

SUNIL HITECH IS ONE OF INDIA'S LEADING ENERGY TECHNOLOGY COMPANY INVOLVED IN BOP (BALANCE-OF-PLANT) & EPC (ENGINEERING-PROCUREMENT-CONSTRUCTION) SERVICES FOR POWER PLANTS. THE COMPANY POSSESSES ONE OF INDIA'S LARGEST COMMISSIONED POWER PLANT PORTFOLIOS OF 30,369 MW (AS ON 31ST MARCH 2013).

# Shifting gears!



97, East High Court Road,  
Ramdaspeth, Nagpur - 440 010, Maharashtra  
Website: [www.sunilhitech.com](http://www.sunilhitech.com)

**Sunil Hitech Engineers Limited**  
**15th Annual Report 2012-13**



Forward-looking statements

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed 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 ‘anticipates’, ‘estimates’, ‘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 our assumptions. The achievement of results is

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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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Corporate information

Board of Directors

- Mr. Ratnakar Manikrao Gutte – Chairman & Managing Director
- Mr. Sunil Ratnakar Gutte - Joint Managing Director
- Mrs. Sudhamati Ratnakar Gutte - Executive Director
- Mr. Mattathil Narayanan Mohanan - Director (Operations)
- Mr. Vijay Ratnakar Gutte - Director (Finance)
- Mr. Venkataramana Condoor- Executive Director
- Mr. Sonyabapu Shankar Waghmare – Independent Director
- Mr. Dilip Y. Ghanekar - Independent Director
- Mr. Devesh Nandan Garg - Independent Director
- Mr. Sajid Ali - Independent Director
- Mr. Parag Sakalikar - Independent Director
- Mr. Siddharth Ratilal Mehta- Independent Director

R & T Agents

M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Salki, Naka, Andheri (E), Mumbai - 400 072

Depositories

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

Company Secretary

Mr. Sandeep Kumar Mishra  
97, East High Court Road, Ramdaspath, Nagpur - 440 010

Auditors

Kapoor & Parekh Associates, Chartered Accountants  
157, Princess Street, Mumbai – 400 002, Maharashtra.

Bankers

- UCO Bank
- Union Bank of India
- Oriental Bank of Commerce
- Punjab National Bank
- Bank of India
- IDBI Bank
- ICICI Bank
- HSBC Bank
- Axis Bank
- Kotak Mahindra Bank

Corporate office

97, East High Court Road, Ramdaspath, Nagpur - 440 010 Maharashtra  
Phone: + 91 712 2562087 / 88 / 3045200  
Fax: 2562091  
Email: info@sunilhitech.com, cs@sunilhitech.com  
Website: www.sunilhitech.com

Registered office

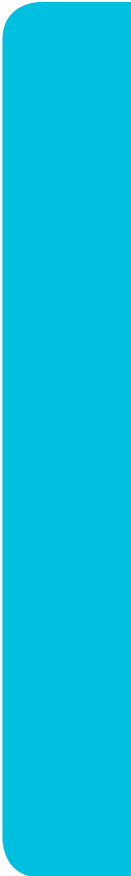
Ratnadeep, Jaynagar, Parli Vajjnath, (Distt. Beed) Pin - 431 520 (Maharashtra)



**Sunil Hitech Engineers Limited contributed to the commissioning of 8,060 MW of power generating assets in India in 2012-13, positioning itself as among the largest players in the country.**

The Company's rich experience spanning 28 years makes it possible to not only grow its core business but also diversify into synergistic sectors like power plant operations and maintenance, transmission and distribution, mining, renewable energy (solar) and road projects.

This extension will make it possible for Sunil Hitech to climb into the next orbit of growth.





## At Sunil Hitech, our strategy...

...is to grow and diversify the business over the long-term.

## We intend to achieve this...

...by being the first-choice integrator for all civil engineering works for the core sector, delivering mission critical assets to large customers.

## In order to deliver consistently and successfully...

...so as to become the preferred partner of our customers, we are concentrating on growing our core business by undertaking larger and more complex projects and leveraging our civil engineering experience to diversify into other core sectors requiring this niche expertise.

# About Sunil Hitech Engineers Limited

## POSITIONING

- Sunil Hitech Engineers Limited, the flagship Company of the Sunil Hitech Group, is among India's leading niche EPC service providers, providing solutions across power plant BOP and EPC spaces and ensuring India's energy security.
- Sunil Hitech Group offers engineered and fabricated boiler components through Seam Industries Limited (a subsidiary company)
- The Group also manufactures sugar, power and distillery products through Gangakhed Sugar and Energy Limited (an associate company)

## BACKGROUND

- Sunil Hitech provides design, fabrication, erection and commissioning services and carries out other related BOP (balance-of-plant) assignments for power plants. The Company's expertise also includes fabrication, erection, testing and the commissioning of bunkers, electrostatic precipitators, boilers, turbines and generators in power plants

## VISION

- To contribute to the development of power, steel and process industries as well as related infrastructure
- To meet quality, price and schedule benchmarks and consistently satisfy customers
- To provide opportunities for employees to contribute their best towards the development of the organisation as a whole
- To serve the society by developing infrastructure facilities for the poor section of society



## MISSION

- To develop, implement and innovate construction and onsite implementation methods to meet the best industrial standards
- To continuously improve on cycle-time reduction, enhancement of construction methods applicable for the power, process and infrastructure industries and augment safety standards

## PHILOSOPHY

- To bring in a high level of project management, execution skills, meet customer benchmarks related to timely execution of projects meeting quality standards
- To improve on existing quality systems in operations
- To achieve greater productivity and safety standards
- To develop human resources and improve employee attitudes
- To maintain good network growth and build on the Company's assets
- To be a market leader and highly dependable service provider
- To develop partnerships for growth and diversification
- To continuously strive to achieve greater customer satisfaction

LOCATION

- Sunil Hitech Engineers Limited has its registered office in Parli Vajinath (Maharashtra), headquartered in Nagpur (Maharashtra) and corporate office in Mumbai (Maharashtra)
- The Company manages projects across 34 locations in 10 Indian states

LISTING AND MARKET CAPITALISATION

- The Equity Shares of Sunil Hitech are listed on the BSE and NSE with the promoters holding 53.20 percent stake in its equity share capital
- The Company's market capitalisation (free float) stood at Rs 69.78 cr as on 31 March 2013



