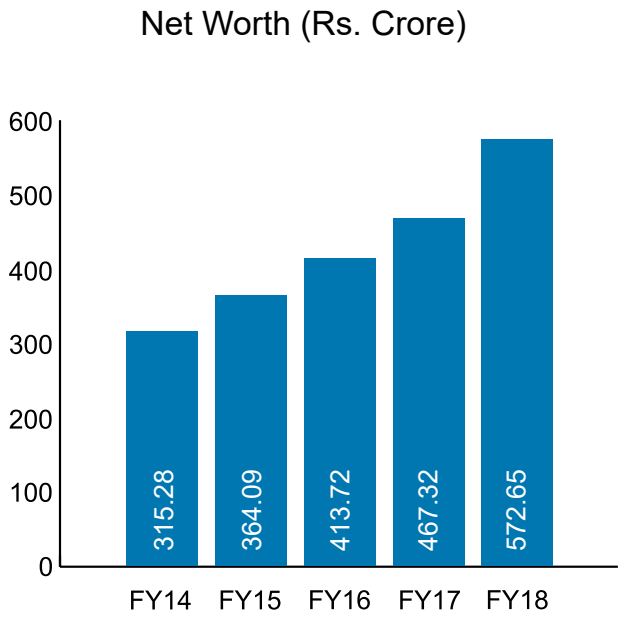
The business of this segment is carried out by SEAM Industries which provides a backward integration function to Sunil Hitech Engineers Ltd. This segment includes design and supply of:

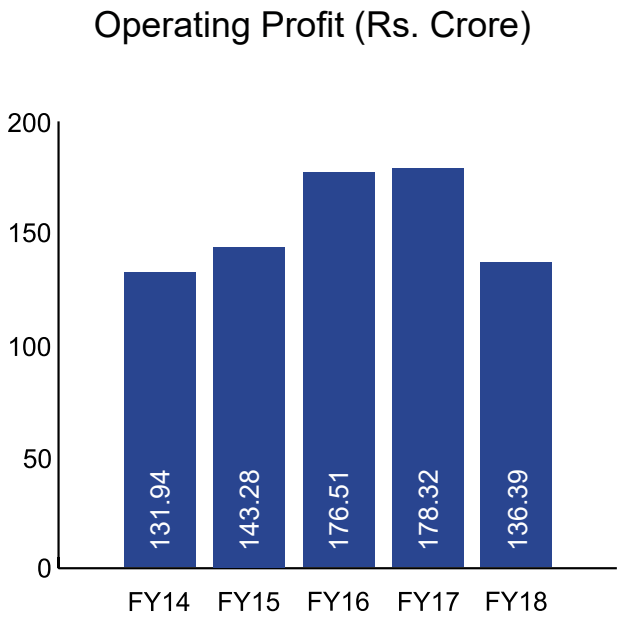
- Super heater and re-heater coils
- Economizer and LTSH coils
- Water wall panels
- High pressure parts bend
- Structure of TG, bunkers and boilers
- Technological structures for power and process industry
- Tanks and vessels
- Piping
- Boiler pressure parts tubes up to 800MW
- Collecting and emitting electrodes of ESP
- Air register assemblies
- Railway Over Bridge
- Girders

Financial Highlights









Board of Directors

Mr. Sunil R.Gutte,
Chairman & Managing Director

Mr. Sunil Gutte is currently the Chairman and Managing Director of Sunil Hitech Engineers Ltd. He has completed Mechanical Engineering from Pune University and also has a degree in Family Business Management from the S.P. Jain Institute of Management, Mumbai and Project Management from IIM, Ahmadabad. He went through a training program of BHEL's Welding Research Institute in Tiruchirapalli together with an intensive training in Finance and Taxation. At Sunil Hitech, Mr. Sunil Gutte manages Project executions, administration and control. Under his prolific guidance, futuristic vision, and expertise, a successful IPO was done in 2006 followed by a QIP in 2008. Under his leadership, Sunil Hitech has become a renowned Engineering, Procurement & Construction (EPC) Company in India. Sunil Hitech Engineers Ltd was known as M/s. Sunil Engineering Works (SEW) in 1984, which was led by Mr. Ratnakar M.Gutte as a proprietary company. In 1998, it was established as Sunil Hitech Engineers Pvt. Ltd, and has since then progressed in enabling India with innovative solutions for power, construction and infrastructure industries. The Company today has been able to explore several avenues because of Mr. Gutte's dedication and understanding of finance and business, and his ability to draft and implement supportive developmental policies. The Company has undergone many strategic revolutions due to perseverance of Mr. Sunil Gutte. Mr. Gutte has assisted Sunil Hitech in developing human resources. Along with the technical expertise, he has ensured technological advancements for the Company to meet the growing demand of industries in India. He also initiated several changes in reporting standards, management structure, HR- policy and decision-making for Sunil Hitech to pioneer success.

Sudhamti R. Gutte,
Non-executive Director

Mrs. Sudhamti R. Gutte is associated with the Company since its inception. She has contributed immensely to the growth of the business by laying stress on team building and motivation. Mrs. Gutte manages the Administration and Back Office functions of the Company. With more than 15 years of hands on experience in management and administration of the Company, Mrs. Gutte ensures smooth functioning of the processes.

She believes in interacting with employees to ascertain grey areas in the overall working of departments and suggests remedial measures to help teams overcome them so that the employees can utilise their time and expertise to the optimal level in the organisation. In addition to the above, Mrs. Gutte regularly participates in social activities to fulfil the Company's Corporate Social Responsibility activities. She regularly interacts with the underprivileged and has various initiatives put in place for their welfare like providing them with educational, medical and farming facilities. She has set up offices for the procurement of Sugar Cane in the command area. Due to her immense social contacts and community service she enjoys excellent rapport with the villagers. She has been guiding the farming community to adopt scientific agricultural practices. More fertile land is being brought under sugarcane cultivation due to her motivational efforts. She is held in great respect by the industrialists, workers and farmers in the Marathwada region. Her association with the Company facilitates harmonious relations with all the stakeholders.

Mr. Sajid Ali,
Independent Director

Mr. Sajid Ali is a Graduate Engineer with 40 years of experience in erection and commissioning of equipment in Coke Oven Plants, Piping, Boiler Erection and Turnkey Projects. He has vast knowledge and experience in planning and execution of various projects and has handled large volume projects. His forte is able administration. Mr. Ali was in-charge of the entire construction management of the Power Sector for BHEL, Western Region, in 1994.

Mr. Dilip Y. Ghanekar,
Independent Director

Mr. Dilip Y. Ghanekar finished his graduation in the year 1967 from VRCE, Nagpur. He retired as the Technical Director, MSEB. He has 36 years of work experience with Maharashtra State Electricity Board in the areas of operation, maintenance, construction and planning at power stations up to 500 mw unit size. Mr. Ghanekar is also adept at global procurement of equipment, encouraging non-conventional energy development of contracts for power purchase, and other areas of operations. Mr. Ghanekar has undergone training at the works of boiler manufacturer M/s. Combustion Engineering U.S.A. for 500 mw unit and in Australia conducted by United Nations for Coal Technology Environment.

Mr. Anil Aurangabadkar,
Independent Director

Mr. Anil Aurangabadkar is a Mechanical Engineer and has obtained his Master's Degree in Material Science. He has extended his excellence to one of the prominent companies engaged in the Power Sector, 'Bharat Heavy Electricals Limited' (BHEL) for 37 years. He oversees activities pertaining to Design, Manufacturing, Assembly and Erection of Rotating Heavy Electrical Equipment, Transformer, Capacitor, Bushing, Hydro and Thermal Project Management and Execution at BHEL. Mr. Aurangabadkar has an excellent track record of executing over 45 Projects for BHEL Power Sector Western Region. His expertise spans across functional sectors and the order ranges from small units to 600 MW conventional units, Frame- 9FA advanced class Gas Turbines, largest CFBC Boilers to cater to 250 MW output. After serving BHEL for over 30 years, in the year 2012, he founded his Consultancy Services. His firm provides services to the Power and Industry Sector. In a very short time, his firm has successfully established and equipped itself to handle large projects to the maximum satisfaction of clients.

Mr. Parag Sakalikar,
Independent Director

Mr. Parag Sakalikar, a young entrepreneur, joined SHEL as an Independent Director of the Company in 2007. He completed his Diploma in Mechanical Engineer from Bombay Technical Board in 1994 and B.E. in Mechanical Engineer from Nagpur in 1998. After graduation, he joined as a trainee in TUV Asia Pvt. Ltd's Auditor Training Program and trained in ISO 9001-2000. Later, he did his advanced training in Maruti Servicing Vehicle from Maruti Udyog Ltd. He started his career as Works Manager in Maruti's authorized workshop and later went on to set up his own authorized Automobile Service Station, (An ISO 9001: 2000 certified company from TUV) for the entire range of Maruti vehicles. Mr. Sakalikar's company was awarded good performing mass not only in Maharashtra but also in the entire Western region of India (Maharashtra, Goa, Gujarat and Chhattisgarh) by Maruti Suzuki. He has also set up an additional Maruti authorized service station in Butibori MIDC classified under 'A' grade category.

Mr. S.S. Waghmare,
Independent Director

Mr. S.S. Waghmare, a versatile personality, has got 33 years of versatile experience in the banking sector. He retired as the Deputy General Manager from UCO Bank in 2006. Mr. Waghmare has been trained in Project Planning and Management from the University of Bradford, England and has also handled the portfolio of Chairman at the Thar Anchalik Gramin Bank, Jodhpur, Rajasthan - a Govt. of India Undertaking sponsored by UCO Bank.

Management Discussion & Analysis

GLOBAL ECONOMY OVERVIEW

The acceleration in global activity that started in 2016 gathered steam in 2017, reflecting firmer domestic demand growth in advanced economies and improved performances in other large emerging market economies. Global growth is set to be just over 3.5% in this calendar year 2018, the fastest in seven years, with improved outcomes in both advanced economies and the EMEs. Confidence measures and levels of new orders for businesses remain strong. This long awaited lift to global growth, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth.

Trade in goods will grow 4.4% this year after a decade averaging 3.0% a year following the financial crisis. The continued expansion depends on robust global growth and governments' support for right trade policies. However, there are signs that escalating trade tensions may already be affecting business confidence and investment decisions, which could compromise the current outlook.

(Source: IMF and OECD)

INDIAN ECONOMY OVERVIEW

Indian economic growth is giving a positive signal for the current and future scenario. It is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetisation. India's GDP grew 7.2% in the third quarter of 2018, surpassing expectations and wresting back the mantle of the fastest growing economy from China on the back of a rebound in industrial activity, especially manufacturing and construction, and an expansion in agriculture. The Reserve Bank of India has estimated GDP growth in a range from 7.4% to 7.9% for the Financial Year 2019-2020.

(Source: OECD and Economic Times)

Fiscal deficit for 2017-18 is revised to Rs. 5.95 lakh Cr at 3.5% of the GDP, which is approximately the same as 2016-17 in spite of transformation in the economy. In addition to initiatives like; 'Make in India', 'Housing for All' and 'Digital India', the government has also introduced 'Sagar Mala' and 'Bharat Mala' initiatives, which will help to boost the domestic growth of the country.

(Source: IBEF and Trading Economics)

India's Infrastructure

"The link between infrastructure and economic development is not a once and for all affair. It is a continuous process; and progress in development has to be preceded, accompanied, and followed by progress in infrastructure, if we are to fulfil our declared objectives of generating a self-accelerating process of economic development." - Dr. V. K. R. V. Rao

The Government of India has taken major initiatives to strengthen the economic credentials of the country and make it into one of the healthiest economies in the world. India is fast becoming home to start-ups focused on high growth areas such as mobility, e-commerce and other vertical specific solutions - creating new markets and driving innovation. Owing to higher infrastructure spending, increased fiscal to states, and continued reforms in fiscal and monetary policy, the Indian economic outlook has strengthened. The Government of India is striving to move steadily to minimise structural and political bottlenecks, attract higher investment and improve economic performance.

Infrastructure is the spine of our economy and society, from the roads, rails to electricity that lights or heats our homes to the water we drink by investing in core infrastructure businesses that deliver essential services throughout the economic cycle. The Government of India is extremely keen on developing the infrastructure sector in the country. This is clearly evident through the several initiatives announced for this sector as part of the Budget 2018-19. Infrastructure has been made the priority segment in the Union Budget.

India's Roads & Transportation Sector

India has the second largest road network in the world, constituting over a total of 5.6 million km in length. Over 65% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute in their day to day lives. (Source: IBEF Research/ Newsroom)

The government's ambitious infrastructure development plan aims to provide significant opportunities for investors and market players to help change the sector and partner India's socio-economic progress.

India has surpassed its own capacities by extending its capabilities beyond the national boundaries via road connectivity. The transportation sector has been highly responsible for propelling India's overall development. The Government of India has intensified its focus on this sector by initiating policies that would ensure time-bound creation of world class infrastructure in the country at a breakneck pace.

India's total road length includes National Highways (NHs), Expressways, State Highways (SHs), district roads, PWD roads, and project roads.

The network can be sub-divided into three categories for a total length of 56,00,000 km:

State Highways

They form 3% of the total roads in India totalling a length of 1,76,166 kms.

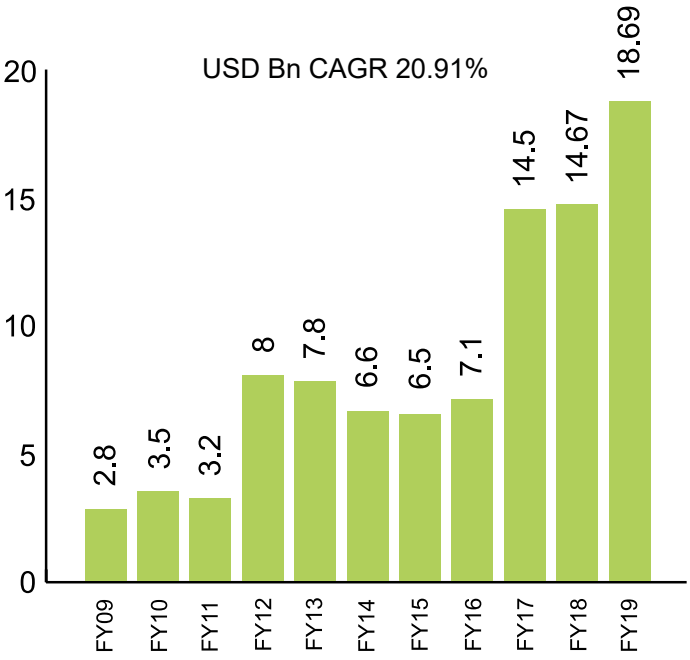
National Highways

They form merely 2% of the total roads in India envisaging a total length of 1,15,530 kms.

District and Rural Roads

They form 95% of the total roads in India envisaging a total length 53,26,166 kms.
(Source: IBEF Research)

Roadways have been the key focus area for budget allocations over the years. As per Union Budget 2018-19, the government provided an outlay of Rs. 1.21 lakh Cr (US$ 18.69 billion) for the road sector. The graph below, provides a clear idea of the trend of outlay for roads under the respective Union Budgets.



(Source: IBEF Research)

There were also several policy proposals made in the Budget Speech by the Finance Minister which can be seen as follows:

Road and Infrastructure cess

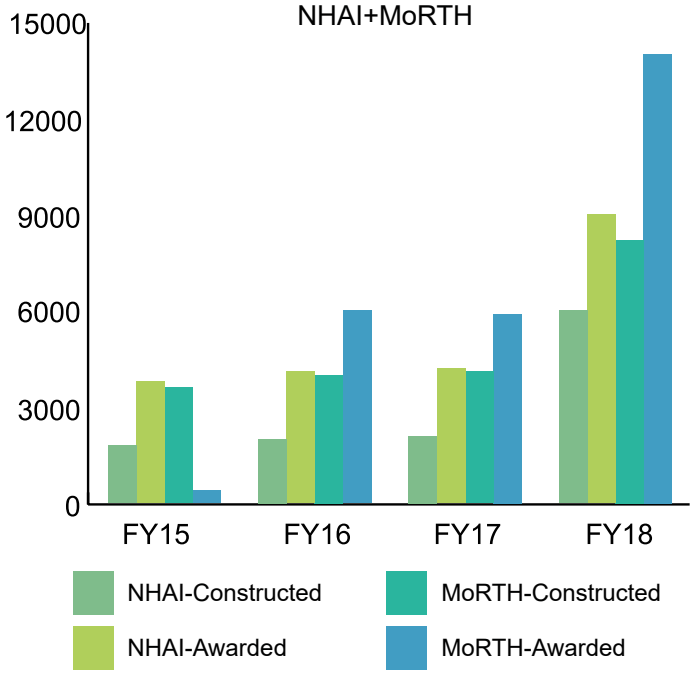
The existing Road Cess (cess on motor spirit and high speed diesel) has been converted to the Road and Infrastructure Cess. This cess on petrol and high-speed diesel has been increased by Rs. 2 per litre, while the excise and customs duty have been cut by the same amount.

Under the Bharatmala Pariyojana, about 35,000 km of roads will be developed in Phase-I at an estimated cost of Rs. 5,35,000 Cr.

To raise equity from the market for its mature road assets, NHAI will consider organizing its road assets into Special Purpose Vehicles and use other innovative monetizing structures like Toll, Operate and Transfer (TOT) and Infrastructure Investment Funds (InvITs).

The government will come out with a policy to introduce toll system on 'pay as you use' basis.

The two key authorities in the road development segment of the country are NHAI and MORTH. Just in the year 2017, NHAI and MORTH have been awarded 16,000 km of road projects – the highest in the sector's history. While the target was set at a highly ambitious scale of 25,000 km – of which the department achieved 15,000 km, despite land acquisition and management change troubles, is really creditable. The pace of construction of highways also reached 28km/day from 14km/day in 2014.



(Source: Phillip Capital Research)

For the last three years, the government has been ironing out issues hampering growth of the Roads sector. In FY17, early signs of revival in the sector became evident, with project awards at 16,270 km (up 56%) and construction at 8,230 km (up 37%). The government has set steep targets for FY18 to award 25,000 km and construct 15,000 km. Moving ahead, the trend looks promising, with industry reports indicating that NHAI would award over 31,000 km of road projects executable over FY17-21E, entailing an estimated investment of Rs. 3.6 Tn (civil construction works). Expect awarding activity to stabilize at 15,000 km per year, and execution activity to pick up – 9,300 km in FY19 and 10,000 km in FY20.

(Source: MOSL Research)

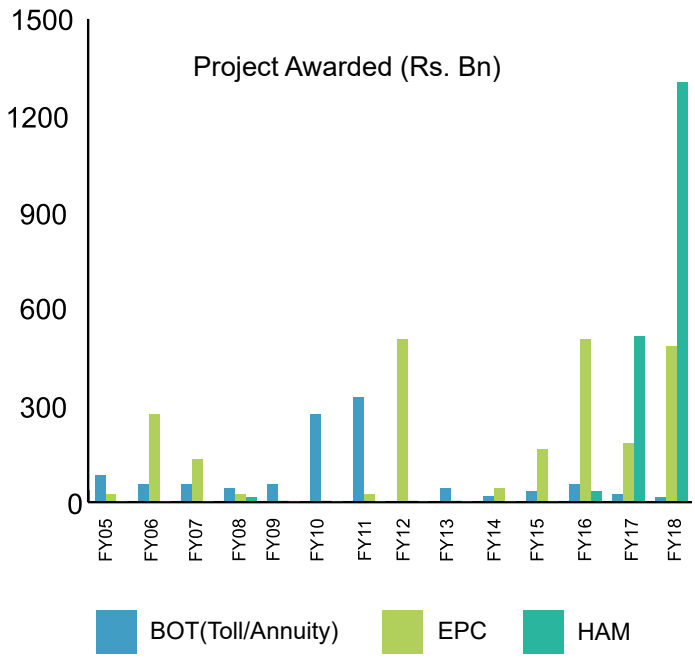
Investment programs worth Rs. 7 Tn have been identified, ensuring a strong pipeline of projects. Bharatmala is to constitute 56% of the ordering. Total projects of 9,304 km could come up for award under the NHDP scheme. Given that 50% of the highways in India are two-laned, four-laning itself promises to be a big opportunity. The outlook for the Roads sector has improved considerably over the last two years, with roads being a key focus area for the new government to revive capex activity in India. In its previous tenure as well, the NDA government had chosen the Roads sector to accelerate the capex cycle and had awarded 23,000 km over its five-year tenure. In its current tenure, it has set an ambitious target to ramp up road construction activity from 23 km per day to 40 km per day and has prepared a strong pipeline of road projects, which entails an investment of Rs. 7 Tn (centre and state put together). Multiple states like Maharashtra, UP, Telangana, and Karnataka have a strong pipeline of projects. Between the centre and the states put together, there exists an opportunity of over Rs. 7 Tn (Centre: Rs. 4.0 Tn; states: Rs. 3.4 Tn).
(Source: MOSL Research)

Impetus towards HAM & EPC Model

With build, operate and transfer (BOT) projects losing flavour among developers in the last two years, given (a) their weak financial position, and (b) weak economic activity impacting traffic growth, EPC and HAM would be the preferred routes for NHAI to award road projects. EPC and HAM projects would attract higher interest, as they require limited upfront capital and involve less risk than BOT projects. Maximum ordering will be for NHDP phase-4, which is a two-lane program, with low traffic density. It is expected that about 45% of projects will be awarded on an HAM/annuity basis in the near term, constituting Rs. 269 Bn of market potential for HAM players in the national highways segment.
(Source: NHAI/ MOSL Research)

The HAM model is being preferred for new tenders, as it requires lower government funding as compared to the traditional EPC model. There has been an ease in the pressure from the government side for the model, as 40% of the funding will be coming from the government and the remaining 60% is coming from the private player vis-à-vis an EPC model where 100% of the funding requirement comes from the government authority.

Since introduction in FY16, HAM has steadily emerged as the preferred mode of project award from the government. These projects formed 62% of the cost of projects awarded in FY17; in FY18, this share has inched up marginally to 63%. EPC mode contributed 35% of the cost of projects awarded in FY18. The share of toll projects continued to dip with mere 2% of the cost of projects belonging to this mode.



(Source: NHAI/EDEL Research)

HAM project financing may become incrementally challenging for companies with leveraged balance sheets. With many few PSU/ Private banks facing asset quality headwinds, HAM lending may be selective and limited to Tier 1 road developers.

Government Boost: Bharatmala Pariyojana

Bharatmala Paryojna is the mother scheme of highway development over the next 10 years – just like the current NHDP has been for the last 15. MoRTH has taken two years to prepare the detailed plan of this mammoth scheme, intended to decongest and expand the existing highway network of the country.

The project plan was prepared in a highly scientific manner:

- Identification of corridors in a scientific manner
- Commodity-wise survey of freight movement across 600 districts
- Mapping of shortest route for 12,000 routes carrying 90% of the freight
- Technology-based automated traffic surveys over 1,500+ points across country
- Satellite mapping of corridors to identify upgradation requirements

The plan envisages creation of a network of ~42,000 km of economic corridors, inter-corridor, and feeder routes across the country:

44 economic corridors	26,200 km connecting economically important nodes.
66 inter-corridor routes	8,400km of inter-corridor routes connecting economic corridors.
116 feeder routes	7,600 km of shorter feeder routes for first / last mile connectivity.

At the same time, it seeks to decongest the existing corridor network – for which 185 choke points were identified across the country and are planned to be removed by:

- 28 Ring Roads
- 45 Bypasses
- 34 Lane Expansions
- 12 Other Interventions
- 60 Point

Proposed transformation of the road network in India by Bharatmala

FROM	TO
Six Corridors (GQ,NS-EQ)	**Fifty** Corridors
40% Freight on National Highway	**70-80%** Freight on National Highway
300 Districts connected by 4+ Lane Highways	**550** Districts connected by 4+ Lane Highways

(Source: MORTH/ Phillip Capital Research)

KEY GROWTH DRIVERS

The Roads sector has been identified as one of the top-3 capex themes by the current NDA government. The Ministry of Road Transport and Highways (MORTH) has taken multiple steps to revive the ailing sector over the last three years. The framework required for the speedy award and execution of projects is in place. Activity will pick up with the government addressing issues like:

- Execution hurdles – awarding projects after 80% land acquisition under BoT and 90% land acquisition under EPC.
- Funding arrangement – cess trebled from Rs. 2 per litre to Rs. 6 per litre; market borrowing plans in place. The road cess on petrol and diesel has been one of the major sources of funding for NHAI projects over the years (from Rs. 60 Bn in FY13 to Rs. 96 Bn in FY15).
- Faster forest and environmental clearances.
- Change in project model to ease funding burden of cash-strapped developers.
- Exit policy for developers to help unlock equity from completed projects, making it potentially available for investment in new projects.
- Premium deferment scheme to ease cash flow issues faced by developers.

(Source: MOSL Research)

To meet the capex requirement of constructing 83,677 km of roads, the government has laid out a clear cut plan of funding the same. Of the total anticipated cost of Rs. 6.9 Tn, the major source of the funding (65%) would be met from raising money from market borrowing (Rs. 2.1 Tn) and central road fund (Rs. 2.4 Tn).

However, NHAI's share of the road cess was reduced in 2016-17. While it was given Rs. 150 Bn in 2015-16 from the Central Road Fund, the budgeted amount for 2016-17 is only Rs. 121 Bn. Government allocation of Rs. 2.4 Tn fund to CRF will bring in stability and certainty of funds available for road development in the long run.
(Source: Industry/ NHAI/ MOSL Research)

Diversification

- Most players are now opting for inorganic growth routes and are diversifying into other businesses (IIML, a subsidiary of IL&FS is into private equity business with over USD 3.2 Bn under management).
- Many players are entering into technical partnerships with foreign players to match their R&D levels with MNCs.

Promotion of R&D

- Companies are ramping up investment for better and cost effective ways of road construction.
- As of November 2016, three memorandum of understanding (MOUs) were signed between National Green Highways Mission (NGHM) and ITC Ltd, Yes Bank Ltd and Teri for setting up a Centre for Innovations in Green Pathways in order to enhance research and innovations in the field.

Training of labour

- Companies are hiring and training staff to reduce the shortage of skilled manpower and focusing on policies to retain labour.
- Firms plan to increase minimum wages in the construction sector as well as women participation.
- Companies are partnering with technical institutes and colleges such as CSTI (L&T and Govt. of Odisha).
- The Roads Ministry will give grant of USD 1,52,765 to private companies and state road transport corporations willing to set up or upgrade driver training schools.

Geographical expansion

- Indian companies are increasing their footprints abroad, thus tapping outside the market.
- IL&FS won a road contract worth USD 216.7 Mn in Botswana, through its subsidiary Elsamex SA.

POLICY INITIATIVES TO DRIVE GROWTH

Infrastructure – a key government priority

- Infrastructure investment is a major focus area for the government.
- The government has given a massive push to infrastructure by allocating USD 61.8 Bn for this segment in the Union Budget 2017-18.

Support from the Union Budget

- The planned outlay under the Union Budget 2017 -18 for development of road transport and highways is USD14.67 Bn.
- Moreover, as per Union Budget 2017-18, the government has set targets to develop almost 2,000 kilometres of coastal connectivity roads.

Rural Development

- The Prime Minister's Gram Sadak Yojana (PMGSY) is a scheme for development of rural roads in India. The Government of India has succeeded in providing road connectivity to 85 per cent of the 1,78,184 eligible rural habitations in the country under the scheme.
- Under the Union Budget 2017-18, the Government of India allocated an investment of USD 4.21 Bn for the Pradhan Mantri Gram Sadak Yojana (PMGSY).
- The Government of India will spend around Rs. 1 lakh Cr (USD 15.26 Bn) during FY18-20 to build roads in the country under the Pradhan Mantri Gram Sadak Yojana (PMGSY).

Taxes and other sops

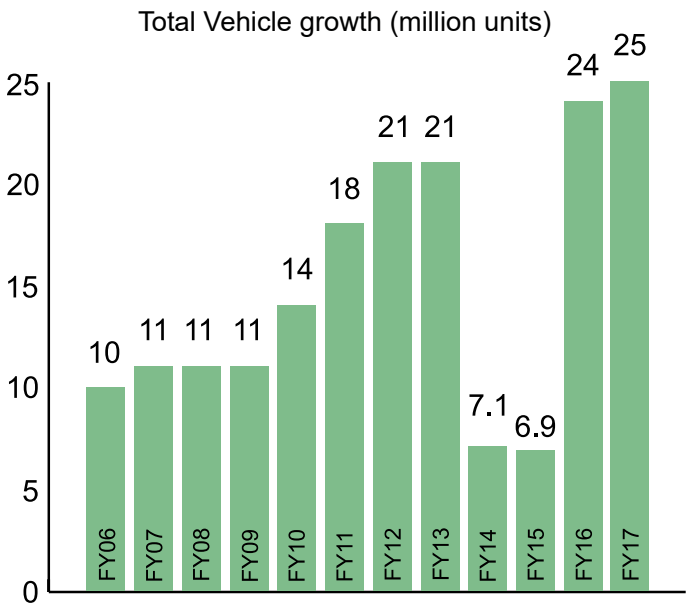
- Companies enjoy 100 per cent tax exemption in road projects for 5 years and 30 per cent relief over the next 5 years.
- Companies have been granted a capital of up to 40 per cent of the total project cost to enhance viability.

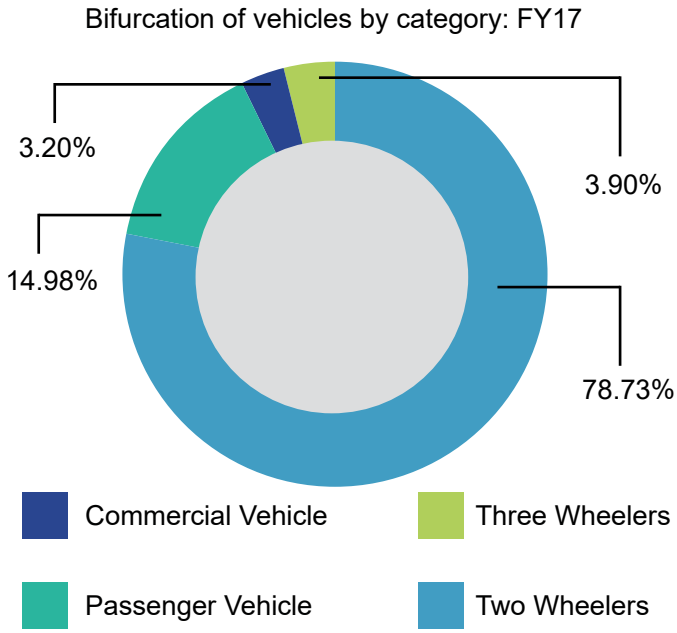
Value Engineering Programme

- The Ministry of Road Transport and Highways, Government of India, plans to implement 'Value Engineering Programme' in order to promote the use of new technologies and materials in the execution of highway projects in the country.

Transport Sector Growing in Proportion to Roads Sector

- In India, roads remain the most important means of transport, accounting for around 80% of the passenger traffic and 65% of the freight traffic.
- The number of total vehicles in India increased at a CAGR of 9% during the period of FY06-17, from 9.7 Mn to 25.3 Mn.
- As of FY17, 2 wheelers accounted for 78.73% of the total number of vehicles in India.





INDIA'S BUILDING SECTOR

Under the 'Housing-For-All by 2022' programme, the government envisages pucca houses with water connections, toilet facilities, and 24x7 electricity.

Pradhan Mantri Awaas Yojana (PMAY): The government intends to construct 22 Mn affordable houses by spending Rs. 3 Tn by 2022 under this ambitious plan:

- 12 Mn units in urban entailing a cost of Rs. 1.86 Tn.
- 10 Mn units in rural entailing a cost of Rs. 1.27 Tn.

Rural housing

The government plans to spend Rs. 3.5 Tn to build 30 Mn houses under the National Gramin Awaas Mission (NGAM) for the homeless by 2022 in rural areas.

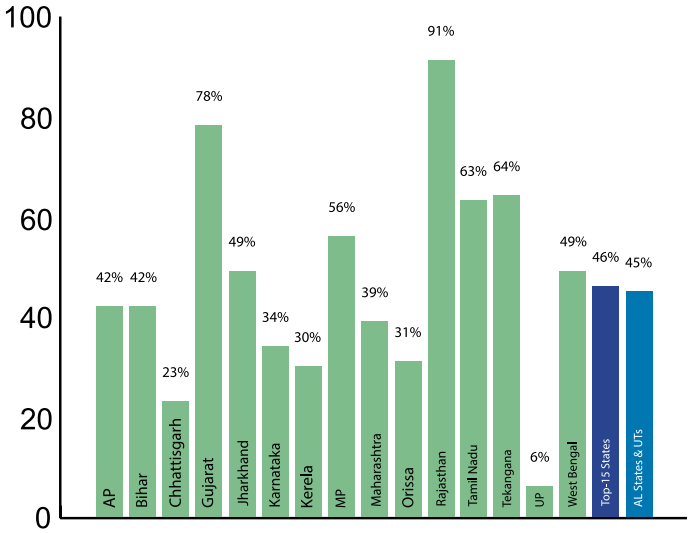
Urban housing

The central government has a plan to roll out the following schemes for the development:

- This involves redevelopment of slums with the participation of private investment helped by a central grant of Rs. 1,00,000 per beneficiary. State governments can use this grant as viability gap funding for any slum redevelopment scheme.
- An interest subsidy of 6.5% on housing loans up to tenure of 15 years to EWS and LIG beneficiaries will be provided for loan amounts up to Rs. 6,00,000.
- Central assistance of Rs. 1,50,000 per beneficiary, to promote housing stock for urban poor with the involvement of private/ public sectors – 35% of proposed units to be earmarked for the EWS category.
- Subsidy for beneficiary-led individual construction or enhancement: Central assistance of Rs. 1,50,000 each to eligible urban poor beneficiaries to help them build own houses or undertake improvements to an existing one.

(Source: Phillip Capital Research)

% of houses grounded for construction - Jan 2018



Source: http://www.pmindia.gov.in/en/news_updates/housing-for-all-by-2022-mission-national-mission-for-urban-housing/

Smart Cities Project

Smart Cities Mission referred to as Smart City Mission is an urban renewal and retrofitting program by the Government of India with the mission to develop 100 cities across the country making them citizen friendly and sustainable.

Smart Cities Mission envisions developing an area within 100 cities in the country as model areas based on an area development plan, which is expected to have a spill-overeffect on other parts of the city and the nearby cities and towns. Cities will be selected based on the Smart Cities challenge, where the eligible cities will compete in a countrywide competition to obtain the benefits from this mission. As of January 2018, 99 cities have been selected to be upgraded as part of the Smart Cities Mission. (Source: Wikipedia)

Cities selected have started project preparations and implementation:

- The projects launched by Ahmedabad are 'sewage treatment plant, housing project and smart learning in municipal schools'.

- Bhubaneswar launched 'railway multi-modal hub, traffic signalisation project and urban knowledge centre'.

- New Delhi Municipal Council launched 'mini-sewerage treatment plants, 444 smart class rooms, WiFi, smart LED streetlights, city surveillance command and control centre'.
  (Source: Phillip Capital Research)

It is a five-year program, where all the Indian states and Union territories are participating apart from West Bengal through nomination of at least one city for the Smart Cities challenge. Financial aid will be given by the central and state governments between 2017-2022 to the cities, and the mission will start showing results from 2022 onwards.

The central government will provide Rs. 500 Bn for the scheme, translating into each city getting Rs. 1 Bn per annum for five years.
(Source: Wikipedia)

AMRUT (Atal Mission For Rejuvenation and Urban Transformation)

The AMRUT project is a reuse of the Jawaharlal Nehru National Urban Renewal Mission. Under AMRUT, state governments will get the flexibility of designing schemes based on the needs of identified cities (unlike JNNURM). State governments will submit annual action plans to the Centre for the funds to be released.

AMRUT seeks to ensure basic infrastructure for 500 cities. Under this, the central government will provide each city with Rs. 1 Bn for improving its amenities. The state government/ULB will also invest an equal amount, implying total investment of Rs. 1 Tn. The central assistance will be provided as follows:

- 50% of the project cost for cities and towns with a population below 1 Mn
- 33% of the project cost for those with population above 1 Mn.

AMRUT aims to spend Rs. 500 Bn over the next five years, ensuring basic infrastructure for 500 cities. (Source: Kotak Research/ Wikipedia/ Phillip Capiltal Research)

INDIA'S POWER SECTOR

India's power sector is one of the most diversified in the world. Sources of power generation is notably distinguished between conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. In order to meet the increasing demand for electricity in the country, massive addition has to be made to the existing installed generating capacity. In order to address the lack of adequate electricity supply to the people in the country by March 2019, the Government of India has launched a scheme called 'Power for All'. This scheme will ensure continuous and uninterrupted electricity supply to all households, industries and commercial establishments by creating and improving necessary infrastructure. It's a joint collaboration of the Government of India with states to share funding and create overall economic growth. The country's total installed capacity of power plants as on 31st March, 2018 stood at 3,40,527 Mega Watts (MW). (Source: Wikipedia)

Sector	MW	% of total
State Sector	84,517	24.8%
Central Sector	1,03,968	30.5%
Private Sector	1,52,402	44.6%
Total	3,40,527	

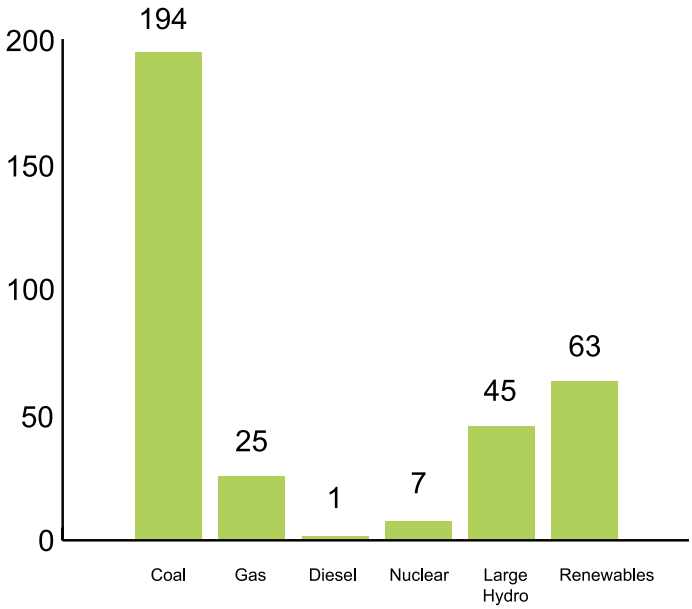
(Source: Government of India, Ministry of power)

GENERATION

The utility electricity sector in India has one National Grid with an installed capacity of 340.53 GW as on 31 March 2018 with renewable power plants constituting 32.2% of total installed capacity. India is the world's third largest producer and third largest consumer of electricity. The per capita electricity consumption is low compared to many countries despite cheaper electricity tariffs in India. Installed capacity increased steadily over the years, posting a CAGR of 5.73% in FY10–FY18. Energy generation from conventional sources stood at 1,206 Bn units (BU) between April-March 2018. Coal-based power generation capacity in India, which currently stands at 197 GW, is expected to reach 330-441 GW by 2040. Initiatives taken by the Energy Efficiency Services (EESL) have resulted in energy savings of 37 Bn kWh.

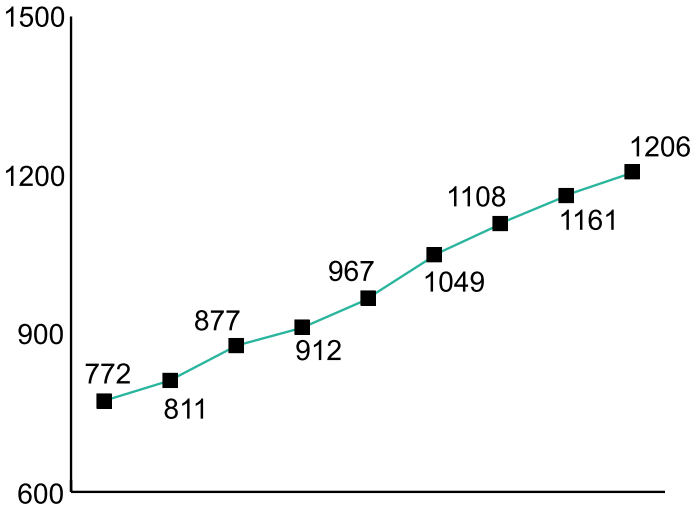
(Source: Government of India, Ministry of power)

SOURCES OF POWER (as on 28.02.18)



(Source: Government of India, Ministry of power)

GENERATION PERFORMANCE FROM 2009-2017



(Source: Government of India, Ministry of power)

Directors' Report

For the Financial Year ended 31st March, 2018

Your Directors are pleased to present the twentieth annual report of the company together with the audited Financial Results for the financial year ended on 31st March, 2018.