CLIENTELE

National Thermal Power Corporation Limited ■ Chhattisgarh State Power Generation Company Limited ■ Bharat Heavy Electricals Limited ■ Rajasthan Rajya Vidyut Utpadan Nigam Limited ■ TANGEDCO (TNEB Limited) ■ Bharat Aluminium Company Limited ■ Madhya Pradesh Power Generating Company Limited ■ Maharashtra State Transmission Company Limited ■ Shandong Electric Power Construction Corporation, China ■ Alstom Energy Corporation ■ Skoda Exports Company Limited ■ Gujarat State Electricity Corporation Limited ■ Reliance Infrastructure Limited (formerly Reliance Energy Limited) ■ Jindal Steel & Power Limited ■ Hindustan Steelwork Construction Limited ■ Damodar Valley Corporation Limited ■ Rashtriya Ispat Nigam Limited ■ Maharashtra State Power Generation Co. Limited ■ JSW Steel Limited ■ Jaypee Group ■ Larsen & Toubro Limited ■ Maharashtra State Electricity Distribution Company Limited ■ Punj Lloyd Limited ■ Tata Projects Limited ■ JSW Energy Limited ■ National Buildings Construction Corporation Limited ■ Haryana Vidyut Prasaran Nigam Limited ■ Adani Power Limited ■ GAIL ■ FLSmidth Group ■ KVK Energy & Infrastructure Private Limited ■ NCC Limited

# Our key numbers

## ORDER BOOK

- Sunil Hitech’s order book value stood at Rs 2,295 cr as on 31 March 2013, representing 33.20 percent of the order book value at the beginning of the year under report (1 April 2012)
- New projects bagged stood at Rs 1,661 cr during 2012-13
- The Company’s order book has grown at a 14.34 percent CAGR over the past five years (FY09-FY13)

## REVENUE

- Sunil Hitech’s revenue crossed the Rs 1,000 cr-mark for the first time in its history (Rs 1,096.02 cr in 2012-13) on account of focused execution and strong receivables management despite a challenging economic environment
- Revenues grew by a healthy 28.10 percent during the year under review
- Revenues have grown at a 13.94 percent CAGR over the past five years (FY09-FY13)

## OPERATING PROFIT

- Sunil Hitech’s operating profit grew by 8.40 percent to Rs 131.58 cr in 2012-13 on the back of robust cost management and value engineering practices
- Operating profit margin grew to 12.01 percent
- Operating profit has grown at a 7.75 percent CAGR over the past five years (FY09-FY13)

## CASH PROFIT

- Sunil Hitech’s cash profit grew to Rs 73.26 cr in 2012-13

## NET PROFIT

- Sunil Hitech’s net profit grew 16.54 percent to Rs 27.93 cr in 2012-13
- Net profit margin stood at 2.55 percent during the year under review

2012-13 financial highlights

**1,096.02**  
Gross revenue (Rs. cr)

**131.58**  
Operating profit (Rs. cr)

**27.93**  
Post-tax profit (Rs. cr)

**29.90**  
Return on capital employed, average (percent)

**1.20**  
Dividend per share (Rs.)

**227.57**  
Book value per share (Rs.)



# Words on numbers

With our track record of contributing to the commissioning of

**8,060** MW

of power-generating assets during the year 2012-13 across 34 operational sites in India, we are among the largest brands in the civil, BOP and EPC assignments for the core power sector...

...Commensurate to our size and status, our order book has accelerated at a 14.34 percent CAGR over the last five years (ending FY13), with an order book accretion amounting to a respectable

**2,295** cr

during the year under review...

... Revenues crossed

**1,000** cr

reporting a sizeable 28.10 percent growth over 2011-12 followed a focus on timely projects completion and order book liquidation, enhancing the corporate appetite to undertake larger and more complex projects...

... Robust cost management, investment in modern technology and efficient value engineering initiatives enhanced our EBITDA by

**12.01** percent

in FY13 in the backdrop of a challenging business environment...

... With sustained focus on our core business and application of our civil engineering experience across other sectors, we expect a growth in turnover of

**20%+**

in 2013-14.

# Corporate statement from the Chairman



WE REPORTED A ROBUST NET PROFIT GROWTH OF 16.54% IN FINANCIAL YEAR 2012-13

Ratnakar Gutte  
Chairman and Managing Director

Dear shareholders,

At Sunil Hitech Engineers Limited, we play the role of a partner with thousands of individuals, families and businesses.

We built this Company around our competence in power plants, civil engineering and construction to catalyse the nation's progress and in doing so, we returned value to our shareholders a substantial Rs 8.10 cr was distributed/proposed as dividend over the decade (ending 2012-13).

At Sunil Hitech Engineers Limited, we are strengthening the sustainability of our business by enhancing our focus on the value proposition of our core business (BTG and EPC services for power plants) while extending our presence in other synergic sectors.

In line with this strategic direction, we rebuilt our brand, rejuvenated our human capital and readied to venture into other synergic sectors during a challenging 2012-13. The timing is just right: things should only get better riding on the long-term fundamentals of the sector.

### Powering the future

The Planning Commission of India indicated that for the Indian economy to revert to 9 percent GDP growth, it would be imperative for the power sector to grow in excess of 8 percent per annum. Though India's rapid growth increased power demand, the demand from large national swathes is still unmet. The result: India's per capita power consumption of 779 kWh is way below the global average of over 2,782 kWh even as the government targeted 1,000 kWh per capita by end 2012. The message is clear: even as the Eleventh Five Year Plan was one of the most prolific ever (capacity addition of around 53,922 MW, more than two-and-a-half times what was achieved in the Tenth Plan), it was not enough.

Total investments in India's power sector (as projected by the Working Group on Power for the Twelfth Five Year Plan) was Rs 13,72,580 cr (USD 253.6 billion) and in line with power demand projections expected to grow at a 7.5 percent CAGR during the Plan period, whereas peak load requirement

AT SUNIL HITECH, WE PRIORITISE ON THE HEALTH AND SAFETY OF OUR EMPLOYEES, CONTRACTORS AND CUSTOMERS.

As a result, our four-pronged strategies comprise the following:

Rejuvenating the organisation for enhancing productivity	Reframing our categories and venturing into other core synergistic sectors	Exploiting our operational and value engineering capabilities	Tightening cost structures without compromising the quality of our products and services
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is expected to grow at a 7.4 percent CAGR. Moreover, India's power sector is expected to offer more opportunities as power demand is expected to increase exponentially to 9,50,000 MW by 2030. It is estimated that 76 percent of the total expected investments of USD 1,250 billion in India's energy sector will go into power generation, distribution and transmission by the end of this period.

### Company's performance

In 2012-13, we reinforced our planning and execution capabilities. We grew our topline by 28.10 percent despite a challenging environment to Rs 1,096 cr. We also reported a robust net profit growth of 16.54% in financial year 2012-13 and we believe that this is an achievement considering high resource costs and interest expenses that had to be absorbed in the face of a growing business.

The biggest challenge that we encountered in 2012-13 was an unprecedented increase in input costs (particularly cement, steel, sand and human resources) which could not be fully passed on to our customers.

We expect to counter this reality by being more aggressive with our pricing policies, leverage our civil execution capabilities for large and complex 660 MW projects, our operations and maintenance (O&M) support and our growing sectoral footprint.

### Environment, health and safety

At Sunil Hitech, we prioritise on the health and safety of our employees, contractors and customers. Your Company maintains high standards in terms of safety, health and environment at all its operational locations.

### Acknowledgement

I take this opportunity to thank and congratulate all employees of the Company for their unstinted efforts to ensure continued good results for the Company. I must also thank all shareholders for their continuous encouragement and support.

Sincerely,  
Ratnakar Gutte  
Chairman and Managing Director

# Our key accomplishments in 2012-13

- Completed six TG (turbine-generator) deck projects of 660 MW each, strengthening our ability to bag similar such projects
- Bagged Rs. 1,661 cr worth of new orders in FY13 taking order book accretion to Rs 2,295 cr, a considerable achievement in a competitive marketplace
- Achieved structural fabrication of 63,936 MT, while structural boiler fabrication stood at 81,912 MT and boiler auxiliary and piping equipment installation at 55,757 MT
- Emerged as NTPC's partner in three of its top five national projects
- Bagged an 800 MW boiler equipment erection project for the first time (from Doosan)
- Bagged Rs 200 cr worth of power transmission and distribution (T&D) projects
- Received a prestigious three-year operations and maintenance (O&M) contract for the critical areas of coal handling from BALCO for its 540 MW power plant in Chhattisgarh
- Recruited specialised personnel for core managerial positions (including COO, CFO and Executive Director)
- Reinforced the business plan to enter synergic sectors through a prudent leverage of our rich civil engineering experience



# Accelerating year-on-year capacities

2000-01  
**2,090**  
MW commissioned

2004-05  
**1,500**  
MW commissioned

2007-08  
**250**  
MW commissioned

2010-11  
**1,675**  
MW commissioned

2001-02  
**250**  
MW commissioned

2005-06  
**2,900**  
MW commissioned

2008-09  
**3,435**  
MW commissioned

2011-12  
**3,784**  
MW commissioned

1998-99  
**500**  
MW commissioned

2002-03  
**250**  
MW commissioned

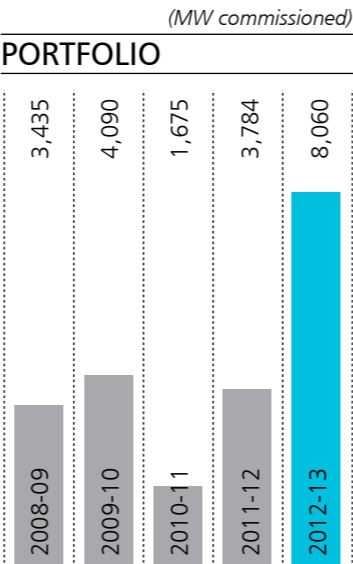
2006-07  
**1,585**  
MW commissioned

2009-10  
**4,090**  
MW commissioned

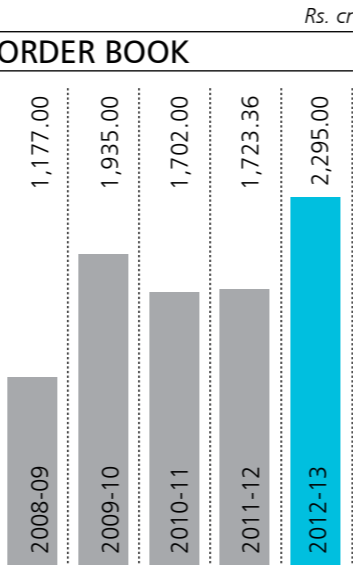
2012-13  
**8,060**  
MW commissioned

SHIFTING GEARS

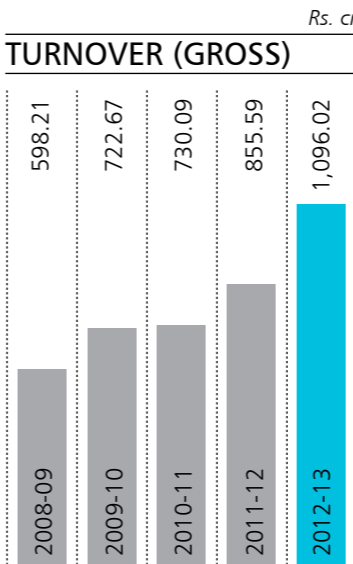
# Powering ahead



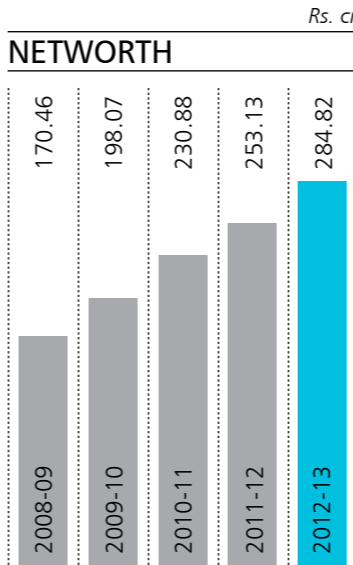
Growing civil engineering engagement with larger and more complex power plant projects ...



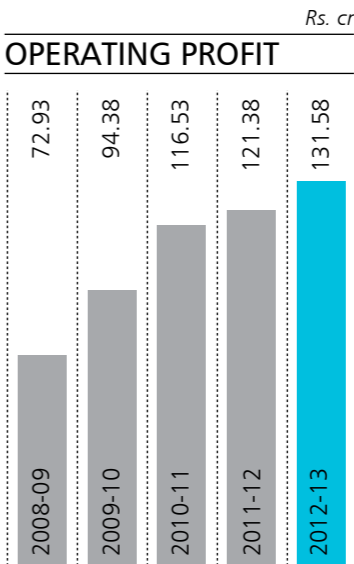
... has resulted in an enlarging order book...