Financial Results

The Financial Performance of the Company for the financial year ended on 31stMarch, 2018 is summarized below:

(Rs. in lacs)

Particulars	2017-18	2016-17
Net Sales/ Income from Operations	2,48,806.77	2,09,118.54
Other Income	1,961.78	1,338.95
Total Income	2,50,768.56	2,10,457.49
Total Expenses	2,50,448.47	2,04,068.91
Profit before tax	320.08	6,388.58
Profit after tax	386.55	3,841.18
Other comprehensive income	86.24	(4.64)
Total Comprehensive income	472.79	3,836.54

Operational Review

Your Company has achieved net turnover of Rs. 2,48,806.77 lacs for the financial year ended 31st March, 2018 as against 2,09,118.54 lacs in the previous financial year, thereby registered a growth of 18.98% over the last year's turnover. The gross profit of your company for the financial year ended 31st March, 2018 is Rs. 320.08 lacs, whereas it was Rs. 6,388.58 lacs during the last financial year, the decline in profit attributed to recognition of liquidated damages levied by clients for delay in achieving the milestone, finance cost, sub-contracting, increase in expenses due to various reasons, etc. The company is operating in ever growing sector of infrastructure and believes to overcome the adverse conditions in coming times.

Your company is operating in project related activities which includes Project execution, Overhauling & Maintenance, Fabrication and Erection of structural works, Erection,Testing and Commissioning of boilers and its auxiliaries, Transmission & Distribution and EPC contract, Roads and Bridges, Civil construction, Solar Energy projects, Waste Management projects.

To name a few, the following are some of the projects running presently:

1. Rehabilitation & Upgradation of Parli-Pimpla-Dahiguda Roadfrom existing Ch. km 0.000 to 18.495 (SH-64) (Design Ch. Km0.000 to km 18.440) to two/four lane with paved shoulder (length-18.44 km) in Maharashtra on EPC basis from Public Works Department (PWD), Maharashtra.

2. Rehabilitation & Augmentation of four laning of Kutchery Chowk-Ranchi-Piska More-Biju Para section from km 0.000 to 34.000) of NH-75 in the state of Jharkhand on EPC mode from National Highway Authority of India (NHAI).

3. Rehabilitation & Upgradation of Ajanta-Buldhana-Khamgaon-Shegaon-Deori Road (Ajanta to Buldhana section) length-49.13km in Maharashtra on EPC basis from Public Works Department(PWD), Maharashtra.

4. Rehabilitation &Upgradation of Nanded-Bhokar-Himayatnagar-Kinwat-Sarkhani-Mahur-Arni-Road(Sarsam-Himayatnagar-Kothar Package-II) km 33.00 to km 90.00 to two-lanes with paved shoulders in Maharashtra on EPC basis from Public Works Department (PWD), Maharashtra.

5. Construct and widen the existing 2-lane Bodhre to Dhule road section of NH-211 to four/six lane configuration in the State of Maharashtra on Hybrid annuity Model (HAM).

6. Two laning of Existing Hunli-Anini Road on EPC Basis from Design KM 53.500 to KM 92.500 (Existing KM 56.320 to KM97.650) in the State of Arunachal Pradesh Under SARDP-NE for National Highways & Infrastructure Development Corporation Limited. This project is in JV with PCL-Eagle Infra India Limited.

7. Ash Dyke Package and Boiler erection package for Kudgi Super Thermal Power Project, Bijapur, Karnataka.

8. Erection, Testing and Commissioning of Boiler Unit-2, 2X800 MW for NTPC, Lara Super Thermal Power Project, at Lara Dist.Raigarh, Chattisgarh.

9. CW System and Make up Water System Civil Works Package for NTPC Lara Super Thermal Power Project, Stage-I 2x800 MW at Lara, District. Raigarh, Chattisgarh.

10. CW System and Make up Water System Civil Works Package for Meja Thermal Power Project, 2x660 MW at Meja, P.O. Kohdar, Tehsil-Meja Dist. Allahabad, Uttar Pradesh.

11. Construction of 490 Nos. M.C. Type of Quarters (35 blocks, each block of 14 units) Storied Buildings (G+1type) at 2x600 MWSTPP and Construction of 1 No. GM Bungalow, 10 Nos. MA type of Quarters and 192 Nos. MB type of Quarters (16 blocks, eachblock of 12 units) Storied Buildings (G+1 type) at 2 x 600 MWSTPP Jaipur Mandal, Adilabad Dist. Telangana State.

12. CW System and Make up Water System Civil Works Package for Darlipali Super Thermal Power Project, Stage-I 2x800 MW at Darlipali, Dist. Sundargarh, Odisha.

13. Development of Regional (MSW) Municipal Solid Waste to Energy (Electricity) and Scientific Landfill Facility in Patna on PPP.

14. Design, Engineering, Manufacture, Assembly, Testing at Works, Supply of the Equipments, Mandatory Spares, Cement, Reinforcement Steel, Structural Steel for Civil Works as well as Structural Works, Architectural Works, Transportation & Delivery to Site of all the Equipments& Mandatory Spares including Special Tools & Tackles, if any, for the Balance of Plant Package for Parli TPS Project Unit 8, 1X250 MW.

15. Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Madhugiri Mulbagal Section (km 343.800 to km 483.151) of NH-234 in the State of Karnataka (Package No. NHIIP-KA-234-10) for Lot-I- km 343.800 to km 400.330 under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIIP).

16. Rehabiliation and Upgradation of existing highway 2 lane/ 4 lane from Pangaon to Dhrampuri, Maharashtra.

17. Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Sitamarhi- Jaynagar-Narahia Section (km 40 to km 219.945) of NH-104 in the State of Bihar for Lot-I km 40.00 to km 79.40, under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIIP-BR-104-11).

18. Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Sitamarhi- Jaynagar-Narahia Section (km 40 to km 219.945) of NH-104 in the State of Bihar for Lot-II km 79.40 to km 156.50, under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIIP-BR-104-11).

19. Construction of Medical College, Firozabad for UPRNNL.

20. Package-A Civil, Structural and Architectural Works Etc of BTG Area for Unit#1 & 3 for 3x660MW NTPC North Karanpura STPP, Jharkhand.

In addition to the above, your company is executing various prestigious projects related to Design, Supply, Test, Transport, Construction, Erection, Testing and Commissioning of Distribution Lines, Power Sub Stations etc. and also Overhauling & Maintenance of various systems for Power Stations like Koradi, Khaperkheda, Chandrapur, Sarni, Korba, Parli, Talcher, Solapur, Lara, Birsinghpur, etc.

Furthermore your company is engaged in the prestigious Civil Construction projects like Construction of houses for Kanpur Development Authority, Kanpur.

Your Company has successfully commissioned 5 MW Solar PV Capacity project awarded by JNNSM Phase-2 Batch-1 at Karajgi, Solapur and generating its rated capacity satisfactorily.The Company has completed 180 TPD Solid Waste Management project at Kolhapur (Maharashtra). Full load trials are under process.

Your Company has not gone through any operational discontinuation during the reporting period.

Future Prospectus

Infrastructure

Infrastructure is the term for the basic physical systems of a business or nation - transportation, communication, sewage, water and electric systems are all examples of infrastructure. These systems tend to be high-cost investments and are vital to a country's economic development and prosperity. Projects related to infrastructure improvements may be funded publicly, privately or through public-private partnerships.

Government Initiatives

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport, prior to the general elections in 2019.The Government of India is taking every possible initiative to boost the infrastructure sector. Some of the steps taken in the recent past are being discussed hereafter.

- Announcements in Union Budget 2018-19:
    - Massive push to the infrastructure sector by allocating Rs 5.97 lakh crore (US$ 92.22 billion) for the sector.
    - Railways received the highest ever budgetary allocation of Rs 1.48 trillion (US$ 22.86 billion).
    - Rs 16,000 crore (US$2.47 billion) towards Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme. The scheme aims to achieve universal household electrification in the country.
    - Rs 4,200 crore (US$ 648.75 billion) to increase capacity of Green Energy Corridor Project along with other wind and solar power projects.
    - Allocation of Rs 10,000 crore (US$ 1.55 billion) to boost telecom infrastructure.
- A new committee to lay down standards for metro rail systems was approved in June 2018.
- Rs 2.05 lakh crore (US$ 31.81 billion) will be invested in the smart cities mission. All 100 cities have been selected as of June 2018.
- Contracts awarded under the Smart Cities Mission working in full swing, according to Mr Hardeep Singh Puri, Minister of State (Independent Charge) for Housing and Urban Affairs, Government of India.
- The Government of India is working to ensure a good living habitat for the poor in the country and has launched new flagship urban missions like the Pradhan Mantri AwasYojana (Urban), Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and Swachh Bharat Mission (Urban) under the urban habitat model, according to Mr Hardeep Singh Puri, Minister of State (Independent Charge) for Housing.

Power Sector

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of the nation. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

In May 2018, India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power.

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

The Road Ahead

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power generation capacity in India, which currently stands at 192 GW is expected to reach 330-441 GW by 2040.The 2026 forecast for India's non-hydro renewable energy capacity has been increased to 155 GW from 130 GW on the back of more than expected solar installation rates and successful wind energy auctions.India could become the world's first country to use LEDs for all lighting needs by 2019, thereby saving Rs 40,000 crore (US$ 6.23 billion) on an annual basis.

The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7electricity for residential, industrial, commercial and agriculture use.

The Government of India is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets of adding 175 GW of renewable energy, including addition of 100 GW of solar power, by the year 2022. The government has also sought to restart the stalled hydro power projects and increase the wind energy production target to 60 GW by 2022 from the current 20 GW.

Total installed capacity of power stations in India stood at 343.79 Gigawatt (GW) as on April, 2018.

Road Sector

The Indian road network, comprising of National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads, is globally the 2nd largest spanning 5.5 million kilometres. India's road infrastructure has seen consistent improvement in the last few years. Connectivity has improved and road transportation has become a focus of rapid development. Roads are providing better access to services, ease of transportation and freedom of movement to people. Recognizing the significance of a reliable and swift road network in the country and the role it plays in influencing its economic development, the Ministry of Road Transport and Highways (MORTH) has taken up the responsibility of building quality roads and highways across the country.

Bharatmala

The programme envisages new initiatives like development of Border and International connectivity roads, Coastal & port connectivity roads and improvements in National Corridors Efficiency Economic corridors. The "mega-plan" which is the second highest highway project after NHDP will provide further boost to the ongoing road/highway development projects and will witness a construction of 20,000 km of highways in its first phase.

Around 35,000 km of road construction has been approved in budget 2018-19 for the Phase-1 of the Bharatmala Pariyojana at an estimated cost of Rs 5.35 lakh crore (US$ 84.10 billion).

The total budgetary allocations (including PBFF, CRF and GBS) to fund the ambitious highway development programme (including Bharatmala) are estimated at Rs 3,43,045 crore over FY19-22. Therefore, starting this Budget 2018, the allocation to the road ministry was expected to increase substantially. However, the increase in the budgetary allocation (excluding PMGSY) has been nominal at 8.7%, from Rs 64,900 crore to Rs 70,544 crore. Most of the Bharatmala programme is expected to be implemented through the NHAI; therefore, to bridge the shortfall in budgetary allocations, the NHAI is expected to raise funds by monetising more assets through the toll-operate-transfer and Infrastructure Investment Trust routes (by transferring mature assets to SPVs).

Aspiring for urbanisation and enhanced public investment in social infrastructure, Finance Minister Arun Jaitley made a slew of announcements for road & air connectivity and improved financing measures for the same. The Union Budget allowed National Highway Authority of India (NHAI)eate Special Purpose Vehicles (SPVs) to monetise its road assets. At the same time, budgetary provision to regional air connectivity scheme was increased by five times.

"Government's estimated budgetary and extra-budgetary expenditure on infrastructure for 2018-19 is being increased to Rs 5.97 trillion against the estimated expenditure of Rs 4.94 trillion in 2017-18," Jaitley said in his Budget Speech.

To raise equity from the market for its mature road assets, NHAI will consider organising its road assets into SPVs and use innovative monetising structures like Toll, Operate and Transfer (TOT) and Infrastructure Investment Funds (InvITs). The budgetary allocation for the NHAI has been increased by 10 per cent to Rs 916.63 billion for 2018-19 from Rs 831.70 billion in 2017-18.

Renewable Energy Sector

The Indian renewable energy sector is the second most attractive renewable energy market in the world. The country ranks fourth in the world in terms of total installed wind power capacity.

Installed renewable power generation capacity has increased steadily over the years, posting a CAGR of 9.29 per cent over FY08–18. India added record 11,788 MW of renewable energy capacity in 2017-18. The focus of Government of India has shifted to clean energy after it ratified the Paris Agreement. With the increased support of government and improved economics, the sector has become attractive from investors perspective. As India looks to meet its energy demand on its own, which is expected to reach 15,820 TWh by 2040, renewable energy is set to play an important role.Total installed renewable energy capacity (including large hydro projects) in India touched 114.43 GW as of May 2018, which is around 33 per cent of total energy capacity of the country. With a potential capacity of 363 gigawatts (GW) and with policies focused on the renewable energy sector, Northern India is expected to become the hub for renewable energy in India.

Government initiatives

- A new Hydropower policy for 2018-28 has been drafted for the growth of hydro projects in the country.
- The Government of India has announced plans to implement a US$ 238 million National Mission on advanced ultra-supercritical technologies for cleaner coal utilisation.
- The Ministry of New and Renewable Energy (MNRE) has decided to provide custom and excise duty benefits to the solar rooftop sector, which in turn will lower the cost of setting up as well as generate power, thus boosting growth.
- Around 4.96 million household size biogas plants were installed in the country under the National Biogas and Manure Management Programme (NBMMP) by 2016-17 end.
- The Indian Railways is taking increased efforts through sustained energy efficient measures and maximum use of clean fuel to cut down emission level by 33 per cent by 2030.

Road Ahead

The Government of India is committed to increased use of clean energy sources and is already undertaking various large-scale sustainable power projects and promoting green energy heavily. In addition, renewable energy has the potential to create many employment opportunities at all levels, especially in rural areas. The Ministry of New and Renewable Energy (MNRE) has set an ambitious target to set up renewable energy capacities to the tune of 175 GW by 2022 of which about 100 GW is planned for solar, 60 for wind and other for hydro, bio among other. India will need investments of around US$ 125 billion to reach this target. As of June 2018, Government of India is aiming to achieve 225 GW of renewable energy capacity by 2022, much ahead of its target of 175 GW as per the Paris Agreement

It is expected that by the year 2040, around 49 per cent of the total electricity will be generated by the renewable energy, as more efficient

batteries will be used to store electricity which will further cut the solar energy cost by 66 per cent as compared to the current cost. Use of renewables in place of coal will save India Rs 54,000 crore (US$ 8.43 billion) annually.

Dividend

Your Board of Directors has not recommended dividend for the financial year 2017-18.

Public Deposits

During the year ended 31st March, 2018, your Company has not accepted any deposits from the public. There is no deposit remained unpaid/unclaimed at the end of the financial year.

Management Discussion and Analysis Report

The Management Discussion and Analysis as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, forms part of this Report.

Corporate Governance Report

A Corporate Governance Report in the format given in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Auditor's Certificate thereon, forms part of this report as Annexure - A.

Consolidated Accounts

As required under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Consolidated Financial Statements of the Company and its subsidiaries and associates have been attached with the annual accounts of the Company.

Allotment of Securities

During the financial year 2017-18:

- Allotted 12.40 crore convertible warrants to promoters and non-promoters.
- Allotted 8.33 crore equity shares to promoters and non-promoters upon conversion of warrants which were allotted in the financial year 2016-17 and 2017-18

Directors and key managerial personnel

As per Article 164 read with Article 163 of Articles of Association of the Company and Section 152 (6) of the Companies Act, 2013('Act') Mrs. Sudhamati R. Gutte (DIN-01174733)Non-Executive Director of the Company is liable to retire by rotation at the forthcoming AnnualGeneral Meeting and being eligible, offers herself for reappointment. The Board of Directors recommends her reappointment at the forthcoming Annual General Meeting of the Company.During the financial year 2017-18 there were following changes took place in the Board of Directors of the company:

a. Mr. Siddharth Mehta, Independent Director passed away on 8th December, 2017;

b. Mr. Sunil R. Gutte appointed as Chairman of the Company w.e.f. 8thDecember, 2017;

c. Mr. M N Mohanan appointed as Whole-time Director of the Company w.e.f. 10th October, 2018.

There is no any other change in the Board of Directors except mentioned hereinabove.

Pursuant to the provisions of Section 134 of the Act, all Independent Directors have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as an independent director during the year.

Director's Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

a. in the preparation of annual accounts for the financial year ended on 31st March, 2018, the applicable accounting standards have been followed along with proper explanation 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 & fair view of the state of affairs of the Company at the end of the financial year 2017-18, and of the profit of the Company for that period;

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. they have prepared the annual accounts of the Company on a going concern basis;

e. they have laid down internal financial controls in the company that are adequate and are operating effectively; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and operating efficiently.

Company's Policy on Director's Appointment and Remuneration

Policy on Director's Appointment

a. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his /her appointment, as per Company's Policy.

b. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Policy on Directors' Remuneration

1. Remuneration to Managing/ Whole-time/ Executive Director, KMP and Senior Management Personnel:

a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non-Executive/Independent Director:

a. The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i. The Services are rendered by such Director in his capacity as the professional; and

ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management:

a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and may include incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

c. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Remuneration Ratio of the Directors/Key Managerial Personnel (KMP)/Employees:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished hereunder:

Sl. No.	Name	Designation	Remuneration paid F.Y.2017-18 (Rs. in lacs)	% Increase in remuneration from previous year	Ratio/ Times per Median of employee remuneration
1	Mr. Sunil R. Gutte	Chairman & Managing Director	60.81	-	23.66
2	Mrs. Sudhamati R. Gutte	Non- Executive Director	48.00	-	18.68
3	Mr. Vijay R. Gutte	Executive Director & CFO	41.70*	-	18.92
4	Mr. Venkataramana Condoor	Executive Director	95.29	-	37.08
5	Mr. M N Mohanan	Executive Director	47.62**	-	38.89
6	Mr. Harshvardhan Kaushik	Chief Financial Officer	6.07***	-	16.18
7	Mr. Shrikant C. Rikhe	Company Secretary	6.77	-	2.63

*Remuneration up to 8th February, 2018.
**Remuneration from 10th October, 2017 to 31st March, 2018.
***Remuneration from 8th February, 2018 to 31st March, 2018.

Notes:

1. There is no increase in the median remuneration of employees in the financial year 2017-18.
2. There are 538 permanent employees on the rolls of company.
3. There is no increase in the salaries of employees and managerial personnel of the company during the financial year 2017-18.
4. Mr. Venkataramana Condoor drawn remuneration of Rs. 94.69 lacs in VAG Buildtech Limited, Subsidiary Company during financial year 2017-18.
5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Number of Board Meetings held

Six meetings of the board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms a part of this report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The evaluation was done on parameters such as attendance at board meetings and general meetings, level of active participation at the board deliberations, strategy formulation and execution, resource management, contribution and independence of judgment thereby safeguarding the interest of the company, etc. and such other suggested parameters.

The board also carried out annual performance evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Nomination and Remuneration Committee also carried out the performance evaluation of the Board on the criteria such as attendance at board meetings and general meetings, level of active participation at the board deliberations, strategy formulation and execution, resource management, contribution and independence of judgment thereby safeguarding the interest of the company, etc.

In a separate meeting of independent directors, performance of non independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.The Board of Directors expressed their satisfaction with the evaluation process.

Development and Implementation of Risk Management Policy

The Board of Directors of the Company has adopted Risk Management Policy the main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.It has set out risk factors which inter-alia includes External Factors such as Economic Environment and Market conditions, Political Environment, Competition, Revenue Concentration and liquidity aspects, Inflation and Cost structure, Technology Obsolescence, Legal, Fluctuations in Foreign Exchange, etc. and Internal Risk Factors such as Project Execution, Contractual Compliance, Operational Efficiency, Hurdles in optimum use of resources, Quality Assurance, Environmental Management, Human Resource Management,Culture and values, etc. detailed framework to deal with key areas of risks encompassing project execution risk, regulatory risk, inflation risk, risk specific to the company, etc.

All the Senior Executives under the guidance of Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with organisation's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk.

Internal Financial Controls

The Company has in place policy on internal financial controls with reference to financial statements and it is adequate and operating effectively.

Vigil Mechanism

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism has been uploaded on the website of the Company atwww.sunilhitech.com.

Anti-Sexual Harassment Policy

The Company has in place an Anti-Sexual Harassment Policy and has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint on sexual harassment was received during the financial year 2017-18.

Cost Records

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.

Corporate Social Responsibility (CSR)

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-B of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms part of this report. CSR policy of the Company is available on the website of the Company www.sunilhitech.com

Auditors

- **Statutory Auditors**

  The members of the Company have appointed M/s. K.K. Mankeshwar& Co., Chartered Accountants as statutory auditors of the company at the 19th Annual General Meeting of the Company for a period of five year subject to ratification by members at every annual general meeting to be held thereafter. However due to amendment in the applicable provisions the ratification of such appointment at every annual general meeting is dispensed with.

- **Cost Auditors**

  The Board of Directors of the Company has appointed M/s. Ujwal P. Loya & Co., Cost Accountants as Cost Auditor of the Company for the financial year 2018-19. The Board seeks ratification by members resolution for payment of remuneration of Rs. 1 lac plus service tax and reimbursement of out of pocket expenses at the forthcoming annual general meeting of the Company.

- **Secretarial Auditors**

  According to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has obtained Secretarial Audit Report from M/s. Manish Pande & Co., Company Secretaries which is enclosed as a part of this report in Annexure-C.

Audit observations

- The auditor's report does not contain any qualification, reservation or adverse remarks.
- The secretarial auditor's report does not contain any qualification, reservation or adverse remarks.

Secretarial Standards

The Company complies with all applicable secretarial standards.

Particulars of loans, guarantees and investments under Section 186 of the Act

The particulars of loans, guarantees and investments have been disclosed particularly in the relevant notes of the financial statements.

Related Party Transactions

The company's related party transactions are entered with its group companies, firms and individuals. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of group companies and business efficiencies. All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests. A policy on related party transactions is posted on the website of the company at www. sunilhitech.com. No Material Related Party Transaction(s), i.e. transaction(s) with a related party exceeding ten percent of the annual consolidated turnover as per the last audited financial statements were entered during the year by your Company. The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2018 in form AOC 2 is enclosed as Annexure-D.

Extract of the annual return

As provided under Section 92(3) of the Act, the extract of the annual return in prescribed Form MGT-9, enclosed as a part of this report in Annexure-E.

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

Disclosure pursuant to Section 134(3)(M) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts), Rules 2014, is enclosed as Annexure-F.

Acknowledgement

Your Directors take this opportunity to express their gratitude for the valuable support extended by the customers, banks, financial institutions, investors, business associates, central &state government authorities. Your Directors also appreciate the employees at all levels for their continued support to the Company. Your Directors believe that with the whole hearted support of employees, stakeholders, bankers and our valuable customers, we will continuously excel in the path of success and growth.

By the order of the Board

For **Sunil Hitech Engineers Limited**

Place: Mumbai

Date: 14th August, 2018

Sunil Ratnakar Gutte
Chairman and Managing Director

Sudhamati Ratnakar Gutte
Director

Annexure - A

Corporate Governance Report

I. Company's Philosophy on Corporate Governance

The term Corporate Governance refers to the set of systems, principles, practices or set of laws, regulations required to manage an organization efficiently and ethically to meet the expectations of shareholders, creditors, bankers, employees and all other persons dealing with or associated with the organization.

Your Company firmly believes that the maintenance of good corporate governance practices is very much essential to sustain in the Corporate Sector & to maintain its growth & the confidence reposed in the organization by the stakeholders, bankers, employees and all other persons dealing with the Company.

Your Company has established and maintained good governance systems & procedures by ensuring timely disclosure of all material facts, events and information to the management, strengthening interpersonal relationships among the employees and the management, strengthening communication between Board and its committees, securing compliance with all applicable laws to secure the interest of the stakeholders, bankers, creditors, employees and other persons dealing with the Company.

Your Company continuously follows good corporate governance practices to maximize shareholders returns, to optimize the utilization of resources towards the corporate goal, to increase the value of the organization, to strengthen its relationships with employees, shareholders, creditors and to practice highest degree of professionalism and integrity within the organization.

II. Board of Directors

Size and Composition of the Board

The Board has an optimum combination of Executive and Non-Executive Independent Directors as provided in the Companies Act,2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to ensure independency and transparency in managerial decision making in Board & Committee Meetings, to secure the interests of the company, its employees, stakeholders and creditors. As on 31st March, 2018, the Board comprises of Nine Directors.

The details of the composition of the Board of Directors, attendance of Directors at the Board Meetings and the last Annual General Meeting & details of other directorships held by them during the year and other details are mentioned below:

Name of the Director	Category	Attendance at meetings during 2017-18		Number of Directorships in other Companies as on 31-03-2018		Number of Committee positions held in other Companies as on 31-03-2018		No. of Shares held as on 31-03-2018
		Board	AGM	Chairman	Member	Chairman	Member	
Mrs. Sudhamati R.Gutte	P&NED	3	No	Nil	4	Nil	Nil	Nil
Mr. Sunil R. Gutte	P&ED	5	Yes	Nil	8	1	Nil	3,80,63,660
Mr. Vijay R. Gutte*	P&ED	3	No	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Venkataramana Condoor	P&ED	6	Yes	Nil	6	Nil	1	40,00,000
Mr. M N Mohanan**	ED	1	NA	Nil	Nil	Nil	Nil	Nil
Mr. Dilip Y. Ghanekar	I&NED	6	No	Nil	Nil	Nil	Nil	Nil
Mr. S. S. Waghmare	I&NED	6	Yes	Nil	3	3	Nil	Nil
Mr. Sajid Ali	I&NED	5	Yes	Nil	Nil	Nil	Nil	Nil
Mr. Parag Sakalikar	I&NED	6	No	Nil	4	Nil	2	2,200
Mr. Anil Aurangabadkar	I&NED	5	No	Nil	Nil	Nil	Nil	Nil
Mr. Siddharth R. Mehta***	I&NED	4	Yes	N.A.	N.A.	N.A.	N.A.	N.A.

Notes:

i. P – Promoter, ED – Executive Director, I – Independent Director, NED – Non Executive Director, N.A. - Not Applicable.
ii. The Directorships, held by Directors as mentioned above, do not include directorships in foreign companies.
iii. Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Sunil Hitech Engineers Limited) have been considered.
iv. *Ceased to be Director of the Company w.e.f. 8th February, 2018.
v. **Appointed as Director w.e.f. 10th October, 2017.
vi. ***Ceased to be Director of the Company w.e.f. 8th December, 2017.
vii. Six Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

Sr. No.	Date	No. of Directors Present
1	12th May, 2017	08
2	19th May, 2017	10
3	18th August, 2017	06
4	14th September, 2017	10
5	8th December, 2017	08
6	8th February, 2018	08

The necessary quorum was present at all the meetings.

a. Relationships between Directors inter-se: Out of nine Directors two of the Directors i.e. Mrs. Sudhamati R. Gutte and Mr. Sunil R. Gutte are the promoters of the Company and members of same family. Further, Mr. Venkatarmana Condoor belongs to promoters group. Rests of the directors have no inter-se relationship.

b. Details of familiarization programmes imparted to the independent directors are available on the website of the company (http://sunilhitech.com/pdf/corporate_governance/FAMILIARISATION_PROGRAMMES_FOR_INDEPENDENT_DIRECTORS.pdf).

III. Audit Committee

1. Composition

The Board has constituted the Audit Committee to meet the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee consists of four members - Mr. Sonyabapu Shankar Waghmare, Chairman and Mr. Parag Sakalikar, Mr. Dilip Y. Ghanekar and Mr. Sajid Ali as Members. All these Members are financially literate and Independent Directors of the company.

2. Meetings and attendance during the year

During the financial year 2017-18, the meetings of Audit Committee were held on 19thMay, 2017; 14th September, 2017; 8th December, 2017 and 8th February, 2018.

The details of no. of meetings attended by the members are as follows:

Name of Members	Category	Meetings Attended
Mr. Sonyabapu Waghmare	Chairman	4
Mr. Parag Sakalikar	Member	4
Mr. Dilip Y. Ghanekar	Member	4
Mr. Sajid Ali	Member	3
*Mr. Vijay R. Gutte	Member	3

*During the year Mr. Vijay R. Gutte ceased to be Member of the Committee.

3. Terms of reference

Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses; and

5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

6. statement of deviations:
   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

IV. Nomination and Remuneration Committee

a) Composition

In compliance with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Board of Directors has constituted Nomination and Remuneration Committee consists of three members namely, Mr. Parag Sakalikar, Chairman, Mr. Sajid Ali and Mr. Dilip Y. Ghanekar, Members.

b) Meetings and attendance during the year

During the financial year 2017-18, there were three meetings of the Committee held on 19th May, 2017; 14th September, 2017and 8th February, 2018.

The details of no. of meetings attended by the members are as follows:

Name of Members	Category	Meetings Attended
Mr. Parag Sakalikar	Chairman	3
Mr. Dilip Y. Ghanekar	Member	3
Mr. Sajid Ali	Member	3

c) Terms of reference

The role of the committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become directors andwho may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

   Performance evaluation criteria for Independent Director:

   The Nomination and Remuneration Committee has determined parameters such as attendance at board meetings and general meetings, level of active participation in the board deliberations, contribution and independence of judgment thereby safeguarding the interest of the Company for the evaluation of Independent Directors of the Company.

V. Remuneration of Directors

a. Details of pecuniary relationship of Non-Executive Directors:

(Rs. in lacs)

Sl. no.	Particulars of Remuneration	Name of Directors							
		Sudhamati R. Gutte (NED)	Dilip Y. Ghanekar (ID)	Sonyabapu S. Waghmare (ID)	Parag A. Sakalikar (ID)	Sajid Imran Ali (ID)	Siddharth R. Mehta (ID)	Anil R. Aurangabadkar (ID)	Total Amount
1	Independent Directors								
	Fee for attending board /committee meetings	N.A.	1.40	1.40	1.40	1.20	0.80	1.20	7.40
	Commission	N.A.	-	-	-	-	-	-	-
	Others	N.A.	-	-	-	-	-	-	-
	Sub-total (1)	N.A.	1.40	1.40	1.40	1.20	0.80	1.20	7.40
2	Other Non-Executive Directors	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Fee for attending board /committee meetings	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Sl. no.	Particulars of Remuneration	Name of Directors							
		Sudhamati R. Gutte (NED)	Dilip Y. Ghanekar (ID)	Sonyabapu S. Waghmare (ID)	Parag A. Sakalikar (ID)	Sajid Imran Ali (ID)	Siddharth R. Mehta (ID)	Anil R. Aurangabadkar (ID)	Total Amount
	Commission	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Remuneration	48.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Sub-total (2)	**48.00**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**48.00**
	Total =(1+2)	**48.00**	**1.40**	**1.40**	**1.40**	**1.20**	**0.80**	**1.20**	**55.40**

* Refer related party transactions disclosure of Financial Statements for other pecuniary relationship of Mrs. Sudhamati R. Gutte.

ID: Independent Director; NED: Non-executive Director

b. Criteria for making payments to non-executive directors is given in the Nomination and Remuneration Policy of the company which is available on the website of the Company www.sunilhitech.com

c. Disclosure of payment to Executive Directors of the Company.

i) Details of pecuniary relationship of Executive Directors:

(Rs. in lacs)

Sl. no.	Particulars of Remuneration	Name of Directors				
		Sunil R. Gutte	Vijay R. Gutte	Venkataramana Condoor	M N Mohanan	Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.81	41.70	95.29	47.62	245.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others	-	-	-	-	-
5	Others	-	-	-	-	-
	Total (A)	**60.81**	**41.70**	**95.29**	**47.62**	**245.42**

ii) Service details:

Sr. No.	Name of Director	Date of Appointment	Tenure	Notice Period	Severance fees
1	Sunil R. Gutte	07.10.2014	5 Yrs.	One Month	-
2	Venkataramana Condoor	01.06.2013	5 Yrs.	One Month	-
3	M N Mohanan	10.10.2017	5 Yrs.	One Month	

VI. Stakeholders Relationship Committee

a) Composition

In compliance with provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Board of Directors has constituted Stakeholders Relationship Committee consists of three members namely Mr. Sajid Ali, Chairman, Mr. Dilip Y. Ghanekar and Mr. Sunil R. Gutte, Members.

b) Meetings and attendance during the year

During the financial year 2017-18 meetings of the Committee were held on 19th May, 2017; 14th September, 2017; 8th December, 2017and 8th February, 2018.

The details of no. of meetings attended by the members are as follows:

Name of Members	Category	Meetings Attended
Mr. Sajid Ali	Chairman	3
Mr. Dilip Y. Ghanekar	Member	4
Mr. Sunil R. Gutte	Member	4

Name and Designation of Compliance Officer:
Mr. Shrikant Chandrashekhar Rikhe
Company Secretary and Compliance Officer

c) Terms of reference

The Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, etc.

Shareholder's Services
The Company has received three complaints during the year and one remained unresolved at the end of last financial year and all of them have been redressed /answered to the satisfactory of the Shareholders.

The classification of complaints based on their nature was as follows:

Sr. No.	Descriptions	No. of Complaints
1	Non-receipt of dividend warrant	2
2	Non- receipt of share certificate	1
3	Non-receipt of demat rejection documents	1
	Total	4

VII. Corporate Social Responsibility (CSR) Committee

Composition

As required under Section 135 of the Companies Act, 2013 the Company has constituted Corporate Social Responsibility Committee consisting of four Members namely, Mr. Sonyabapu Waghmare, Mr. Parag Sakalikar, Mr. Sunil R. Gutte and Mr. Venkataramana Condoor.

Meetings and attendance during the year

During the financial year 2017-18, there were two meetings of the Committee held on 19th May, 2017 and 8th February, 2018.

Name of Members	Category	Meetings Attended
Mr. Sonyabapu Waghmare	Chairman	2
Mr. Parag Sakalikar	Member	2
Mr. Siddharth Mehta*	Member	1
Mr. Sunil R. Gutte	Member	2
Mr. Venkataramana Condoor	Member	2

*Mr. Siddharth Mehta ceased to be member wef 08.12.2017

Terms of reference

The Committee shall formulate and recommend to the Board a Corporate Social Responsibility Policy, recommend the amount of expenditure to be incurred on CSR activities and monitor Corporate Social Responsibility Policy of the Company from time to time.

VIII.General Body Meetings

a. Location and time, where last three annual general were meetings held
Annual General Meeting during last 3 financial years were held on 29th August, 2017 (For F.Y. 2016-17); 22nd September, 2016 (For F.Y. 2015-16) and 23rd July, 2015 (for F.Y. 2014-15). The Special Resolution(s) (if any) were passed at these meetings with requisite majority.

Sr. No.	Date	Venue	Time	Special Resolution
1	29.08.2017	Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai, Maharashtra 400050	11:00 A.M.	No
2	22.09.2016	Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai, Maharashtra 400050	11:00 A.M.	Yes
3	23.07.2015	'Ratnadeep', Jaynagar, Parli-Vaijnath, Dist – Beed ,Maharashtra 431520	2:00 P.M.	Yes

b. Postal Ballot

During the financial year 2017-18 following special resolutions were passed by postal ballot process:

1. To consider and approve issue of warrants on preferential basis to the members of promoters and non-promoters.

2. Approval to raise funds through Rights Issue/QIP/GDRs/ADRs/FCCBs

The Company had appointed M/s. Manish Pande& Co., Company Secretaries to scrutinize the Postal Ballot Forms received together with results of the E-voting.

The company followed procedure of postal ballot as enumerated under provisions of Companies Act, 2013 and rules made thereunder.

Details of voting pattern of Postal Ballot:

Resolution No.	Particulars	Votes cast in favour		Votes cast against	
		No. of Shares	%	No. of Shares	%
1	To consider and approve issue of warrants on preferential basis to the members of promoters and non-promoters.	162180503	97.93	3422653	2.07
2	Approval to raise funds through Rights Issue/ QIP/GDRs/ADRs/FCCBs.	165600516	99.96	50340	0.03

IX. Means of Communication

Your Company publishes its quarterly / half yearly / annual financial results within 48 hours of approval by the Board in one English daily newspaper - Business Standard and one Marathi daily newspaper - Sakal. These financial results are also posted on Company's official website www.sunilhitech.com. Company's means of communication are transparent and timely. In addition to the financial results, Company publishes the other information too, as required to be published under the Companies Act, 2013 or

the Listing Regulations or any other laws applicable or as may be required in the public interest.

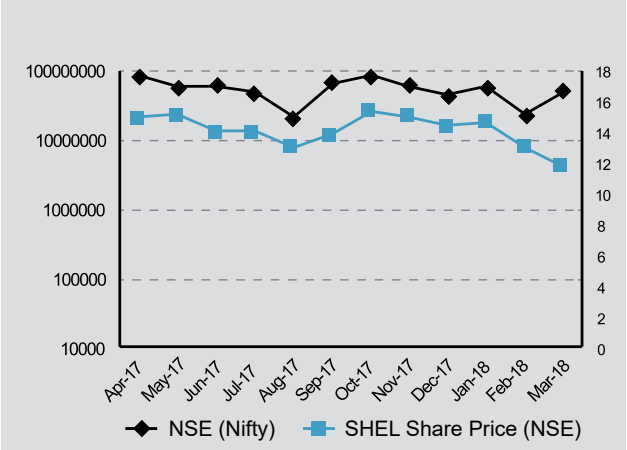
Apart from disclosing information in newspapers, Company provides and updates from time to time various information about it at its official website www.sunilhitech.com related with investors, customers, etc. and all other person dealing with your Company. In addition to this, Company also sends 'Investors Presentation' to research analysts and financial institutions.

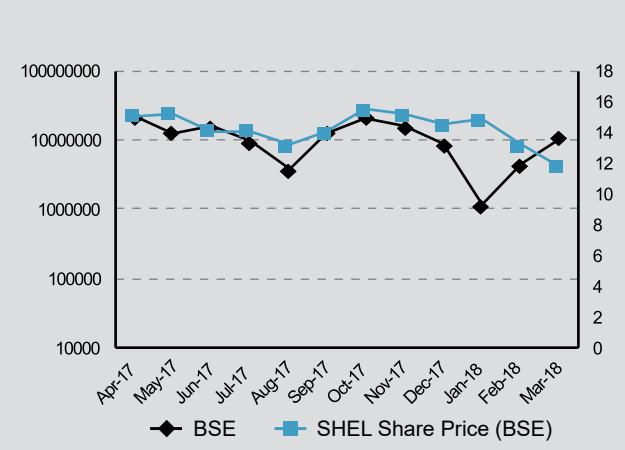
X. General Shareholders Information

a)	Annual General Meeting Date, time and venue	28th September, 2018 at 11:00 am at 4th Floor, "M. C. Ghia Hall", K. Dubash Marg, Kala Ghoda, Above Copper Chimney & Bombay Blue Restaurants, Near Jehangir Art Gallery, Mumbai-400 001, Maharashtra.
b)	Financial Calendar for FY2018-19 (Tentative) Results for Quarter ending	
	30th June, 2018	Upto 14th August, 2018
	30th September, 2018	Upto 14th November, 2018
	31st December, 2018	Upto 14th February, 2019
	31st March, 2019	Upto 30th May, 2019
c)	Dividend Payment Date	The Board has not recommended dividend for the financial year 2017-18
d)	Listing on Stock Exchanges	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Code: 532711) The National Stock Exchange of India Ltd. "Exchange Plaza" Plot No. C/1, G – Block, BandraKurla Complex, Bandra (E), Mumbai – 400 051 (Symbol: SUNILHITEC) Annual listing fees of both exchanges for the Financial Year 2018-19 is paid.
e)	Market Price Data	Monthly high & low quotes of Shares traded in NSE & BSE

Period	NSE			BSE		
	High	Low	Volume	High	Low	Volume
Apr-17	14.95	11.95	84920538	14.95	11.96	22168401
May-17	15.1	12.3	56388946	15.11	12.32	12698493
Jun-17	14.05	12.55	59140286	13.97	12.57	15740143
Jul-17	14	13.1	47224841	13.97	13.11	9379700
Aug-17	13.05	11.25	20908579	13.06	11.24	3751019
Sep-17	13.85	11.45	65312437	13.89	11.46	12459266
Oct-17	15.35	12.5	84272978	15.35	12.52	20810773
Nov-17	15	13.3	59807273	15	13.3	15864689
Dec-17	14.35	13.2	42928888	14.37	13.18	8632198
Jan-18	14.65	12.85	57301335	14.67	12.86	1159745
Feb-18	13.05	11.7	22627279	13.06	11.7	4343027
Mar-18	11.75	8.2	49087846	11.67	8.27	10535522

f) Stock performance in comparison to NSE and BSE





g)	Registrar and Transfer Agents	Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059. Email: info@bigshareonline.com Phone no. 022 6263 8200
h)	Share Transfer System	Share Transfers in physical form can be lodged with Bigshare Services Private Limited at the above mentioned address. The transfers are generally processed within 10 days from the date of receipt, if the documents are complete in all respects and thereafter informed to the concerned person.

i) Distribution of shareholding

No. of Shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 5000	56918	89.77	61084024	13.24
5001-10000	3463	5.46	27571372	5.98
10001-20000	1597	2.52	24427844	5.30
20001-30000	554	0.87	13948935	3.02
30001-40000	227	0.36	8097427	1.76
40001-50000	172	0.27	8063715	1.75
50001-100000	245	0.39	17837136	3.87
100001 & above	229	0.36	300272747	65.09
Total	**63405**	**100.00**	**461303200**	**100.00**

j) De-materialization of shares and liquidity

The shares are compulsorily traded in de-materialised form and available for trading system at both National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Company submits the Audit Report duly certified by the Practicing Company Secretary in time to keep the Stock Exchanges updated about the latest position of its shares.