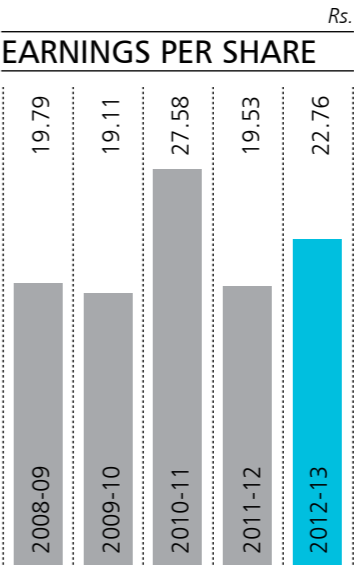
... contributing to a rising turnover...



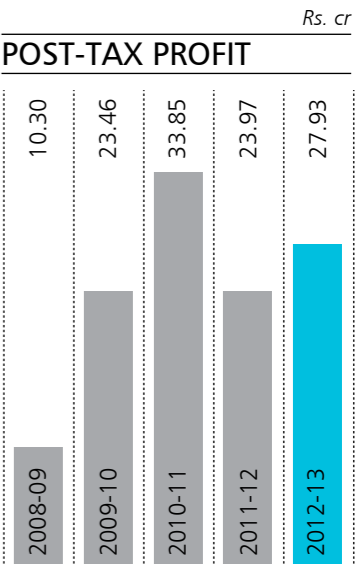
Our ploughback has not only strengthened our ability to bid for large and more complex projects ...



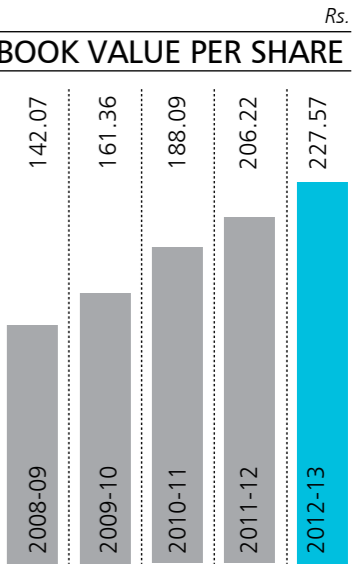
... And this, coupled with tight control on cost structures and embracing value engineering initiatives has led to growth in operating profit...



... But also strengthened our earnings...



...and also contributing to steadily increasing post-tax profits



... Enhancing our valuation potential



# Shifting gears

Even with a GDP growth of 5 percent in 2012-13, India is still one of the fastest growing countries in the world. Fuelled by aspirations of a billion-plus population and the energy of one of the world’s largest pool of youth, the country is well and truly on the path of playing a defining role in the global economic order.

India also represents a groundswell of opportunity for the international community as it looks to the nation to derive returns on their investments, which are intrinsically linked to the country’s large consumption base and robust growth trajectory. Given India’s unparalleled demographic advantage and other key strengths, the Twelfth Plan envisages the country’s economic resurgence with GDP growth reverting back to 8 percent.

At Sunil Hitech, we have tapped into enormous opportunities presented by the Indian economy by not only strengthening our internal capabilities to bid for and bag larger and more complex projects but also by synergistically diversifying into related businesses. This drives us to continually invest our efforts in capturing a larger share of the opportunity pie, strengthening our focus on sustainable growth and in doing so, creating value for all our stakeholders.

SHIFTING GEARS BY QUICKER EXECUTION

# Sunil Hitech completed six TG deck/ BTG island projects of 660 MW each in 2012-13!

- At Sunil Hitech, our ability to complete and hand over large and complex projects is a testimony to our robust engineering skills
- The successful completion of six TG deck/ BTG island projects for power plants of the largest capacities as 660 MW within a short span of time represents an industry benchmark
- These projects will strengthen our prequalification and bidding capacities, opening up large and more lucrative opportunities

The completion of

# 660<sub>MW</sub>

within a short span of time  
represents an industry benchmark

SHIFTING GEARS BY BAGGING LARGER AND MORE COMPLEX PROJECTS

## Sunil Hitech bagged a prestigious 800 MW project from Doosan!

- Sunil Hitech clinched the prestigious 800 MW boiler erection NTPC project from Doosan, a Korean power major in September 2012
- The Company bagged Rs 200 cr worth of projects comprising civil works for power transmission and distribution, awarded by MSEDCL
- These landmark assignments will enable the Company to gather rich experience, opening up prospects to bag other such projects

Sunil Hitech clinched the prestigious

# 800<sub>MW</sub>

boiler erection NTPC project from Doosan

SHIFTING GEARS BY VENTURING INTO  
SYNERGISTIC PROJECTS

# Sunil Hitech bagged a three- year contract from BALCO for the operations and maintenance of CHP!

As a general rule, power plant boilers must be replaced or upgraded following 25 years of operations, creating a fresh demand for generation equipment on the one hand and operations and maintenance (O&M) services, on the other.

- Sunil Hitech bagged the prestigious three-year O&M contract from BALCO (an aluminium major with operations in Chhattisgarh) for coal handling facilities
- This EBIDTA-accretive project will not only open up annuity income potential but also raise prospects of bagging other such projects

Power plant boilers must be  
replaced or upgraded following

**25**  
years of operations



# Corporate drivers

## WIDENING PRESENCE

Sunil Hitech is extensively engaged with EPC and BOP works for thermal power plants. On the strength of opportunities in the sector, the Company's order book has grown from Rs. 1,177 cr as on 31 March 2009 to Rs. 2,295 cr as on 31 March 2013 - 2.09 times its 2012-13 revenues and providing revenue visibility over the next two-three years. Our business objective is to have a balanced portfolio with revenue predictability, profitability and contract quality.

## ROBUST CLIENTELE

We cater to the ever expanding needs of our rich and diversified customers

comprising NTPC, Chhattisgarh State Power Generation, BHEL, BALCO, Reliance Energy, Jaypee Group, JSW Steel, Punj Lloyd, Tata Projects, Adani Power, L&T, RINL, Mahadiscom, Hindalco, Dodson-Lindblom, Maharashtra State Transmission, Tamil Nadu Electricity Board, Skoda Exports and Gujarat State Electricity Corporation, among several others

## CONTINUOUS GROWTH

Our business and growth are dependent on our ability to bid for and secure large and varied projects. Bidding for power plant projects, especially the ultra mega power plants (UMPPs) with each unit

of 660 MW, is dependent on various criteria (bid capacity and prequalification capability). We strengthened both parameters; we continuously increased our bid capacity and order size.

## CORE EXPERIENCE

We possess the experience to operate in difficult and challenging terrains and climates and our hands-on management skills ensure that these challenges are met successfully addressed.

## QUALITY ASSET BASE

We own critical high-end and modern construction equipment (crushers, excavators, cranes, batching plants,

pavers, among others). Our asset base stood at around Rs. 1,090.97 cr at the close of 2012-13, representing our ability to grow this asset base almost two-fold over five years. Ownership of such high-end equipment facilitates timely mobilization and the continuous availability of critical equipment.

## QUALITY MANAGEMENT TEAM

We believe that a well-trained, motivated and satisfied employee base drives our competitive advantage. We have more than 1,355 employees including engineers, supervisors and other professionals as well as 660

technicians working at our different project sites. The skill sets of our employees provide flexibility to adapt to client needs and technical project requirements. Our promoters possess expertise in the infrastructure sector and are actively involved in day-to-day operations. The experience gathered by our management team facilitates quick decision-making, ensuring that projects are executed within contracted timelines.

# Shifting gears to strengthen our financial sustainability

## INCREASING TURNOVER

Sunil Hitech’s standalone turnover (gross) increased from Rs. 855.59 cr in 2011-12 to Rs 1,096.02 cr in 2012-13, representing an increase of 28.10 percent. Continued order book increase and project execution capabilities ensured turnover growth, which expanded at a healthy CAGR of 13.94 percent over the five years leading to 2012-13.

## STABLE RETURNS

At Sunil Hitech, return on the capital employed is a measure of our profitability. ROCE (average) increased from 30.44 percent in 2011-12 to 31.21 percent in 2012-13, signifying an effective utilisation of resources.

## COMFORTABLE DEBT-EQUITY RATIO AND INTEREST COVER

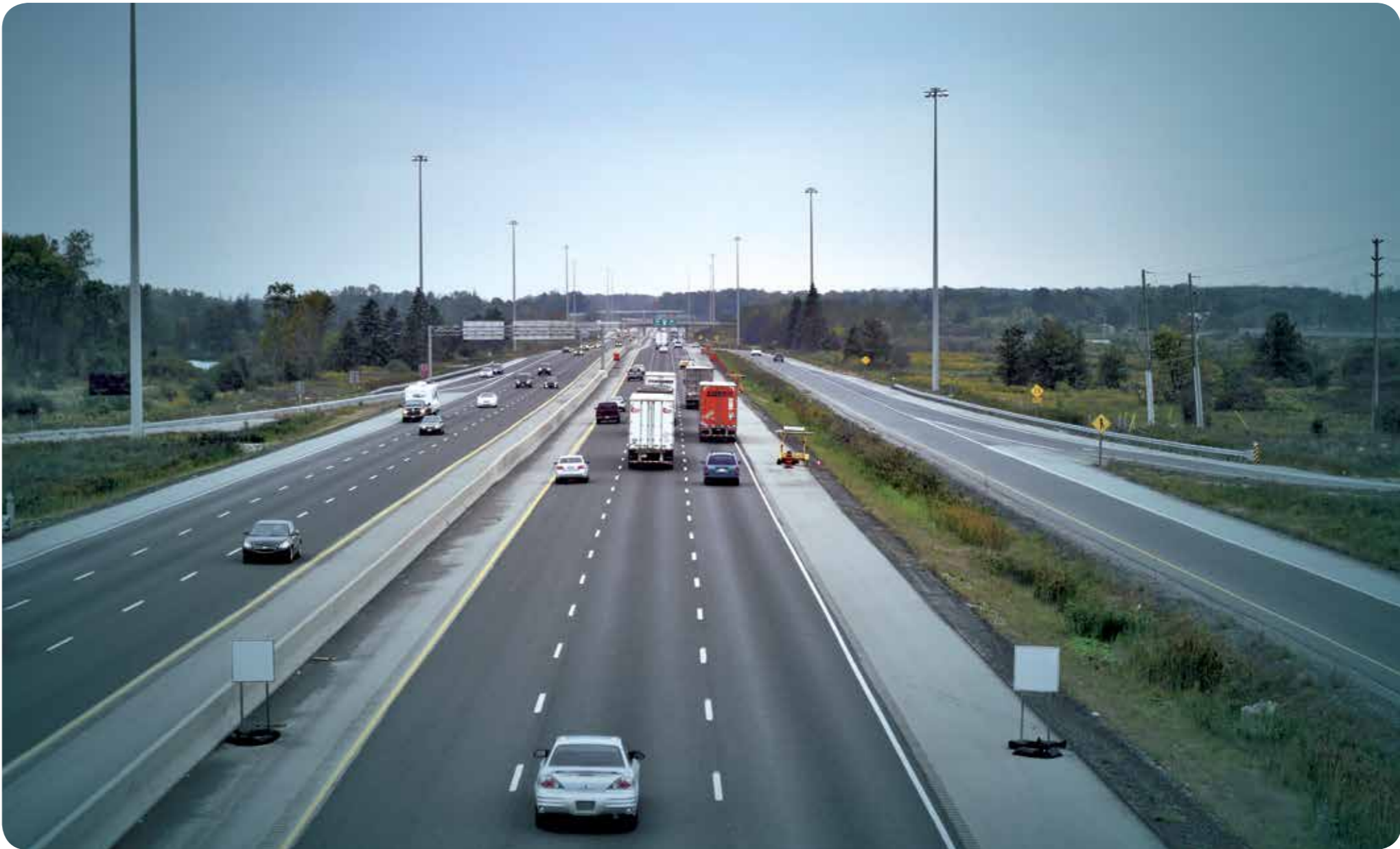
Sunil Hitech’s debt-equity ratio stood at a comfortable 1.46 in 2012-13, indicating the secure ability to raise low-cost resources. The Company’s debt-service coverage ratio increased from 1.28 in 2011-12 to 1.20 in 2012-13, reflecting healthy liquidity and strong funds generation capacity.

## STABLE MARGINS

At Sunil Hitech, EBIDTA increased from Rs. 121.38 cr in 2011-12 to Rs. 131.58 cr in 2012-13, representing an increase of 8.40 percent. EBIDTA margin stood at a respectable 12.01 percent in 2012-13.