As on 31st March, 2018 Shares held in CDSL, NSDL & in Physical form are as follows:

Particulars	No. of Shares	% of total CapitalIssued
CDSL	108871858	23.6
NSDL	269110272	58.34
Physical	21070	0.01
Total	**378003200**	**82.00**

The difference in issued capital and dematerialized capital is on account of 8,33,00,000 shares issued during the year upon conversion of warrants and said shares are under process of listing. On receipt of listing approval these shares shall be dematerialized.

k)	Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	At the end of financial year 31st March, 2018 Company has no outstanding GDRs/ ADRs. At the end of financial year 31st March, 2018 the company has 7,54,50,000 outstanding warrants convertible into 7,54,50,000 shares of Rs. 1/- each. Upon conversion of these warrants the paid-up capital of the Company shall increase to Rs. 53,67,53,200/- divided into 536753200 shares of Rs. 1 each/-
l)	Commodity price risk or foreign exchangerisk and hedging activities:	Company has not undertaken any activity regarding commodity price risk or foreign exchange risk and hedging during the financial year 2017-18.

m)	Address for Correspondence:	Address for Correspondence:
	Corporate Office:	For Transfer / De-materialisation of shares, payment of dividend on shares and anyother query relating to the shares of the Company:
	Sunil Hitech Engineers Limited 6th Floor, C-Wing, MET Educational Complex, Gen. A.K. Vaidya Marg, Bandra Reclamation, Bandra (W), Mumbai-400050 Tel.: 022-61872400 Email:investor@sunilhitech.com	Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400 059 Tel.: 022-62638200 Email: info@bigshareonline.com

XI. Other Disclosures

i) Disclosures on materially significant related party transactions that may have the potential conflict with the interest of the Company at large:

No material related party transactions are entered during the financial year 2017-18. The transactions with the related parties are disclosed in the Notes to the Financial Statements.

ii) During the last 3 financial years, there were no instances of non-compliance by the Company on any matters related to the capital markets or penalties/strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority:

The company delayed in filing listing application with stock exchanges concerned.

iii) The Company has established 'Whistle Blower Policy/Vigil Mechanism'. No person has been denied access to the audit committee.

iv) The Company complies with the mandatory requirements of Listing Regulations and timely submits the reports.

v) A policy for determining material subsidiary is disclosed on the website of the company www.sunilhitech.com

vi) A policy on dealing with related party transactions is disclosed on the website of the company www.sunilhitech.com

vii) Company has not undertaken any activity regarding commodity price risks and commodity hedging.

XII. There were no instances of non-compliances with the any requirements of corporate governance report.

XIII. The Company has dulyfulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:

a. The statutory auditors' report on standalone and consolidated financial statements of the Company is unqualified.

b. The internal auditors of the Company if required may report directly to the audit committee.

XIV. It is hereby declared that the company is in compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

"It is hereby declared that the members of the Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management for the financial year ended 31st March, 2018."

Place: Mumbai

Date: 14th August, 2018

Sunil Ratnakar Gutte

Chairman and Managing Director

Auditors' Certificate on Corporate Governance

To the Members of
Sunil Hitech Engineers Limited

We have examined the compliance of conditions of corporate governance by Sunil Hitech Engineers Limited ("the Company") for the year ended on 31 March 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations and may not be suitable for any other purpose.

For and on Behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

ABHAY UPADHYE
Partner
Membership No. 049354

Place: Mumbai
Dated: 14th August, 2018

Annexure - B

Corporate Social Responsibility

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Brief outline of Company's CSR policy

1. Skill Development for sustainable income generation & Livelihood

- Skill development training for unemployed youth for better employability & to promote self-employment.
- Vocational/ technical/professional training for youth for ultimate support to the projects for hiring skilled youth.
- Promote enterprise development.
- Promote self-help groups.

2. Literacy / Education

- Construction/repair of school buildings & facilities including boundary walls, separate toilets for boys & girls and provision of drinking water.
- Provision of uniforms, books, stationery, computer & Laboratory equipment etc., to schools.
- Scholarships/fellowships to deserving students to encourage education.
- Promotion of adult education with focus on women's education etc.
- Reducing the drop-out rate of students & absenteeism through counseling & other means.
- Promote computer literacy and technology assisted learning.
- To set up/ promote higher education through special coaching/ inputs to bridge the gap.
- To promote Technical/ professional/ medical education by giving financial assistance / opening institutions through Organizations/ infrastructural support.

3. Safe Drinking Water /Health care & Sanitation

- Provide safe drinking water by sinking bore wells, tube wells, establishment of water treatment plants etc.
- Preventive and promote health care through mobile medical vans etc.,
- Nutritional supplements to lactating mothers, children, adolescent girls and pregnant women.
- Health awareness campaigns on serious/chronic diseases.
- OP/IP treatment including operations at project hospitals.
- Organising periodic health camps.
- Offering specialized support services to the physicallyhandicapped and mentally challenged people.
- Veterinary medical support.
- Promotion of sanitation through proper drainage systemand construction of toilets.
- Assistance for establishment of Hospitals/Medical Colleges etc.

4. Agriculture & Infrastructure Development

- To promote water shed development /water harvesting water conservation measures.
- Development of roads, bridges, markets, transport facilities, community welfare centers beautification of towns, cities, other civic amenities etc.
- Promote use of non-conventional energy.
- Electrification of Public buildings in villages.

5. Women empowerment

- Creation of primary group of women producer.
- Federation of women producer groups and facilitation of its financial linkages.
- Federation of women producer groups and facilitation of its financial linkages.Facilitation of new agro technology and other resources to improve per hectare production especially to women farmers.
- Federation of women producer groups and facilitation of its financial linkages.Literacy and training programs for women farmers to ensure they inculcate basic business traits.
- Federation of women producer groups and facilitation of its financial linkages. Health check-up camps for women and children.

6. Environment and sustainability

- Federation of women producer groups and facilitation of its financial linkages.Plantation drives around work sites.
- Federation of women producer groups and facilitation of its financial linkages.Training program for CBO's to improve energy conservations and increasing dependency upon secondary energy resources.

SHEL- CSR Program Scope Analysis & Mapping

- Participatory Rural Appraisal (PRA) technique was adopted to ensure inclusive impact of SHEL-CSR program in targeted region of Maharashtra & Jharkhand. The process had involved active participation of all Primary stakeholders across targeted districts in due consultation with Sunil Hitech CSR members. The scope identification and impact assessment exercise had designed to cover socioeconomic indicators across region and study suggested a necessary impetus towards education in targeted districts. Hence SHEL – CSR committee proposed a skill development training for the youth in the region which later linked to wage employment in industries.

SHEL- CSR Program Process

SHEL- CSR identifies education (Skill Development) program as most crucial for integrated development of area in four most marginal districts across its project sites in Maharashtra and Jharkhand. The details of targeted districts are mentioned below.

Sl. No.	Name of the State	Targeted Districts
1	Maharashtra	Nanded
		Koradi
		Nagpur
2	Jharkhand	Karanpura

The programs had initially designed to enable rural youth in region with technical education precisely in power and infrastructure with direct access to wage employment. The motive of linking wage employment to ensure direct income generation for concerned family and thereon to contribute indirectly for economic up-liftment.

CSR Policy of the Company is available on its website www. sunilhitech.com.

2. The Composition of the CSR Committee:

   The Company has a CSR Committee comprising of Mr. Sonyabapu Waghmare, Chairman of the Committee and Mr. Parag Sakalikar, Mr. Sunil R. Gutte and Mr. Venkataramana Condoor as members.

3. Average net profit of the company for last three financial years: Rs. 63.50 crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 1.27 crore

5. Details of CSR spent during the financial year 2017-18:

   a. Total amount to be spent for the financial year 2017-18: Rs. 1.27 crore

   b. Amount unspent, if any: Rs. 0.90 crore

- Some of the large programmes in the areas of education and promoting employability are multiyear projects.
- Financial loss in the last quarter of financial year 2017-18 declined the outlays towards CSR activities.

   c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	1
CSR project or Activity Identified	Skill Development for sustainable income generation & Livelihood
Sector in which the project is covered (clause no. of Schedule VII to The Companies Act, 2013, as amended)	Clause (ii) Special education and employment enhancing vocation skills
Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Maharashtra: Nanded, Koradi and Nagpur Jharkhand: Karanpura
Amount Outlay (Budget) Project or Program wise (Rs. in cr.)	1.27
Amount spenton the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Rs. in cr.)	0.37
Cumulative Expenditure upto the reporting period i.e. FY 2017-18 (Rs. in cr.)	0.37
Amount Spent Direct or through implementing Agency	Direct

Responsibility Statement

We hereby declare that implementation and monitoring of Corporate Social Responsibility (CSR) Policy, are in compliance with CSR objectives and policy of the Company.

Sunil R. Gutte
Chairman and Managing Director

S.S. Waghmare
Chairman CSR Committee

Annexure - C

Form No. MR-3

Secretarial Audit Report

For the financial year ended as on 31/03/2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sunil Hitech Engineers Limited,
CIN: L28920MH1998PLC115155
72, Floor-7, Plot-15A, Sagar Tarang CHS,
Khan Abdul Gaffar Khan Marg, Worli Seaface,
Worli Colony, Mumbai – 400030

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sunil Hitech Engineers 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.

Based on our verification of 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 ended on 31st March, 2018, 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 subject to certain qualifications which may be part of the reporting hereunder:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2018 according to the provisions of:
   - The Companies Act, 2013 (the Act) and the Rules made there under;
   - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
   - The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
   - Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   - The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:

     a. The Securities and Exchange Board of India (Substantial Acquisitions of Shares And Takeovers) Regulations, 2015;

     b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

     c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

     d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;

     e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2013;

     f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2011;

     g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

     h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008;

     i. Other laws applicable as per the representation made by the management such as:

     Income Tax Act, 1961 and Other Direct Tax Laws
     Professional Tax
     Value Added Tax
     Service Tax
     Central Sales Tax Laws
     The Payment of Wages Act, 1936
     The Minimum Wages Act, 1948
     Payment of Gratuity Act, 1972
     Employees Provident Fund and Miscellaneous Provision Act, 1952
     Employees State Insurance Act, 1948
     Employees Compensation Act, 1923
     The Payment of Bonus Act, 1965
     The Apprentices Act, 1961
     The Indian Stamp Act, 1999
     Indian Contract Act, 1872
     Negotiable Instrument Act, 1881
     Bombay Shops and Establishment Act, 1948
     The Contract Labour (Regulation and Abolition) Act, 1970
     Competition Law, 2002

2. We have also examined compliance with the applicable clauses of the following:

   i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Regulations, etc. mentioned above subject to the following observations:

a. The Company has maintained all the statutory registers and documents and have made all the necessary entries therein.

b. The provisions with regard to closure of the Register of Members have been duly complied with.

c. The forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government have been duly filed.However there has been a delay in filing certain forms including forms for charge, annual return, resolutions, etc.

d. The provisions with regard to service of documents by the Company on its Members, Auditors and the Registrar of Companies have been duly complied with.

e. The notices of Board meetings and Committee meetings of Directors have been served appropriately.

f. The Company has complied with the provisions related to the Board of Directors Meeting during the year. The Audit Committee Meetings, Stakeholders' Relationship Committee Meetings, Allotment Committee Meetings, Nomination and Remuneration Committee Meetings and Corporate Social Responsibility Committee Meetings have been duly held.

g. The 19th Annual General Meeting of the Company was duly held on 29th August, 2017 for the financial year ending 31/03/2017.

h. The approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, have been taken, wherever required.

i. 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.

j. The Company has complied with the provisions with regard to payment of remuneration to Directors including the Managing Director and Whole-time Directors. However for the payment of managerial remuneration within the prescribed limits under provisions of Section 197 of the Companies Act, 2013 ('the Act') the company had inadequacy of profit due to loss in the last quarter of the financial year 2017-18.The Company is in the process of ratification of the managerial remuneration paid to Managing Director and Whole-time Director during the said period by member's resolution under provisions of Section 196 and 197 read with Schedule V of the Act. Further the Board of Directors is to decide on refund/ratification/adjustment of managerial remuneration paid to Non-Executive Director of the Company.

k. The Company has complied with the provisions with regard to appointment and remuneration of Statutory Auditors.

l. The Company has complied with the provisions with regard to transfer and transmission of the shares and issue and dispatch of duplicate share certificates.

m. The Company has complied with the provisions with regard to declaration and payment of dividends.

n. The Company has established a Vigil Mechanism and provides to complainants, if any, unhindered access to the Chairman of the Audit Committee.

o. The Company have uploaded the details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs.

p. The Company has complied with the provisions with regard to borrowings and registration, modification and satisfaction of charges wherever applicable.

q. The Company has complied with the provisions with regard to investment of the Company's funds including investments and loans to others.

r. During the period under review, the Company has obtained necessary approvals under Section 188 of the Companies Act, 2013 for related party transactions.

s. The Company has complied with the provisions of the Act with regard to form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act.

t. The Company has complied with the provisions with regard to report of the Board of Directors for the financial year ended 31/03/2018.

u. The Company has complied with the provisions with regard to contracts, common seal, registered office and publication of name of the Company; and

v. Generally, the Company has complied with the provisions with regard to all other applicable provisions of the Act and the Rules made under the Act.

w. The Company has complied with provisions of section 135 of the Companies Act, 2013 and the rules framed there under, relating to Corporate Social Responsibility.However some of the amount allocated for CSR activities remained unspent during the year.

4. We further report that:

a) As informed by the management of the Company, 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.

b) Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.

c) The Company has obtained all necessary approvals under the various provisions of the Act.

d) There was no prosecution initiated and no fines or penalties

were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, LODR Regulations and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers. However the company has filed some listing applications with delayed fees.

e) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, they being independent and compliance with the Code of Conduct & Ethics for Directors and Management Personnel.

5. We further report that the Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

6. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the bye laws framed there under by the Depositories with regard to dematerialization / re-materialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

7. We further report that the Company has complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made under that Act to the extent applicable.

8. We further report that:

a) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations are applicable to the Company during the financial year under review.

c) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosure and maintenance of records required under the said Regulations;

9. We further report that:

a) The Company has complied with the provisions of Income Tax Act, 1961 and Professional Tax. However, Income-tax return, the quarterly returns of Tax Deducted at Source and Tax Collected at Source are delayed.

b) The Company has complied with the provisions of Goods and Service Tax (GST)/Service Tax and paid the statutory dues related to GST/Service Tax.

There is delay in filing certain monthly returns in respect of some states of registration obtained by the Company.

Litigations relating to service tax during the financial year 2017-18 are ongoing with the statutory authorities concerned.

c) The Company has complied with the provisions of Central Sales Tax Laws and Value Added Tax Laws. However there has been delay in filing of returns.

d) The Company has complied with the provisions of Entry Tax.

10. We further report that:

The Company has complied with all the provisions of The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Employees' State Insurance Act, 1948, The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Bonus Act, 1965, The Apprentices Act, India Contract Act, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation and Abolition) Act, 1970, The Employees' Compensation Act, 1923 and The Bombay Shops and Establishment Act, 1948, Competition Law, 2002, Negotiable Instrument Act, 1881, The Indian Stamp Act, 1999.

11. We further report that:

a) Based on the information received and records maintained 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; and

b) The Company has complied with all the other laws specifically applicable to the Company.

Place: Nagpur
Date: 14th August, 2018

For MANISH PANDE & CO.
Manish Pande
Membership No. 5004
C.P. No. 3424

This report is to be read with our letter of even date which is annexed as 'ANNEXURE I' and forms an integral part of this report.

Annexure - I

To,
The Members,
Sunil Hitech Engineers Limited,
CIN: L28920MH1998PLC115155
72, Floor-7, Plot-15A, Sagar Tarang CHS,
Khan Abdul Gaffar Khan Marg, Worli Seaface,
Worli Colony, Mumbai – 400030

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

   We believe that the processes and practices 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 representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

   Our examination was limited to the verification of procedures on test basis.

6. 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.

Place: Nagpur
Date: 14th August, 2018

For MANISH PANDE & CO.
Manish Pande
Membership No. 5004
C.P. No. 3424

Annexure - D

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1) Details of Contract or arrangements or transactions not at Arm's Length basis

   There were no contracts or arrangements or transactions entered into during the year ended on 31st March, 2018 which were not at arm's length basis.

2) Details of Material contracts or arrangements or transactions at Arm's Length basis

   There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2018 crossing the materiality threshold of 10% of the annual consolidated turnover of the Company.

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2018 are as follows:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount (In lakhs)	Date(s) of approval by the Board	Amount paid as advances, if any: (In lakhs)
Sudhamati R. Gutte	Director	Sale of shares of Gangakhed Sugar & Energy Ltd.	-	As per agreement	700.00	14.09.2017	-
Venkataramana Condoor	Director	Sale of shares of VAG Buildtech Ltd.	-	As per resolution	33.83	14.02.2017	-
VAG Buildtech Ltd.	Common Directors	Purchase of goods and services	Ongoing	As per LOA	1408.66	05.11.2015	-
VAG Buildtech Ltd.	Common Directors	Sale of goods and services	Ongoing	As per W/o	323.76	19.05.2017	-
SEAM Industries Ltd.	Common Directors	Purchase of goods and services	Ongoing	As per W/o	1959.13	14.09.2017	-
SHEL-VARAHA JV	Joint Venture	Sale of goods and services	Ongoing	As per LOA	576.96	14.09.2017	-
SHEL-RCM JV	Joint Venture	Sale of goods and services	Ongoing	As per LOA	1991.78	14.09.2017	-
Sudhamati R. Gutte	Director	Leasing of property	Ongoing	As per agreement	63.93	19.05.2017	-
Ratnakar M. Gutte	Relative of Director	Leasing of property	Ongoing	As per agreement	45.99	19.05.2017	-
		Remuneration	Ongoing	As per agreement	84.00	25.01.2017	-

Annexure - E

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

i)	**CIN:**	L28920MH1998PLC115155
ii)	**Registration Date:**	29/05/1998
iii)	**Name of the Company:**	Sunil Hitech Engineers Limited
iv)	**Category / Sub-Category of the Company:**	Public Limited Company
v)	**Address of the Registered office and contact details:**	72, Floor-7, Plot-15A, Sagar Tarang CHS, Khan Abdul Gaffar Khan Marg, Worli Seaface, Worli, Colony Mumbai-400030, Tel. 022-2491 9209, Email: info@sunilhitech.com
vi)	**Whether listed company Yes /No**	Yes
vii)	**Name, Address and Contact details of Registrar and Transfer Agent:**	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059 Email: info@bigshareonline.com Phone no. 022 6263 8200

II. Principal business activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Construction of Utility Projects	422	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	Shares hel	Applicable Section
1	SEAM Industries Limited Reg. Off.: 6th Floor, C-Wing, MET Educational Complex Gen. A.K. Vaidya Marg, Bandra Reclamation, Bandra (W), Mumbai-400050	U28120MH2005PLC153364	Subsidiary	88.61	2(87)(ii)
2	SHEL Investments Consultancy Private Limited Reg. Off.: 97, East High Court Road, Ramdaspeth, Nagpur-440010	U45202MH2009PTC195072	Subsidiary	99.99	2(87)(ii)
3	Sunil Hitech Energy Private Limited Reg. Off.: 97, East High Court Road, Ramdaspeth, Nagpur-440010	U40109MH2008PTC178611	Subsidiary	51.00	2(87)(ii)
4	VagBuildtechLimited (Formerly 'Vag Buildtech Private Limited.') Reg. Off.: 6th Floor, C-Wing, MET Educational Complex Gen. A.K. Vaidya Marg, Bandra Reclamation, Bandra (W), Mumbai-400050	U45400MH2012PLC232077	Subsidiary	78.01	2(87)(ii)
5	Sunilhitech Solar (Dhule) Private Limited Reg. Off.: 6th Floor, C-Wing, MET Educational Complex Gen. A.K. Vaidya Marg, Bandra Reclamation, Bandra (W), Mumbai-400050	U40108MH2014PTC254060	Subsidiary	100.00	2(87)(ii)
6	Patna Green Energy Private Limited Reg. Off.: 6th Floor, C-Wing, MET Educational Complex Gen. A.K. Vaidya Marg, Bandra Reclamation, Bandra (W), Mumbai-400050	U40108MH2014PTC258256	Subsidiary	90.00	2(87)(ii)
7	Bodhre Dhule Highway Private Limited Reg. Off.: 6th Floor, C-Wing, MET Educational Complex Gen. A.K. Vaidya Marg, Bandra Reclamation, Bandra (W), Mumbai-400050	U45309MH2017PTC292614	Subsidiary	100.00	2(87)(ii)

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	Shares hel	Applicable Section
8	Future Commodities and Investments Pte. Ltd. Reg. Off.: 30 Cecil Street #19-08, Prudential Towers, Singapore (049712)	N.A.	Subsidiary	100.00	2(87)(ii)
9	MSMC Adkoli Natural Resources Limited Reg. Off.: Plot No. 7, Ajni Square, Wardha Road, Nagpur-440015	U10200MH2010SGC200221	Associate	24.99	2(6)
10	SHE-ASSIGNIA (JV)	N.A.	Associate	51%	2(6)
11	SHEL-RCM (JV)	N.A.	Associate	51%	2(6)
12	SHEL-VARAH (JV)	N.A.	Associate	51%	2(6)
13	VARAH-SHEL (JV)	N.A.	Associate	51%	2(6)

IV. Share holding pattern (Equity share capital breakup as percentage of total equity)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	42,183,660	0	42,183,660	11.16	42,183,660	15,000,000	57,183,660	12.40	1.24
(b) Central Govt.	0	0	0	0.00	0	0	0	0	0.00
(c) State Govt. (s)	0	0	0	0.00	0	0	0	0	0.00
(d) Bodies Corp.	91,500,000	0	91,500,000	24.21	89,749,900	37,000,000	126,749,900	27.48	3.27
(e) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
(f) Any Other….	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A) (1):-	133,683,660	0	133,683,660	35.37	131,933,560	52,000,000	183,933,560	39.87	4.51
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	118,106,553	5,870	118,112,423	31.25	154,191,140	5,070	154,196,210	33.43	2.18
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	44,438,515	0	44,438,515	11.76	32,830,138	24,300,000	57,130,138	12.38	0.63
c) Others									
i) Trusts	131,060	0	131,060	0.03	64,060	0	64,060	0.01	-0.02
ii) Clearing Member	12,482,515	0	12,482,515	3.30	19,389,729	0	19,389,729	4.20	0.90
iii) NRI	8,050,446	0	8,050,446	2.13	11,893,418	7,000,000	18,893,418	4.10	1.97
iv) Overseas Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
v) Employees	0	16,000	16,000	0.00	0	16,000	16,000	0.00	-0.00
vi) NBFCs registered with RBI	85,900	0	85,900	0.02	5,000	0	5,000	0.00	-0.02
Sub-total (B)(2):-	244,284,670	21,870	244,306,540	64.63	244,623,983	31,321,070	275,945,053	59.82	-4.81
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)	244,297,670	21,870	244,319,540	64.63	246,048,570	31,321,070	277,369,640	60.13	-4.51
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	377,981,330	21,870	378,003,200	100.00	377,982,130	83,321,070	461,303,200	100.00	0.00

Note: During the FY 2017-18 the Company has allotted 8.33 cr. shares upon conversion of warrants. These shares are under process of listing thus not dematerialised and adjusted in the physical shareholding.

ii) Shareholding of Promoters

Sl No.	Sharehoder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /en-cumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /en-cumbered to total shares	
1	Sudhamati Ratnakar Gutte	4,488,860	1.19	0.00	0	0.00	0.00	-1.19
2	Sunil Ratnakar Gutte	33,574,800	8.88	6.10	38,063,660	8.25	5.00	-0.63
3	Swati Ratnakar Gutte	120,000	0.03	0.00	120,000	0.03	0.00	-0.01
4	Venkataramana Condoor	4,000,000	1.06	0.00	4,000,000	0.87	0.00	-0.19
5	VRG Digital Corporation Private Limited	43,500,000	11.51	0.00	56,500,000	12.25	0.00	0.74
6	Gutte Infra Private Limited	48,000,000	12.70	0.00	54,749,900	11.87	4.89	-0.83
7	Gangakhed Solar Power Private Limited	0	0.00	0.00	15,500,000	3.36	0.00	3.36
8	Sunil Ratnakar Gutte (HUF)	0	0.00	0.00	15,000,000	3.25	0.00	3.25
	Total	**133,683,660**	**35.37**	**6.10**	**183,933,560**	**39.87**	**9.89**	**4.51**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Sudhamati Ratnakar Gutte	4,488,860	1.19	01.04.2017				
				27.11.2017	-4,488,860	Transfer	0	0.00
				31.03.2018			**0**	0.00
2	Sunil Ratnakar Gutte	3,574,800	8.88	01.04.2017				
				27.11.2017	4,488,860	Transfer	38,063,660	1.19
				31.03.2018			**38,063,660**	**8.25**
3	Swati Ratnakar Gutte	120,000	0.03	01.04.2017				
				31.03.2018			120,000	0.03
4	Venkataramana Condoor	4,000,000	1.06	01.04.2017				
				31.03.2018			4,000,000	0.87
5	VRG Digital Corporation Private Limited	43,500,000	251.08	01.04.2017				
				27.02.2018	2,250,000	Allotment	45,750,000	10.73
				28.02.2018	10,750,000	Allotment	56,500,000	12.25
				31.03.2018			56,500,000	12.25
6	Gutte Infra Private Limited	48,000,000	277.05	01.04.2017	-			
				28.02.2018	8,500,000	Allotment	56,500,000	12.25
				26.03.2018	-1,750,100	Invocation	54,749,900	11.87
				31.03.2018			54,749,900	11.87

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
7	Gangakhed Solar Power Private Limited	-	-	01.04.2017				
				28.02.2018	15,500,000	Allotment	15,500,000	3.36
				31.03.2018			15,500,000	3.36
8	Sunil Ratnakar Gutte (HUF)	-	-	01.04.2017				
				27.02.2018	15,000,000	Allotment	15,000,000	3.52
				31.03.2018			15,000,000	3.25

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Sharehold-ing at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Fatehpuria Business Associates Private Limited	32,400,000	8.57	01.04.2017	-	-	32,400,000	8.57
				21.04.2017	-10000000	Transfer	22,400,000	5.93
				06.10.2017	-300000	Transfer	22,100,000	5.85
				13.10.2017	-600000	Transfer	21,500,000	5.69
				20.10.2017	-800000	Transfer	20,700,000	5.48
				27.10.2017	-3400000	Transfer	17,300,000	4.58
				31.10.2017	-2000000	Transfer	15,300,000	4.05
				03.11.2017	-620000	Transfer	14,680,000	3.88
				10.11.2017	-880000	Transfer	13,800,000	3.65
				17.11.2017	-850000	Transfer	12,950,000	3.43
				24.11.2017	-2700000	Transfer	10,250,000	2.71
				01.12.2017	-1400000	Transfer	8,850,000	2.34
				08.12.2017	-1500000	Transfer	7,350,000	1.94
				15.12.2017	-50000	Transfer	7,300,000	1.93
				29.12.2017	-800000	Transfer	6,500,000	1.72
				05.01.2018	-700000	Transfer	5,800,000	1.53
				16.03.2018	3300000	Transfer	9,100,000	1.97
				23.03.2018	-1032000	Transfer	8,068,000	1.75
				30.03.2018	-1200000	Transfer	6,868,000	1.49
	At the End of the year			31.03.2018			6,868,000	1.49
2	Arcadia Share and Stock Brokers Private Limited	16,460	0.00	01.04.2017	-	-	16,460	0.00
				07.04.2017	213740	Transfer	230,200	0.06
				14.04.2017	-83853	Transfer	146,347	0.04
				21.04.2017	9903198	Transfer	10,049,545	2.66
				28.04.2017	-10170	Transfer	10,039,375	2.66

Sl. No.	Name	Sharehold-ing at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				05.05.2017	-1542	Transfer	10,037,833	2.66
				12.05.2017	-7400	Transfer	10,030,433	2.65
				19.05.2017	1243631	Transfer	11,274,064	2.98
				26.05.2017	-14613	Transfer	11,259,451	2.98
				02.06.2017	2090	Transfer	11,261,541	2.98
				09.06.2017	-1117990	Transfer	10,143,551	2.68
				16.06.2017	7350	Transfer	10,150,901	2.69
				23.06.2017	1166842	Transfer	11,317,743	2.99
				30.06.2017	2447268	Transfer	13,765,011	3.64
				07.07.2017	-2271000	Transfer	11,494,011	3.04
				14.07.2017	281881	Transfer	11,775,892	3.12
				21.07.2017	-117425	Transfer	11,658,467	3.08
				28.07.2017	-59700	Transfer	11,598,767	3.07
				04.08.2017	-30760	Transfer	11,568,007	3.06
				11.08.2017	743375	Transfer	12,311,382	3.26
				18.08.2017	-12450	Transfer	12,298,932	3.25
				22.08.2017	4420	Transfer	12,303,352	3.25
				25.08.2017	-51750	Transfer	12,251,602	3.24
				29.08.2017	-2000	Transfer	12,249,602	3.24
				01.09.2017	100	Transfer	12,249,702	3.24
				08.09.2017	-9600	Transfer	12,240,102	3.24
				15.09.2017	-423200	Transfer	11,816,902	3.13
				22.09.2017	-1774757	Transfer	10,042,145	2.66
				29.09.2017	-3850	Transfer	10,038,295	2.66
				06.10.2017	-650	Transfer	10,037,645	2.66
				13.10.2017	-1680	Transfer	10,035,965	2.65
				20.10.2017	-30460	Transfer	10,005,505	2.65
				27.10.2017	38605	Transfer	10,044,110	2.66
				31.10.2017	-3600	Transfer	10,040,510	2.66
				03.11.2017	9075	Transfer	10,049,585	2.66
				10.11.2017	-6250	Transfer	10,043,335	2.66
				17.11.2017	1420	Transfer	10,044,755	2.66
				24.11.2017	8450	Transfer	10,053,205	2.66
				01.12.2017	81508	Transfer	10,134,713	2.68
				08.12.2017	-33838	Transfer	10,100,875	2.67
				15.12.2017	23900	Transfer	10,124,775	2.68
				22.12.2017	-6000	Transfer	10,118,775	2.68
				29.12.2017	3878	Transfer	10,122,653	2.68
				05.01.2018	-27428	Transfer	10,095,225	2.67
				12.01.2018	-3120	Transfer	10,092,105	2.67
				19.01.2018	15676	Transfer	10,107,781	2.67
				26.01.2018	15440	Transfer	10,123,221	2.68
				02.02.2018	2195	Transfer	10,125,416	2.68

Sl. No.	Name	Sharehold-ing at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				09.02.2018	-78480	Transfer	10,046,936	2.66
				16.02.2018	-400	Transfer	10,046,536	2.66
				23.02.2018	4280	Transfer	10,050,816	2.66
				02.03.2018	1004800	Transfer	11,055,616	2.40
				09.03.2018	-645018	Transfer	10,410,598	2.26
				16.03.2018	-3639850	Transfer	6,770,748	1.47
				23.03.2018	-18000	Transfer	6,752,748	1.46
				30.03.2018	5824	Transfer	6,758,572	1.47
	At the End of the year			31.03.2018			6,758,572	1.47
3	Dipinder Sandhu	4,360,000	1.15	01.04.2017	-	-	4,360,000	1.15
				16.06.2017	-100000	Transfer	4,260,000	1.13
				21.07.2017	100000	Transfer	4,360,000	1.15
				29.09.2017	-200000	Transfer	4,160,000	1.10
				27.10.2017	50000	Transfer	4,210,000	1.11
				31.10.2017	100000	Transfer	4,310,000	1.14
	At the End of the year			31.03.2018			4,310,000	0.93
4	Rohit Agrawal	8,050,000	2.13	01.04.2017	-		8,050,000	2.13
				31.10.2017	-200000	Transfer	7,850,000	2.08
				03.11.2017	-404324	Transfer	7,445,676	1.97
				10.11.2017	-539303	Transfer	6,906,373	1.83
				24.11.2017	-56373	Transfer	6,850,000	1.81
				01.12.2017	-761300	Transfer	6,088,700	1.61
				08.12.2017	-332647	Transfer	5,756,053	1.52
				05.01.2018	-274991	Transfer	5,481,062	1.45
				12.01.2018	-267276	Transfer	5,213,786	1.38
				16.03.2018	-330956	Transfer	4,882,830	1.06
				30.03.2018	-1097451	Transfer	3,785,379	0.82
	At the End of the year			31.03.2018			3,785,379	0.82
5	Sharekhan Limited	532,386	0.14	01.04.2017			532,386	0.14
				07.04.2017	520432	Transfer	1,052,818	0.28
				14.04.2017	-308548	Transfer	744,270	0.20
				21.04.2017	-42940	Transfer	701,330	0.19
				28.04.2017	-15857	Transfer	685,473	0.18
				05.05.2017	30794	Transfer	716,267	0.19
				12.05.2017	57649	Transfer	773,916	0.20
				19.05.2017	-187268	Transfer	586,648	0.16
				26.05.2017	92884	Transfer	679,532	0.18
				02.06.2017	-39844	Transfer	639,688	0.17
				09.06.2017	82594	Transfer	722,282	0.19
				16.06.2017	194540	Transfer	916,822	0.24
				23.06.2017	179093	Transfer	1,095,915	0.29

Sl. No.	Name	Sharehold-ing at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				30.06.2017	-419736	Transfer	676,179	0.18
				07.07.2017	59734	Transfer	735,913	0.19
				14.07.2017	-2188	Transfer	733,725	0.19
				21.07.2017	-121473	Transfer	612,252	0.16
				28.07.2017	-15326	Transfer	596,926	0.16
				04.08.2017	-10295	Transfer	586,631	0.16
				11.08.2017	-20909	Transfer	565,722	0.15
				18.08.2017	-37702	Transfer	528,020	0.14
				22.08.2017	-94951	Transfer	433,069	0.11
				25.08.2017	-2717	Transfer	430,352	0.11
				29.08.2017	-11659	Transfer	418,693	0.11
				01.09.2017	24297	Transfer	442,990	0.12
				08.09.2017	256709	Transfer	699,699	0.19
				15.09.2017	-142727	Transfer	556,972	0.15
				22.09.2017	-62433	Transfer	494,539	0.13
				29.09.2017	44931	Transfer	539,470	0.14
				06.10.2017	-89363	Transfer	450,107	0.12
				13.10.2017	147683	Transfer	597,790	0.16
				20.10.2017	644408	Transfer	1,242,198	0.33
				27.10.2017	652257	Transfer	1,894,455	0.50
				31.10.2017	614931	Transfer	2,509,386	0.66
				03.11.2017	-1569762	Transfer	939,624	0.25
				10.11.2017	68974	Transfer	1,008,598	0.27
				17.11.2017	-392022	Transfer	616,576	0.16
				24.11.2017	213038	Transfer	829,614	0.22
				01.12.2017	-129099	Transfer	700,515	0.19
				08.12.2017	1096059	Transfer	1,796,574	0.48
				15.12.2017	-1477594	Transfer	318,980	0.08
				22.12.2017	140917	Transfer	459,897	0.12
				29.12.2017	383126	Transfer	843,023	0.22
				05.01.2018	-28195	Transfer	814,828	0.22
				12.01.2018	-326344	Transfer	488,484	0.13
				19.01.2018	-38818	Transfer	449,666	0.12
				26.01.2018	-63854	Transfer	385,812	0.10
				02.02.2018	67083	Transfer	452,895	0.12
				09.02.2018	-78393	Transfer	374,502	0.10
				16.02.2018	-16016	Transfer	358,486	0.09
				23.02.2018	-11646	Transfer	346,840	0.09
				02.03.2018	10838	Transfer	357,678	0.08
				09.03.2018	-3591	Transfer	354,087	0.08
				16.03.2018	13082	Transfer	367,169	0.08
				23.03.2018	1233876	Transfer	1,601,045	0.35
				30.03.2018	722104	Transfer	2,323,149	0.50
	At the End of the year			31.03.2018			2,323,149	0.50

Sl. No.	Name	Sharehold-ing at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the com-pany				No. of shares	% of total shares of the company
6	IL And FS Securities Services Limited	237,945	0.06	01.04.2017	-	-	237,945	0.06
				07.04.2017	-45500	Transfer	192,445	0.05
				14.04.2017	13975	Transfer	206,420	0.05
				28.04.2017	21825	Transfer	228,245	0.06
				12.05.2017	-1889	Transfer	226,356	0.06
				19.05.2017	16611	Transfer	242,967	0.06
				26.05.2017	50000	Transfer	292,967	0.08
				02.06.2017	-7420	Transfer	285,547	0.08
				09.06.2017	-4722	Transfer	280,825	0.07
				16.06.2017	-40000	Transfer	240,825	0.06
				23.06.2017	-20000	Transfer	220,825	0.06
				30.06.2017	-825	Transfer	220,000	0.06
				07.07.2017	51300	Transfer	271,300	0.07
				14.07.2017	99683	Transfer	370,983	0.10
				21.07.2017	147220	Transfer	518,203	0.14
				28.07.2017	125123	Transfer	643,326	0.17
				04.08.2017	-13288	Transfer	630,038	0.17
				11.08.2017	-39740	Transfer	590,298	0.16
				18.08.2017	7849	Transfer	598,147	0.16
				22.08.2017	29900	Transfer	628,047	0.17
				25.08.2017	-2000	Transfer	626,047	0.17
				29.08.2017	-162465	Transfer	463,582	0.12
				01.09.2017	101050	Transfer	564,632	0.15
				08.09.2017	24950	Transfer	589,582	0.16
				15.09.2017	-93710	Transfer	495,872	0.13
				22.09.2017	-10713	Transfer	485,159	0.13
				29.09.2017	-22119	Transfer	463,040	0.12
				06.10.2017	38881	Transfer	501,921	0.13
				13.10.2017	14842	Transfer	516,763	0.14
				20.10.2017	58489	Transfer	575,252	0.15
				27.10.2017	-2627	Transfer	572,625	0.15
				31.10.2017	81787	Transfer	654,412	0.17
				03.11.2017	-22900	Transfer	631,512	0.17
				10.11.2017	118781	Transfer	750,293	0.20
				17.11.2017	196110	Transfer	946,403	0.25
				24.11.2017	123850	Transfer	1,070,253	0.28
				01.12.2017	16407	Transfer	1,086,660	0.29
				08.12.2017	41004	Transfer	1,127,664	0.30
				15.12.2017	-33200	Transfer	1,094,464	0.29
				22.12.2017	276690	Transfer	1,371,154	0.36
				29.12.2017	-367805	Transfer	1,003,349	0.27
				05.01.2018	1266446	Transfer	2,269,795	0.60

Sl. No.	Name	Sharehold-ing at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the com-pany				No. of shares	% of total shares of the company
				12.01.2018	83757	Transfer	2,353,552	0.62
				19.01.2018	47479	Transfer	2,401,031	0.64
				26.01.2018	-299603	Transfer	2,101,428	0.56
				02.02.2018	29594	Transfer	2,131,022	0.56
				09.02.2018	-214545	Transfer	1,916,477	0.51
				16.02.2018	-66455	Transfer	1,850,022	0.49
				23.02.2018	30421	Transfer	1,880,443	0.50
				02.03.2018	9100	Transfer	1,889,543	0.41
				09.03.2018	-51731	Transfer	1,837,812	0.40
				16.03.2018	59778	Transfer	1,897,590	0.41
				23.03.2018	44780	Transfer	1,942,370	0.42
				30.03.2018	12233	Transfer	1,954,603	0.42
				31.03.2018	-1500	Transfer	1,953,103	0.42
	At the End of the year			31.03.2018			1,953,103	0.42
7	Angel Fincap Private Limited	1,415,341	0.37	01.04.2017	-	-	1,415,341	0.37
				07.04.2017	-10223	Transfer	1,405,118	0.37
				14.04.2017	-30131	Transfer	1,374,987	0.36
				21.04.2017	-3151	Transfer	1,371,836	0.36
				28.04.2017	5465	Transfer	1,377,301	0.36
				05.05.2017	1513	Transfer	1,378,814	0.36
				12.05.2017	-9105	Transfer	1,369,709	0.36
				19.05.2017	-11638	Transfer	1,358,071	0.36
				26.05.2017	6676	Transfer	1,364,747	0.36
				02.06.2017	-9832	Transfer	1,354,915	0.36
				09.06.2017	-354	Transfer	1,354,561	0.36
				16.06.2017	-49517	Transfer	1,305,044	0.35
				23.06.2017	-11154	Transfer	1,293,890	0.34
				30.06.2017	3500	Transfer	1,297,390	0.34
				07.07.2017	-3488	Transfer	1,293,902	0.34
				14.07.2017	-2850	Transfer	1,291,052	0.34
				21.07.2017	-1144	Transfer	1,289,908	0.34
				28.07.2017	-603	Transfer	1,289,305	0.34
				04.08.2017	6305	Transfer	1,295,610	0.34
				11.08.2017	282741	Transfer	1,578,351	0.42
				18.08.2017	-631	Transfer	1,577,720	0.42
				22.08.2017	17472	Transfer	1,595,192	0.42
				25.08.2017	2020	Transfer	1,597,212	0.42
				29.08.2017	-14	Transfer	1,597,198	0.42
				08.09.2017	13025	Transfer	1,610,223	0.43
				15.09.2017	42456	Transfer	1,652,679	0.44
				22.09.2017	-57882	Transfer	1,594,797	0.42
				29.09.2017	-12369	Transfer	1,582,428	0.42

Sl. No.	Name	Sharehold-ing at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the com-pany				No. of shares	% of total shares of the company
				06.10.2017	9098	Transfer	1,591,526	0.42
				13.10.2017	-4588	Transfer	1,586,938	0.42
				20.10.2017	-510	Transfer	1,586,428	0.42
				27.10.2017	-36138	Transfer	1,550,290	0.41
				31.10.2017	12737	Transfer	1,563,027	0.41
				03.11.2017	97554	Transfer	1,660,581	0.44
				10.11.2017	-17766	Transfer	1,642,815	0.43
				17.11.2017	-7902	Transfer	1,634,913	0.43
				24.11.2017	-9206	Transfer	1,625,707	0.43
				01.12.2017	-9610	Transfer	1,616,097	0.43
				08.12.2017	-12551	Transfer	1,603,546	0.42
				15.12.2017	-9139	Transfer	1,594,407	0.42
				22.12.2017	1501	Transfer	1,595,908	0.42
				29.12.2017	2720	Transfer	1,598,628	0.42
				05.01.2018	-682	Transfer	1,597,946	0.42
				12.01.2018	2350	Transfer	1,600,296	0.42
				19.01.2018	22475	Transfer	1,622,771	0.43
				26.01.2018	-16165	Transfer	1,606,606	0.43
				02.02.2018	-2920	Transfer	1,603,686	0.42
				09.02.2018	5993	Transfer	1,609,679	0.43
				16.02.2018	24229	Transfer	1,633,908	0.43
				23.02.2018	-287	Transfer	1,633,621	0.43
				02.03.2018	10	Transfer	1,633,631	0.35
				09.03.2018	-11385	Transfer	1,622,246	0.35
				16.03.2018	4062	Transfer	1,626,308	0.35
				23.03.2018	180	Transfer	1,626,488	0.35
				30.03.2018	2341	Transfer	1,628,829	0.35
	At the End of the year			31.03.2018			1,628,829	0.35
8	MotilalOswal Securities Limited	1,705,474	0.45	01.04.2017	-	-	1,705,474	0.45
				07.04.2017	515306	Transfer	2,220,780	0.59
				14.04.2017	-441571	Transfer	1,779,209	0.47
				21.04.2017	-217233	Transfer	1,561,976	0.41
				28.04.2017	128723	Transfer	1,690,699	0.45
				05.05.2017	-29870	Transfer	1,660,829	0.44
				12.05.2017	111485	Transfer	1,772,314	0.47
				19.05.2017	-18547	Transfer	1,753,767	0.46
				26.05.2017	-96121	Transfer	1,657,646	0.44
				02.06.2017	85376	Transfer	1,743,022	0.46
				09.06.2017	-24916	Transfer	1,718,106	0.45
				16.06.2017	273280	Transfer	1,991,386	0.53
				23.06.2017	-204216	Transfer	1,787,170	0.47
				30.06.2017	-135269	Transfer	1,651,901	0.44

Sl. No.	Name	Sharehold-ing at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the com-pany				No. of shares	% of total shares of the company
				07.07.2017	-342963	Transfer	1,308,938	0.35
				14.07.2017	-81317	Transfer	1,227,621	0.32
				21.07.2017	-33121	Transfer	1,194,500	0.32
				28.07.2017	-3838	Transfer	1,190,662	0.31
				04.08.2017	-539758	Transfer	650,904	0.17
				11.08.2017	317944	Transfer	968,848	0.26
				18.08.2017	-44390	Transfer	924,458	0.24
				22.08.2017	-215126	Transfer	709,332	0.19
				25.08.2017	-17899	Transfer	691,433	0.18
				29.08.2017	-9562	Transfer	681,871	0.18
				01.09.2017	42163	Transfer	724,034	0.19
				08.09.2017	180945	Transfer	904,979	0.24
				15.09.2017	72091	Transfer	977,070	0.26
				22.09.2017	258416	Transfer	1,235,486	0.33
				29.09.2017	19482	Transfer	1,254,968	0.33
				06.10.2017	42532	Transfer	1,297,500	0.34
				13.10.2017	13841	Transfer	1,311,341	0.35
				20.10.2017	44230	Transfer	1,355,571	0.36
				27.10.2017	-255152	Transfer	1,100,419	0.29
				31.10.2017	-243932	Transfer	856,487	0.23
				03.11.2017	275752	Transfer	1,132,239	0.30
				10.11.2017	640028	Transfer	1,772,267	0.47
				17.11.2017	-102665	Transfer	1,669,602	0.44
				24.11.2017	149806	Transfer	1,819,408	0.48
				01.12.2017	478847	Transfer	2,298,255	0.61
				08.12.2017	-82400	Transfer	2,215,855	0.59
				15.12.2017	-200519	Transfer	2,015,336	0.53
				22.12.2017	-978951	Transfer	1,036,385	0.27
				29.12.2017	59044	Transfer	1,095,429	0.29
				05.01.2018	157923	Transfer	1,253,352	0.33
				12.01.2018	-35239	Transfer	1,218,113	0.32
				19.01.2018	100234	Transfer	1,318,347	0.35
				26.01.2018	100060	Transfer	1,418,407	0.38
				02.02.2018	89117	Transfer	1,507,524	0.40
				09.02.2018	-47078	Transfer	1,460,446	0.39
				16.02.2018	30641	Transfer	1,491,087	0.39
				23.02.2018	120583	Transfer	1,611,670	0.43
				02.03.2018	13324	Transfer	1,624,994	0.35
				09.03.2018	-126087	Transfer	1,498,907	0.32
				16.03.2018	-25685	Transfer	1,473,222	0.32
				23.03.2018	297845	Transfer	1,771,067	0.38
				30.03.2018	-211505	Transfer	1,559,562	0.34
	At the End of the year			31.03.2018			1,559,562	0.34

Sl. No.	Name	Sharehold-ing at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the com-pany				No. of shares	% of total shares of the company
9	Manoj Chozhamkandath Nair	729,467	0.19	01.04.2017	-	-	729,467	0.19
				28.04.2017	52020	Transfer	781,487	0.21
				05.05.2017	35163	Transfer	816,650	0.22
				09.06.2017	7038	Transfer	823,688	0.22
				04.08.2017	51012	Transfer	874,700	0.23
				18.08.2017	276300	Transfer	1,151,000	0.30
				22.08.2017	107604	Transfer	1,258,604	0.33
				25.08.2017	78588	Transfer	1,337,192	0.35
				29.08.2017	1008	Transfer	1,338,200	0.35
				27.10.2017	69300	Transfer	1,407,500	0.37
				03.11.2017	13050	Transfer	1,420,550	0.38
				17.11.2017	78021	Transfer	1,498,571	0.40
				24.11.2017	16722	Transfer	1,515,293	0.40
				09.02.2018	15327	Transfer	1,530,620	0.40
				30.03.2018	17434	Transfer	1,548,054	0.34
	At the End of the year			31.03.2018			1,548,054	0.34
10	Ramakant Fatehpuria	1,419,960	0.38	01.04.2017	-	Nil movement during the year	1,419,960	0.38
	At the End of the year			31.03.2018			1,419,960	0.31

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Sudhamati Ratnakar Gutte Non-Executive Director	4,488,860	1.19	01.04.2017				
				27.11.2017	-4488860	Transfer	-	-
				31.03.2018			-	-
2	Sunil Ratnakar Gutte Chairman & Managing Director	33,574,800	8.88	01.04.2017				
				27.11.2017	4,488,860	Transfer	38,063,660	10.07
				31.03.2018			38,063,660	8.25
3	M N Mohanan Executive Director	-	-	01.04.2017			-	-
				31.03.2018			-	-
4	Venkataramana Condoor Executive Director	4,000,000	1.06	01.04.2017	-	-	4,000,000	1.06
				31.03.2018			4,000,000	0.87
5	Dilip Yeshwant Ghanekar Non-Executive Director	-	-	01.04.2017		Nil movement during the year	-	-
				31.03.2018			-	-

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
6	Sonyabapu Shankar Waghmare Non-Executive Director	-	-	01.04.2016	-	Nil movement during the year	-	-
		-	-	31.03.2018			-	-
7	Parag Ashok Sakalikar Non-Executive Director	2,200	-	01.04.2017	-		2200	-
				31.03.2018			2,200	-
8	Sajid Imran Ali Non-Executive Director	-	-	01.04.2017	-	Nil movement during the year	-	-
				31.03.2018			-	-
9	Anil Ramchamdra Aurangabadkar Non-Executive Director	-	-	01.04.2017	-	Nil movement during the year	-	-
				31.03.2018			-	-
10	Harshvardhan Kaushik Chief Financial Officer	-	-	01.04.2017	-	Nil movement during the year	-	-
				31.03.2018			-	-
11	Shrikant Chandrashekhar Rikhe Company Secretary	-	-	01.04.2017	-	Nil movement during the year	-	-
				31.03.2018			-	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	48,055.16	-	-	**48,055.16**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	24.80	-	-	**24.80**
Total (i+ii+iii)	**48,079.96**	**-**	**-**	**48,079.96**
Change in Indebtedness during the financial year				
Particulars	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
· Addition	7,072	-	-	7,072
· Reduction	-	-	-	-
Net Change	**7,072**	**-**	**-**	**7,072**
Indebtedness at the end of the financial year				
i) Principal Amount	55,024.64	-	-	55,024.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	127.59	-	-	127.59
Total (i+ii+iii)	**55,152.23**	**-**	**-**	**55,152.23**

VI. Remuneration of Directors and Key Managerial Personnel

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

(Rs. in lacs)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Sunil R. Gutte Chairman and Managing Director	Vijay R. Gtte Whole-time Director	Venkataramana Condoor Whole-time Director	M N Mohanan Whole-time Director	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.81	41.70	95.29	47.62	245.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others	-	-	-	-	-
5	Others	-	-	-	-	-
	Total (A)	**60.81**	***41.70**	**95.29**	**47.62**	**245.42**
	Ceiling as per the Act					**98.61**

*Remuneration of Mr. Vijay R. Gutte is mentioned upto date of cessation i.e. 8th February, 2018

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors							Total Amount
		Sudhamati R. Gutte (NED)	Dilip Y. Ghanekar (ID)	Sonyabapu S. Waghmare (ID)	Parag A. Sakalikar (ID)	Sajid Imran Ali (ID)	Siddharth R. Mehta (ID)	Anil R. Aurangabadkar (ID)	
1	Independent Directors								
	Fee for attending board /committee meetings	N.A.	1.40	1.40	1.40	1.20	0.80	1.20	7.40
	· Commission	N.A.	-	-	-	-	-	-	-
	· Others	N.A.	-	-	-	-	-	-	-
	Total (1)	**N.A.**	**1.40**	**1.40**	**1.40**	**1.20**	**0.80**	**1.20**	**7.40**
2	Other Non-Executive Directors	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Fee for attending board /committee meetings	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	· Commission	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	· Remuneration	48.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (2)	**48.00**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**48.00**
	Total (B)=(1+2)	**48.00**	**1.40**	**1.40**	**1.40**	**1.20**	**0.80**	**1.20**	**55.40**
	Total Managerial Remuneration								**300.82**
	Overall Ceiling as per the Act								**108.47**

C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD

(Rs. in lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO*	Company Secretary (Shrikant. C. Rikhe)	CFO** (Vijay R. Gutte)	CFO*** (Harshvardhan Kaushik)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	6.77	-	6.07	12.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others	-	-	-	-	-
5	Others	-	-	-	-	-
	Total	**-**	**6.77**	**-**	**6.07**	**12.84**

Note:

*Salary of CEO is not applicable.

**For remuneration of Mr. Vijay R. Gutte CFO please refer table VI. A.

*** Salary is for a period from 8th February, 2018 to 31st March, 2018.

VII. Penalties / Punishment/ Compounding of Offences:

(Rs. in lacs)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

Annexure - F

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

Disclosure pursuant to Section 134(3)(M) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts), Rules 2014

(A) Conservation of energy

1. Steps taken or impact on conservation of energy:

   Your Company is continuously taking initiatives to ensure the optimum utilization of energy available in day to day operations not only in offices but also at different sites of execution of various projects. Your Company uses energy efficient lighting devices, light fittings to save energy, capacitor bank / devices to maintain power factor and plant & equipment which are environment and power efficient.

2. Steps taken by the company for utilizing alternate sources of energy: N.A.

3. Capital investment on energy conservation equipments: N.A.

(B) Technology absorption

1. Efforts made towards technology absorption:

   Your Company is doing its business by ensuring optimum utilization of its available resources. Your Company has not taken any research & development activity so far. It has been executing its projects by using modern techniques and machineries and by ensuring the optimum utilization of its technical, professional and skilled manpower.

2. Benefits derived like product improvement, cost reduction, product development or import substitution: Helps in achieving optimum utilisation of available resources.

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

   a. The Details of technology imported: None

   b. Year of Import: N.A.

   c. Whether the technology has been fully absorbed: N.A.

   d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

   e. Expenditure incurred on Research and Development: N.A.

(C) Foreign Exchange Earnings and Outgo:

(Rs. in lakhs)

Particulars	2017-18	2016-17
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo	1.8	281.08

Compliance Certificate

We, Sunil R. Gutte, Chairman and Managing Director and Harshvardhan Kaushik, Chief Financial Officer hereby certify that:

A. We have reviewed financial statements for the financial year ended on 31st March, 2018 and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the financial year which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

   1) significant changes in internal control over financial reporting during the financial year;

   2) significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and

   3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

By the order of the Board
For **Sunil Hitech Engineers Limited**

Place: Nagpur
Date: 30th May, 2018

Sunil R. Gutte
Chairman and Managing Director

Harshvardhan Kaushik
Chief Financial Officer

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Sunil Hitech Engineers Limited,
Nagpur

We have audited the accompanying financial statements of M/s Sunil Hitech Engineers Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31stMarch, 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw your attention to income from operations/net sales presented in the financial statements which includes project related claims for Rs. 491.21 crores, the recoverability of which depends on the outcome of negotiations/ arbitrations with the customers. Our Opinion is not modified in respect of the same.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2016 ("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 in the "Annexure A", statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.

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 purpose of our audit.
b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, with read with the Companies (Indian Accounting Standards) Rules, 2015 as amended
e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
f. 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind As financial statements – Refer disclosure note B to the financial statements.
ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For and on Behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

ABHAY UPADHYE
Partner
Membership No. 049354

Place: Nagpur
Dated : 30th May, 2018

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our independent auditor's report to the members of M/s. Sunil Hitech Engineers Limited, ("The Company") on the Financial Statements for the year ended 31st March 2018, we report that:

i. In respect of Fixed Assets:

a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets except location wise details of some of the moveable assets shifted/transferred amongst various sites;

b) The fixed assets have been physically verified by the management during the year under its regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.

c) According to the information and explanation given to us by the management, the title deeds of immovable properties are held in the name of the company.

ii. Physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business and no material discrepancies were noticed on such physical verification.

iii. In respect of Loans and Advances:

a) The company has granted unsecured loans to four companies covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount outstanding during the year and amount outstanding at year end is Rs. 608.68 lakhs.

b) The rate of interest wherever charged, and other terms & conditions thereof are prima facie, not prejudicial to the interest of the company except for one loan granted to a subsidiary, on account of the fact that loan is non-interest bearing.

c) There is no overdue amount for more than ninety days.

iv. According to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the Companies Act, 2013 in respect of loans, guarantees, investments and securities.

v. The Company has not accepted any deposits from public within the meaning of sections 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under, where applicable. Therefore the said clause is not applicable to the Company.

vi. The Central Government has prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013 in respect of one of the products, manufactured by the company. We have broadly reviewed the accounts and records of the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.

vii. In respect of statutory dues:

a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there has been serious delays in a large number of cases.

b) According to the information and explanations given to us, undisputed dues outstanding as at 31st March, 2018, for a period more than six months from the date they become payable are as under:

Statue	Particulars	Amount (In Rs. lakhs)	Due date	Date of Payment
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	9.55	15-06-2017 &15-10-2017	April 2018
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	33.31	15-04-2017 to 15-08-2017	Unpaid

c) According to the information and explanations given to us based on the records of the company examined by us, there are no dues of Income Tax, Sales tax, Service Tax, Customs duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of a dispute, except as enumerated herein below which are pending before respective authorities as mentioned there against.

Name of the statute	Nature of dues	Amount (In Rs. lakhs)	Period to which amount relates (FY)	Forum where dispute is pending
Service tax under Finance Act, 1994 & The Central Excise Act, 1994	Service Tax (Basic & Penalty)	1083.52	2005-06 to 2013-14	Custom, Excise, Service Tax Appellate Tribunal
The Customs Act, 1962	Customs duty	138.17	2007-08, 2008-09	Commissioner of Customs (Import), Mumbai
The Income-Tax Act, 1961	Income Tax	283.81	2008-09, 2004-05	Income Tax Appellate Tribunal Mumbai
The Income-Tax Act, 1961	Income Tax	94.74	2008-09, 2009-10	CIT Appeals, Nagpur

viii. According to the information and explanation given to us, the Company has defaulted in repayment of certain loans to the lenders, as on the reporting date. Details of default to the Financial Institutions are as follows:

Particulars	Amount of default as at Balance Sheet Date (In Rs. lakhs)	Period of Default	Remarks
L&T Family Credit Limited	400.00	Two months	The financer has revoked the Bank Guarantee, issued by the Company, against loan amount and recovered the unpaid dues.

ix. According to the information and explanations given to us, Company has not raised money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the explanations given to us, the term loans were applied for the purposes for which those were raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. In respect of payment of managerial remuneration within the prescribed limits under provisions of Section 197 of the Companies Act, 2013 ('the Act')

a) The company had paid managerial remuneration of Rs. 196 lakhs over and above the limits prescribed by provisions of Section 197 read with Schedule V of the Act.

b) The Company is in the process of ratification of the managerial remuneration paid to Managing Director and Whole-time Director during the said period by member's resolution under provisions of Section 196 and 197 read with Schedule V of the Act. Further the Board of Directors is yet to decide on refund/ratification/adjustment of managerial remuneration paid to Non-Executive Director of the Company.

xii. In our opinion, the Company is not a Nidhi Company; accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company.

xiii. According to the information and explanations given to us, transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statement etc., as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the company has not issued fully or partially convertible debentures during the year. In our opinion and according to the explanations given to us the preferential allotment/private placement of eight crores thirty three lakh shares are in compliance with the section 42 of the Companies Act, 2013 wherever applicable, and the amounts raised against these allotment are applied for the purposes for which they were raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause (xvi) of the paragraph 3 of the Order is not applicable.

For and on Behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

ABHAY UPADHYE
Partner
Membership No. 049354

Place: Nagpur
Dated : 30th May, 2018

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF M/s SUNIL HITECH ENGINEERS LIMITED

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

We have audited the internal financial controls over financial reporting of **M/s Sunil Hitech Engineers Limited as of March 31, 2018** in conjunction with our audit of the financial statements of the Company for the year ended on that 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 and on Behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

ABHAY UPADHYE
Partner
Membership No. 049354

Place: Nagpur
Dated : 30th May, 2018

Balance Sheet

at 31st March 2018 (Standalone)

(Rs. In Lacs)

Particulars				Note	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
ASSETS							
1	**Non-current assets**						
	(a)	Property, Plant and Equipment		1	20,311.55	16,251.21	15,330.02
	(b)	Investment property		2	111.01	111.01	111.01
	(c)	Other Intangible assets		3	33.56	41.96	100.21
	(d)	Financial Assets					
		(i)	Investments	4	4,578.24	4,411.82	5,116.57
		(ii)	Trade receivables	5	1,909.15	2,335.28	2,318.26
		(iii)	Loans	6	2,307.14	2,197.19	2,678.25
	(e)	Deferred tax assets (Net)		7	1,092.93	943.78	1,305.13
	(f)	Other non-current assets		8	4,643.16	2,041.34	1,758.19
					34,986.74	**28,333.58**	**30,074.15**
2	**Current assets**						
	(a)	Inventories		9	13,958.19	25,552.44	20,814.55
	(b)	Financial Assets					
		(i)	Trade receivables	10	73,113.57	57,335.00	48,465.70
		(ii)	Cash and cash equivalents	11	2,294.94	3,263.50	1,420.77
		(iii)	Bank balances other than (ii) above	12	14,746.47	12,515.64	10,123.01
		(iv)	Loans	13	1,995.76	1,543.47	1,417.94
	(c)	Other current assets		14	75,504.43	42,267.96	40,582.77
					181,613.36	**142,478.02**	**122,824.74**
			TOTAL		**216,600.10**	**170,811.60**	**152,898.89**
EQUITY AND LIABILITIES							
1	**Equity**						
	(a)	Equity Share capital		15	4,613.03	3,780.03	1,732.52
	(b)	Other equity		16	53,537.39	42,134.54	39,305.21
					58,150.42	**45,914.57**	**41,037.73**
2	**Non-current liabilities**						
	(a)	Financial Liabilities					
		(i)	Long term borrowings	17	9,458.84	8,304.15	4,051.67
		(ii)	Other financial liabilities (other than those specified under item (b) to be specified)	18	3,423.78	5,968.96	5,681.43
	(b)	Long term provisions		19	73.25	111.44	142.01
	(c)	Other non-current liabilities		20	2,847.17	7,488.63	5,008.01
					15,803.04	**21,873.17**	**14,883.13**
3	**Current liabilities**						
	(a)	Financial Liabilities					
		(i)	Short term borrowings	21	45,565.80	39,751.01	36,423.48
		(ii)	Trade and other payables	22	79,949.86	48,614.53	46,732.82
		(iii)	Other financial liabilities (other than those specified under item (c) to be specified)	23	6,233.11	7,672.90	6,490.94
	(b)	Other current liabilities		24	10,825.37	6,818.77	6,440.26
	(c)	Short-term provisions		25	72.51	127.19	112.95
	(d)	Liabilities for current tax (net)		26	-	39.44	777.59
					142,646.64	**103,023.86**	**96,978.04**
			TOTAL		**216,600.10**	**170,811.60**	**152,898.89**

Significant Accounting Policies
The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For K. K. MANKESHWAR & CO.
Chartered Accountants
Firm Regn No 106009W

For and on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No.049354
Nagpur, 30 May 2018

Shrikant C. Rikhe
Company Secretary

Harshvardhan Kaushik
Chief Financial Officer

Sunil R. Gutte
Chairman &
Managing Director

Sudhamati R. Gutte
Director

Statement of Profit and Loss Account

for the year ended 31st March 2018 (Standalone)

(Rs. In Lacs)

Particulars		Note	Year ended 31 March 2018	Year ended 31 March 2017
1	**INCOME**			
(a)	Revenue from Operations	27	248,806.77	209,118.54
(b)	Other Income	28	1,961.78	1,338.95
	Total Income		**250,768.56**	**210,457.49**
2	**EXPENSES**			
(a)	Cost of Materials Consumed	29	151,627.59	116,608.73
(b)	Employee Benefit expense	30	4,610.42	4,517.94
(c)	Depreciation and Amortisation expense		3,539.64	3,287.82
(d)	Finance Cost	31	11,740.59	9,819.04
(e)	Other Expenses	32	78,930.24	69,835.37
	Total Expenses		**250,448.47**	**204,068.91**
3	Profit/(loss) before exceptional items and tax		320.08	6,388.58
	Add / (Less): Exceptional Items		-	-
4	Profit/(loss) before tax		**320.08**	**6,388.58**
5	Less: Tax Expense			
(a)	Current Tax		128.33	1,951.60
(b)	Tax relating to prior period		-	232.00
(c)	Deferred Tax		(194.79)	363.80
6	**Profit (Loss) for the period from continuing operations**		**386.55**	**3,841.18**
(a)	Profit/(loss) from discontinued operations		-	-
7	**Profit/(loss) for the period**		**386.55**	**3,841.18**
8	**Total Comprehensive Income for the period**		**472.79**	**3,836.54**
9	**Earnings Per Equity Share:**			
	For continued operation and discontinued operation			
	Basic		0.13	1.01
	Diluted		0.08	1.01

Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For K. K. MANKESHWAR & CO.
Chartered Accountants
Firm Regn No 106009W

For and on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No.049354
Nagpur, 30 May 2018

Shrikant C. Rikhe
Company Secretary

Harshvardhan Kaushik
Chief Financial Officer

Sunil R. Gutte
Chairman &
Managing Director

Sudhamati R. Gutte
Director

Cash Flow Statement

for the Year Ended 31st March 2018

(Rs. In Lacs)

	Particulars	As at 31 March 2018	As at 31 March 2017
A	**Cash Flow From Operating Activities**		
	Net Profit / (Loss) Before Tax	320.08	6,388.58
	Adjustments for :		
	Depreciation and Amortisation Expense	3,539.64	3,287.82
	Exchange Differences	-	(17.38)
	Bad Debts/ Advances Written off	-	1,949.63
	Provision for Doubtful Debts/ Advances	8.64	25.74
	Loss (Profit) on Sale of Non Current Investments	(5.02)	-
	Loss from Partnership Business	1.07	(3.74)
	Amount Written Back	(105.43)	-
	Loss (Profit) on Sale of Fixed Assets	(302.27)	(248.60)
	Interest Expenses (Considered in Financing Activities)	11,570.88	9,638.45
	Interest Incomes (Considered in Investing Activities)	(1,100.27)	(843.75)
	Finance Income	(10.94)	-
	Employee Benefits	131.88	(7.10)
	Finance Cost	169.71	180.59
	Loss Allowance on Trade Receivables	59.37	(311.45)
	Provision for Doubtful Debts	-	(6.35)
	Operating Profit before working capital changes	**14,277.33**	**20,032.44**
	Decrease (Increase) in Inventories	11,594.25	(4,737.89)
	Decrease (Increase) in Trade Receivables	(15,477.37)	(10,730.87)
	Decrease (Increase) in Other Current Assets	(33,494.24)	(358.50)
	Decrease (Increase) in Long Term Loans and Advances	(1,678.84)	300.21
	Decrease (Increase) in Short Term Loans and Advances	(296.45)	(1,605.56)
	Increase (Decrease) in Long Term Provisions	(38.19)	(30.58)
	Increase (Decrease) in Short Term Provisions	(59.50)	(38.67)
	Increase (Decrease) in Trade Payables	31,335.33	1,883.71
	Increase (Decrease) in Other Non Current Liabilities	(7,186.64)	2,768.15
	Increase (Decrease) in Other Current Liabilities	3,854.77	(143.80)
	Cash Generated From Operations	**2,830.46**	**7,338.65**
	Net Income Tax (paid) /refunds	(167.77)	(2,921.75)
	Net Cash Flow From /(used in) Operating Activities (A)	**2,662.69**	**4,416.90**
B	**Cash Flow From Investing Activities**		
	Capital Expenditure on Fixed assets including Capital Advances	(7,964.10)	(2,847.27)
	Proceeds from sale of Fixed Assets	674.79	382.63
	Investments in Subsidiaries	(167.49)	629.75
	Investments in Mutual Funds	-	75.00
	Share Application Money Given	-	450.00
	Proceeds from Sale of Non-Current Investments	5.02	-
	Bank Balances not considered as Cash and Cash Equivalents (net)	(3,086.20)	(2,799.61)
	Interest Received	1,025.76	777.69
	Net Cash Flow From / (used in) Investing Activities (B)	**(9,512.21)**	**(3,331.81)**

Cash Flow Statement

for the Year Ended 31st March 2018

(Rs. In Lacs)

	Particulars	As at 31 March 2018	As at 31 March 2017
C	**Cash Flow From Financing Activities**		
	Proceeds from Long Term Borrowings	10,623.55	8,705.48
	Repayment of Long Term Borrowings	(10,862.10)	(2,731.94)
	Proceeds (Repayment) of Short Term Borrowings	5,814.78	3,344.91
	Money received against Share Warrants	12,104.99	1,353.84
	Dividend Paid	(333.92)	(259.29)
	Interest Paid	(11,468.82)	(9,655.82)
	Net Cash Flow From / (used in) Financing Activities (C)	**5,878.48**	**757.18**
	Net increase /(decrease) in Cash and Cash Equivalents (A+B+C)	**(971.04)**	**1,842.31**
	Cash and Cash Equivalents at the beginning of the year	3,256.69	1,414.38
	Net increase /(decrease) in Cash and Cash Equivalents	(971.05)	1,842.31
		2,285.64	**3,256.69**
	Components of Cash and Cash Equivalents		
	Cash on hand	38.25	99.29
	Balances with Banks (of the nature of cash and cash equivalents)	1,160.15	2,604.51
	Deposits with original maturity of upto three months	1,087.25	552.89
	Cash and Cash Equivalents at the end of the year	**2,285.65**	**3,256.69**

Note -

1. Cash and Cash Equivalents comprise of balances with banks in current accounts, cash on hand and bank deposits with maturity less than three months
2. The above Cash Flow Statement has been prepared under “Indirect Method” as set out in th Indian Accounting Standard (Ind AS-7) on Cash Flow Statement.

As per our report of even date attached
For K. K. MANKESHWAR & CO.
Chartered Accountants
Firm Regn No 106009W

For and on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No.049354
Nagpur, 30 May 2018

Shrikant C. Rikhe
Company Secretary

Harshvardhan Kaushik
Chief Financial Officer

Sunil R. Gutte
Chairman &
Managing Director

Sudhamati R. Gutte
Director

Statement of Changes in Equity

for the Year Ended 31st March 2018

EQUITY SHARE CAPITAL **(Rs. In Lacs)**

PARTICULARS	31-Mar-18	31-Mar-17
Balance at the beginning of the Year	3,780.03	1,732.52
Changes in Equity Share Capital during the Year	833.00	2,047.52
Balance at the end of the Year	4,613.03	3,780.03

OTHER EQUITY **(Rs. In Lacs)**

PARTICULARS	Capital Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Money received against share warrants	Retained Earnings	Total
Balance at the beginning of the reporting period	825.60	13,970.84	1,923.57	54.22	-	22,919.18	**39,693.42**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	**-**
Restated balance at the beginning of the reporting period (A)	**825.60**	**13,970.84**	**1,923.57**	**54.22**	**-**	**22,919.18**	**39,693.42**
Changes on First Time Adoption of Ind AS as on 1st April, 2016	**-**	**-**	**-**	**-**	**-**	**(388.20)**	**(388.20)**
Restated balance as on 1st April 2016 (B)	**825.60**	**13,970.84**	**1,923.57**	**54.22**		**22,530.98**	**39,305.21**
Additions during the year:							
Profit for the year	-	-	-	-	-	3,836.54	**3,836.54**
Money Received against share warrant	-	-	-	-	481.29	-	**481.29**
Premium on account of Issue of shares against conversion of Warrants	-	715.05	-	-	-	-	**715.05**
Reductions during the year:							
Amount transferred to the Statement of Profit and Loss as reduction from depreciation	-	-	-	(0.75)	-	-	**(0.75)**
Amount utilised towards issue of fully paid up Bonus shares	-	(1,890.02)	-	-	-	-	**(1,890.02)**
Dividend for FY 1.4.16	-	-	-	-	-	(259.88)	**(259.88)**
Tax on dividend for FY 1.4.16	-	-	-	-	-	(52.91)	**(52.91)**
Total Comprehensive Income for the year 2016-17 (C)	**825.60**	**12,795.88**	**1,923.57**	**53.47**	**481.29**	**26,054.73**	**42,134.54**
Additions during the year:							
Profit for the year	-	-	-	-	-	472.79	**472.79**
Premium on account of Issue of shares against conversion of Warrants	-	8,097.92	-	-	-	-	**8,097.92**
Money Received against share warrant	-	-	-	-	3,174.07	-	**3,174.07**
Dividend on equity	-	-	-	-	-	(283.50)	**(283.50)**
Tax on dividend	-	-	-	-	-	(57.72)	**(57.72)**
Amount transferred to the Statement of Profit and Loss as reduction from depreciation	-	-	-	(0.71)	-	-	**(0.71)**
Total (D)	**825.60**	**8,097.92**	**-**	**(0.71)**	**3,174.07**	**131.57**	**11,402.85**
Balance as at 31st March 2018 (C+D)	**825.60**	**20,893.79**	**1,923.57**	**52.76**	**3,655.36**	**26,186.30**	**53,537.39**

As per our report of even date attached
For K. K. MANKESHWAR & CO.
Chartered Accountants
Firm Regn No 106009W

For and on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No.049354
Nagpur, 30 May 2018

Shrikant C. Rikhe
Company Secretary

Harshvardhan Kaushik
Chief Financial Officer

Sunil R. Gutte
Chairman &
Managing Director

Sudhamati R. Gutte
Director

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

A. Company Overview

Sunil Hitech Engineers Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). Its shares are listed on two stock exchanges in India. The Company is engaged in the business of Engineering, Procurement, Construction-(EPC), Fabrication, Erection, Overhauling, Maintenance, Trading and other related activities.

B. Basis of Preparation of Financial Statements

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) (amendment) Rules, 2016 and guidelines issued by Securities and Exchange Board of India. As per the said roadmap, the Company is required to apply Ind AS for the year ended 31st March 2018 with 1st April 2016 being the date of transition.

The Company has adopted all the Ind AS standards and the adoption was carried out in-accordance with Ind AS 101 First time adoption of Indian Accounting Standards.

i. Statement of Compliance

The Financial Statements comprising Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement, together with the Notes to accounts along with a summary of the significant accounting policies and other explanatory information as on 1st April 2016 have been prepared in accordance with the Ind AS as notified above.

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

ii. Basis of Measurement - Historic Cost Convention

These Financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value
- Assets held for sale – measured at fair value less cost to sale;

All assets and liabilities has been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

iii. Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Indian Rupee is the Functional currency of the Company.

The Financial statements are presented in Indian Rupees, which is the Company's presentation currency.

iv. Use of Estimates:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

Estimates and assumptions are required in particular for:

a. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. An assumption also needs to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

b. Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the Government Bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Recognition of deferred tax assets:

A Deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

d. Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

e. Discounting of long-term financial liabilities

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

f. Determining whether an arrangement contains a lease:

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements based on their relative fair values. If the Company concludes for a finance lease that, it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

C. Standards Issued but not yet effective

1 Ind - AS 115 "Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2 Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

D. Current Versus Non Current Classification:

(i) The assets and liabilities in the Balance Sheet are based on current/ non – current classification. An asset as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle.

2. Held primarily for the purpose of trading.

3. Expected to be realized within twelve months after the reporting period, or

4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

(ii) A liability is current when it is:

1. Expected to be settled in normal operating cycle

2. Held primarily for the purpose of trading

3. Due to be settled within twelve months after the reporting period, or

4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents

E. Significant Accounting Policies

1 Property, Plant and Equipment and Capital Work in Progress

All the property, plant and equipments have been carried at value in accordance with the previous GAAP. The Company has elected these value as deemed cost at the date of transition to Ind AS.

Property, Plant & Equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the company derecognizes

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

All the other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Property, Plant & Equipment are eliminated from the financial statements either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains and losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Subsequent expenditure related to an item of Property, Plant & Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant & Equipment, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of Plant, Property and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

2 Depreciation and Amortization

Depreciation on property, plant & equipment is provided over the useful life of assets as specified in schedule II to the companies Act, 2013. In case of Property, plant & Equipment that are added/ disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/ deletion.

In case of revalued assets, the difference between the depreciation based on revaluation and depreciation charged on historical cost is recouped out of the revaluation reserve.

Assets costing less than Rs. 5,000/- are expenses off in the period of purchase.

3 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over the respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The useful lives of intangible assets are assessed as either finite or infinite.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortized period or method, as appropriate, and are treated as changes in accounting estimates.
Intangible assets with finite useful life are amortized over the useful economic life and assessed for impairment whenever there is any indication that the intangible asset may be impaired.

Intangibles with indefinite useful life, if any are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level
Computer Software is amortised equally over a period of five years, from the date of Purchase.

4 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other cost that an entity incurs in connection with the borrowing of funds.

5 Leases

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

Company as a lessor

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 lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on

The borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

6 Leased Assets

Leasehold lands are amortised over the period of the lease. Buildings constructed on the leasehold land are depreciated based on the useful life specified in the Schedule II to the Companies Act 2013 where the lease period of the land is beyond the life of the building.

7 Inventories

Inventories are valued at the lower of cost or net realizable value. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

8 Foreign Currency Transactions

Foreign currency transactions during the year are recorded at the exchange rates prevailing on the dates of the transactions. Foreign currency denominated assets and liabilities are translated into rupees at the exchange rates prevailing at the date of balance sheet. Premium on forward exchange contracts is charged to statement of profit and loss over the period of contract. The exchange difference on forward contracts is recognised in the statement of profit and loss.

All exchange rate differences are dealt with in the statement of profit and loss, except those relating to the acquisition of fixed assets up to the date of capitalization which are adjusted in the cost of the fixed assets.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the rate prevailing as on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss.

9 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.
As stated in Ind AS 18, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of "percentage of completion method". The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract. An expected loss on construction contract is recognised as an expense immediately. Price escalation, other claims and variation in the contract work are included in contract revenue at the time of acceptance/ settlement by the customers due to uncertainties attached thereto.

Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other Current Liabilities" in the balance sheet.

Revenue from sale of goods is recognised when all significant risk and rewards of ownership of products are transferred to the buyers which are usually at the point of dispatch to customers. Sales are net of discounts, sales tax and returns.

Revenue from service related activities including hire charges are recognised in accordance with the terms of the agreement upon rendering of such services.

Commission income is recognised as per contracts/ receipt of credit notes.

Interest income is recognised on time proportion basis

Revenue is recognised when there is reasonable certainty of its realisation.