## GROWING BOOK VALUE PER SHARE

At Sunil Hitech, book value per share increased from Rs. 206.22 in 2011-12 to Rs. 227.57 in 2012-13, indicating value appreciation potential.



# “We are shifting gears and with several initiatives lined up, we are all set to move into our next orbit of growth.”

MR. SUNIL GUTTE, JOINT MANAGING DIRECTOR, DISCUSSES THE COMPANY’S PIONEERING TECHNICAL INVOLVEMENT IN CREATING POWER-GENERATING ASSETS AND HOW IT IS SET TO ACCELERATE GROWTH MOMENTUM.

**Q. Shareholders would like to be appraised of the definition of BOP and our involvement in this segment.**

**A.** A power plant is divided across two components – BOP (balance of plant) and BTG (boiler, turbine and generator). BOP (coal handling plant, ash handling plant, cooling tower, chimney and water treatment plant) deals with the entire design: civil, mechanical and electrical engineering, fabrication, supervision; installation, implementation and commissioning the power plant (except the BTG part, which is generally provided by original equipment manufacturers). Besides, BOP also deals with services, which include civil and steel structures, building services like HVAC (heating, ventilation and air-conditioning), fire detection and fighting, overall utility and piping systems, water treatment plants, cranes and transport systems, construction management, erection and site management.

Sunil Hitech is one of India’s few companies to provide an extensive suite

of integrated turnkey BOP power plant solutions. We enjoy the reputation of having established one of India’s largest portfolios – 8,060 MW as on 31 March 2013 – of power generating assets, which is around 5.32 percent of the country’s thermal power installed capacity.

**Q. What role does an EPC provider play in the construction of a power plant?**

**A.** By definition, EPC basically translates into engineering, procurement and construction. In this segment, the supplier also procures the material for the power plant, comprising cement, steel and concrete, among others, in addition to providing engineering and construction services.

A company is eligible for being an EPC services provider if it can provide BOP and BTG (boiler-turbine-generator, the heart of a power plant) solutions. We enjoy an entrenched presence in India’s BOP and EPC service spaces and are now steadily leveraging this experience

to venture into other core sectors that require civil engineering and also in the operations and maintenance of power plant assets. In two significant firsts, we bagged the prestigious 800 MW boiler erection project from Doosan and a three-year O&M contract for Balco’s 540 MW power plant in Chhattisgarh.

**Q. What were some of the Company’s highlights for 2012-13?**

**A.** There were quite a few, comprising the following:

- One, we completed or are in the process of handing over six TG deck/ BTG island projects of 660 MW capacities each, which represents a significant portfolio addition
- Two, we achieved the highest levels of concreting, structural fabrication and equipment erection, a testimony of our strong civil engineering skills
- Three, we were enlisted for three of NTPC’s top-five projects, a national pride-enhancing achievement for us
- Four, we bagged an 800 MW boiler

erection project from Doosan and are completely engaged in this project on a standalone basis without any external associations; once complete, this project will be a testament to our capability

- Five, after several rounds of bidding and due diligence, we bagged Rs 200 cr worth of orders for civil engineering in the power transmission and distribution sectors
- Six, we bagged a prestigious three-year O&M (for coal handling) contract from BALCO for its 540 MW power plant assets in Chhattisgarh
- Seven, we recruited a chief operating officer (COO) and chief financial officer (CFO), who are experienced industry hands, to drive our growth and transformation agenda forward

**Q. How would you analyse the Company’s 2012-13 order book?**

**A.** Our order backlog of Rs. 2,295 cr as on 31 March 2013 will be liquidated over two-and-a-half years. We received nearly Rs. 1,661 cr worth of orders in 2012-

13, which is a good achievement when one considers the challenging external business environment. Over 2013-14, we expect to grow our order book to Rs. 3,000 cr on the back of bidding for and bagging larger and more complex projects, power plant O&M projects and synergistic assignments that require our niche civil engineering capabilities including road and mining projects, among others.

**Q. What is the outlook for 2013-14 and beyond?**

**A.** As we climb into our next orbit, we have lined up several initiatives:

- Defined key roles and value propositions for each employee to enhance productivity and streamline resource availability
- Strengthen the Sunil Hitech brand image with the objective to get repeat and new business
- Create systems and processes towards a more responsive and proactive organisation

▪ Focus on optimising the inventory-to-turnover ratio

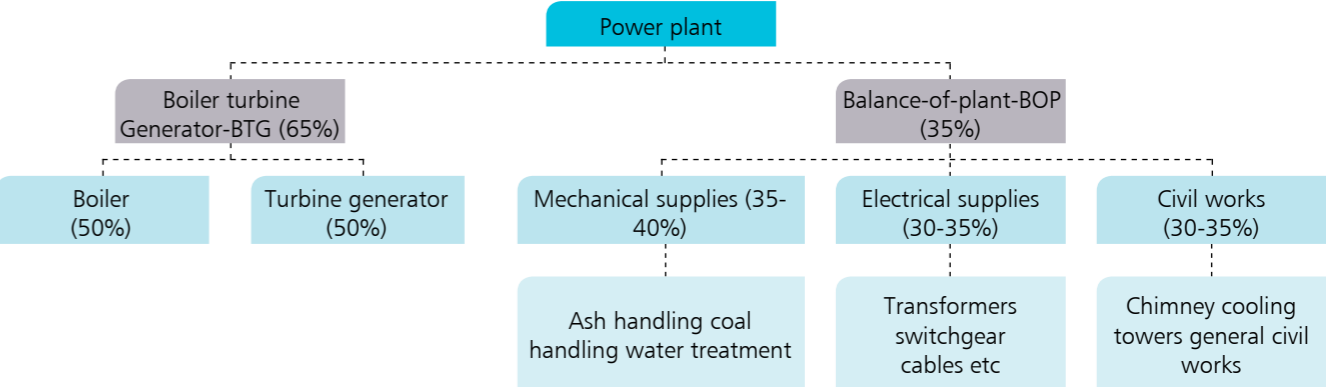
▪ Enter civil projects (roads, mining, ports and renewable energy) and diversify the order book

Overall, with faster and decisive execution, we expect to report a 20 percent topline growth in 2013-14 with a diligent focus on sustenance of EBIDTA and net profit margins.

**Q. How does the Company expect to sustain shareholder value creation?**

**A.** At Sunil Hitech, we will continue to balance funds conservation and dividend payout. We proposed a dividend of 12 percent for 2012-13, which translates into Rs. 1.20 per Equity Share of face value of Rs. 10. As we shift gears, we will strengthen the value proposition for our shareholders going forward and provide them enough reasons to remain invested in our Company.

## Overview of the power plant cost



# Risk management

## INDUSTRY RISK

**RISK IMPACT:** Demand is dependent on general economic conditions. Therefore, a downturn can affect the Company's earnings.

**Risk mitigation:** Stable macroeconomic conditions in India have been sustaining economic reform and investments in infrastructure and construction industries (second largest contributor to GDP growth). A targeted 9 percent GDP growth by the end of the Twelfth Five Year Plan and proposed investment of more than USD 1 trillion in infrastructural spends over the Plan period augur well for frontline companies like Sunil Hitech.

## STRATEGY RISK

**RISK IMPACT:** A skewed business strategy could result in lost opportunities.

**Risk mitigation:** The long-term business strategy and the annual business plans are approved by the Board of Directors following thorough analysis. Mid-term reviews of the business strategy and annual plans ensure mid-course correction should the situation warrant.

## COMPETITION RISK

**RISK IMPACT:** Increasing competition from domestic and international construction companies could affect market share and profitability.

**Risk mitigation:** Sunil Hitech forged alliances with domestic and international

players while bidding for large national and international projects. The Company bagged several prestigious projects during the year under review including an 800 MW boiler erection project from Doosan, 540 MW O&M contract from BALCO and Rs 200 cr worth of civil power transmission and distribution projects. Sunil Hitech is also engaged with three of NTPC's five largest projects, a pride-enhancing engagement.

## GOVERNMENT POLICY RISK

**RISK IMPACT:** Uncertainties regarding government policies could affect operations.

**Risk mitigation:** The Government prioritised infrastructure investments especially in the power sector, limiting inherent policy slowdown risks. This was evident in growing allocations in infrastructural spends in the country's Five Year Plans. The residual risk was managed through cost control to hedge against adverse policy changes.

## OPERATIONAL RISK

**RISK IMPACT:** Staff attrition could affect operations. Volatility in the prices of critical raw materials could impact project profitability.

**Risk mitigation:** The Company maintained a workforce based upon its current and anticipated workloads. Temporary disturbances at project sites were addressed by relocating available workforce. Attrition was controlled by adopting healthy employee practices

that promoted and encouraged a sound work culture. The Company introduced performance based promotion and rewards, conflict-resolution mechanisms, competitive remuneration and incentive structures benchmarked with industry standards.

Sunil Hitech provided adequate training to its staff in operating procedures and project management skills. Employees were encouraged to upgrade their skill sets and graduate to multi-tasking through job rotation. The Company implemented adequate procurement procedures that comprised long-term contracts to reduce price volatility, regular augmentation of storage facilities for material stocking and a review of raw material carrying costs.

The project contracts comprised a cost escalation clause to ensure that price volatility could be passed on to project owners. Projects were executed using standard quality-certified equipment; materials were benchmarked against global standards.

Crisis management teams were deployed at project sites to address unforeseen eventualities. The project operating procedures instituted effective accident-prevention measures across all stages of construction activity.

# Profile of our Board of Directors

## MR. RATNAKAR MANIKRAO GUTTE, *Chairman and Managing Director*

Mr. Ratnakar Manikrao Gutte, Promoter, has enriched Sunil Hitech Engineers Limited with 31 years of experience in project execution, fabrication, erection, testing and commissioning of power plants and has helped transform the Company into one of the few largest EPC and BOP players in India.

Mr Ratnakar Gutte has turned the Company into a brand to reckon with in the field of civil and power project execution within a very short time span. Being a first generation entrepreneur, he possesses excellent on-the-job knowledge of engineering, the intricacies of civil construction, machinery installation, general management and commercial matters.

Under his supervision and control, two other companies – Gangakhed Sugar and Energy Limited, an integrated cane processing unit, and SEAM Industries Limited are doing well. Gangakhed Sugar has become one of the leading sugar manufacturers in Maharashtra and SEAM is also gradually augmenting its customer base and is on the path of sustainable growth. He is also in the process of exploring opportunities in the solar energy sector and road/ highways/ bridge construction businesses to add new ventures to the Group portfolio and under his guidance and mentorship, Sunil Hitech has been awarded several prestigious contracts for road

construction and the Group is in the process to establish a solar energy plant in Maharashtra.

He has been awarded with various prestigious awards like the 'Life Time Udyog Achievement Award 2004' and the 'Great Achiever in Industrial Excellence Award 2004', the 'NCCL Entrepreneur of the Year 2007-08' and the 'Bharat Vibhushan Samman Puraskar – 2009' to name a few.

During April 2011, he was honoured with the 'Marathwada Gaurav Award' by Shri Prithviraj Chavan, Hon'ble Chief Minister of Maharashtra, in the presence of Hon'ble State and Central Ministers, for his significant contributions to industry as well as for social service. He regularly participates in social events, meets with the poor and under-privileged sections of the society to address their problems and has also established schools and hospitals are also running for the welfare of the society at large.

## MR. SUNIL RATNAKAR GUTTE, *Joint Managing Director*

Mr. Sunil Ratnakar Gutte, Joint Managing Director, has been serving the Company since the last eight years. He is a mechanical engineer from Pune and had underwent rigorous training at BHEL's Welding Research Institute at Tiruchirapalli and also at a training programme in project management from IIM, Ahmedabad. He possesses sound technical, managerial and

interpersonal skill. He has imparted within the employees, a sense of belongingness and contributes to their career development.

He played a key role in broadening the Company's business potential and pioneered changes in the management structure, reporting standards, decision-making, HR policies and Corporate Governance practices. He played a key role in transforming the Company into a handful of EPC and BOP players and one of the country's leading power project executors. In addition to this, he is also managing the affairs of our subsidiary and group companies, which have registered phenomenal growth under his supervision and control.

In view of several prevalent opportunities in the building construction, roads/ highways/ bridge construction and other such sectors, he has added new ventures to the portfolio with the result that the Company was awarded prestigious projects across these spaces as well as a housing development project.

With his strategic leadership and guidance, analytical skills and team-building capabilities, he has solidified his presence in India's corporate sector.

## MRS. SUDHAMATI RATNAKAR GUTTE, *Whole Time Director*

Mrs. Sudhamati Ratnakar Gutte, working in the capacity of Executive Director, has more than 25 years of hands-on experience in handling the

Company's overall management and administration. She has been serving the Company from its inception when it did not have the status of a limited company. With her foresight, strong team-building capabilities and sound managerial skills, she developed the culture of timeliness and loyalty across the organisation.