10 Retirement benefits

a. Short Term Employee Benefits:

These are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the period

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

in which the related services are rendered. Short term compensated absences are provided for based on actuarial valuation in accordance with Company's rules

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

b. Post-Employment Benefits:

i. Defined Benefit Plans:

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under the said defined benefit plan is determined on the basis of actuarial valuation from an independent actuary using the Projected Unit Credit Method.

The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme.

Remeasurements comprising of actuarial gain and losses, the effect of the asset ceiling and the return on plan assets (excluding amount included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service cost is recognised in the statement of profit & loss in the period of plan amendment.

Net interest is calculated by applying the discounted rate to the net defined benefit liability or asset.

c. Other Long Term Employee Benefits:

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long –term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks including fixed deposit with original maturity period of three months or less and investments with an original maturity of three months or less. which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

12 Impairment of Non Financial Assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.
Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and

- In the case of cash generating unit (a group of assets that generate identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

In determining fair value less cost disposal, recent market transaction is taken in to account.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate, and when circumstances indicate that the carrying value may be impaired.

13 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets neither recognized nor disclosed in the Financial Statements when economic inflow is probable.

a. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

i. the Company has a present obligation as a result of past event,

ii. a probable outflow of resources is expected to settle the obligation; and

iii. The amount of obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using current pre-tax rate

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

b. Contingent liabilities are disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,

ii. a present obligation arising from past events, when no reliable estimate is possible,

iii. A possible obligation arising from past events where the probability of outflow of resources is not remote.

c. Contingent assets are neither recognized nor disclosed.

Provisions and Contingent Liabilities are recognized / disclosed after an evaluation of the facts and legal aspects and the amounts are reviewed on the Balance Sheet date.

14 Non-current assets held for sale

Non Current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded met only when the assets are available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programm to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortized.

15 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets:

(i) Classification

Financial Assets comprises of Investments in Equity and Debt securities, Trade Receivables, Cash and Cash equivalents, Borrowings and other Financial Assets.

(ii) Initial recognition and measurement

All financial assets is recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial Assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

(iii) Subsequent Recognition

a. Financial Assets measured at amortized cost

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are measured at amortized cost using the effective interest rate (EIR) method.

The EIR amortization is recognized as finance income in the Statement of Profit and Loss.

The Company while applying the above criteria has classified the following at Amortized Cost:

i) Investment in Debt Instruments

b. Financial Assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

c. Financial Assets measured at fair value through profit or loss (FVTPL)

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

d. Investment in Subsidiary and Associates

Investment in equity instruments of Subsidiaries

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment, which is other than temporary.

e. Investment in Debt Instruments

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

(iv) De-recognition of Financial Assets:

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(v) Impairment of Financial Assets:

The Company assesses impairment based on expected credit losses model to be following:

1. Financial Assets measured at amortized cost;

2. Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 - months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) ; or;

- Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The company follows simplified approach for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables; and

All lease receivables

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowances based on lifetime ECLs at each reporting date, right from the initial recognition.

The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for the impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12- month ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of the shared credit risk characteristics with the objective of facilitating on analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial Liabilities:

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, security deposits and other deposits.

(ii) Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognized in the statement of profit or loss.

(iii) Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortized cost using

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings

(iv) Derecognition of Financial Liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

16 Government Grant:

Grants and Subsidies from the Government are recognized when there is a reasonable assurance that

(i) the company will comply with the conditions attached to them, and
(ii) the grant/ subsidy will be received.

Government Grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. If not related to a specific expenditure, it is taken as income.

17 Taxes

i. Accounting for Taxes on Income

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

has a legally enforceable right to set off the recognised amounts; and

intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

ii. Deferred taxes

Deferred tax is recognized on timing differences being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are subject to the consideration of prudence are recognized and carried forward only to the extent that there is reasonably certainly that sufficient taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the yearend based on the tax rates and law enacted or substantially enacted on balance sheet date.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

iii. Minimum Alternate Tax

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

18 Earnings per Share:

Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33- Earnings per share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares, that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Options or warrants to purchase convertible instruments are assumed to be exercised to purchase the convertible instrument whenever the average prices of both the convertible instrument and the ordinary shares obtainable upon conversion are above the exercise price of the options or warrants. However, exercise is not assumed unless conversion of similar outstanding convertible instruments, if any, is also assumed.

Options or warrants may permit or require the tendering of debt or other instruments of the entity (or its parent or a subsidiary) in payment of all or a portion of the exercise price. In the calculation of diluted earnings per share, those options or warrants have a dilutive effect if (a) the average market price of the related ordinary shares for the period exceeds the exercise price or (b) the selling price of the instrument to be tendered is below that at which the instrument may be tendered under the option or warrant agreement and the resulting discount establishes an effective exercise price below the market price of the ordinary shares obtainable upon exercise. In the calculation of diluted earnings per share, those options or warrants are assumed to be exercised and the debt or other instruments are assumed to be tendered. If tendering cash is more advantageous to the option or warrant holder and the contract permits tendering cash, tendering of cash is assumed. Interest (net of tax) on any debt assumed to be tendered is added back as an adjustment to the numerator.

For the purpose of calculating diluted earnings per share, an entity shall assume the exercise of dilutive options and warrants of the entity. The assumed proceeds from these instruments shall be regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the period. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price of ordinary shares during the period shall be treated as an issue of ordinary shares for no consideration.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

Sr. No.	Name of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 31st March 2018	Changes on First Time Adoption of IndAS	Restated balance as at 31st March 2018	Upto 31st March 2018	Changes on First Time Adoption of IndAS	Restated balance as at 31st March 2018	As at 31st March 2018	Restated balance as at 31st March 2018
1	PROPERTY PLANT AND EQUIPMENT								
(a)	Freehold Land	399.31	(61.15)	**338.16**	-	-	**-**	**399.31**	**338.16**
(b)	Leasehold Land	40.37	-	**40.37**	3.66	-	**3.66**	**36.70**	**36.70**
(c)	Buildings	2,997.27	(86.87)	**2,910.40**	1,091.29	(37.01)	**1,054.28**	**1,905.98**	**1,856.12**
(d)	Plant & Equipment	36,709.99	(170.25)	**36,539.74**	19,950.07	(168.86)	**19,781.22**	**16,759.92**	**16,758.52**
(e)	Computer and Printer	579.37	-	**579.37**	546.12	-	**546.12**	**33.25**	**33.25**
(f)	Furniture and Fixtures	819.77	(10.68)	**809.09**	729.93	(10.75)	**719.18**	**89.84**	**89.91**
(g)	Office Equipment	480.98	-	**480.98**	417.05	-	**417.05**	**63.92**	**63.92**
(h)	Vehicles	1,256.98	-	**1,256.98**	979.55	-	**979.55**	**277.43**	**277.43**
(i)	Temporary Office Construction	2,552.25	-	**2,552.25**	1,694.73	-	**1,694.73**	**857.52**	**857.52**
	TOTAL	**45,836.29**	**(328.94)**	**45,507.35**	**25,412.42**	**(216.61)**	**25,195.80**	**20,423.88**	**20,311.55**
2	INVESTMENT PROPERTY								
(a)	Freehold Land	-	61.15	**61.15**	-	-	**-**	**-**	**61.15**
(b)	Building	-	49.86	**49.86**	-	-	**-**	**-**	**49.86**
	TOTAL	**-**	**111.01**	**111.01**	**-**	**-**	**-**	**-**	**111.01**
3	OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT								
i	**OTHER INTANGIBLE ASSETS**								
(a)	ERP Software	244.61	-	**244.61**	211.04	-	**211.04**	**33.56**	**33.56**
		244.61	**-**	**244.61**	**211.04**	**-**	**211.04**	**33.56**	**33.56**
	TOTAL	**46,080.90**	**(217.94)**	**45,862.96**	**25,623.46**	**(216.61)**	**25,406.84**	**20,457.44**	**20,456.12**

Note :

a) Charge against certain immovable properties situated at Ramtek (Included in Freehold Land) have been created in favour of Oriental Bank of Commerce in respect of Corporate Guarantee given by Sunil Hitech Engineers Limited on behalf of one of its Subsidiary Company SEAM Industries Limited.

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
4		INVESTMENTS			
	A	**Investments in Equity Shares (At Cost)**			
	(i)	**In Subsidiary Companies**			
		SEAM Industries Limited	770.00	770.00	770.00
		98,00,000 (Pr.Yr. 49,00,000) Equity Shares of Rs. 10/- each fully paid up			
		VAG Buildtech Private Limited	405.94	439.77	439.77
		1,21,78,320 (Pr.Yr. 43,97,690) Equity Shares of Rs. 10/- each fully paid up			
		Sunilhitech Solar (Dhule) Private Limited	1,180.00	1,180.00	1,180.00
		1,18,00,000 (Pr.Yr. 1,18,00,000) Equity Shares of Rs. 10/- each fully paid up			
		(Including 1 Share held with Nominee)			
		Patna Green Energy Private Limited	90.90	90.90	90.90
		9,09,000 (Pr.Yr. 9,09,000) Equity Shares of Rs. 10/- each fully paid up			
		Future Commodities and Investments Pte Ltd	934.32	16.51	-
		19,86,000 (Pr.Yr. 35,000) Ordinary Shares of SGD 1 each fully paid up			
		Sunil Hitech Energy Private Limited	247.89	247.89	247.89
		24,42,960 (Pr.Yr. 24,42,960) Equity Shares of Rs. 10/- each fully paid up			
		SHEL Investments Consultancy Private Limited	1.00	1.00	1.00
		9,999 (Pr.Yr. 9,999) Equity Shares of Rs. 10/- each fully paid up			
		(Pledged to zero coupon secured optionally convertible debenture holders of SHEL Investments Consultancy Private Limited)			
		Bodre Dhule Highways Pvt Ltd	3.50	-	-
		35,000 (Pr.Yr. NIL) Equity Shares of Rs. 10/- each fully paid up			
	(ii)	**Investment in Partnership Firm**			
		45% share in the partnership firm V. K. Realtors	342.68	343.75	340.00
		(Includes accumulated share of loss Rs. 1.07 Lacs (Pr.Yr Rs. 3.74 Lacs) and interest on capital Nil (Pr.Yr. Nil))			
	(iii)	**Investment in Joint Venture**	2.00	2.00	2.00
		Contribution in the Joint Venture SHEL - Assignia JV			
	B	**Investments in Equity Shares (At Fair Value through P&L Account)**			
		Gangakhed Sugar and Energy Limited	600.00	1,300.00	1,950.00
		60,00,000 (Pr.Yr. 1,30,00,000) Equity Shares of Rs. 10/- each fully paid up			
		(Pledged with banks against term loans to Gangakhed Sugar and Energy Limited)			
		Sudama Mahavir Power Private Limited	-	-	0.01
		Nil (Pr.Yr. Nil) Equity Shares of Rs. 10/- each fully paid up			

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	C	**Investments in Mutual Fund (Quoted)**			
		Canara Roebeco Protection Oriented Fund	-	20.00	20.00
		Nil (Pr.Yr. 1,99,990) units of Rs. 10/- each (Under Lien)			
		[Aggregate Market value of quoted investments Nil (Pr.Yr. Rs. 24.33 lacs)]			
		Union KBC Capital Protection Oriented Fund - Growth Series 3 Regular Plan	-	-	75.00
		NIL (Pr.Yr. Nil) units of Rs. 10/- each (Under Lien)			
		[Aggregate Market value of quoted investments NIL (Pr. Yr. Nil)]			
			4,578.24	**4,411.82**	**5,116.57**
		Less: Provision for Diminition in value of investment	-	-	-
		TOTAL	**4,578.24**	**4,411.82**	**5,116.57**

5 TRADE RECEIVABLES

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Unsecured and considered good	1,909.15	2,335.28	2,318.26
		TOTAL	**1,909.15**	**2,335.28**	**2,318.26**

6 LOANS

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Security Deposits			
		i Unsecured and is considered Good	1,705.82	1,665.75	1,921.16
	ii	Loans to related parties (giving details thereof)			
		i Unsecured and is not considered Good	601.32	531.44	757.09
		TOTAL	**2,307.14**	**2,197.19**	**2,678.25**

7 DEFERRED TAX ASSET (NET)

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	**Deferred Tax Asset**			
		Depreciation	334.08	523.32	564.88
		Provision for Doubtful Debts/Deposits/Advances	330.82	615.01	612.75
		Disallowance under section 43B and other sections of the Income Tax Act, 1961	76.12	104.67	121.61
		Unwinding of Discount	395.11	(301.67)	5.89
		Actuarial Losses on Defined Benefits	2.46	2.46	-
	ii	**Deferred Tax Liability**			
		Actuarial Gains on Defined Benefits	45.64	-	-
		TOTAL	**1,092.93**	**943.78**	**1,305.13**

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

8 OTHER NON-CURRENT ASSETS					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Capital Advances	-	-	81.00
	ii	Others			
		Balances with Statutory/ Government Authorities	2,674.07	1,024.73	999.23
		Prepaid Expenses	61.28	71.85	142.15
		Interest Accrued on Fixed Deposits	146.63	36.46	34.08
		Fixed Deposits with Banks (Under Lien)	1,761.17	908.29	501.73
		TOTAL	**4,643.16**	**2,041.34**	**1,758.19**

9 INVENTORIES					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i.	Raw Material and Components	11,302.37	22,683.92	17,733.51
	ii	Raw Material and Components (Goods in Transit)	63.45	61.77	51.73
	iii	Stores, Spare Parts	689.69	472.53	609.51
	iv	Loose Tools	1,902.69	2,334.23	2,419.80
		TOTAL	**13,958.19**	**25,552.44**	**20,814.55**

10 TRADE RECEIVABLES					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Unsecured and considered good			
		Over Six Months from the date it become due for payment			
		Considered Good	35,239.30	2,085.55	2,854.58
		Considered Doubtful	600.69	596.17	589.82
			35,839.99	2,681.72	3,444.40
		Others- Considered Good	34,371.24	54,311.17	44,799.29
		Debt Due from Companies in Which Director is Director/ Member	4,637.27	1,850.79	1,855.17
			74,848.49	58,843.68	50,098.86
		Less : Provision for Doubtful Debts	4.52	-	-
		Less : Loss Allowance	1,019.91	960.54	1,271.99
		Less : Finance Cost	710.50	548.14	361.17
		TOTAL	**73,113.57**	**57,335.00**	**48,465.70**

11 CASH AND CASH EQUIVALENTS					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Cash on hand	38.25	99.29	54.90
	ii	Balances with Banks (of the nature of cash and cash equivalents)	1,160.15	2,604.51	1,359.47
	iii	Deposits with original maturity of upto three months	1,087.25	552.89	-
			2,285.65	**3,256.69**	**1,414.38**
		Other Bank Balances			
	i	Earmarked Balances with Banks			
		- Unpaid Dividend	7.82	5.33	4.74
		- Government Grants	1.47	1.48	1.65
		TOTAL	**2,294.94**	**3,263.50**	**1,420.77**

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

12 OTHER BANK BALANCES					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	(i)	Deposits with original maturity for more than twelve months	2,876.57	1,352.62	8,601.54
	(ii)	Deposits with original maturity for more than 3 but less than 12 months	11,869.90	11,163.02	1,521.47
		TOTAL	**14,746.47**	**12,515.64**	**10,123.01**

13 LOANS					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	**Security Deposits**			
		Unsecured and considered good	1,995.76	1,543.47	1,417.94
		TOTAL	**1,995.76**	**1,543.47**	**1,417.94**

14 OTHER CURRENT ASSETS					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	**Advances other than Capital Advances**			
		Advances to Creditors - Considered Good	4,795.28	6,371.71	6,208.57
	ii	Others			
		Share Application Money to Subsidiary Company	-	-	450.00
		Balances with Statutory/ Government Authorities	5,961.08	4,457.25	2,304.30
		Prepaid Expenses	535.11	562.87	556.45
		Advances Recoverable in Cash or in Kind	298.60	420.35	1,029.84
		Interest Accrued on FD	437.89	473.55	409.87
		Due from Customers (Project related activity)	63,476.48	29,982.24	29,623.74
		TOTAL	**75,504.43**	**42,267.96**	**40,582.77**

15 EQUITY SHARE CAPITAL				
Sr No	PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Authorized			
	80,00,00,000 Equity shares of Rs. 1/- each (Pr.Yr. 60,00,00,000 Equity shares of Rs. 1/- each)	8,000.00	6,000.00	2,500.00
	Issued, Subscribed and Fully Paid-up :			
	46,13,03,200 Equity shares of Rs. 1/- each (Pr.Yr. 37,80,03,200 Equity shares of Rs. 1/- each) fully paid up	4,613.03	3,780.03	1,732.52
	TOTAL	**4,613.03**	**3,780.03**	**1,732.52**

a) **Reconciliation of the shares outstanding at the beginning and at the end of the year.**

	Particulars	No. of Shares	Amount
	Equity shares as at 01st April 2016	**17,325,160**	**1,732.52**
	Add: Allotment during the year against Warrants	1,575,000	157.50
	Add: Allotment during the year against Split Issue	170,101,440	-
	Add: Allotment during the year against Bonus Issue	189,001,600	1,890.02
	Equity shares as at 31st March 2017	**378,003,200**	**3,780.03**
	Add: Allotment during the year against Warrants	83,300,000	833.00
	Equity shares as at 31st March 2018	**461,303,200**	**4,613.03**

Terms/ Rights attached to equity shares

The Company has only one class of equity shares with voting rights having a par value of Rs. 1* per share. The Company declares and pays dividends in Indian rupees.

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

b) **The details of shareholders holding more than 5% of Equity Shares in the Company.**

	Particulars	As at31 March 2018		As at31 March 2017	
		No. of Shares	% holding	No. of Shares	% holding
	Mr. Sunil Ratnakar Gutte	38,063,660	8.25%	33,574,800	8.88%
	Fatehpuria Business Associates Private Limited	6,868,000	1.49%	32,400,000	8.57%
	Gutte Infra Private Limited	54,749,900	11.87%	48,000,000	12.70%
	VRG Digital Corporation Private Limited	56,500,000	12.25%	43,500,000	11.51%

16 OTHER EQUITY

	PARTICULARS	Capital Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Money received against share warrants	Retained Earnings	Total
	Balance at the beginning of the reporting period	825.60	13,970.84	1,923.57	54.22	-	22,919.18	**39,693.42**
	Changes in accounting policy or prior period errors	-	-	-	-	-	-	**-**
	Restated balance at the beginning of the reporting period (A)	**825.60**	**13,970.84**	**1,923.57**	**54.22**	**-**	**22,919.18**	**39,693.42**
	Changes on First Time Adoption of Ind AS as on 1st April, 2016	**-**	**-**	**-**	**-**	**-**	**(388.20)**	**(388.20)**
	Restated balance as on 1st April 2016 (B)	**825.60**	**13,970.84**	**1,923.57**	**54.22**	**-**	**22,530.98**	**39,305.21**
	Additions during the year:							
	Profit for the year	-	-	-	-	-	3,836.54	**3,836.54**
	Money Received against share warrant	-	-	-	-	481.29	-	**481.29**
	Premium on account of Issue of shares against conversion of Warrants	-	715.05	-	-	-	-	**715.05**
	Reductions during the year:							
	Amount transferred to the Statement of Profit and Loss as reduction from depreciation	-	-	-	(0.75)	-	-	**(0.75)**
	Amount utilised towards issue of fully paid up Bonus shares	-	(1,890.02)	-	-	-	-	**(1,890.02)**
	Dividend for FY 1.4.16	-	-	-	-	-	(259.88)	**(259.88)**
	Tax on dividend for FY 1.4.16	-	-	-	-	-	(52.91)	**(52.91)**
	Total Comprehensive Income for the year 2016-17 (C)	**825.60**	**12,795.88**	**1,923.57**	**53.47**	**481.29**	**26,054.73**	**42,134.54**
	Additions during the year:							
	Profit for the year	-	-	-	-	-	472.79	**472.79**
	Premium on account of Issue of shares against conversion of Warrants	-	8,097.92	-	-	-	-	**8,097.92**
	Money Received against share warrant	-	-	-	-	3,174.07	-	**3,174.07**
	Dividend on equity	-	-	-	-	-	(283.50)	**(283.50)**
	Tax on dividend	-	-	-	-	-	(57.72)	**(57.72)**
	Amount transferred to the Statement of Profit and Loss as reduction from depreciation	-	-	-	(0.71)	-	-	**(0.71)**
	Total (D)	**-**	**8,097.92**	**-**	**(0.71)**	**3.174**	**131.57**	**11,402.85**
	Balance as at 31st March 2018 (C+D)	**825.60**	**20,893.79**	**1,923.57**	**52.76**	**3,655.36**	**26,186.30**	**53,537.39**

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

17 LONG TERM BORROWINGS					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Rupee Term Loans (Secured)				
	(a)	From Banks	8,554.68	2,981.41	544.05
	(b)	From Others	904.17	5,322.74	3,507.62
	(Refer Disclosure Note C)				
		TOTAL	**9,458.84**	**8,304.15**	**4,051.67**

18 OTHER FINANCIAL LIABILITIES				
Sr No	PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	Security Deposit & Retention Money from Sub-Contractors	3,423.78	5,968.96	5,681.43
	TOTAL	**3,423.78**	**5,968.96**	**5,681.43**

19 LONG TERM PROVISIONS					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	**Provision for employee benefits**			
		Provision for Gratuity (Net)	-	6.11	40.89
		Provision for Compensated Absences	73.25	105.33	101.13
		TOTAL	**73.25**	**111.44**	**142.01**

20 OTHER NON-CURRENT LIABILITIES					
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	**Advances**			
		Advance from Customers (Mobilisation Advance)	2,847.17	7,488.63	5,008.01
		TOTAL	**2,847.17**	**7,488.63**	**5,008.01**

21 SHORT TERM BORROWINGS						
Sr No	PARTICULARS			As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	**Loans repayable on Demand**				
		a.	**from Banks**			
			Working Capital Rupee loans from Banks repayable on demand (Secured)	45,565.80	39,751.01	36,423.48
			TOTAL	**45,565.80**	**39,751.01**	**36,423.48**
	Note - Working Capital Loans are secured by hypothecation of present and future stock of raw materials, stores and spares, book debts and other receivables and have Second Charge on Fixed Assets of the Company and personal guarantee of some of the Directors.					

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

22 TRADE PAYABLES AND OTHER PAYABLES

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Micro, Small and Medium Enterprises	62.32	41.23	36.53
	ii	Payable to Related Parties	53.18	979.53	4,012.21
	iii	Others for Goods and Services	79,834.36	47,593.77	42,684.08
		TOTAL	**79,949.86**	**48,614.53**	**46,732.82**
Note - The Details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:					
		Principal amount due and remaining unpaid	62.32	41.23	36.53
		Interest due on above and the unpaid interest	12.20	-	-

23 OTHER FINANCIAL LIABILITIES

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Current Maturities of Long Term Borrowings	3,655.82	5,049.07	3,328.00
	ii	Interest accrued but not due	127.59	24.80	42.18
	iii	Unpaid Dividend	7.82	5.33	4.74
	iv	**Others**			
		Security Deposit & Retention Money from Sub-Contractors	2,441.88	2,593.71	3,116.02
		TOTAL	**6,233.11**	**7,672.90**	**6,490.94**

24 OTHER CURRENT LIABILITIES

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Other Advance Received	2,874.14	390.39	265.96
	ii	Advance from Customers	4,535.77	2,103.10	2,135.91
	iii	Due to Customers (Project related activity)	1,318.18	510.64	275.15
	iv	Due to Employees	685.79	746.25	982.82
	v	Other Payables *	1,411.49	3,068.39	2,780.42
		TOTAL	**10,825.37**	**6,818.77**	**6,440.26**

25 SHORT TERM PROVISIONS

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Provision for employee benefits			
		Provision for Compensated Absences	14.79	28.32	73.28
		Provision for Gratuity (Net)	-	45.97	39.68
	ii	Others			
		Tax on Dividend	57.71	52.91	-
		TOTAL	**72.51**	**127.19**	**112.95**

26 LIABILITIES FOR CURRENT TAX (NET)

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	ii	Income Tax Provision	-	39.44	777.59
		TOTAL	**-**	**39.44**	**777.59**

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

27 Revenue from Operations

Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017
	a)	**Revenue from Contracts, Projects & Maintenance**		
		Revenue from Projects and Maintenance	186,914.53	180,933.70
		Project Supply	61,793.47	28,033.49
	b)	**Other Operating Revenues**		
		Income from Crane Leasing	36.33	114.92
		Sale of Scrap	62.44	36.43
		TOTAL	**248,806.77**	**209,118.54**

28 OTHER INCOME

Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017
	a)	Bank Deposits	1,100.27	843.75
	b)	Finance Income	10.94	-
	c)	Others	62.53	84.50
	d)	Rent Income	27.76	105.86
	e)	Profit on Sale of Non Current Investments - Non Trade	5.02	-
	f)	Profit from Partnership Business	-	3.74
	g)	Profit on Sale/ Discard of Fixed Assets (Net)	323.32	251.03
	h)	Dividend from Investments and Mutual Funds	-	18.80
	i)	Exchange Rate Difference (Net)	-	17.38
	j)	Miscellaneous Incomes	431.94	13.89
		TOTAL	**1,961.78**	**1,338.95**

29 COST OF MATERIALS CONSUMED

Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017
		Cost of materials consumed	99,632.63	87,687.67
		Purchase of Stock in Trade	51,994.96	28,921.06
		TOTAL	**151,627.59**	**116,608.73**

30 EMPLOYEE BENEFIT EXPENSES

Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017
	i	Salary, Wages and Allowances	4,207.91	3,998.57
	ii	Contribution to Provident, Superannuation and Other Funds	130.40	249.70
	iii	Staff and Labour Welfare Expenses	272.11	269.68
		TOTAL	**4,610.42**	**4,517.94**

Notes to the Financial Statements

as at 31st March 2018 (Standalone)

(Rs. In Lacs)

31 FINANCE COSTS

Sr No	PARTICULARS			As at 31 March 2018	As at 31 March 2017
	a)	**Interest Cost:**			
		i	Interest to Banks & Finance Companies	6,178.86	5,820.93
		ii	Interest to Others	420.08	654.06
		iii	Unwinding of Discounts	169.71	180.59
	b)	**Other Borrowing Costs:**			
		i	Processing fee, Bank commission and charges	4,971.93	3,163.46
			TOTAL	**11,740.59**	**9,819.04**

32 OTHER EXPENSES

Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017
		Civil Construction and Fabrication	67,898.05	59,720.41
		Lease and Hire Charges	1,303.08	1,223.49
		Transportation Expenses	390.55	522.83
		Stores and Spares	1,009.60	216.03
		Other Site Expenses	3,815.61	2,219.42
		Power & Fuel	141.81	169.51
		Repairs and Maintenance - Plant & Machinery	100.78	96.26
		Rent	412.69	546.17
		Repairs to Building	134.16	53.75
		Repairs - Others	222.39	172.47
		VAT, Entry Tax and Service Tax	614.80	643.29
		Insurance	179.89	140.57
		Rates and Taxes	111.68	129.59
		Legal and Professional Fees	1,184.49	1,034.80
		Travelling and Conveyance	628.30	604.30
		Communication	76.82	101.52
		Printing and Stationery	37.91	41.62
		Provision for Doubtful Debts	8.64	19.39
		Bad Debts Written Off (Net)	-	1,949.63
		Loss from Partnership Business	1.07	-
		Loss on Sale/ Discard of Fixed Assets (Net)	21.05	2.43
		Remuneration to Auditors		
		Statutory Audit Fees	20.00	20.00
		Certification & Other Matters	-	5.45
		CSR Expenses	37.00	108.16
		Miscellaneous Expenses	579.88	94.28
		TOTAL	**78,930.24**	**69,835.37**

33 EARNINGS PER SHARE (EPS)

Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017
	i	Net Profit After Tax (PAT) as per Statement of Profit and Loss attributable to Equity Shareholders	472.79	3,836.54
	ii	Weighted average number of equity shares for basic EPS [nos.]	461,303,200	378,003,200
	iii	Weighted average number of equity shares including potential equity shares for diluted EPS [nos.]	627,189,670	379,172,669
	iv	Basic EPS (Rs)	0.13	1.01
	v	Diluted EPS (Rs)	0.08	1.01
	vi	Nominal value per share (Rs)	1.00	1.00

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

A. **Disclosure pursuant to Indian Accounting Standard (Ind AS) 108 – Operating Segments**

Based on guiding principles given in Accounting Standard on "Operating Segments" – Ind AS 108 as specified in the Companies (Accounting Standard) Rules, 2006 (as amended), single financial report contains both Standalone financial statement and Consolidated financial statement of the Company. Hence, the required segment information has been appended in the Consolidated Financial Statements (CFS).

Information about products and services		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Revenue from Projects and Maintenance	186,914.53	180,933.70
Project Supply	61,793.47	28,033.49
Income from Crane Leasing	36.33	114.92
Sale of Scrap	62.44	36.43

Information about geographical areas		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Revenues from external customers		
Within India	248,806.77	209,118.54
Outside India	-	-
Total	**248,806.77**	**209,118.54**

Carrying Amount of Non-current assets		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Located Within India	24,274.40	19,685.53
Located in all foreign countries in total in which the entity holds assets	-	-
Total Assets	**24,274.40**	**19,685.53**

B. **Disclosure pursuant to Indian Accounting Standard (Ind AS) 37 on – Provisions, Contingent Liabilities and Contingent Assets**

COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances Nil (Pr. Yr. Nil)

b) Other Commitments - Non cancellable operating Leases (Refer point C below)

CONTINGENT LIABILITIES		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
a) Service Tax demand disputed, contested in appeal	1,083.52	1,083.52
b) Customs Duty disputed	138.17	138.17
c) Income Tax disputed, contested in appeal	378.55	378.55
d) Guarantee given to Customers and Financial Institutions -	81,776.72	71,192.42
e) Guarantee given to Banks and Financial Institutions on behalf of -		
i) A subsidiary company	13,848.37	8,938.37
- Loans/ LC/ BG outstanding at the year end	6,651.18	6,607.12
ii) Jointly Controlled Entity	18,972.68	14,142.65
- Loans outstanding at the year end	-	-
iii) Others	2,170.30	2,170.30
f) Claims against the Company not acknowledged as debts	129.28	152.38

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

For each class of Provisions: Tax on Dividend		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening Balance	52.91	52.91
Additions (additional provisions made in the period, including increases to existing provisions)	4.80	-
Utilisations (amounts used (i.e. incurred and charged against the provision) during the period)	-	-
Reversals (unused amounts reversed during the period)	-	-
Closing Balance	**57.71**	**52.91**

For each class of Provisions: Compensated Absences		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening Balance	28.32	73.28
Additions (additional provisions made in the period, including increases to existing provisions)	-	-
Utilisations (amounts used (ie incurred and charged against the provision) during the period)	(13.52)	(44.96)
Reversals (unused amounts reversed during the period)	-	-
Closing Balance	**14.79**	**28.32**

For each class of Provisions: Gratuity		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening Balance	45.97	39.67
Additions (additional provisions made in the period, including increases to existing provisions)	-	6.30
Utilisations (amounts used (ie incurred and charged against the provision) during the period)	(45.97)	-
Reversals (unused amounts reversed during the period)	-	-
Closing Balance	**-**	**45.97**

C. Disclosure as required under IND AS 32 Financial Instruments Presentation

1) **Term Loan From Banks referred Note 17 to the extent of :**

a) Rs. 275.34 Lacs (Pr.Yr.Rs. 304.09 Lacs) are Secured by first mortgage/ pari-pasu charge on the respective building situated at Pune & Nagpur.

b) Rs. 112.60 Lacs (Pr.Yr.Rs. 285.08 Lacs) secured by first hypothecation /pari-pasu charges on the respective plant and machineries including Hydra's at Various Sites.

c) Rs. 134.83 Lacs (Pr.Yr.Rs. 148.19 Lacs) are secured by first hypothecation /pari-pasu charges on the respective Vehicles at Various Sites.

2) **Term Loan From Financial Institutions referred above to the extent of :**

a) Rs. 1216.89 Lacs (Pr.Yr.Rs. 1332.39 Lacs) are secured by first mortgage / pari-pasu charge on the respective building situated at Nagpur and Mumbai.

b) Rs. 6335.60 Lacs (Pr.Yr.Rs. 4493.31 Lacs) are secured by first mortgage / pari-pasu charge on the respective Plant & Machineries including Hydra's situated at various sites.

c) Rs. 1150.00 Lacs (Pr.Yr.Rs. 2650.00 Lacs) are secured against retention money Receivable from Parli Project.

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

Sr. No.	Particulars	Range of Interest Rate	1-2 Yrs 2018-19	2-3 Yrs 2019-20	3-4 Yrs 2020-2021	Beyond 4 Yrs 2021-2022 onward
1	Property Loan	11.70% -13.00%	227.98	353.11	507.00	404.13
			(250.02)	(387.24)	(556.01)	(443.19)
2	Vehicle	9.3%-13.23%	49.01	48.41	23.92	13.48
			(53.87)	(53.21)	(41.11)	-
3	Machinery	7.64%-14.85%	3,654.68	1,370.63	778.07	644.82
			(1,954.73)	(733.09)	(761.04)	-
4	Project Funding	12.75%	1,150.00	-	-	-
			(1,150.00)	-	-	-
	Total		**5,081.67**	**1,772.15**	**1,308.99**	**1,062.43**
			(3,408.62)	**(1,173.54)**	**(1,358.16)**	**(443.19)**

D. Disclosure as required under IND AS-17 "Accounting for Leases"

The Company has taken various residential/ office premises (including furniture and fittings, therein as applicable), under operating lease or leave and license agreements. These are generally cancellable under leave and license arrangements and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of Rs. 1,287.45 Lacs (Pr. Yr. Rs. 628.61 Lacs) are recognised in the Statement of Profit and Loss:

The future lease payments and payment profile of non cancellable operating leases are as under. **(Rs. In Lacs)**

Particulars	31.03.2018	31.03.2017
Payable not later than one year	162.18	1,647.64
Payable later than one year and not later than five years	639.48	601.29
Later than five years	485.10	485.10
Total	**1,286.76**	**2,734.03**

E. Disclosure pursuant to Indian Accounting Standard (Ind AS) 24 – Related Party Disclosures

As per Indian Accounting Standard Ind AS 24 on "Related Party Disclosures":

CATEGORY -

I. SUBSIDIARY COMPANY :

SEAM Industries Limited
VAG Buildtech Limited
Sunilhitech Solar (Dhule) Private Limited
Sunil Hitech Energy Private Limited
SHEL Investments Consultancy Private Limited
Patna Green Energy Private Limited
Bodhre Dhule Highways Private Limited
Future Commodities and Investments Pte Ltd

II. PARTNERSHIP FIRM :

V. K. Realtors

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

III. JOINT VENTURE :

PBSPL - SHEL - JV

SHEL - ASSIGNIA - JV

SHEL - RCM - JV

SHEL - VARAHA - JV

VARAHA - SHEL - JV

IV. DIRECTORS/KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES:

Mrs. Sodhamati Ratnakar Gutte

Mr. Sunil Ratnakar Gutte

Mr. Vijay Ratnakar Gutte (Till 08th Feb 2018)

Mr. Venkataramana Condoor

Mr. M.N.Mohanan

Mr. Harshvardhan Kaushik

Mr. Shrikant Rikhe

V. ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES HAVE SIGNIFICANT INFLUENCE

Gutte Infra Private Limited

VRG Digital Corporation Private Limited

RSV & Associates

Kolhapur Green Energy Private Limited

Compensation to Key Management Personnels		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Short-term employee benefits	10.25	21.72

A	**Details of transactions carried with Related Parties and the year end balances:**						(Rs. In Lacs)
Sr No	**Particulars**	**CATEGORY**					**Total**
		I	**II**	**III**	**IV**	**V**	
1	Investments made	921.31	-	-	-	-	**921.31**
		(16.51)	-	-	-	-	**(16.51)**
2	Unsecured Loans Given	100.00	-	-	-	-	**100.00**
		(138.50)	-	-	-	-	**(138.50)**
3	Share Application Money Received Back	-	-	-	-	-	**-**
		(450.00)	-	-	-	-	**(450.00)**
4	Sale of Investments	33.83	-	-	-	700.00	**733.83**
		-	-	-	-	(650.00)	**(650.00)**
5	Loans Taken	-	-	-	-	390.00	**390.00**
		-	-	-	-	-	**-**
6	Repayments of Loans Given	-	-	-	-	-	**-**
		(310.00)	-	-	-	-	**(310.00)**
7	Advances Given for Contracts and Projects	2,505.42	-	-	-	-	**2,505.42**
		-	-	-	-	-	**-**
8	Security Deposit Received	-	-	-	-	-	**-**
		(11.77)	-	-	-	-	**(11.77)**

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

Sr No	Particulars	CATEGORY					Total
		I	II	III	IV	V	
9	Advances Given Received Back	-	-	-	-	-	**-**
		(52.03)	-	-	-	-	**(52.03)**
10	Purchases of Goods and Services	3,367.79	-	-	-	682.27	**4,050.06**
		(2,348.07)	-	-	-	(26.02)	**(2,374.09)**
11	Sales of Goods/ Contract Revenue & Services	323.76	-	2,568.74	-	-	**2,892.49**
		(199.27)	-	-	-	(275.65)	**(474.92)**
12	Sale of Investments to	-	-	-	700.00	-	**700.00**
		-	-	-	(650.00)	-	**(650.00)**
13	Remuneration to Directors (Including Perquisites)	-	-	-	293.42	-	**293.42**
		-	-	-	(305.18)	-	**(305.18)**
14	Dividend Paid	-	-	-	31.55	68.63	**100.18**
		-	-	-	(72.63)	(45.00)	**(117.63)**
15	Rent Paid	-	-	-	123.60	-	**123.60**
		-	-	-	(123.78)	-	**(123.78)**
16	Rent Income	-	-	-	-	-	**-**
		-	-	-	-	(105.70)	**(105.70)**
17	Interest Income	51.56	-	-	-	-	**51.56**
		(51.76)	(3.74)	-	-	-	**(55.50)**
18	Expenses Incurred on behalf by Co	31.31	-	35.29	-	1.06	**67.66**
		-	-	(321.17)	-	(16.00)	**(337.17)**
19	Expenses Incurred on behalf of Co	45.99	-	-	-	2.50	**48.49**
		(69.82)	-	-	-	-	**(69.82)**
20	Share Warrant Application Money Received	-	-	-	-	3,701.33	3,701.33
		-	-	-	-	(1,139.16)	(1,139.16)
21	Share Allotment against warrant	-	-	-	-	1,391.13	1,391.13
		-	-	-	-	(872.55)	(872.55)
	***Figures in brackets indicate previous year figures.**						

A	Out of the above items, transactions in excess of 10% of the total related party transactions are as under			(Rs. In Lacs)
Sr. No.	Particulars	Category	31.03.2018	31.03.2017
1	**Investments made**			
	Future Commodities and Investments Pte.Ltd.	I	917.81	16.51
2	**Unsecured Loans Given**			
	Patna Green Energy Private Limited	I	100.00	138.50
3	**Share Application Money Received Back**			
	VAG Buildtech Limited	I	-	450.00
4	**Sale of Investments**			
	Gangakhed Sugar & Energy Limited	IV	700.00	650.00
5	**Loans Taken**			
	VRG Digital Corporation Private Limited	V	390.00	-
6	**Repayment of Loans Given**			
	VAG Buildtech Limited	I	-	310.54
7	**Advances Given for Contracts and Projects**			
	VAG Buildtech Limited	I	2,505.42	-

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

Sr. No.	Particulars	Category	31.03.2018	31.03.2017
8	**Security Deposit Received**			
	VAG Buildtech Limited	I	-	11.77
9	**Advances Given Received Back**			
	VAG Buildtech Limited	I	-	52.03
10	**Purchases of Goods and Services**			
	VAG Buildtech Limited	I	1,408.66	637.14
	SEAM Industries Limited	I	1,959.13	1,710.93
11	**Sales of Goods/ Contract Revenue & Services**			
	SEAM Industries Limited	I	-	174.30
	VAG Buildtech Limited	I	323.76	-
	SHEL VARAHA JV	III	576.96	-
	SHEL RCM JV	III	1,991.78	-
	RSV & Associates	V	-	275.65
12	**Sale of Investments to**			
	Mr. Ratnakar Manikrao Gutte	IV	-	250.00
	Mrs. Sudhamati Ratnakar Gutte	IV	700.00	400.00
13	**Remuneration to Directors (Incl Perquisites)**			
	Mrs. Sudhamati Ratnakar Gutte	IV	48.00	48.00
	Mr. Sunil Ratnakar Gutte	IV	60.81	60.81
	Mr. Vijay Ratnakar Gutte	IV	41.70	48.65
	Mr. Venkataramana Condoor	IV	95.29	95.29
	Mr. Anupam Gianchand Dhiman	IV	-	52.43
	Mr. Mohanan Narayanan Mattathil	IV	47.62	-
14	**Dividend Paid**			
	Mrs. Sudhamati Ratnakar Gutte	IV	3.37	29.53
	Mr. Sunil Ratnakar Gutte	IV	25.18	25.18
	Mr. Vijay Ratnakar Gutte	IV	-	10.13
	Mr. Venkataramana Condoor	IV	3.00	3.00
	Gutte Infra Private Limited	V	36.00	22.50
	VRG Digital Corporation Private Limited	V	32.63	22.50
15	**Professional Fess Paid**			
	Mr. Ratnakar Manikrao Gutte	IV	84.00	92.17
16	**Rent Paid**			
	Mr. Ratnakar Manikrao Gutte	IV	45.99	48.99
	Mrs. Sudhamati Ratnakar Gutte	IV	63.93	61.11
17	**Rent Income**			
	VRG Digital Corporation Private Limited	V	-	105.70
18	**Interest Income**			
	VAG Buildtech Limited	I	-	18.76
	SEAM Industries Limited	I	33.00	33.00
	Patna Green Energy Private Limited	I	18.56	-
19	**Expenses Incurred on behalf by Company**			
	Bodhare Dhule Highways Private Limited	I	28.02	-
	SHEL RCM JV	III	35.29	321.17

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

Sr. No.	Particulars	Category	31.03.2018	31.03.2017
20	**Expenses Incurred on behalf of Company**			
	SEAM Industries Limited	I	-	26.91
	VAG Buildtech Limited	I	45.99	42.91
21	**Share Warrant Application Money Received**			
	Gutte Infra Private Limited	V	353.18	616.33
	VRG Digital Corporation Private Limited	V	3,348.15	522.84
22	**Share Allotment against warrant**			
	Gutte Infra Private Limited	V	470.90	498.60
	VRG Digital Corporation Private Limited	V	920.23	373.95

C **Balances Due from/ to the Related Parties as at 31st March 2018** **(Rs. In Lacs)**

Sr. No.	Particulars	CATEGORY					TOTAL
		I	II	III	IV	V	
1	Investments	3,633.56	342.67	2.00	-	600.00	**4,578.23**
		(2,746.08)	(343.74)	(2.00)	-	(1,300.00)	**(4,391.82)**
2	Trade Receivables	-	354.20	784.74	-	2,024.42	**3,163.36**
		-	(463.98)	(36.86)	-	(1,349.95)	**(1,850.79)**
3	Other Receivables	1,451.21	-	4.53	-	133.65	**1,589.39**
		(1,587.95)	-	(111.35)	-	(3.14)	**(1,702.44)**
4	Loans Given	370.18	-	-	-	-	**370.18**
		(403.88)	-	-	-	-	**(403.88)**
5	Advances Given	2,950.19	-	-	-	-	**2,950.19**
		(444.78)	-	-	-	-	**(444.78)**
6	Trade Payables	53.18	-	20.59	-	-	**73.77**
		(828.51)	-	-	-	(151.02)	**(979.53)**
7	Loan Taken	-	-	-	14.16	390.00	**404.16**
		-	-	-	(5,322.74)	-	**(5,322.74)**
8	Security Deposit Received	170.19	-	-	-	-	**170.19**
		(170.19)	-	-	-	-	**(170.19)**
9	Share Warrant Application Money	-	-	-	-	2,186.81	**2,186.81**
		-	-	-	-	(266.61)	**(266.61)**
10	Share Application Money Given	238.50	-	-	-	-	**238.50**
		(138.50)	-	-	-	-	**(138.50)**
	*Figures in brackets indicate previous year figures.						

F. **Disclosure pursuant to Indian Accounting Standard (Ind AS) 11 – Construction Contracts** **(Rs. In Lacs)**

Particulars	31.03.2018	31.03.2017
Contract revenue recognized for the year	241,986.66	196,013.47
Aggregate amount of contract costs incurred and recognised profits (Less recognised losses) up to the year end for all contract in progress as at that date	289,252.19	259,099.86
Amount of customer advances received and outstanding for contracts in progress	4,412.41	10,244.02
Retention amount due from customers for contract in progress	13,301.64	14,092.93
Gross amount due from customers as at year end	63,476.48	29,982.24
Gross amount due to customers as at year end	1,318.18	510.64

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

G.	Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 – Employee Benefits
	As per Ind AS-19 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standards are given below:

A) Defined Contribution Plans:

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the Government and certain state plans such as Employees' State Insurance (ESI). PF and EPS covers substantially all regular employees and the ESI covers eligible workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the PF and the ESI Scheme, contributions into the EPS is made only by the Company. The contributions are normally based on a certain portion of the employee's salary.

		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Provident Fund, Employees' Pension Scheme and Labour Walfare Fund	144.79	205.37
Employees' State Insurance	18.19	6.47
Total	**162.98**	**211.84**

Gratuity Plan (Funded)

The Employees' Gratuity Fund scheme is a defined benefits plan. The present value of obligation is determined based on the actuarial valuation, using the "Projected Unit Credit Method", which recognises each period of services as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

The Company makes contributions to the Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for employees. The scheme provides for payment to employees as under:

i) On normal retirement/ early retirement/ withdrawal/ resignation:

As per the provisions of The Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On the death in service:

As per the provisions of The Payment of Gratuity Act, 1972 without any vesting period.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31 March 2018:		
1: Funded status of the plan		**(Rs. In Lacs)**
Particulars	**31.03.2018**	**31.03.2017**
Present value of funded obligations	216.31	273.24
Fair value of plan assets	242.42	221.16
Net Liability (Asset)	**26.11**	**(52.08)**

2: Profit and loss account for current period		**(Rs. In Lacs)**
Particulars	**March 31, 2018**	**March 31, 2017**
Service cost:		
Current service cost	54.68	66.83
Net interest cost	3.66	2.65
Total included in 'Employee Benefit Expense'	58.34	69.48
Total Charge to P&L	58.34	69.48

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

3: Other Comprehensive Income for the current period		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	15.71	2.78
Due to experience adjustments	(147.43)	(4.39)
Return on plan assets excluding amounts included in interest income	(0.16)	(5.48)
Amounts recognized in Other Comprehensive Income	(131.88)	(7.10)

4: Reconciliation of defined benefit obligation		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening Defined Benefit Obligation	273.24	304.62
Current service cost	54.68	66.83
Interest cost	20.11	18.53
Actuarial (Gain)/Loss on obligation	(131.73)	(1.61)
Benefits paid	-	(115.13)
Closing Defined Benefit Obligation	216.31	273.24

5: Reconciliation of plan assets		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening value of plan assets	221.16	224.06
Adjustment to Opening Fair Value of Plan Asset	-	(0.47)
Interest Income	16.45	15.88
Return on plan assets excluding amounts included in interest income	0.16	5.48
Contributions by employer	4.66	91.34
Benefits paid	-	115.13
Closing value of plan assets	**242.42**	**221.16**

6: Reconciliation of net defined benefit liability		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Net opening provision in books of accounts	52.08	80.56
Employee Benefit Expense as per point No. 2	58.34	69.48
Amounts recognized in Other Comprehensive Income	(131.88)	(7.10)
Adjustment to opening balance	0.47	-
Contributions to plan assets	(4.66)	(91.34)
Closing provision in books of accounts	**(26.11)**	**52.08**

7: Bifurcation of liability as per schedule III		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Current Liability	22.76	45.97
Non-Current Liability	193.55	227.27
Net Liability	**216.31**	**273.24**

8: Principle actuarial assumptions		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Discount Rate	7.33%	7.36%
Salary Growth Rate	6.00%	5.00%
Employee Attrition Rate(Past Service (PS))	PS: 0 to 40 : 5%	PS: 0 to 40 : 5%

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

Leave Benefits

The Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company rules.

The Liability of compensated absences, which is non funded, has been provided based on the report of independent actuary using the "Projected Unit Credit Method" in respect of past services have been provided in the accounts.

1: Funded status of the plan		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Present value of funded obligations	88.04	133.65
Fair value of plan assets	-	-
Net Liability (Asset)	88.04	133.65

2: Profit and loss account for current period		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Service cost:		
Current service cost	86.05	117.66
Net interest cost	9.84	7.90
Total included in 'Employee Benefit Expense'	95.89	125.56
Total Charge to P&L	**95.89**	**125.56**

3: Components of actuarial gain/losses on obligation		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Due to change in financial assumptions	6.74	1.28
Due to experience adjustments	(148.23)	(82.09)
Net actuarial Loss/(Gain)	**(141.49)**	**(80.81)**

4: Reconciliation of defined benefit obligation		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening Defined Benefit Obligation	133.65	121.77
Current service cost	86.05	117.66
Interest cost	9.84	7.90
Actuarial (Gain)/Loss on obligation	(141.49)	(80.81)
Benefits paid	-	(32.87)
Closing Defined Benefit Obligation	**88.04**	**133.65**

5: Reconciliation of plan assets		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening value of plan assets	-	-
Contributions by employer	-	**32.87**
Benefits paid	-	**(32.87)**
Closing value of plan assets	-	-

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

6: Bifurcation of liability as per schedule III		
For Compensated Absence		(Rs. In Lacs)
Particulars	31.03.2018	31.03.2017
Current Liability	14.80	28.32
Non-Current Liability	73.25	105.33
Net Liability	88.04	133.65
Short Term Compensated Absence Liability	23.72	48.92

7: Principle actuarial assumptions		(Rs. In Lacs)
Particulars	31.03.2018	31.03.2017
Discount Rate	7.33%	7.36%
Salary Growth Rate	6.00%	5.00%
Employee Attrition Rate(Past Service (PS))	PS: 0 to 40 : 5%	PS: 0 to 40 : 5%

H. Disclosure of Trade payables to Micro, Small and Medium Enterprises under Current Liabilities is based on the information available with the Company regarding the Status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors. Amount outstanding (not overdue) as on 31 March 2018 to Micro, Small and Medium Enterprises on account of principal amount aggregate to Rs.62.32 Lacs (Pr. Yr. Rs. 41.23 Lacs) and interest payable thereon Rs. 12.21 Lacs (Pr. Yr. Nil) and interest paid during the year Nil (Pr. Yr. Nil).

I. During the year the Company has divested its stake in GSEL of Rs.700 Lacs (Pr Yr Rs.650 Lacs) pursuant to a share transfer agreement dated 11/10/2016.

J.

Corporate Social Responsibility (CSR) Expenditure		
The Company has incurred total expenditure of Rs. 37.00 Lacs (Pr. Yr. Rs.108.16 Lacs), which is being debited to profit and loss account for the year ended 31 March 2018.		
Particulars	31.03.2018	31.03.2017
Education and Employment enhancing vocation training	37.00	108.16
Construction of Asset	-	-
Total	**37.00**	**108.16**

The CSR committee constituted by the Board of Directors of the Company under section 135 of the Act supervises all the expenditure incurred for CSR purposes. The Company makes contribution towards projects undertaken for special education and employment enhancing vocation skills of under privileged candidates.

Education and Employment enhancing vocation training

Construction of Asset

Salary and Administrative Expenses

K.

DISCLOSURE REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT (AS CERTIFIED BY THE MANAGEMENT)				
A. Interest-free loans and advances in the nature of loans to				(Rs. In Lacs)
Particulars	Outstanding at the year end		Maximum amount outstanding during the year	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Sunil Hitech Energy Private Limited	1.00	1.00	1.00	1.00

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

B. Interest bearing Loans/ Advances in the nature of Loans/Advances to				(Rs. In Lacs)
Particulars	Outstanding at the year end		Maximum amount outstanding during the year	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
SEAM Industries Limited	300.00	300.00	300.00	300.00
VAG Buildtech Private Limited	-	-	-	310.54
Patna Green Energy Private Limited	238.50	-	238.50	-
Sunilhitech Solar (Dhule) Private Limited	69.17	-	69.17	-

Notes:

i) Above Loans and Advances are repayable on demand.

ii) Loans and Advances to employees/ customers and investments by such employees/ customers in the shares of the company if any, are excluded from the above disclosure.

C. There is no investment by loanee in the shares of Parent Company/ Subsidiary Company.

L. **Financial instruments – Fair values and risk management**

1 **Fair value measurements**

a. **Financial instruments by category** (Rs. In Lacs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
1. Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)						
Investment in unquoted equity Shares	-	4,233.56	-	4,046.07	-	4,679.57
Investment in Partnership Firm	-	342.68	-	343.74	-	339.99
Investment in Joint Venture	-	2.00		2.00	-	2.00
Investment in quoted mutual Fund	-	-	-	19.99	-	94.99
Total	-	**4,578.24**	-	**4,411.80**	-	**5,116.55**
2. Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI)						
	-	-	-	-	-	-
3. Financial Assets Measured at Amortised Cost						(Rs. In Lacs)
Trade Receivables	73,113.56	1,909.15	57,335.00	2,335.28	48,465.70	2,318.26
Security Deposits	1,995.75	1,705.81	1,543.46	1,665.74	1,417.94	1,921.16
Loan to related parties	-	601.31	-	531.43	-	757.09
Cash and Cash Equivalents	2,294.94	-	3,263.49	-	1,420.76	-
Other Bank Balances	14,746.47	-	12,515.64	-	10,123.00	-
Total	**92,150.70**	**4,216.27**	**74,657.60**	**4,532.45**	**61,427.40**	**4,996.51**

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

4. Financial Liabilties Measured at Fair Value through Profit or Loss (FVTPL)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
5. Financial Liabilities Measured at Amortised Cost						**(Rs. In Lacs)**
Loan taken from Banks	45,565.79	8,554.67	39,751.01	2,981.40	36,423.47	544.05
Loan taken from others	-	904.16	-	5,322.74	-	3,507.62
Trade Payables	79,949.86	-	48,614.52	-	46,732.82	-
Current Maturities of Long Term Debts	3,655.81	-	5,049.06	-	3,328.00	-
Interest accrued but not due	127.59	-	24.80	-	42.17	-
Unpaid dividend	7.81	-	5.32	-	4.73	-
Security deposit and retention money	2,441.87	3,423.78	2,593.70	5,968.95	3,116.01	5,681.42
Total	**131,748.70**	**12,882.61**	**96,038.41**	**14,273.09**	**89,647.20**	**9,733.09**

b. **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

1 **Financial assets and liabilities which are measured at FVTPL or FVTOCI for which fair values are disclosed**

Particulars	Fair Value Hierarchy			Fair Value as at 31st March 2018
	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)				
Investment in unquoted equity Shares	-	-	4,233.56	4,233.56
Investment in Partnership Firm	-	-	342.68	342.68
Investment in Joint Venture	-	-	2.00	2.00
Investment in quoted mutual Fund	-	-	-	-
Total	**-**	**-**	**4,578.24**	**4,578.24**

2 **Financial assets and liabilities which are measured at FVTPL or FVTOCI for which fair values are disclosed**

Particulars	Fair Value Hierarchy			Fair Value as at 31st March 2017
	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)				
Investment in unquoted equity Shares	-	-	4,046.07	4,046.07
Investment in Partnership Firm	-	-	343.74	343.74
Investment in Joint Venture	-	-	2.00	2.00
Investment in quoted mutual Fund	19.99	-	-	19.99
Total	19.99	**-**	**4,391.81**	**4,411.80**

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

3 **Assets and liabilities which are measured at FVTPL or FVTOCI for which fair values are disclosed**

Particulars	Fair Value Hierarchy			Fair Value as at 1st April 2016
	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)				
Investment in unquoted equity Shares	-	-	4,679.57	4,679.57
Investment in Partnership Firm	-	-	339.99	339.99
Investment in Joint Venture	-	-	2.00	2.00
Investment in quoted mutual Fund	94.99	-	-	94.99
Total	94.99	**-**	**5,021.56**	**5,116.55**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

4 **Fair value of financial assets and liabilities measured at amortised cost**

In few of the cases the carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(Rs. In Lacs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Non Current Assets						
Financial Assets Measured at Amortised Cost						
Trade Receivables	1,909.15	1,909.15	2,335.28	2,335.28	2,318.26	2,318.26
Security Deposits	1,705.81	1,705.81	1,665.74	1,665.74	1,921.16	1,921.16
Loan to related parties	608.67	601.31	601.31	531.43	774.41	757.09
B. Current Assets						
Financial Assets Measured at Amortised Cost						
Trade Receivables	74,247.80	73,113.56	58,247.51	57,335.00	49,509.04	48,465.70
Security Deposits	1,995.75	1,995.75	1,543.46	1,543.46	1,417.94	1,417.94
Cash and Cash Equivalents	2,294.94	2,294.94	3,263.49	3,263.49	1,420.76	1,420.76
Other Bank Balances	14,746.47	14,746.47	12,515.64	12,515.64	10,123.00	10,123.00
C. Non Current Liabilities						
Financial Liabilities Measured at Amortised Cost						
Loan taken from Banks	8,554.67	8,554.67	2,981.40	2,981.40	544.05	544.05
Loan taken from others	904.16	904.16	5,322.74	5,322.74	3,507.62	3,507.62
Security deposit and retention money	3,423.78	3,423.78	5,968.95	5,968.95	5,681.42	5,681.42

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

						(Rs. In Lacs)
Particulars	As at 31 March 2018		As at 31 March 2017		As at 1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
D. Current Liabilities						
Financial Liabilities Measured at Amortised Cost						
Loan taken from Banks	45,565.79	45,565.79	39,751.01	39,751.01	36,423.47	36,423.47
Trade Payables	79,949.86	79,949.86	48,614.52	48,614.52	46,732.82	46,732.82
Current Maturities of Long Term Debts	3,655.81	3,655.81	5,049.06	5,049.06	3,328.00	3,328.00
Interest accrued but not due	127.59	127.59	24.80	24.80	42.17	42.17
Unpaid dividend	7.81	7.81	5.32	5.32	4.73	4.73
Security deposit and retention money	2,441.87	2,441.87	2,593.70	2,593.70	3,116.01	3,116.01

1 **Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

Risk management framework

A company is exposed to uncertainties owning to the sector in which it is operating. The Company is conscious of the fact that any risk that could have a material impact on its business should be included in its risk profile. Accordingly, in order to contain / mitigate the risk, the Board of Directors have approved a Risk management policy which shall be reviewed by Board and the management from time to time.

The Company's Risk Management framework is designed to identify, assess and monitor various risks related to key business and strategic objectives and lead to the formulation of a mitigation plan. Major risks in particular are monitored regularly at Executive meetings and the Board of Directors of the Company is kept abreast of such issues and the policy was reviewed by the Board and Committee at its meeting.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. **Credit risk**

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from the loans & advances to related parties and company's receivables from customers.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The company maintains its Cash and cash equivalents and Bank Deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.

The gross carrying amount of trade receivables is Rs. 76156.95 lacs (31st March 2017 Rs. 60582.79 Lacs & 1 April 2016 – Rs. 51827.30 Lacs).

During the period, the Company has made a few write-offs of trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment. A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The gross carrying amount of loan and advances to related parties as on 31st March 2018 amounted to Rs. 608.67 lacs (As at 31st march 2017 is Rs. 601.31 lacs & 1st April 2016 is Rs. 774.41 lacs).

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

ii. **Liquidity risk**

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpetedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

iii. **Market risk**

Market risk is the risk that changes in market prices, foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) **Currency risk**

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a forecast of highly probable foreign currency cash flows.

b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has floating interest rate bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

M. Disclosure pursuant to Indian Accounting Standard (Ind AS) 33 – Earning Per Share

As per Indian Accounting Standard Ind AS 33 on "Earning per share " following disclosures are provided **(Amount In Rs.)**

Particulars		31.03.2018	31.03.2017
Basic and Diluted Earnings Per Share:			
Profit after taxation as per Profit and Loss Account	(A)	47,278,514	383,653,627
Weighted average number of Equity Shares Outstanding (Basic)	(B)	461,303,200	378,003,200
Basic Earnings Per Share (in Rupees)	(A)/(B)	0.13	1.01
Weighted average number of Equity Shares Outstanding (Diluted)	(C)	627,189,670	379,172,669
Diluted Earnings Per Share (in Rupees)	(A)/(C)	0.08	1.01
Nominal value of equity share (in Rupees)		1.00	1.00

The company has issued 124,000,000 Convertible warrants out of which 48,550,000 share warrants are converted into shares of Rs. 1/- each at a premium of Rs. 13.43/-during the current year i.e. March 2018 and 34,750,000 share warrants are converted into shares of Rs. 1/- each at a premium of Rs. 4.54/- each during the Current year i.e. March 2018. This has resulted into an increase in share premium by Rs. 8,097.92 lakhs in March 2018 and an increase in share capital by Rs. 833 lakhs in March 2018.

Since diluted earnings per share decreases on taking the share warrants into consideration i.e. EPS decreases from Rs. 0.10 to Rs. 0.06 in March 2018 and there has been no change in diluted EPS in March 2017 due to Convertible warrants , the share warrants are considered to be dilutive in 2018 and therefore needs to be considered in the calculation of diluted earnings per share.

N. REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX) **(Rs. In Lacs)**

Particulars	31.03.2018	31.03.2017
Statutory Audit Fees	20.00	20.00
Tax Audit Fees	3.00	3.60
For Certification and Other Matters	3.05	1.85

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

O. DIVIDEND TO NON-RESIDENT SHARE HOLDERS

The Company has paid dividend in respect of shares held by Non-Resident Shareholders, this inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External A/c. The exact amount of dividend remitted in foreign currency cannot be ascertained.

Particulars	31.03.2018	31.03.2017
Year to which the dividend relates	2016-17	2015-16
Number of non-resident shareholders	840	242
Number of shares held by them	10,255,649	117,087
Amount of dividend	7.69	1.76

P. EXPENDITURE IN FOREIGN CURRENCY **(Rs. In Lacs)**

Particulars	31.03.2018	31.03.2017
Travel Expenses	1.80	-
Professional Services	-	281.08

Q. In terms of the requirements of the Indian Accounting Standard-36 on "Impairment of Assets", the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

R. FIRST TIME ADOPTION OF IND AS

For all periods up to and including the year ended 31st March 2018, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

Accordingly, the Company has prepared financial statements, which comply with IND AS applicable for periods beginning on or after April 1, 2016 as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2016 the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at April 1, 2016 and its previously published Indian GAAP financial statements for the year ended March 31, 2016 for the following :

a) Equity as at 1st April 2016 (Transition date) ;

b) Equity as at 31st March 2017 & 31st March 2018 ;

c) Statement of Profit and Loss for the year ended 31st March 2017 & 31st March 2018

EXEMPTIONS AVAILED:

The Company has elected to consider the carrying value recognized in the financial statements prepared under Previous GAAP as deemed cost for all its items of property, plant and equipment and intangible assets

a. Fair value of financial assets and liabilities

b. The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

Reconciliation of other equity as at April 1, 2016:

NET WORTH **(Rs. In Lacs)**

Particulars		31.03.2016
As per AS	(A)	**39,693.42**
First Time Adoption		
Proposed Dividend		259.88
Tax on Dividend		52.91
Impairment loss on held for sales		(1.32)
Loss Allowance on Receivables		(1,271.99)
Finance Cost on Receivables		(361.17)

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

NET WORTH		(Rs. In Lacs)
Particulars		**31.03.2016**
Reversal Provision for Doubtful Debts		589.82
Finance Cost on Interest Free loans		(17.32)
Sub-total	(B)	(388.20)
As per Ind AS	(A+B)	**39,305.21**

Reconciliation of other equity as on 31st March 2017:		
NET WORTH		**(Rs. In Lacs)**
Particulars		**31.03.2017**
As per AS	(A)	43,005.87
First Time Adoption	(B)	(388.20)
Reversal of Loss Allowance		311.45
Finance Cost		(180.59)
Reversal Provision for Doubtful Debts		6.35
Dividend for FY 1.4.16		(259.88)
Tax on dividend for FY 1.4.16		(52.91)
Deferred Tax		(307.56)
Sub-total	(C)	(483.13)
As per Ind AS	(A+B+C)	**42,134.54**

Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2017		
		(Rs. In Lacs)
Particulars		**31.03.2017**
As per AS	(A)	4,006.88
Employee Benefit expense		(7.10)
Finance Expense		180.59
Deferred Tax		310.01
Reversal of Provision for Doubtful Debts		6.35
Loss Allowance on Trade Receivables/ (Reversal)		311.45
OCI Items	(B)	-
Remeasurements of Defined Benefit Plans (Less Deferred Tax)		(4.64)
Total OCI	(C)	(4.64)
Total Comprehensive Income As per Ind AS	(B+C=D)	(170.34)
As per Ind AS	(A+D)	**3,836.54**

S. Footnotes:

1. Deferred Tax:

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach, which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach, which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized. Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Standalone)

2. Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences, which were not required to be recognized under Previous GAAP. In addition, the above-mentioned transitional adjustments and other Ind AS adjustments have also led to temporary differences and creation of deferred tax there.

The above changes have resulted in creation of additional deferred tax Asset (net) amounting to Rs. 36,100,539/- as at date of transition to Ind AS.

Deferred tax assets are recognized to the extent it is probable that they will be able to be offset against future taxable income. The Company has not provided for Deferred Tax Assets as there is no probability or even reasonable certainty that company will make profits in future.

3. Re measurement costs of defined benefit plan

In financial statements prepared under Previous GAAP, re measurement costs of defined benefit plans, arising primarily due to change in actuarial assumptions is recognized as Employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such re measurement costs relating to defined benefit plans is recognized in Other Comprehensive Income as per the requirements of Ind AS 19, Employee benefits. Consequently, the related tax effect of the same has also been recognized in Other Comprehensive Income.

For the year ended 31st March 2017 and 31st March 2018, re measurement of gratuity liability resulted in a net loss and net gain after deduction of deferred tax of Rs. 464,050 and Rs. 8,623,792 respectively, which has now been adjusted to employee benefits expense in the Statement of Profit and Loss and recognized separately in Other Comprehensive Income in respective years. This has resulted in decrease/ increase in Employee benefits expense by Rs. 709,665 and Rs. 13,188,243 and loss/gain in Other Comprehensive income by Rs. 709,665 and Rs. 13,188,243 for the year ended 31st March 2017 and 31st March 2018 respectively.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March 2017 and 31st March 2018

4. Fair Valuation of Interest free loans to Subsidiaries

The Company has given Interest free loans to Subsidiaries under previous GAAP, the same has been recorded at cost. However, under IND AS the same has now been fair valued by applying the rate of 11.90%.

The fair valuation has resulted in to difference of Rs. 1,094,304 in 2016-17 and Rs. 735,811 in 2017-18 compare to what had been recorded under previous GAAP. The above difference has been shown as Finance income/expense under IND AS in respective years.

5. Expected Credit Loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on Trade receivables

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes , taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance recognized during 2017-18 is recognized as expense in the Statement of Profit and Loss under the head 'Other expenses' amounting to Rs. 5,937,121. Also there was a reversal of loss allowance in 2016-17 amounting to Rs. 31,145,436.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Sunil Hitech Engineers Limited,
Nagpur

We have audited the accompanying financial statements of **M/s Sunil Hitech Engineers Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries and associates (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures, comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss, including the statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated Ind AS financial statements")

Management's Responsibility for the 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 and presentation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financials statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financials statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS 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 and joint ventures as at 31stMarch, 2018, and their consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw your attention to income from operations/net sales presented in the financial statements which includes project related claims for Rs. 491.21 crores, the recoverability of which depends on the outcome of negotiations/ arbitrations with the customers.

We draw your attention regarding on-going negotiations by one of the subsidiary towards recoverability of Rs 49.16 crores incurred towards development of coal block project.

Our Opinion is not modified in respect of the matters mentioned above.

Other Matter

We did not audit the financial statements of six (6) subsidiary companies, four (4) joint ventures and one (1) associate whose financial statements reflect total assets of Rs. 374.29 crores as at 31st March, 2018, total revenues of Rs. 377.22 crores and net cash inflows amounting to Rs. 6.46 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements/consolidated financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on these consolidated financial statements, in as far as it related to the amounts and disclosures included in respect of this subsidiaries, Joint ventures and associates and our report in terms of sub-sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures & associates is based solely on the reports of those other auditors.

We did not audit the financial statements of one (1) subsidiary c¬ompany, whose financial statements reflect total assets of Rs. 9.10 crores as at 31st March, 2018, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.14 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements/consolidated financial statements are unaudited whose reports have been furnished to us by the management and our opinion on these consolidated financial statements, in as far as it related to the amounts and disclosures included in respect of this subsidiary company and our report in terms of sub-sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely

on such unaudited financial statements. In our opinion and as per the explanation given to us by management, these financial statements are not material for the group.

The comparative consolidated information of the group for the quarter and year ended 31st March, 2017 included in the statement were audited by the predecessor auditor and they have expressed an unmodified opinion on the same.

Our above opinion on the consolidated Ind AS financial statements, and our report on 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 and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries, associate and joint ventures as noted in the other matter paragraph we report, to the extent applicable, that:

a. We/ the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as it appears from our examination of those books reports of other auditors;

c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, with read with the Companies (Indian Accounting Standards) Rules, 2015 as amended except as referred to in 'Note H' of Disclosure Notes to the consolidated financial statements regarding the consolidation of a joint venture under proportionate consolidation method, the net impact of the same on the financials for the year ended 31st, March 2018 is not material.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiaries, associates and joint ventures incorporated in India, none of the directors of the Group's Companies and joint ventures incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate and joint ventures incorporated in India, refer to our separate report in "Annexure A" to this report;

g. 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other Matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its financial position of the Group and joint ventures – Refer disclosure note B to the financial statements.

   ii. The Group and its joint ventures does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For and on Behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

ABHAY UPADHYE
Partner
Membership No. 049354

Place: Nagpur
Dated : 30th May, 2018

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/s SUNIL HITECH ENGINEERS LIMITED

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

We have audited the internal financial controls over financial reporting of **M/s Sunil Hitech Engineers Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries and (the Holding Company and its subsidiaries together referred to as "the Group") associates and joint ventures which are companies incorporated in India, as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, associates and joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these consolidated financial statements 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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 Holding Company, its subsidiary companies, associates and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as its relates to these seven(6) subsidiaries and four(4) joint ventures and one (1) associate which are companies incorporated in India, is based on the corresponding report of the corresponding reports of the auditors of such subsidiaries, associate and joint ventures incorporated in India.

For and on Behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

ABHAY UPADHYE
Partner
Membership No. 049354

Place: Nagpur
Dated : 30th May, 2018

Balance Sheet

at 31st March 2018 (Consolidated)

(Rs. In Lacs)

Particulars				Note	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
ASSETS							
1	**Non-current assets**						
	(a)	Property, Plant and Equipment		1	23,131.13	19,099.77	18,359.16
	(b)	Capital work-in-progress		2	8,236.42	8,169.25	9,456.44
	(c)	Investment property		3	111.01	111.01	111.01
	(d)	Other Intangible assets		4	35.86	45.71	106.39
	(e)	Financial Assets					
		(i)	Investments	5	1,636.52	3,081.06	4,474.12
		(ii)	Trade receivables	6	1,909.15	2,335.28	2,318.26
		(iii)	Loans	7	1,277.62	1,831.59	2,087.01
	(f)	Deferred tax assets (Net)		8	619.86	794.63	1,199.58
	(g)	Other non-current assets		9	4,654.80	2,057.41	1,816.21
					41,612.37	**37,525.72**	**39,928.18**
2	**Current assets**						
	(a)	Inventories		10	16,787.08	30,284.57	25,408.64
	(b)	Financial Assets					
		(i)	Trade receivables	11	87,152.24	63,188.69	52,952.32
		(ii)	Cash and cash equivalents	12	3,381.19	3,858.47	1,729.64
		(iii)	Bank balances other than (ii) above	13	15,106.87	12,830.95	10,428.61
		(iv)	Loans	14	13,789.36	5,863.06	4,820.61
	(c)	Current Tax Assets (Net)		15	-	-	40.54
	(d)	Other current assets		16	86,623.23	50,842.23	43,542.71
					222,839.97	**166,867.96**	**138,923.07**
3	**Assets classified as held for sale and discontinued operations**				**-**	**-**	**-**
			TOTAL		**264,452.34**	**204,393.68**	**178,851.25**
EQUITY AND LIABILITIES							
1	**Equity**						
	(a)	Equity Share capital		17	4,613.03	3,780.03	1,732.52
	(b)	Other equity		18	59,497.51	50,054.68	46,391.09
					64,110.54	**53,834.71**	**48,123.61**
2	**Non-current liabilities**						
	(a)	Financial Liabilities					
		(i)	Long term borrowings	19	15,047.20	14,477.43	9,968.49
		(ii)	Other financial liabilities	20	3,423.78	5,822.46	5,932.72
	(b)	Long term provisions		21	125.83	148.46	194.05
	(c)	Other non-current liabilities		22	3,284.00	7,057.46	5,132.69
					21,880.81	**27,505.81**	**21,227.96**
3	**Current liabilities**						
	(a)	Financial Liabilities					
		(i)	Short term borrowings	23	52,148.22	45,979.33	42,421.70
		(ii)	Trade and other payables	24	90,919.40	49,990.83	47,179.96
		(iii)	Other financial liabilities	25	9,055.72	8,307.94	6,673.30
	(b)	Other current liabilities		26	26,179.07	18,460.91	12,163.17
	(c)	Short-term provisions		27	109.84	174.91	120.34
	(d)	Liabilities for current tax (net)		28	48.73	139.24	941.21
					178,460.99	**123,053.15**	**109,499.68**
4	**Liabilities associated with group(s) of assets held for disposal**				**-**	**-**	**-**
			TOTAL		**264,452.34**	**204,393.68**	**178,851.25**

Significant Accounting Policies
The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For K. K. MANKESHWAR & CO.
Chartered Accountants
Firm Regn No 106009W

For and on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No.049354
Nagpur, 30 May 2018

Shrikant C. Rikhe
Company Secretary

Harshvardhan Kaushik
Chief Financial Officer

Sunil R. Gutte
Chairman &
Managing Director

Sudhamati R. Gutte
Director

Statement of Profit and Loss Account

for the year ended 31st March 2018 (Consolidated)

(Rs. In Lacs)

Particulars		Note	Year ended 31 March 2018	Year ended 31 March 2017
1	**INCOME**			
(a)	Revenue from Operations	29	297,073.45	255,961.00
(b)	Other Income	30	1,992.14	1,348.32
	Total Income		**299,065.59**	**257,309.33**
2	**EXPENSES**			
	Cost of Materials Consumed	31	161,717.41	129,180.85
	Changes in Inventories of Finished Goods, Work-in-progress & Stock-in-trade	32	438.85	(88.75)
	Employee Benefit expense	33	5,482.47	5,414.90
	Depreciation and Amortisation expense		4,105.78	3,819.33
	Finance Cost	34	13,576.13	11,393.86
	Other Expenses	35	114,003.19	100,933.55
	Total Expenses		**299,323.82**	**250,653.75**
3	Profit/(loss) before exceptional items and tax (IIV)		(258.23)	6,655.58
	Add / (Less): Exceptional Items		-	-
4	Profit/(loss) before tax		**(258.23)**	**6,655.58**
	Less: Tax Expense		427.52	2,591.15
5	**Profit (Loss) for the period from continuing operations**		**(685.75)**	**4,064.43**
	Profit/(loss) from discontinued operations		-	-
6	**Profit/(loss) from Discontinued operations (after tax)**		**(685.75)**	**4,064.43**
	Less :- Short Provision for Tax in Earlier Years		**-**	**-**
7	**Profit/(loss) for the period**		(685.75)	4,064.43
	Add : Other Comprehensive Income		131.51	10.21
8	**Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**(554.24)**	**4,074.64**
9	**Earnings Per Equity Share:**	36		
	For continued operation and discontinued operation			
	Basic Rs.		(0.15)	1.08
	Diluted Rs.		(0.09)	1.07

Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Regn No 106009W

For and on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No.049354
Nagpur, 30 May 2018

Shrikant C. Rikhe
Company Secretary

Harshvardhan Kaushik
Chief Financial Officer

Sunil R. Gutte
Chairman &
Managing Director

Sudhamati R. Gutte
Director

Cash Flow Statement

for the Year Ended 31st March 2018

(Rs. In Lacs)

	Particulars	As at 31 March 2018	As at 31 March 2017
A	**Cash Flow From Operating Activities**		
	Net Profit / (Loss) Before Tax	(258.23)	6,655.58
	Adjustments for :		
	Depreciation and Amortisation Expense	4,105.53	3,819.33
	Exchange Differences	(0.09)	(17.38)
	Bad Debts/ Advances Written off	-	1,949.63
	Provision for Doubtful Debts/ Advances	8.64	19.39
	Loss on Sale of Non-Current Investments	718.46	668.06
	Loss from Partnership Business	1.07	-
	Amount Written Back	(105.43)	-
	Loss (Profit) on Sale of Fixed Assets	(302.27)	(248.60)
	Interest Expenses (Considered in Financing Activities)	12,878.62	10,963.93
	Interest Incomes (Considered in Investing Activities)	(1,045.21)	(812.95)
	Profit or loss on Sale/ Discard of Fixed Assets (Net)	-	(1.32)
	Loss Allowances on trade Receivables	479.95	97.40
		16,739.26	**16,437.49**
	Operating Profit before working capital changes	**16,481.03**	**23,093.07**
	Adjustment for :		
	Decrease (Increase) in Inventories	13,497.49	(4,875.93)
	Decrease (Increase) in Trade Receivables	(19,352.20)	(6,172.06)
	Decrease (Increase) in Other Current Assets	(38,569.68)	1,119.44
	Decrease (Increase) in Long Term Loans and Advances	(2,837.68)	386.94
	Decrease (Increase) in Short Term Loans and Advances	(3,391.94)	(7,233.46)
	Increase (Decrease) in Long Term Provisions	(38.19)	(28.08)
	Increase (Decrease) in Short Term Provisions	(220.05)	(174.04)
	Increase (Decrease) in Trade Payables	34,163.39	(1,820.51)
	Increase (Decrease) in Other Non Current Liabilities	(7,170.75)	3,068.15
	Decrease / (Increase) in Fixed Deposits given as Margin Money	5.76	-
	Increase (Decrease) in Other Current Liabilities	11,959.92	2,165.10
		(11,953.93)	**(13,564.46)**
	Cash Generated From Operations	**4,527.10**	**9,528.61**
	Net Income Tax (paid) /refunds	(338.61)	(3,106.45)
	Net Cash Flow From /(used in) Operating Activities (A)	**4,188.49**	**6,422.17**
B	**Cash Flow From Investing Activities**		
	Capital Expenditure on Fixed assets including Capital Advances	(8,336.16)	(3,263.50)
	Proceeds from sale of Fixed Assets	675.64	382.63
	Investments in Associates	(167.49)	629.75
	Investments in Mutual Funds	-	75.00
	Share Application Money Given	-	450.00
	Proceeds from Sale of Non Current Investments	5.02	-
	Bank Balances not considered as Cash and Cash Equivalent	(3,130.61)	(2,802.83)
	Interest Received	943.53	721.42
	Net Cash Flow From / (used in) Investing Activities (B)	**(10,010.06)**	**(3,807.53)**

Cash Flow Statement

for the Year Ended 31st March 2018

(Rs. In Lacs)

	Particulars	As at 31 March 2018	As at 31 March 2017
C	**Cash Flow From Financing Activities**		
	Proceeds from Long Term Borrowings	(366.59)	8,414.13
	Repayment of Long Term Borrowings	(360.66)	(2,798.14)
	Proceeds (Repayment) of Short Term Borrowings	6,168.90	3,909.08
	Proceeds from Issue of Equity Shares	969.25	16.51
	Share Application Money Received	-	(450.00)
	Money received against Share Warrants	12,104.99	1,353.84
	Proceeds from Other Long Term Liabilities	(32.70)	77.97
	Dividend Paid	(333.92)	(259.29)
	Interest Paid	(12,798.17)	(11,000.50)
	Net Cash Flow From / (used in) Financing Activities (C)	**5,351.11**	**(736.39)**
	Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	**(470.47)**	**1,878.25**
	Cash and Cash Equivalents at the beginning of the year	3,851.66	1,980.23
	Net increase /(decrease) in Cash and Cash Equivalents	(470.47)	1,878.25
		3,381.19	**3,858.47**
	Components of Cash and Cash Equivalents		
	Cash on hand	65.37	133.66
	Balances with Banks (of the nature of cash and cash equivalents)	2,219.27	3,165.12
	Deposits with original maturity of upto three months	1,087.25	552.89
	Other Balances	9.29	6.81
	Cash and Cash Equivalents at the end of the year	**3,381.19**	**3,858.47**

Note -

1. Cash and Cash Equivalents comprise of balances with banks in current accounts, cash on hand and bank deposits with maturity less than three months
2. The above Cash Flow Statement has been prepared under “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) on Cash Flow Statement.

As per our report of even date attached

For K. K. MANKESHWAR & CO.

Chartered Accountants

Firm Regn No 106009W

For and on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No.049354
Nagpur, 30 May 2018

Shrikant C. Rikhe
Company Secretary

Harshvardhan Kaushik
Chief Financial Officer

Sunil R. Gutte
Chairman &
Managing Director

Sudhamati R. Gutte
Director

Statement of Changes in Equity

for the Year Ended 31st March 2018

EQUITY SHARE CAPITAL **(Rs. In Lacs)**

PARTICULARS	31-Mar-18	31-Mar-17
Balance at the beginning of the Year	3,780.03	1,732.52
Changes in Equity Share Capital during the Year	833.00	2,047.52
Balance at the end of the Year	4,613.03	3,780.03

OTHER EQUITY **(Rs. In Lacs)**

Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Money recd against warrants	Retained Earnings	Minority Interest	Total
Balance at the beginning of the reporting period	863.26	15,132.51	2,056.43	54.21	-	26,824.71	1,750.67	**46,685.14**
Changes in accounting policy or prior period errors						(26.51)		(26.51)
Restated balance at the beginning of reporting period (A)	**863.26**	**15,132.51**	**2,056.43**	**54.21**	**-**	**26,798.20**	**1,750.67**	**46,658.63**
Changes on First Time Adoption of Ind AS as on 1st April, 2016						**(267.53)**		**(267.53)**
Restated balance as on 1st April 2016 (B)	**863.26**	**15,132.51**	**2,056.43**	**54.21**	**-**	**26,530.67**	**1,750.67**	**46,391.09**
Additions during the year:								
Total Comprehensive Income for the year						4,074.64		4,074.64
less: minority interest						(117.87)	117.87	-
Money Received against share warrant					481.29			481.29
Premium on account of Issue of shares against conversion of Warrants		715.05						715.05
Amount tr to Profit and Loss as reduction from depreciation				(0.74)				(0.74)
Amount utilised towards issue of fully paid up Bonus shares		(1,890.02)				547.13		(1,342.89)
Dividend						(259.88)		(259.88)
Tax on dividend						(52.91)		(52.91)
Increase in the cost of Investment in JV						**49.02**		**49.02**
Total Comprehensive Income for the year 2016-17 (C)	**863.26**	**13,957.54**	**2,056.43**	**53.47**	**481.29**	**30,770.80**	**1,868.54**	**50,054.68**
Additions during the year:								
Total Comprehensive Income for the year						(554.23)		(554.23)
less: minority interest						(33.38)	33.38	-
Premium on account of Issue of shares against conversion of Warrants		8,097.92						8,097.92
Money Received against share warrant					3,174.07			3,174.07
Dividend on equity						(283.50)		(283.50)
Tax on dividend						(57.72)		(57.72)
Reserves created out of Bonus shares by Subsidiary	1,411.10							1,411.10
Amount utilised towards issue of fully paid up Bonus shares						(2,344.10)		(2,344.10)
Amount tr to Profit and Loss as reduction from depreciation				(0.71)				(0.71)
Total (D)	**1,411.10**	**8,097.92**	**-**	**(0.71)**	**3,174.07**	**(3,272.93)**	**33.38**	**9,442.83**
Balance as at 31st March 2018 (C+D)	**2,274.36**	**22,055.46**	**2,056.43**	**52.76**	**3,655.36**	**27,497.87**	**1,901.92**	**59,497.50**

Significant Accounting Policies
The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For K. K. MANKESHWAR & CO.
Chartered Accountants
Firm Regn No 106009W

For and on behalf of Board of Directors

Abhay Upadhye
Partner
Membership No.049354
Nagpur, 30 May 2018

Shrikant C. Rikhe
Company Secretary

Harshvardhan Kaushik
Chief Financial Officer

Sunil R. Gutte
Chairman &
Managing Director

Sudhamati R. Gutte
Director

Significant Accounting Policies on IND AS-Consolidated Financial Statements

for the Year Ended 31st March 2018

A. Group's Background

The consolidated financial statements comprise financial statements of Sunil Hitech Engineers Limited (the Parent), its subsidiaries, associates and joint ventures (collectively, the Group) for the year ended 31st March, 2018.

Sunil Hitech Engineers Limited ("the Parent Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). Its shares are listed on two stock exchanges in India.

The Parent Company is engaged in the business of Engineering, Procurement, Construction-(EPC), Fabrication, Erection, Overhauling, Maintenance, Trading and other related activities.

B. Basis of Preparation of Financial Statements

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March, 2016, the Group had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Group's Balance Sheet, financial performance and cash flows is given under footnotes.

i. Statement of Compliance

The Financial Statements comprising Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement, together with the Notes to accounts along with a summary of the significant accounting policies and other explanatory information as on 1stApril 2016 have been prepared in accordance with the Ind AS as notified above.

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

ii. Basis of Measurement - Historic Cost Convention

These Financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value
- Assets held for sale – measured at fair value less cost to sale;

All assets and liabilities has been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

iii. Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Indian Rupee is the Functional currency of the Company.

The Financial statements are presented in Indian Rupees, which is the Company's presentation currency.

iv. Use of Estimates:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

Estimates and assumptions are required in particular for:

a. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. An assumption also needs to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

b. Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the Government Bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Recognition of deferred tax assets:

A Deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

Significant Accounting Policies on IND AS-Consolidated Financial Statements

for the Year Ended 31st March 2018

d. Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

e. Discounting of long-term financial liabilities

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

f. Determining whether an arrangement contains a lease:

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements based on their relative fair values. If the Company concludes for a finance lease that, it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

C. Standards Issued but not yet effective

1 Ind - AS 115 "Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2 Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

D. Current Versus Non Current Classification:

(i) The assets and liabilities in the Balance Sheet are based on current/ non – current classification. An asset as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle.

2. Held primarily for the purpose of trading.

3. Expected to be realized within twelve months after the reporting period, or

4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

(ii) A liability is current when it is:

1. Expected to be settled in normal operating cycle

2. Held primarily for the purpose of trading

3. Due to be settled within twelve months after the reporting period, or

4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

E. Significant Accounting Policies

1 Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow

Significant Accounting Policies on IND AS-Consolidated Financial Statements

for the Year Ended 31st March 2018

of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonize accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

2 Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Group's Cash Generating Units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.
On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

3 Property, Plant and Equipment and Capital Work in Progress

All the property, plant and equipments have been carried at value in accordance with the previous GAAP. The Company has elected these value as deemed cost at the date of transition to Ind AS.

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Property, Plant & Equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Property, Plant & Equipment are eliminated from the financial statements either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains and losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Subsequent expenditure related to an item of Property, Plant & Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant & Equipment, including routine repair

Significant Accounting Policies on IND AS-Consolidated Financial Statements

for the Year Ended 31st March 2018

and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of Plant, Property and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

4 Depreciation and Amortization

Depreciation on property, plant & equipment is provided over the useful life of assets as specified in schedule II to the companies Act, 2013. In case of Property, plant & Equipment that are added/ disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/ deletion.

Depreciation on Tangible Non Current is provided on Straight Line Method (SLM) at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

Computer Software is amortised equally over a period of five years, from the date of purchase.

In case of revalued assets, the difference between the depreciation based on revaluation and depreciation charged on historical cost is recouped out of the revaluation reserve.

Assets costing less than Rs. 5,000/- are expenses off in the period of purchase.

Premium on the leasehold land is amortised over the period of lease.

Computer Software is amortised equally over a period of five years, from the date of purchase.

5 Incidental Expenditure during Construction period in case of subsidiaries:

Incidental expenditure incurred on the project/ assets during construction/ implementation is capitalised and apportioned to project/ assets on commissioning.

Interest during construction period and other attributable "incidental expenditure pending allocation" are allocated to the asset/ part of the asset being capitalised on pro-rata basis to their capital expenditure incurred.

6 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over the respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The useful lives of intangible assets are assessed as either finite or infinite.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortized period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite useful life are amortized over the useful economic life and assessed for impairment whenever there is any indication that the intangible asset may be impaired.

Intangibles with indefinite useful life, if any are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level

Computer Software is amortised equally over a period of five years, from the date of Purchase.

7 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

8 Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses,

Significant Accounting Policies on IND AS-Consolidated Financial Statements

for the Year Ended 31st March 2018

If any, are recognized in the consolidated Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the consolidated Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

9 Leases

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

Company as a lessor

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 lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on

The borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

10 Government Grant

Grants and Subsidies from the Government are recognized when there is a reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Government Grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. If not related to a specific exependutre, it is taken as income.

11 Leased Assets

Leasehold lands are amortised over the period of the lease. Buildings constructed on the leasehold land are depreciated based on the useful life specified in the Schedule II to the Companies Act 2013 where the lease period of the land is beyond the life of the building.

12 Inventories

Inventories are valued at the lower of cost or net realizable value. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

13 Foreign Currency Transactions and translations

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Consolidated Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Nonmonetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Consolidated Statement of Profit and Loss.

Translation of financial statements of foreign entities

Significant Accounting Policies on IND AS-Consolidated Financial Statements

for the Year Ended 31st March 2018

On consolidation, the assets and liabilities of foreign operations are translated into Rs. (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after adoption of Ind AS 103 – Business Combination, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of adoption of Ind AS 103 – Business Combination, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

As stated in Ind AS 18, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of “percentage of completion method”. The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract. An expected loss on construction contract is recognised as an expense immediately. Price escalation, other claims and variation in the contract work are included in contract revenue at the time of acceptance/ settlement by the customers due to uncertainties attached thereto.

Contract revenue earned in excess of billing has been reflected under “Other current assets” and billing in excess of contract revenue has been reflected under “Other Current Liabilities” in the balance sheet.

Revenue from sale of goods is recognised when all significant risk and rewards of ownership of products are transferred to the buyers which are usually at the point of dispatch to customers. Sales are net of discounts, sales tax and returns.

Revenue from service related activities including hire charges are recognised in accordance with the terms of the agreement upon rendering of such services.

Commission income is recognised as per contracts/ receipt of credit notes.

Interest income is recognised on time proportion basis

Revenue is recognised when there is reasonable certainty of its realisation.

15 Retirement benefits

a. Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b. Post-Employment Benefits:

i. Defined Contribution Plans:

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group’s contributions to defined contribution plans are recognised in the Consolidated Statement of Profit and Loss in the financial year to which they relate.

Recognition and measurement of defined contribution plans:

The Group recognizes contribution payable to a defined contribution plan as an expense in the Consolidated Statement of Profit and Loss when the employees render services to the Group during the reporting period.

ii. Defined Benefit Plans:

The employees’ gratuity fund scheme is the Company’s defined benefit plan. The present value of the obligation under the said defined benefit plan is determined on the basis of actuarial valuation from an independent actuary using the Projected Unit Credit Method. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme.

Remeasurements comprising of actuarial gain and losses, the effect of the asset ceiling and the return on plan assets (excluding amount included in net interest on the net defined benefit liability), are recognised

Significant Accounting Policies on IND AS-Consolidated Financial Statements

for the Year Ended 31st March 2018

immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service cost is recognised in the statement of profit & loss in the period of plan amendment.

Net interest is calculated by applying the discounted rate to the net defined benefit liability or asset.

c. Other Long Term Employee Benefits:

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long –term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks including fixed deposit with original maturity period of three months or less and investments with an original maturity of three months or less. which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

17 Cash Fow Statements

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

18 Impairment of Non Financial Assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generate identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

In determining fair value less cost disposal, recent market transaction is taken in to account.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate, and when circumstances indicate that the carrying value may be impaired.

19 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets neither recognized nor disclosed in the Financial Statements when economic inflow is probable.

a. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

   i. the Company has a present obligation as a result of past event,

   ii. a probable outflow of resources is expected to settle the obligation; and

   iii. The amount of obligation can be reliably estimated.

   If the effect of time value of money is material, provisions are discounted using current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

b. Contingent liabilities are disclosed in case of:

   i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,

   ii. a present obligation arising from past events, when no reliable estimate is possible,

   iii. A possible obligation arising from past events where the probability of outflow of resources is not remote.

c. Contingent assets are neither recognized nor disclosed.

   Provisions and Contingent Liabilities are recognized / disclosed after an evaluation of the facts and legal aspects and the amounts are reviewed on the Balance Sheet date.

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

20 Non-current assets held for sale

Non Current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded met only when the assets are available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programm to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortized.

21 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets:

(i) Classification

Financial Assets comprises of Investments in Equity and Debt securities, Trade Receivables, Cash and Cash equivalents, Borrowings and other Financial Assets.

(ii) Initial recognition and measurement

All financial assets is recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial Assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

(iii) Subsequent Recognition

a. Financial Assets measured at amortized cost

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are measured at amortized cost using the effective interest rate (EIR) method.

The EIR amortization is recognized as finance income in the Statement of Profit and Loss.

The Company while applying the above criteria has classified the following at Amortized Cost:

i) Investment in Debt Instruments

b. Financial Assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

c. Financial Assets measured at fair value through profit or loss (FVTPL)

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

d. Investment in Subsidiary and Associates

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment, which is other than temporary.

e. Investment in Debt Instruments

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

(iv) De-recognition of Financial Assets:

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(v) Impairment of Financial Assets:

The Company assesses impairment based on expected credit losses model to be following:

1. Financial Assets measured at amortized cost;
2. Financial Assets measured at fair value through other comprehensive income (FVTOCI):

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12- months expected credit losses (expected credit losses that result from those default events on the

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

financial instrument that are possible within 12 months after the reporting date) ; or;

- Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The company follows simplified approach for recognition of impairment loss allowance on:
Trade receivables or contract revenue receivables; and

All lease receivables

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowances based on lifetime ECLs at each reporting date, right from the initial recognition.
The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for the impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12- month ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of the shared credit risk characteristics with the objective of facilitating on analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial Liabilities:

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, security deposits and other deposits.

(ii) Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognized in the statement of profit or loss.

(iii) Loans and Borrowings:
Interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

(iv) Derecognition of Financial Liabilities:
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

22 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Parent Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

23 Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If Group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the

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for the Year Ended 31st March 2018

associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as Share of profit of an associate in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

24 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the company has:

- Power over the investee
- Is exposed or has right to variable returns from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The company's voting rights and potential voting rights
- The size of the company's holding voting rights relative to the size and dispersion of the holding of the other voting rights holders

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31st March. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

25 Taxes

i. Accounting for Taxes on Income

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and

Significant Accounting Policies on IND AS-Financial Statements

for the Year Ended 31st March 2018

based on the expected outcome of assessments / appeals. Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

ii. Deferred taxes

Deferred tax is recognized on timing differences being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are subject to the consideration of prudence are recognized and carried forward only to the extent that there is reasonably certainly that sufficient taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the yearend based on the tax rates and law enacted or substantially enacted on balance sheet date.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

iii. Minimum Alternate Tax

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

26 Earning per Share :

Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 - “Earnings per share”

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares, that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.
Options or warrants to purchase convertible instruments are assumed to be exercised to purchase the convertible instrument whenever the average prices of both the convertible instrument and the ordinary shares obtainable upon conversion are above the exercise price of the options or warrants. However, exercise is not assumed unless conversion of similar outstanding convertible instruments, if any, is also assumed.

Options or warrants may permit or require the tendering of debt or other instruments of the entity (or its parent or a subsidiary) in payment of all or a portion of the exercise price. In the calculation of diluted earnings per share, those options or warrants have a dilutive effect if (a) the average market price of the related ordinary shares for the period exceeds the exercise price or (b) the selling price of the instrument to be tendered is below that at which the instrument may be tendered under the option or warrant agreement and the resulting discount establishes an effective exercise price below the market price of the ordinary shares obtainable upon exercise. In the calculation of diluted earnings per share, those options or warrants are assumed to be exercised and the debt or other instruments are assumed to be tendered. If tendering cash is more advantageous to the option or warrant holder and the contract permits tendering cash, tendering of cash is assumed. Interest (net of tax) on any debt assumed to be tendered is added back as an adjustment to the numerator. For the purpose of calculating diluted earnings per share, an entity shall assume the exercise of dilutive options and warrants of the entity. The assumed proceeds from these instruments shall be regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the period. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price of ordinary shares during the period shall be treated as an issue of ordinary shares for no consideration.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

Sr. No.	Name of the Asset	Gross Block				Depreciation				Net Block	
		As at 31st March 2018	Changes on First Time Adoption of IndAS	Ind AS adjustment 2016-17	Restated balance as at 31st March 2018	Upto 31st March 2018	Changes on First Time Adoption of IndAS	Ind AS adjustment 2016-17	Restated balance as at 31st March 2018	As at 31st March 2018	Restated balance as at 31st March 2018
1	**PROPERTY PLANT AND EQUIPMENT**										
(a)	Freehold Land	399.31	(61.15)	-	338.16	-	-	-	-	399.31	338.16
(b)	Leasehold Land	246.45	-	-	246.45	16.26	-	-	16.26	230.19	230.19
(c)	Buildings	5,405.24	(86.87)	-	5,318.37	2,140.31	(37.01)	-	2,103.30	3,264.92	3,215.06
(d)	Plant & Equipment	38,596.50	(170.25)	170.25	38,596.50	21,216.58	(168.86)	168.86	21,216.58	17,379.92	17,379.92
(e)	Computer and Printer	630.80	-	-	630.80	592.94	-	-	592.94	37.87	37.87
(f)	Furniture and Fixtures	923.07	-	-	923.07	780.86	-	-	780.86	142.21	142.21
(g)	Office Equipment	754.83	-	-	754.83	568.50	-	-	568.50	186.32	186.32
(h)	Vehicles	1,644.78	(10.68)	10.68	1,644.78	1,156.98	(10.75)	10.75	1,156.98	487.80	487.80
(i)	Temporary Office Construction	2,876.01	-	-	2,876.01	1,762.43	-	-	1,762.43	1,113.58	1,113.58
	Total	**51,476.98**	**(328.94)**	**180.93**	**51,328.97**	**28,234.85**	**(216.61)**	**179.61**	**28,197.84**	**23,242.14**	**23,131.13**
2	CAPITAL WORK-IN-PROGESS									**8,236.42**	**8,236.42**
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,236.42**	**8,236.42**
3	**INVESTMENT PROPERTY**										
(a)	Freehold Land	-	61.15	-	61.15	-	-	-	-	-	61.15
(b)	Building	-	49.86	-	49.86	-	-	-	-	-	49.86
	Total	-	111.01	-	111.01	-	-	-	-	-	111.01
4	**OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**										
i	OTHER INTANGIBLE ASSETS										
(a)	ERP Software	276.61	-	-	276.61	240.75	-	-	240.75	35.86	35.86
	Total	**276.61**	**-**	**-**	**276.61**	**240.75**	**-**	**-**	**240.75**	**35.86**	**35.86**
	Total	**51,753.59**	**(217.94)**	**180.93**	**51,716.58**	**28,475.60**	**(216.61)**	**179.61**	**28,438.59**	**31,514.42**	**31,514.42**

Charge against certain immovable properties situated at Ramtek (Included in Freehold Land) have been created in favour of Oriental Bank of Commerce in respect of Corporate Guarantee given by Sunil Hitech Engineers Limited on behalf of one of its Subsidiary Company SEAM Industries Limited.

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

5 INVESTMENTS

	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
A	**Trade Investments - Unquoted**			
	In Associate Company			
	Kolhapur Green Energy Private Limited			
	4900 (Pr.Yr. 4900) Equity Shares of Rs. 10/- each	39.17	39.17	39.17
	Investment in Partnership Firm			
	45% share in the partnership firm V. K. Realtors	342.68	343.74	340.00
	(Includes accumulated share of loss Rs. 1.07 Lacs (Pr.Yr Rs. 3.74 Lacs) and interest on capital Nil (Pr.Yr. Nil))			
	Investment in Joint Venture			
	Contribution in the Joint Venture SHEL - Assignia JV	2.00	2.00	2.00
B	**Other Investments - Unquoted**			
	In Associate Company			
	Gangakhed Sugar and Energy Limited			
	60,00,000 (Pr.Yr. 1,35,00,000) Equity Shares of Rs. 10/- each fully paid up	1,252.67	2,676.15	3,997.95
	(Pledged with banks against term loans to Gangakhed Sugar and Energy Limited)			
C	**Other Investments - Quoted**			
	Investments in Mutual Fund			
	Canara Roebeco Protection Oriented Fund			
	Nil (Pr.Yr. 1,99,990) units of Rs. 10/- each (Under Lien)	-	20.00	20.00
	[Aggregate Market value of quoted investments Nil (Pr.Yr. Rs. 24.33 lacs)]			
	Union KBC Capital Protection Oriented Fund - Growth Series 3 Regular Plan	-	-	75.00
	NIL (Pr.Yr. Nil) units of Rs. 10/- each (Under Lien)			
	[Aggregate Market value of quoted investments NIL (Pr.Yr. Nil)]			
		1,636.52	3,081.06	4,474.12
	Less: Provision for Diminution in value of Investment	**-**	-	-
	Total	**1,636.52**	**3,081.06**	**4,474.12**

6 TRADE RECEIVABLES

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i	Unsecured and considered good	1,909.15	2,335.28	2,318.26
	Total	**1,909.15**	**2,335.28**	**2,318.26**

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

7 LOANS

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i	Security Deposits	1,275.62	1,665.75	1,921.16
	Unsecured and considered good			
ii	Loans to related parties	-	165.84	165.85
	Unsecured and considered good			
iii	Other Loans	2.00	-	-
	Unsecured and considered good			
	Total	**1,277.62**	**1,831.59**	**2,087.01**

8 DEFERRED TAX ASSET (NET)

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i	Deferred Tax Asset			
	Depreciation	230.28	399.03	469.83
	Expenditure allowable on payment basis under IT Act			
	Provision for Doubtful Debts/Deposits/Advances	(57.11)	1,145.36	354.63
	Disallowance under section 43B and other sections of the Income Tax Act, 1961	4.61	14.98	369.23
	Finance Cost	(25.94)	(386.72)	5.89
	Trade Receivables	448.02	(457.51)	-
	Employee Benefits	81.56	79.48	-
ii	Deferred Tax Liability			
	Prepaid Rent	4.03	-	-
	Zero Coupon Debentures	57.54	-	-
	Total	**619.86**	**794.63**	**1,199.58**

9 OTHER NON-CURRENT ASSETS

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i	Capital Advances	-	16.07	99.54
ii	Others			
	Balances with Statutory/ Government Authorities	2,674.07	1,024.73	999.23
	Prepaid Expenses	61.28	71.85	142.15
	Prepaid Rent	11.64	-	39.48
	Interest Accrued on Fixed Deposits	146.63	36.46	34.08
	Fixed Deposits with Banks (Under Lien)	1,761.17	908.29	501.73
	Total	**4,654.80**	**2,057.41**	**1,816.21**

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

10 INVENTORIES

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i.	Raw Material and Components	11,580.86	24,452.59	19,648.63
ii	Raw Material and Components	63.45	61.77	51.73
iii	Work in Progress	1,682.74	2,230.70	2,151.41
iv	Finished Goods	457.67	348.56	339.10
v	Stores, Spare Parts	1,099.67	856.72	797.97
vi	Loose Tools	1,902.69	2,334.23	2,419.80
	Total	**16,787.08**	**30,284.57**	**25,408.64**

11 TRADE RECEIVABLES

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i	Secured and considered good			
ii	Unsecured and considered good			
	Over Six Months from the date it become due for payment			
	Considered Good	37,559.78	3,376.30	3,962.40
	Considered Doubtful	592.05	596.17	589.82
		38,151.83	3,972.47	4,552.22
	Others- Considered Good	50,708.25	59,651.79	48,795.91
	Debt Due from Companies in Which Director is Director/ Member	297.38	1,365.74	1,522.14
		89,157.46	67,517.03	54,870.27
	Less : Provision for Doubtful Debts	4.12	-	-
	Less : Loss Allowance	(1,238.67)	(1,190.75)	(1,503.62)
	Less : Finance Cost	(770.66)	(610.55)	(414.32)
	Total	**87,152.24**	**63,188.69**	**52,952.32**

12 CASH AND CASH EQUIVALENTS

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i	Cash on hand	65.37	133.66	101.46
ii	Balances with Banks	2,219.27	3,165.12	1,621.80
iii	Deposits with original maturity of upto three months	1,087.25	552.89	-
iv	Earmarked Balances with Banks			
	- Unpaid Dividend	7.82	5.33	4.74
	- Government Grants	1.47	1.48	1.65
	Total	**3,381.19**	**3,858.47**	**1,729.64**

13 OTHER BANK BALANCES

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i	Deposits with original maturity for more than twelve months	3,236.97	1,667.93	8,907.14
ii	Deposits with original maturity for more than 3 but less than 12 months	11,869.90	11,163.02	1,521.47
	Total	**15,106.87**	**12,830.95**	**10,428.61**

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

14 LOANS

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i	Security Deposits			
	Unsecured and considered good	2,432.63	1,849.08	1,531.39
ii	Loans to related parties (giving details thereof)			
	Unsecured and considered good	608.68	-	-
iii	Other Loans			
	Unsecured and considered good	10,748.06	4,013.98	3,289.22
	Total	**13,789.36**	**5,863.06**	**4,820.61**

15 CURRENT TAX ASSETS (NET)

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
	Advance Income Tax (Including TDS)	-	-	40.54
	Total	**-**	**-**	**40.54**

16 OTHER CURRENT ASSETS

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
i	Advances other than capital advances			
	Advances to Creditors			
	Considered Good	4,795.28	10,332.33	5,040.42
	Considered Doubtful	-	-	6.56
		4,795.28	10,332.33	5,040.42
ii	Others			
	Share Application Money to Related Parties	254.57	180.61	150.32
	Balances with Statutory/ Government Authorities	10,116.00	7,773.00	1,776.68
	Prepaid Expenses	605.61	577.04	582.44
	Advances Recoverable in Cash or in Kind	798.07	412.77	1,053.96
	Interest Accrued on FD	464.75	524.33	444.43
	Due from Customers (Project related activity)	68,003.19	29,982.24	31,132.25
	Other Receivables	1,585.75	1,059.91	1,057.14
	Income Tax (Net of Provisions)	-	-	0.76
	Service Tax Receivable	-	-	23.26
	VAT Receivable	-	-	2,281.04
	Total	**86,623.23**	**50,842.23**	**43,542.71**

17 EQUITY SHARE CAPITAL

Sr. No	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
	Authorized			
	Equity shares of Rs. 1 each			
	80,00,00,000 Equity shares (Pr.Yr. 60,00,00,000 Equity shares)	8,000.00	6,000.00	2,500.00
	Issued, Subscribed and Fully Paid-up:			
	Equity shares of Rs. 1 each			
	46,13,03,200 Equity shares (Pr.Yr. 37,80,03,200 Equity shares)	4,613.03	3,780.03	1,732.52
		4,613.03	**3,780.03**	**1,732.52**

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR.			
Sr. No	Particulars	No. of Shares	Amount in Rs.
	Equity shares as at 01st April 2016	17,325,160	1,732.52
	Add: Allotment during the year against Warrants	1,575,000	157.50
	Add: Allotment during the year against Split Issue	170,101,440	-
	Add: Allotment during the year against Bonus Issue	189,001,600	1,890.02
	Equity shares as at 31st March 2017	378,003,200	3,780.03
	Add: Allotment during the year against Warrants	83,300,000	833.00
	Equity shares as at 31st March 2018	461,303,200	4,613.03
	Terms/ Rights attached to equity shares		
	The Company has only one class of equity shares with voting rights having a par value of Rs. 1* per share. The Company declares and pays dividends in Indian rupees.		

THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF EQUITY SHARES IN THE COMPANY.					
Sr. No	Particulars	31-Mar-18		31-Mar-17	
		No. of Shares	% holding	No. of Shares	% holding
	Mr. Sunil Ratnakar Gutte	38,063,660	8.25%	33,574,800	8.88%
	Fatehpuria Business Associates Private Limited	6,868,000	1.49%	32,400,000	8.57%
	Gutte Infra Private Limited	54,749,900	11.87%	48,000,000	12.70%
	VRG Digital Corporation Private Limited	56,500,000	12.25%	43,500,000	11.51%

EQUITY SHARE CAPITAL			
Sr. No	Particulars	31-Mar-18	31-Mar-17
	Balance at the beginning of the Year	3,780.03	1,732.52
	Changes in Equity Share Capital during the Year	833.00	2,047.52
	Balance at the end of the Year	4,613.03	3,780.03

18 OTHER EQUITY									
Sr. No	Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Money recd against warrants	Retained Earnings	Minority Interest	Total
	Balance at the beginning of the reporting period	863.26	15,132.51	2,056.43	54.21	-	26,824.71	1,750.67	**46,685.14**
	Changes in accounting policy or prior period errors						(26.51)		(26.51)
	Restated balance at the beginning of reporting period (A)	**863.26**	**15,132.51**	**2,056.43**	**54.21**	**-**	**26,798.20**	**1,750.67**	**46,658.63**
	Changes on First Time Adoption of Ind AS as on 1st April, 2016						**(267.53)**		**(267.53)**
	Restated balance as on 1st April 2016 (B)	**863.26**	**15,132.51**	**2,056.43**	**54.21**	**-**	**26,530.67**	**1,750.67**	**46,391.09**

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

Sr. No	Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Money recd against warrants	Retained Earnings	Minority Interest	Total
	Additions during the year:								
	Total Comprehensive Income for the year						4,074.64		4,074.64
	less: minority interest						(117.87)	117.87	-
	Money Received against share warrant					481.29			481.29
	Premium on account of Issue of shares against conversion of Warrants		715.05						715.05
	Amount tr to Profit and Loss as reduction from depreciation				(0.74)				(0.74)
	Amount utilised towards issue of fully paid up Bonus shares		(1,890.02)				547.13		(1,342.89)
	Dividend						(259.88)		(259.88)
	Tax on dividend						(52.91)		(52.91)
	Increase in the cost of Investment in JV						**49.02**		**49.02**
	Total Comprehensive Income for the year 2016-17 (C)	**863.26**	**13,957.54**	**2,056.43**	**53.47**	**481.29**	**30,770.80**	**1,868.54**	**50,054.68**
	Additions during the year:								
	Total Comprehensive Income for the year						(554.23)		(554.23)
	less: minority interest						(33.38)	33.38	-
	Premium on account of Issue of shares against conversion of Warrants		8,097.92						8,097.92
	Money Received against share warrant					3,174.07			3,174.07
	Dividend on equity						(283.50)		(283.50)
	Tax on dividend						(57.72)		(57.72)
	Reserves created out of Bonus shares by Subsidiary	1,411.10							1,411.10
	Amount utilised towards issue of fully paid up Bonus shares						(2,344.10)		(2,344.10)
	Amount tr to Profit and Loss as reduction from depreciation				(0.71)				(0.71)
	Total (D)	**1,411.10**	**8,097.92**	**-**	**(0.71)**	**3,174.07**	**(3,272.93)**	**33.38**	**9,442.83**
	Balance as at 31st March 2018 (C+D)	**2,274.36**	**22,055.46**	**2,056.43**	**52.76**	**3,655.36**	**27,497.87**	**1,901.92**	**59,497.50**

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

19	LONG TERM PROVISIONS				
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	**Bonds/debentures**			
		From Others	1,033.75	1,200.00	809.58
	ii	**Rupee Term Loans (Secured)**			
		From Banks	11,357.97	5,606.75	888.16
		From Others	2,655.48	7,670.68	6,459.04
	iii	**Loans from related parties**	-	-	1,311.71
	iv	**Other loans**	-	-	500.00
		TOTAL	**15,047.20**	**14,477.43**	**9,968.49**

20	OTHER FINANCIAL LIABILITIES				
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
		Security Deposit & Retention Money from Sub-Contractors	3,423.78	5,822.46	5,932.72
		TOTAL	**3,423.78**	**5,822.46**	**5,932.72**

21	LONG TERM PROVISIONS				
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	**Provision for employee benefits**			
		Provision for Gratuity (Net)	29.67	25.37	66.48
		Provision for Compensated Absences	96.15	123.09	127.57
		TOTAL	**125.83**	**148.46**	**194.05**

22	OTHER NON-CURRENT LIABILITIES				
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
		Advance from Customers	3,284.00	7,024.45	5,008.01
		Other Payables	-	33.01	124.68
		TOTAL	**3,284.00**	**7,057.46**	**5,132.69**

23	SHORT TERM BORROWINGS				
Sr No	PARTICULARS		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	**Loans repayable on Demand**			
	a.	**From Banks**			
		Working Capital Rupee loans (Secured)	52,148.22	45,979.33	42,421.70
		TOTAL	**52,148.22**	**45,979.33**	**42,421.70**

Note - Working Capital Loans are secured by hypothecation of present and future stock of raw materials, stores and spares, book debts and other receivables and have Second Charge on Fixed Assets of the Company and personal guarantee of some of the Directors.

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

24 TRADE PAYABLES AND OTHER PAYABLES

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Micro, Small and Medium Enterprises	68.00	107.08	121.39
	ii	Payable to Related Parties	-	979.53	-
	iii	Others for Goods and Services	90,851.40	48,904.23	47,058.57
		TOTAL	**90,919.40**	**49,990.83**	**47,179.96**
	Note - The Details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:				
	I	Principal amount due and remaining unpaid	68.00	107.08	125.77
	II	Interest due on above and the unpaid interest	12.56	4.32	4.38

25 OTHER FINANCIAL LIABILITIES

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Current Maturities of Long Term Borrowings	4,002.20	5,419.04	3,579.06
	ii	Interest accrued but not due	217.32	114.52	131.90
	iii	Unpaid Dividend	7.82	5.33	4.74
	iv	Security Deposit & Retention Money from Sub-Contractors	4,828.38	2,769.05	2,957.60
		TOTAL	**9,055.72**	**8,307.94**	**6,673.30**

26 OTHER CURRENT LIABILITIES

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Other Advance Received	2,874.14	390.39	265.95
	ii	Advance from Other Related Party	64.43	-	2,496.20
	iii	Advance from Customers	13,433.58	10,288.84	2,680.63
	iv	Due to Customers (Project related activity)	3,677.18	510.64	275.15
	v	Due to Employees	685.79	746.25	1,004.42
	vi	Sweat Money Payable to MSMC	1,841.00	1,841.00	1,841.00
	vii	Other Payables	3,602.95	4,683.79	3,599.83
		TOTAL	**26,179.07**	**18,460.91**	**12,163.17**

27 SHORT TERM PROVISIONS

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Provision for employee benefits			
		Provision for Compensated Absences	17.29	32.47	79.17
		Provision for Gratuity (Net)	1.64	48.73	41.16
	ii	Others			
		Tax on Dividend	59.54	52.90	-
		Provision for Income Tax	18.06	16.41	-
		Other Provision	13.31	24.39	-
		TOTAL	**109.84**	**174.91**	**120.34**

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

28 LIABILITIES FOR CURRENT TAX (NET)

Sr No		PARTICULARS	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
	i	Statutory Dues			
	ii	Income Tax Provisions (Net of Payments)	48.73	139.24	941.21
		TOTAL	**48.73**	**139.24**	**941.21**

29 REVENUE FROM OPERATIONS

Sr No		PARTICULARS	Year Ended 31st March 2018	Year Ended 31st March 2017
	a)	Revenue from Contracts, Projects & Maintenance		
		Revenue from Projects and Maintenance	228,303.22	221,166.01
		Project Supply	68,670.80	34,626.20
	b)	Other Operating Revenues		
		Income from Crane Leasing	36.33	114.92
		Sale of Scrap	63.10	53.87
		TOTAL	**297,073.45**	**255,961.00**

30 OTHER INCOME

Sr No		PARTICULARS	Year Ended 31st March 2018	Year Ended 31st March 2017
	a)	Bank Deposits	1,130.82	879.67
	b)	Others	30.61	51.38
	c)	Rent Income	27.86	97.87
	d)	Profit on Sale of Non Current Investments-NonTrade	6.53	-
	e)	Profit from Partnership Business	-	3.74
	f)	Profit on Sale/ Discard of Fixed Assets (Net)	323.80	251.03
	g)	Dividend from Investments and Mutual Funds	-	18.80
	h)	Exchange Rate Difference (Net)	-	17.38
	i)	Amount Written Back (Net)	105.43	-
	j)	Other Comprehensive Income	5.32	-
	k)	Miscellaneous Incomes	349.58	28.46
	l)	Finance Income	12.19	-
		TOTAL	**1,992.14**	**1,348.32**

31 COST OF MATERIALS CONSUMED

Sr No		PARTICULARS	Year Ended 31st March 2018	Year Ended 31st March 2017
		Material Consumption for Projects	100,597.37	95,905.27
		Project Supply	61,120.04	33,275.58
		TOTAL	**161,717.41**	**129,180.85**

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

32 CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROCESS AND STOCK IN TRADE				
Sr No	PARTICULARS		Year Ended 31st March 2018	Year Ended 31st March 2017
	i	Opening stock		
		Work-in-progress	2,579.26	2,151.41
		Finished Products	-	339.10
			2,579.26	2,490.51
	ii	Less : Closing Stock		
		Work-in-progress	1,682.74	2,230.70
		Finished Products	457.67	348.56
			2,140.41	2,579.26
		TOTAL	**438.85**	**(88.75)**

33 EMPLOYEE BENEFIT EXPENSES				
Sr No	PARTICULARS		Year Ended 31st March 2018	Year Ended 31st March 2017
	i	Salary, Wages and Allowances	5,024.78	4,841.13
	ii	Contribution to Provident, Superannuation and Other Funds	170.33	296.38
	iii	Staff and Labour Welfare Expenses	287.35	277.39
		TOTAL	**5,482.47**	**5,414.90**

34 FINANCE COSTS				
Sr No	PARTICULARS		Year Ended 31st March 2018	Year Ended 31st March 2017
	a)	Interest Cost:		
	i	Interest to Banks & Finance Companies	7,657.42	6,996.77
	ii	Interest to Others	413.28	673.25
	iii	Interest- Ind AS	279.04	301.48
	b)	Other Borrowing Costs:		
	i	Processing fee, Bank commission and charges	5,226.40	3,422.36
		TOTAL	**13,576.13**	**11,393.86**

35 OTHER EXPENSES				
Sr No	PARTICULARS		Year Ended 31st March 2018	Year Ended 31st March 2017
	a)	Contract And Site Expenses		
		Civil Construction and Fabrication	100,337.01	88,533.20
		Lease and Hire Charges	1,327.94	1,513.40
		Transportation Expenses	575.95	565.16
		Job Work Charges	317.30	267.98
		Stores and Spares	1,009.60	216.03
		Other Site Expenses	4,113.56	2,384.22
		TOTAL	**107,681.36**	**93,479.98**
	b)	Operational / Direct Expenses:		
		Excise Paid on sales	6.29	139.11
			6.29	**139.11**
	c)	Manufacturing Expenses		
		Power & Fuel	237.47	256.32
		Repairs and Maintenance - Plant & Machinery	108.49	106.92

Notes to the Financial Statements

as at 31st March 2018 (Consolidated)

(Rs. In Lacs)

Sr No	PARTICULARS		Year Ended 31st March 2018	Year Ended 31st March 2017
	d)	Adminstrative Expenses		
	i	Rent	594.63	675.77
	ii	Repairs to Building	137.30	53.77
	iii	Repairs - Others	360.50	238.60
	iv	VAT, Entry Tax and Service Tax	627.96	643.29
	v	Insurance	203.44	171.77
	vi	Rates and Taxes	133.95	140.21
	vii	Legal and Professional Fees	1,535.48	1,166.96
	viii	Travelling and Conveyance	719.22	733.14
	ix	Communication	76.82	101.52
	x	Printing and Stationery	54.72	48.55
	xi	Exchange Rate Difference (Net)	0.09	-
	xii	Provision for Doubtful Debts	8.64	19.39
	xiii	Bad Debts Written Off (Net)	-	1,949.63
	xiv	Loss from Partnership Business	1.07	-
	xv	Loss on Sale of Shares	744.53	671.81
	xvi	Loss on Sale/ Discard of Fixed Assets (Net)	-	2.43
	xvii	Statutory Audit Fees	31.33	26.85
	xviii	Certification & Other Matters	1.35	6.50
	xviii	CSR Expenses	37.00	108.16
	xix	Miscellaneous Expenses	701.55	192.87
			5,969.57	**6,951.23**
		TOTAL	**114,003.19**	**100,933.55**

36 EARNINGS PER SHARE (EPS)

Sr No	PARTICULARS		Year Ended 31st March 2018	Year Ended 31st March 2017
	i	Net Profit After Tax (PAT) as per Statement of Profit and Loss attributable to Equity Shareholders	(554.23)	4,074.64
	ii	Weighted average number of equity shares for basic EPS [nos.]	461,303,200	378,003,200
	iii	Weighted average number of equity shares including potential equity shares for diluted EPS [nos.]	627,189,670	379,172,669
	iv	Basic EPS (Rs.)	(0.15)	1.08
	v	Diluted EPS (Rs.)	(0.09)	1.07
	vi	Nominal value per share (Rs.)	1.00	1.00

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

A. Disclosure pursuant to Indian Accounting Standard (Ind AS) 108 – Operating Segments

BUSINESS SEGMENTS:

Business segments have been identified in line with Indian Accounting Standard 108 – Operating Segments

The Company's businesses are classified into following three primary business segments:

a) Projects

b) Manufacturing

c) Power

d) Project Supply

Project and related activities Segment: This segment is engaged in the business of Fabrication, Erection and Commissioning of Boilers (Power Plants) ESP, Rotating Machineries, Sugar plants, Transmission and Distribution and EPC Contract and Balance of Plant (BOP).

Manufacturing Segment: Manufacturing & Supply of IBR and Non IBR Piping, Pressure Parts & Vessels and Technological Structures.

Power Segment: Generation and distribution of Solar Power in state of Maharashtra.

Project Supply Segment: Supply of Electrodes, Steel and other materials at different Project Sites.

During the year Segment Reporting has been reconstituted in line with the revised reporting norms of the Company. Consequently, segment figures for the previous year have been regrouped.

Information about products and services		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Revenue from Projects and Maintenance	228,303.22	221,166.01
Project Supply	68,670.80	34,626.20
Income from Crane Leasing	36.33	114.92
Sale of Scrap	63.10	39.43
Structures, Boiler parts and Components	12,592.76	14,912.96
Rental Income	0.10	0.96
Revenues from external customers	852.96	437.18

Information about geographical areas		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Revenues from external customers		
Within India	297,073.45	255,961.00
Outside India	-	-
Total	**297,073.45**	**255,961.00**

B. Disclosure pursuant to Indian Accounting Standard (Ind AS) 37 on – Provisions, Contingent Liabilities and Contingent Assets

COMMITMENTS

a) Other Commitments - Non cancellable operating Leases (Refer point C below)

CONTINGENT LIABILITIES		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
a) Service Tax demand disputed, contested in appeal	1,083.52	1,083.52
b) Customs Duty disputed	138.17	138.17
c) Income Tax disputed, contested in appeal	378.55	378.55
d) Guarantee given to Customers and Financial Institutions -	81,776.72	71,192.42
e) Guarantee given to Banks and Financial Institutions on behalf of -		
i) Jointly Controlled Entity	8,912.43	4,475.19
- Loans outstanding at the year end	-	-
ii) Others	2,170.30	2,170.30
f) Claims against the Company not acknowledged as debts	129.28	160.51
During the Financial Year 2015-16 the Income Tax Authorities had conducted search in the premises of the Group Companies. Proceedings have not yet commenced and no demand has been raised on any of the Group Companies.		

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

For each class of Provisions: Tax on Dividend		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening Balance	52.91	52.91
Additions (additional provisions made in the period, including increases to existing provisions)	6.63	(0.00)
Utilisations (amounts used (i.e. incurred and charged against the provision) during the period)	0.00	-
Reversals (unused amounts reversed during the period)	-	-
Closing Balance	**59.54**	**52.91**

For each class of Provisions: Bonus		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening Balance	24.39	21.60
Additions provisions made in the period	-	2.79
Utilisations (amounts used (i.e. incurred and charged against the provision) during the period)	(11.08)	-
Closing Balance	**13.31**	**24.39**

For each class of Provisions: Compensated Absences		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening Balance	32.47	75.89
Additions (additional provisions made in the period, including increases to existing provisions)	-	-
Utilisations (amounts used (ie incurred and charged against the provision) during the period)	(15.18)	(43.42)
Reversals (unused amounts reversed during the period)	-	-
Closing Balance	**17.29**	**32.47**

For each class of Provisions: Gratuity		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Opening Balance	48.70	42.40
Additions (additional provisions made in the period, including increases to existing provisions)	-	6.30
Utilisations (amounts used (ie incurred and charged against the provision) during the period)	(47.36)	-
Reversals (unused amounts reversed during the period)	-	-
Closing Balance	**1.34**	**48.70**

C. Disclosure as required under IND AS 32 Financial Instruments Presentation

1) Term Loan From Banks referred Note 17 to the extent of :

a) Rs. 404.98 Lacs (Pr.Yr.Rs. 454.55 Lacs) are Secured by first mortgage/ pari-pasu charge on the respective building situated at Pune & Nagpur.

b) Rs. 149.60 Lacs (Pr.Yr.Rs. 358.20 Lacs) secured by first hypothecation /pari-pasu charges on the respective plant and machineries including Hydra's at Various Sites.

c) Rs. 135.23 Lacs (Pr.Yr.Rs. 154.03 Lacs) are secured by first hypothecation /pari-pasu charges on the respective Vehicles at Various Sites.

2) Term Loan From Financial Institutions referred above to the extent of :

a) Rs. 1216.89 Lacs (Pr.Yr.Rs. 1332.39 Lacs) are secured by first mortgage / pari-pasu charge on the respective building situated at Nagpur and Mumbai.

b) Rs. 6335.60 Lacs (Pr.Yr.Rs. 4493.31 Lacs) are secured by first mortgage / pari-pasu charge on the respective Plant & Machineries including Hydra's situated at various sites.

c) Rs. 1150.00 Lacs (Pr.Yr.Rs. 2650.00 Lacs) are secured against retention money Receivable from Parli Project.

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

(Rs. In Lacs)

Sr. No.	Particulars	Range of Interest	1-2 Yrs	2-3 Yrs	3-4 Yrs	Beyond 4 Yrs
		Rate	2018-19	2019-20	2020-2021	2021-2022 onward
1	Property Loan	11.70% -13.00%	241.37	368.39	524.42	496.74
			(263.52)	(403.04)	(573.70)	(546.66)
2	Vehicle	9.3%-13.23%	49.01	48.41	23.92	13.48
			(59.71)	(53.21)	(41.11)	-
3	Machinery	7.64%-14.85%	3,691.68	1,370.63	778.07	644.82
			(2,027.85)	(733.09)	(761.04)	-
4	Project Funding	12.75%	1,150.00	-	-	-
			(1,150.00)	-	-	-
	Total		**5,132.06**	**1,787.43**	**1,326.41**	**1,155.04**
			(3,501.08)	**(1,189.34)**	**(1,375.85)**	**(546.66)**
	* Figures in brackets indicates of previous years					

D. Disclosure as required under IND AS-17 "Accounting for Leases"

The Company has taken various residential/ office premises (including furniture and fittings, therein as applicable), under operating lease or leave and license agreements. These are generally cancellable under leave and license arrangements and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of Rs. 1,435.81 Lacs (Pr. Yr. Rs. 768.94 Lacs) are recognised in the Statement of Profit and Loss:

The future lease payments and payment profile of non cancellable operating leases are as under.		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Payable not later than one year	304.72	1,730.02
Payable later than one year and not later than five years	825.66	724.69
Later than five years	485.10	485.10
	1,615.48	**2,939.81**

E. Disclosure pursuant to Indian Accounting Standard (Ind AS) 24 – Related Party Disclosures

As per Indian Accounting Standard Ind AS 24 on "Related Party Disclosures":

CATEGORY -

I. PARTNERSHIP FIRM :

V. K. Realtors

II. DIRECTORS/KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES:

Mrs. Sodhamati Ratnakar Gutte

Mr. Sunil Ratnakar Gutte

Mr. Vijay Ratnakar Gutte (Till 08th Feb 2018)

Mr. Venkataramana Condoor

Mr. M.N.Mohanan

Mr. Harshvardhan Kaushik

Mr. Shrikant Rikhe

III. ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES HAVE SIGNIFICANT INFLUENCE

Gutte Infra Private Limited

VRG Digital Corporation Private Limited

RSV & Associates

Kolhapur Green Energy Private Limited

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

(Rs. In Lacs)

	The future lease payments and payment profile of non cancellable operating leases are as under.		
	Particulars	**31.03.2018**	**31.03.2017**
	Short-term employee benefits	10.25	21.72

A Details of transactions carried with Related Parties and the year end balances: (Rs. In Lacs)

Sr No	Particulars	CATEGORY			Total
		I	II	III	
1	Sale of Investments	-	-	700.00	**700.00**
		-	-	(650.00)	**(650.00)**
2	Loans Taken	-	-	390.00	**390.00**
		-	-	-	**-**
3	Purchases of Goods and Services	-	-	682.27	**682.27**
		-	-	(26.02)	**(26.02)**
4	Sales of Goods/ Contract Revenue & Services	-	-	-	**-**
		-	-	(275.65)	**(275.65)**
5	Sale of Investments to	-	700.00	-	**700.00**
		-	(650.00)	-	**(650.00)**
6	Remuneration to Directors (Including Perquisites)	-	293.42	-	**293.42**
		-	(305.18)	-	**(305.18)**
7	Dividend Paid	-	31.55	68.63	**100.18**
		-	(72.63)	(45.00)	**(117.63)**
8	Rent Paid	-	123.60	-	**123.60**
		-	(123.78)	-	**(123.78)**
9	Rent Income	-	-	-	**-**
		-	-	(105.70)	**(105.70)**
10	Interest Income	-	-	-	**-**
		(3.74)	-	-	**(3.74)**
11	Expenses Incurred on behalf by Co	-	-	1.06	**1.06**
		-	-	(16.00)	**(16.00)**
12	Expenses Incurred on behalf of Co	-	-	2.50	**2.50**
		-	-	-	**-**
13	Share Warrant Application Money Received	-	-	3,701.33	**3,701.33**
		-	-	(1,139.16)	**(1,139.16)**
14	Share Allotment against warrant	-	-	1,391.13	**1,391.13**
		-	-	(872.55)	**(872.55)**
	*Figures in brackets indicate previous year figures.				

B Out of the above items, transactions in excess of 10% of the total related party transactions are as under (Rs. In Lacs)

Sr. No.	Particulars	Category	31.03.2018	31.03.2017
1	**Sale of Investments**			
	Gangakhed Sugar & Energy Limited	II	700.00	650.00
2	**Loans Taken**			
	VRG Digital Corporation Private Limited	III	390.00	-
3	**Sales of Goods/ Contract Revenue & Services**			
	RSV & Associates	III	-	275.65

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

(Rs. In Lacs)

Sr. No.	Particulars	Category	31.03.2018	31.03.2017
4	**Sale of Investments to**			
	Mr. Ratnakar Manikrao Gutte	II	-	250.00
	Mrs. Sudhamati Ratnakar Gutte	II	700.00	400.00
5	**Remuneration to Directors (Incl Perquisites)**			
	Mrs. Sudhamati Ratnakar Gutte	II	48.00	48.00
	Mr. Sunil Ratnakar Gutte	II	60.81	60.81
	Mr. Vijay Ratnakar Gutte	II	41.70	48.65
	Mr. Venkataramana Condoor	II	95.29	95.29
	Mr. Anupam Gianchand Dhiman	II	-	52.43
	Mr. Mohanan Narayanan Mattathil	II	47.62	-
6	**Dividend Paid**			
	Mrs. Sudhamati Ratnakar Gutte	II	3.37	29.53
	Mr. Sunil Ratnakar Gutte	II	25.18	25.18
	Mr. Vijay Ratnakar Gutte	II	-	10.13
	Mr. Venkataramana Condoor	II	3.00	3.00
	Gutte Infra Private Limited	III	36.00	22.50
	VRG Digital Corporation Private Limited	III	32.63	22.50
7	**Professional Fess Paid**			
	Mr. Ratnakar Manikrao Gutte	II	84.00	92.17
8	**Rent Paid**			
	Mr. Ratnakar Manikrao Gutte	II	45.99	48.99
	Mrs. Sudhamati Ratnakar Gutte	II	63.93	61.11
9	**Rent Income**			
	VRG Digital Corporation Private Limited	III	-	105.70
10	**Share Warrant Application Money Received**			
	Gutte Infra Private Limited	III	353.18	616.33
	VRG Digital Corporation Private Limited	III	3,348.15	522.84
11	**Share Allotment against warrant**			
	Gutte Infra Private Limited	III	470.90	498.60
	VRG Digital Corporation Private Limited	III	920.23	373.95

C Balances Due from/ to the Related Parties as at 31st March 2018 (Rs. In Lacs)

Sr No	Particulars	CATEGORY			Total
		I	II	III	
1	Investments	342.67	-	600.00	**942.67**
		(343.74)	-	(1,300.00)	**(1,643.74)**
2	Trade Receivables	354.20	-	2,024.42	**2,378.62**
		(463.98)	-	(1,349.95)	**(1,813.93)**
3	Other Receivables	-	-	133.65	**133.65**
		-	-	(3.14)	**(3.14)**
4	Trade Payables	-	-	-	**-**
		-	-	(151.02)	**(151.02)**

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

(Rs. In Lacs)

Sr No	Particulars	CATEGORY			Total
		I	II	III	
5	Loan Taken	-	14.16	390.00	**404.16**
		-	(5,322.74)	-	**(5,322.74)**
6	Share Warrant Application Money	-	-	2,186.81	**2,186.81**
		-	-	(266.61)	**(266.61)**
	*Figures in brackets indicate previous year figures.				

F Disclosure pursuant to Indian Accounting Standard (Ind AS) 11 – Construction Contracts (Rs. In Lacs)

Sr No	Particulars	31.03.2018	31.03.2017
	Contract revenue recognized for the year	261,260.35	214,755.98
	Aggregate amount of contract costs incurred and recognised profits (Less recognised losses) up to the year end for all contract in progress as at that date	308,313.21	277,112.55
	Amount of customer advances received and outstanding for contracts in progress	6,694.89	13,071.02
	Retention amount due from customers for contract in progress	13,738.47	14,513.87
	Gross amount due from customers as at year end	63,476.48	29,982.24
	Gross amount due to customers as at year end	1,318.18	510.64

G. Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 – Employee Benefits

As per Ind AS-19 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standards are given below:

A) Defined Contribution Plans:

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the Government and certain state plans such as Employees' State Insurance (ESI). PF and EPS covers substantially all regular employees and the ESI covers eligible workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the PF and the ESI Scheme, contributions into the EPS is made only by the Company. The contributions are normally based on a certain portion of the employee's salary.

(Rs. In Lacs)

Particulars	31.03.2018	31.03.2017
Provident Fund, Employees' Pension Scheme and Labour Walfare Fund	178.82	240.85
Employees' State Insurance	24.46	10.19
Total	**203.28**	**251.04**

Gratuity Plan (Funded)

The Employees' Gratuity Fund scheme is a defined benefits plan. The present value of obligation is determined based on the actuarial valuation, using the "Projected Unit Credit Method", which recognises each period of services as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

The Company makes contributions to the Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for employees. The scheme provides for payment to employees as under:

i) On normal retirement/ early retirement/ withdrawal/ resignation:

As per the provisions of The Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On the death in service:

As per the provisions of The Payment of Gratuity Act, 1972 without any vesting period.

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31 March 2018:		
1: Funded status of the plan		(Rs. In Lacs)
Particulars	31.03.2018	31.03.2017
Present value of unfunded obligations	(12.48)	(7.49)
Present value of funded obligations	(196.99)	(248.72)
Fair value of plan assets	242.42	221.16
Net Liability (Asset)	**(5.68)**	**(74.10)**

2: Profit and loss account for current period		(Rs. In Lacs)
Particulars	31.03.2018	31.03.2017
Service cost:		
Current service cost	61.88	77.04
Past service cost and loss/(gain) on curtailments and settlement	0.62	-
Net interest cost	5.25	4.68
Total included in 'Employee Benefit Expense'	67.75	81.72
Total Charge to P&L	67.75	81.72

3: Other Comprehensive Income for the current period		(Rs. In Lacs)
Particulars	31.03.2018	31.03.2017
Components of actuarial gain/losses on obligations:	0.78	(11.88)
Due to Change in financial assumptions	15.37	3.05
Due to change in demographic assumption	-	(0.34)
Due to experience adjustments	(147.51)	(9.75)
Return on plan assets excluding amounts included in interest income	(0.16)	(5.48)
Amounts recognized in Other Comprehensive Income	(131.51)	(24.41)

4: Reconciliation of defined benefit obligation		(Rs. In Lacs)
Particulars	31.03.2018	31.03.2017
Opening Defined Benefit Obligation	295.26	331.71
Current service cost	61.88	77.04
Interest cost	21.70	20.56
Actuarial (Gain)/Loss on obligation	(131.36)	(18.92)
Past service cost	0.62	-
Benefits paid	-	(115.13)
Closing Defined Benefit Obligation	248.11	295.26

5: Reconciliation of plan assets		(Rs. In Lacs)
Particulars	31.03.2018	31.03.2017
Opening value of plan assets	221.16	224.06
Adjustment to Opening Fair Value of Plan Asset	-	(0.47)
Expenses deducted from the fund	-	-
Interest Income	16.45	15.88
Return on plan assets excluding amounts included in interest income	0.16	5.48
Contributions by employer	4.66	91.34
Benefits paid	-	115.13
Closing value of plan assets	**242.42**	**221.16**

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

6: Reconciliation of net defined benefit liability		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Net opening provision in books of accounts	74.10	107.65
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per point No. 2	67.75	81.72
Amounts recognized in Other Comprehensive Income	(131.51)	(24.40)
Adjustment to opening balance	-	(0.47)
Benefits paid by the Company	-	-
Contributions to plan assets	(4.66)	(91.34)
Closing provision in books of accounts	**5.68**	**74.10**

7: Bifurcation of liability as per schedule III		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Current Liability	24.41	47.49
Non-Current Liability	223.70	247.76
Net Liability	**248.11**	**295.26**

8: Principle actuarial assumptions		(Rs. In Lacs)
Particulars	**31.03.2018**	**31.03.2017**
Discount Rate	7.33%	7.36%
Salary Growth Rate	6.00%	5.00%
Employee Attrition Rate(Past Service (PS))	PS: 0 to 40 : 5%	PS: 0 to 40 : 5%

H. Disclosure pursuant to Indian Accounting Standard (Ind AS) 28 – Investment in Associates and Joint Ventures:

The group holds 100% interest in SHEL Assinia. In the financial statements prepared under Previous GAAP, group proportionately consolidated its interest in the SHEL Assinia in the Consolidated Financial Statement. On transition to Ind AS the group has assessed and determined that SHEL Assinia is an Joint Venture under Ind AS 28 Investments in Associates and Joint Venture. Therefore, it needs to be accounted for using the equity method as against proportionate consolidation.

However the company has consolidated this JV under proportionate consolidation method, the net impact of the same on the financials for the year ended 31st March, 2018 is not material.

I. Disclosure of Trade payables to Micro, Small and Medium Enterprises under Current Liabilities is based on the information available with the Company regarding the Status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors. Amount outstanding (not overdue) as on 31 March 2018 to Micro, Small and Medium Enterprises on account of principal amount aggregate to Rs.109.23 Lacs (Pr. Yr. Rs. 107.08 Lacs) and interest payable thereon Rs. 12.57 Lacs (Pr. Yr.Rs. 4.33 Lacs) and interest paid during the year Nil (Pr. Yr. Nil).

J. Previous year's figures are regrouped and re-casted wherever required.

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

K. Basis of Preparation :

Details of Subsidiaries, Associates and Joint Ventures of the Group are as under:

Name of the Subsidiary Companies	Country of incorporation	Proportion of ownership interest and voting power as on	
		31.03.2018	31.03.2017
SEAM Industries Limited	India	88.61%	88.61%
VAG Buildtech Private Limited	India	72.01%	78.01%
Sunil Hitech Energy Private Limited* (Including 37.95 % of shares are held by SHEL Investment Consultancy Private Limited)	India	51.00%	51.00%
SHEL Investment Consultancy Private Limited	India	99.99%	99.99%
Sunilhitech Solar (Dhule) Private Limited (Including 1 share held with Nominee)	India	100.00%	100.00%
Patna Green Energy Private Limited	India	90.00%	90.00%
Bodhre Dhule Highways Private Limited	India	70.00%	NA
Future Commodities and Investments Pte Ltd	Singapore	100.00%	100.00%

Accounts of the aforesaid Subsidiary Companies are for the period from 01 April 2017 to 31 March 2018 and are incorporated in the CFS. Financial Statements and other informations of aforesaid Subsidiaries have been audited by other Auditors.

Name of the Joint Ventures	Country of residence	Proportion of ownership interest and voting power as on	
		31 March 2018	31 March 2017
Jointly Controlled Entities (JCE)			
SHEL - ASSIGNIA – JV	India	51.00%	51.00%
SHEL - RCM – JV	India	51.00%	51.00%
SHEL - VARAHA – JV	India	51.00%	NA
VARAHA - SHEL – JV	India	51.00%	NA
MSMC Adkoli Natural Resources Limited	India	24.99%	24.99%

L. REMUNERATION TO AUDITORS (Rs. In Lacs)

Particulars	31 March 2018	31 March 2017
Statutory Audit Fees	29.12	26.85
Tax Audit Fees	3.80	4.60
For Certification and Other Matters	4.47	1.85

M Financial instruments – Fair values and risk management

1 Fair value measurements

a. Financial instruments by category (Rs. In Lacs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
1. Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)						
Investment in Associate Company	-	1,291.83	-	2,715.31	-	4,037.12
Investment in Partnership Firm	-	342.68	-	343.74	-	339.99
Investment in Joint Venture	-	2.00	-	2.00	-	2.00
Investment in quoted mutual Fund	-	-	-	19.99	-	94.99
Total	-	**1,636.51**	-	**3,081.04**	-	**4,474.10**

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

a. **Financial instruments by category** (Rs. In Lacs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
2. Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI)						
	-	-	-	-	-	-
3. Financial Assets Measured at Amortised Cost						(Rs. In Lacs)
Trade Receivables	87,152.24	1,909.15	63,188.69	2,335.28	52,952.32	2,318.26
Security Deposits	2,432.62	1,275.62	1,849.07	1,665.74	1,573.16	1,921.16
Loan to related parties	608.67	-	-	165.84	2,552.88	165.84
Other Loans	10,748.05	2.00	4,013.97	-	5,221.74	-
Cash and Cash Equivalents	65.37	-	133.21	-	101.45	-
Other Bank Balances	**3,306.52**	**-**	**3,718.01**	**-**	**1,621.79**	**-**
Unpaid Dividend	**7.81**	**-**	**5.32**	**-**	**4.73**	**-**
Government Grants	**1.47**	**-**	**1.48**	**-**	**1.65**	**-**
Deposits with original maturity for more than 12 months	**3,236.96**	**-**	**1,667.92**	**-**	**8,907.14**	**-**
Deposits with original maturity for more than 3 months but less than 12 months	**11,869.90**	**-**	**11,163.02**	**-**	**1,521.46**	**-**
Total	**119,429.61**	**3,186.77**	**85,740.69**	**4,166.86**	**74,458.32**	**4,405.26**
4. Financial Liabilties Measured at Fair Value through Profit or Loss (FVTPL)						
5. Financial Liabilities Measured at Amortised Cost						(Rs. In Lacs)
Loan taken from Banks	52,148.22	12,391.71	45,979.32	6,806.75	42,421.70	1,697.73
Loan taken from others	-	2,655.47	-	7,670.68	-	6,459.03
Loan from Related Parties	-	-	-	-	-	1,311.71
Other Loans	-	-	-	-	-	500.00
Trade Payables	90,919.39	-	49,990.83	-	47,179.96	-
Current Maturities of Long Term Debts	4,002.19	-	5,419.03	-	3,579.06	-
Interest accrued but not due	217.32	-	114.52	-	131.89	-
Unpaid dividend	7.81	-	5.32	-	4.73	-
Security deposit and retention money	4,828.38	3,423.78	2,769.05	5,822.46	2,957.59	5,932.72
Total	**152,123.31**	**18,470.96**	**104,278.07**	**20,299.89**	**96,274.93**	**15,901.19**

b. **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

1 **Financial assets and liabilities which are measured at FVTPL or FVTOCI for which fair values are disclosed**

Particulars	Fair Value Hierarchy			Fair Value as at 31st March 2018
	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)				
Investment in Associates	-	-	1,291.83	1,291.83
Investment in Partnership Firm	-	-	342.68	342.68
Investment in Joint Venture	-	-	2.00	2.00
Investment in quoted mutual Fund	-	-	-	-
Total	**-**	**-**	**1,636.51**	**1,636.51**

2 **Financial assets and liabilities which are measured at FVTPL or FVTOCI for which fair values are disclosed**

Particulars	Fair Value Hierarchy			Fair Value as at 31st March 2017
	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)				
Investment in Associates	-	-	2,715.31	2,715.31
Investment in Partnership Firm	-	-	343.74	343.74
Investment in Joint Venture	-	-	2.00	2.00
Investment in quoted mutual Fund	19.99	-	-	19.99
Total	**19.99**	**-**	**3,061.05**	**3,081.04**

3 **Assets and liabilities which are measured at FVTPL or FVTOCI for which fair values are disclosed**

Particulars	Fair Value Hierarchy			Fair Value as at 1st April 2016
	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)				
Investment in unquoted equity Shares	-	-	4,037.12	4,037.12
Investment in Partnership Firm	-	-	339.99	339.99
Investment in Joint Venture	-	-	2.00	2.00
Investment in quoted mutual Fund	94.99	-	-	94.99
Total	**94.99**	**-**	**4,379.11**	**4,474.10**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

4 **Fair value of financial assets and liabilities measured at amortised cost**

In few of the cases the carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(Rs. In Lacs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1st April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Non Current Assets						
Financial Assets Measured at Amortised Cost						
Trade Receivables	1,909.15	1,909.15	2,335.28	2,335.28	2,318.26	2,318.26
Security Deposits	1,275.62	1,275.62	1,665.74	1,665.74	1,921.16	1,921.16
Loan to related parties	178.48	178.48	165.84	165.84	165.84	165.84
Other Loans	2.00	2.00	2.00	2.00	2.00	2.00
B. Current Assets						
Financial Assets Measured at Amortised Cost						
Trade Receivables	88,571.75	87,152.24	63,188.68	63,188.68	121,323.29	52,952.32
Security Deposits	2,446.18	2,432.62	1,849.07	1,849.07	1,573.16	1,531.39
Loan to related parties	-	-	-	-	-	-
Other Loans	10,748.05	10,748.05	4,013.97	4,013.97	5,221.74	5,221.74
Cash and Cash Equivalents	65.37	65.37	133.65	133.65	101.45	101.45
Other Bank Balances	3,306.52	3,306.52	3,718.01	3,718.01	1,621.79	1,621.79
Unpaid Dividend	7.81	7.81	5.32	5.32	4.73	4.73
Government Grants	1.47	1.47	1.48	1.48	1.65	1.65
Deposits with original maturity for more than 12 months	3,236.96	3,236.96	1,667.92	1,667.92	8,907.14	8,907.14
Deposits with original maturity for more than 3 months but less than 12 months	11,869.90	11,869.90	11,163.02	11,163.02	1,521.46	1,521.46
C. Non Current Liabilities						
Financial Liabilities Measured at Amortised Cost						
Loan taken from Banks	12,557.96	12,391.71	6,806.74	6,806.74	2,088.15	1,697.73
Loan taken from others	2,655.47	2,655.47	7,670.68	7,670.68	6,459.03	6,459.03
Loan from Related Parties	-	-	-	-	1,311.71	1,311.71
Other Loans	-	-	-	-	500.00	500.00
Security deposit and retention money	3,423.78	3,423.78	5,822.46	5,822.46	5,932.72	5,932.72
D. Current Liabilities						
Financial Liabilities Measured at Amortised Cost						
Loan taken from Banks	52,148.22	52,148.22	45,979.32	45,979.32	42,421.70	42,421.70
Loan taken from others	-	-	-	-	-	-
Trade Payables	90,919.39	90,919.39	49,990.83	49,990.83	47,813.63	47,813.63
Current Maturities of Long Term Debts	4,002.19	4,002.19	5,419.03	5,419.03	3,579.06	3,579.06
Interest accrued but not due	217.32	217.32	114.52	114.52	131.89	131.89
Unpaid dividend	7.81	7.81	5.32	5.32	4.73	4.73
Security deposit and retention money	4,828.38	4,828.38	2,769.05	2,769.05	2,957.59	2,957.59

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

1 **Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

Risk management framework

A company is exposed to uncertainties owning to the sector in which it is operating. The Company is conscious of the fact that any risk that could have a material impact on its business should be included in its risk profile. Accordingly, in order to contain / mitigate the risk, the Board of Directors have approved a Risk management policy which shall be reviewed by Board and the management from time to time.

The Company's Risk Management framework is designed to identify, assess and monitor various risks related to key business and strategic objectives and lead to the formulation of a mitigation plan. Major risks in particular are monitored regularly at Executive meetings and the Board of Directors of the Company is kept abreast of such issues and the policy was reviewed by the Board and Committee at its meeting.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. **Credit risk**

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from the loans & advances to related parties and company's receivables from customers.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The company maintains its Cash and cash equivalents and Bank Deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.

The gross carrying amount of trade receivables is Rs. 76156.95 lacs (31st March 2017 Rs. 60582.79 Lacs & 1 April 2016 – Rs. 51827.30 Lacs).

During the period, the Company has made a few write-offs of trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment. A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The gross carrying amount of loan and advances to related parties as on 31st March 2018 amounted to Rs. 608.67 lacs (As at 31st march 2017 is Rs. 601.31 lacs & 1st April 2016 is Rs. 774.41 lacs).

ii. **Liquidity risk**

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpetedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

iii. **Market risk**

Market risk is the risk that changes in market prices, foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) **Currency risk**

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a forecast of highly probable foreign currency cash flows.

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has floating interest rate bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

N. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 33 – EARNING PER SHARE **(Rs. In Lacs)**

As per Indian Accounting Standard Ind AS 33 on "Earning per share " following disclosures are provided

Particulars		31 March 2018	31 March 2017
Basic and Diluted Earnings Per Share:			
Profit after taxation as per Profit and Loss Account	(A)	(554.24)	4,074.64
Weighted average number of Equity Shares Outstanding (Basic)	(B)	461,303,200	378,003,200
Basic Earnings Per Share (in Rupees)	(A)/(B)	(0.15)	1.08
Weighted average number of Equity Shares Outstanding (Diluted)	(C)	627,189,670	379,172,669
Diluted Earnings Per Share (in Rupees)	(A)/(C)	(0.09)	1.07
Nominal value of equity share (in Rupees)		1.00	1.00

The Parent company has issued 124,000,000 Convertible warrants out of which 48,550,000 share warrants are converted into shares of Rs. 1/- each at a premium of Rs. 13.43/-during the current year i.e. March 2018 and 34,750,000 share warrants are converted into shares of Rs. 1/- each at a premium of Rs. 4.54/- each during the Current year i.e. March 2018. This has resulted into an increase in share premium by Rs. 8,097.92 lakhs in March 2018 and an increase in share capital by Rs. 833 lakhs in March 2018.

Since diluted earnings per share decreases on taking the share warrants into consideration i.e. EPS decreases from Rs. 0.10 to Rs. 0.06 in March 2018 and there has been no change in diluted EPS in March 2017 due to Convertible warrants, the share warrants are considered to be dilutive in 2018 and therefore needs to be considered in the calculation of diluted earnings per share.

O. DIVIDEND TO NON-RESIDENT SHARE HOLDERS

The Company has paid dividend in respect of shares held by Non-Resident Shareholders, this inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External A/c. The exact amount of dividend remitted in foreign currency cannot be ascertained.

Particulars	31 March 2018	31 March 2017
Year to which the dividend relates	2016-17	2015-16
Number of non-resident shareholders	840	242
Number of shares held by them	10,255,649	117,087
Amount of dividend	7.69	1.76

P. In terms of the requirements of the Indian Accounting Standard-36 on "Impairment of Assets", the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

Q. FIRST TIME ADOPTION OF IND AS

For all periods up to and including the year ended 31st March 2018, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

Accordingly, the Company has prepared financial statements, which comply with IND AS applicable for periods beginning on or after April 1, 2016 as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2016 the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at April 1, 2016 and its previously published Indian GAAP financial statements for the year ended March 31, 2016 for the following :

a) Balance Sheet as at 1st April 2016 (Transition date) ;

b) Balance Sheet as at 31st March 2017 & 31st March 2018 ;

c) Statement of Profit and Loss for the year ended 31st March 2017 & 31st March 2018

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

EXEMPTIONS AVAILED:

The Company has elected to consider the carrying value recognized in the financial statements prepared under Previous GAAP as deemed cost for all its items of property, plant and equipment and intangible assets

a. Fair value of financial assets and liabilities

b. The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

Reconciliation of other equity as at April 1, 2016:		
NET WORTH		(Rs. In Lacs)
Particulars		**April 01, 2016**
As per AS	(A)	46,685.14
JV Profit	(B)	(26.51)
First Time Adoption		
Issue of Optionally Convertible Debentures		760.59
Finance Cost on the Liability Component of Optionally Convertible Debentures		(370.17)
Proposed Dividend		259.88
Tax on Dividend		52.91
Impairment loss on held for sales		(1.32)
Loss Allowance on Receivables		(1,503.62)
Finance Cost on Receivables		(414.32)
Reversal Provision for Doubtful Debts		589.82
Finance Cost on Interest Free loans		(2.29)
Deferred Tax		361.01
Sub-total	(C)	(267.53)
As per Ind AS	**(A+B+C)**	**46,391.09**

Reconciliation of other equity as on 31st March 2017:		
NET WORTH		(Rs. In Lacs)
Particulars		**April 01, 2017**
As per AS	(A)	46,391.09
First Time Adoption	(B)	4,074.64
JV Profit	(C)	481.29
Finance Income		715.05
Reversal of Loss Allowance		(0.74)
Finance Cost		(1,342.89)
Reversal Provision for Doubtful Debts		(259.88)
Reversal of Impairment Loss		(52.91)
Deferred Tax Liability		49.02
Dividend for FY 1.4.16		3,663.58
Income tax on dividend for FY 1.4.16		50,054.67
Prepaid Rent		(16.20)
Sub-total	(D)	(321.76)
As per Ind AS	**(A+B+C+D)**	**59,967.14**

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2017		
		(Rs. In Lacs)
Particulars		**March 31, 2017**
As per AS	(A)	4,063.43
Employee Benefit expense		(10.21)
Finance Expense		(301.48)
Loss Allowance on Trade Receivables/ (Reversal)		296.67
Rent Income		16.02
Subtotal	(B)	1.00
OCI Items		
Remeasurements of Defined Benefit Plans	(C)	10.21
As per Ind AS	**(A+B+C)**	**4,074.64**

R. Footnotes:

1. Deferred Tax:

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach, which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach, which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized. Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

2. Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences, which were not required to be recognized under Previous GAAP. In addition, the above-mentioned transitional adjustments and other Ind AS adjustments have also led to temporary differences and creation of deferred tax there.

Deferred tax assets are recognized to the extent it is probable that they will be able to be offset against future taxable income. The Company has not provided for Deferred Tax Assets as there is no probability or even reasonable certainty that company will make profits in future.

3. Re measurement costs of defined benefit plan

In financial statements prepared under Previous GAAP, re measurement costs of defined benefit plans, arising primarily due to change in actuarial assumptions is recognized as Employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such re measurement costs relating to defined benefit plans is recognized in Other Comprehensive Income as per the requirements of Ind AS 19, Employee benefits. Consequently, the related tax effect of the same has also been recognized in Other Comprehensive Income.

For the year ended 31st March 2017 and 31st March 2018, re measurement of gratuity liability resulted in a net loss and net gain after deduction of deferred tax of Rs. 10,20,905/- and Rs. 1,31,51,284/- respectively, which has now been adjusted to employee benefits expense in the Statement of Profit and Loss and recognized separately in Other Comprehensive Income in respective years. This has resulted in decrease/increase in Employee benefits expense by Rs. 10,20,905/- and Rs. 1,31,51,284/- and loss/gain in Other Comprehensive income by Rs. 10,20,905/- and Rs. 1,31,51,284/- for the year ended 31st March 2017 and 31st March 2018 respectively.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March 2017 and 31st March 2018

Disclosure Notes to the Financial Statements

as on 31st March 2018 (Consolidated)

4. Expected Credit Loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on Trade receivables

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes , taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance recognized during 2017-18 is recognized as expense in the Statement of Profit and Loss under the head ‘Other expenses’ amounting to Rs. 4,971.

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of financial statement of subsidiaries/associate companies/joint ventures

(Rs. in lacs)

Part A : Subsidiaries

Name of the Subsidiary	Seam Industries Limited	SHEL Investments Consultancy Private Limited	Sunil Hitech Energy Private Limited	VAG Buildtech Limited	Sunilhitech (Solar) Dhule Private Limited	Patna Green Energy Private Limited	Bodhre Dhule Highway Private Limited	Future Commodities and Investments Pte. Ltd.
Period	**FY 2017-18**	**FY 2017-18**	**FY 2017-18**	**FY 2017-18**	**FY 2017-18**	**FY 2017-18**	**FY 2017-18**	**FY 2017-18**
Reporting Currency	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Share Capital	1,769.60	1.00	1,872.00	1,691.25	1,180.00	101.00	5.00	985.76
Reserve and Surplus	2,322.77	163.59	1.98	468.42	(7.92)	8.23	(0.09)	(2.80)
Total Assets	12,019.54	1,211.09	5,105.57	10,412.40	4,023.94	584.40	0.23	984.46
Total Liabilities	12,019.54	1,211.09	5,105.57	10,412.40	4,023.94	584.40	0.23	984.46
Investments	16.00	1,210.74	1.00	39.17	-	-	-	-
Turnover	12,621.17	-	-	19,311.84	468.24	416.59	-	12.60
Profit Before Tax	31.42	(119.08)	(0.24)	248.77	(35.30)	7.76	(0.09)	(1.32)
Profit After Tax	(77.69)	(119.08)	(0.24)	150.82	(35.54)	5.07	(0.09)	(1.32)
Proposed Dividend	-	-	-	-	-	-	-	-
% shareholding	88.61	99.99	51.00	72.01	100.00	90.00	70.00	100.00

Part B : Associates/ Joint Ventures

Name of Associates/ JV	MSMC Adkoli Natural Resources Limited	SHE-ASSIGNIA (JV)	SHEL-RCM (JV)	SHEL-VARAH (JV)	VARAH-SHEL (JV)
Latest Audited Balance sheet Date	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18
Shares of Associates/JVs held by the Company on the financial year ended as on 31st March, 2018					
- Numbers	2,499	NA	NA	NA	NA
- Amount of Investment in Associates/JVs (Rs. in lacs)	0.51	1.02	-	-	-
- Extent of Holding %	24.99%	51.00%	51.00%	51.00%	51.00%
Description of how there is significant influence	The Company has more than 20% stake in the Associates and JVs				
Reason why the assocaite / joint ventures is not consolidated	Not Applicable				
Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lacs)	0.25	40.28	0.52	0.14	0.19
Profit/ Loss for the year (Rs. in lacs)	-	0.28	0.32	0.28	0.37
Considered in consolidation (Rs. in lacs)	-	0.28	0.32	0.28	0.37
Not considered in consolidation	-	-	-	-	-

For and on behalf of Board of Directors

Shrikant C. Rikhe
Company Secretary

Harshvardhan Kaushik
Chief Financial Officer

Sunil R. Gutte
Chairman &
Managing Director

Sudhamati R. Gutte
Director

Notes

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