She regularly participates in social activities to fulfill the Company's corporate social responsibility, contributing to large-scale societal development. She also interacts with the underprivileged and embraces various initiatives for their welfare including providing them with educational, medical and agricultural facilities. She supervises day-to-day operations of schools and hospitals to serve the society at large.

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**MR. MATTATHIL NARAYANAN MOHANAN,**  
*Whole Time Director (Operations)*

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Mr. M. N. Mohanan is into focused execution for the Company. He has served the Company for the last 19 years and possesses three decades of core experience in fabrication and erection of heavy steel structures, boilers and auxiliaries, electrostatic precipitators, equipment, power cycle piping and LP piping, among others.

Mr. Mohanan possesses rich experience in project execution in the power sector. He is in-charge of execution and other operational activities including the appointment of senior technical/managerial personnel and managing the day-to-day site operations.

Under his supervision, the Company has executed various prestigious projects

on schedule and registered significant growth in turnover within a short span of time. He has also developed a culture of responsibility due to which even in challenging times, the Company has maintained its growth momentum.

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**MR. VIJAY RATNAKAR GUTTE,**  
*Whole Time Director (Finance)*

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Mr. Vijay Ratnakar Gutte is an MBA specialising in marketing and finance. He has served the Company since the last six years, looking after its complete finance function. He has strengthened the financial capabilities of the Company and monitors the utilisation of funds to maintain sound liquidity. He also continuously monitors end-to-end processes and transaction quality to analyse defects and identify remedies. He invested in web-enabled capabilities to connect with vendors, customers, employees and managers.

Mr Vijay Gutte has created a sense of belongingness among employees and believes in maintaining promptness in meeting commitments. His strengths comprise leadership, dedication and maintaining a healthy professional environment in the Company. In addition to Sunil Hitech, he is administrating the business activities of other Group companies and has played a key role in diversifying the business activities of the Group.

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**MR. C. VENKATARAMANA,**  
*Executive Director*

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Mr. C. Venkataramana has joined the Company as an Additional (Executive) Director in May 2013. He has renowned experience in infrastructure business

as well as marketing for over 33 years of which 18 years in the field of infrastructure development with close to 14 years in various senior positions as Managing Director, CEO and Senior Vice President (Infra).

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**MR. DEVESH NANDAN GARG,**  
*Independent Director*

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Mr. Devesh N. Garg, a Graduate in Engineering and an MBA (Finance), possesses over 20 years of experience in the industrial and financial sectors. He has also invested in, advised and managed companies across all sizes and stages of development from pre-revenue to worldwide operations.

He was the General Manager of the security business unit at Broadcom, where he was part of the pre-IPO team and established the office in North California. With executive management responsibilities for technical sales and field application engineering, he led this division into a USD 450 million unit, as the Company grew from a start-up to its current market capitalisation of around USD 20 billion. His presence in the management team enhances the dynamism of the Board.

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**MR. SAJID ALI,**  
*Independent Director*

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Mr. Sajid Ali is a Graduate in Engineering with 40 years of experience in erecting and commissioning equipment in coke oven plants, piping, boiler erection, turnkey projects. He possesses vast knowledge in planning and execution and has handled large-volume projects. His forte is able administration. He was in-charge of the total construction management of the power sector for

the BHEL Western region in 1994.

He possesses rich experience in the fields of boiler erection, piping and turnkey projects. As a part of governance body, he has been rendering valuable advice to the Company.

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**MR. DILIP Y. GHANEKAR,**  
*Independent Director*

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Mr. Dilip Y. Ghanekar completed his graduation in 1967 from V.R.C.E., Nagpur. He retired as a Technical Director at MSEB. He possesses 36 years of work experience in the Maharashtra State Electricity Board for the operation, maintenance, construction, procurement and planning of power stations up to 500 MW.

He underwent customer training at the works of boiler manufacturer Combustion Engineering, USA, and in Australia, conducted by the United Nations for Coal Technology Environment. He possesses rich experience in the field of operations, maintenance, construction and planning for large power stations. He is associated with the management of Sunil Hitech since the last five years and is rendering valuable suggestions to the Board related with technical, financial and secretarial aspects of the Company.

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**MR. PARAG A. SAKALIKAR,**  
*Independent Director*

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Mr. Parag Sakalikar is a young entrepreneur. He holds a B.E. degree in Mechanical Engineering from Nagpur in 1998. After graduation, he joined as a trainee in the auditor training programme in ISO 9001-2000 from TUV Asia Pvt. Ltd and advance training in Maruti from Maruti Udyog Ltd.

He established his own authorised automobile service station, an ISO 9001:2000-certified company from TUV, for the entire range of Maruti vehicles. His company was awarded for good performance in Maharashtra from 2003-07, including the entire western region (Maharashtra, Goa, Gujarat and Chhattisgarh) by Maruti Suzuki. He also set up an additional Maruti-authorised service station at Butibori MIDC with 'A' grade category. He possesses good financing, marketing and administration knowledge.

He is also the Chairman of the Audit Committee and the Remuneration Committee of the Board.

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**MR. SONYABAPU SHANKAR WAGHMARE**

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Mr. S. S. Waghmare has joined the Company as an Additional Director in August 2011. He has done his M.Sc. (Agriculture) from Mahatma Phule Agricultural University, Rahuri District. Ahmednagar in 1971, LL.B. from Pune University in 1976 and D.B.M. from Pune University in 1980. He worked as Assistant Professor of Agriculture Entomology in the College of Agriculture, Pune. Then he joined as a senior officer in UCO Bank. He has got 33 years of rich experience in banking sector. He retired as DGM from UCO Bank in the year 2006.

He has also undergone training programme at University of Bradford, England, U.K on project planning and management. He was also a Chairman of Thar Anchalik Gramin Bank, Jodhpur, Rajasthan (A Government of India undertaking) sponsored by UCO Bank.

Mr. S. S. Waghmare has in-depth

knowledge of banking and finance. His inclusion in the management of the Company shall benefit the organisation a lot in the long run.

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**MR. SIDDHARTH RATILAL MEHTA**

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Mr. S.R. Mehta has joined the Company as an Additional (Independent) Director in August 2012. He holds a BE degree in Electrical from the prestigious Indian Institute of Science, Bangalore. He joined as a Junior Assistant Engineer – monitoring team for several World Bank-funded projects in 1981. In 1983, he joined Tata Power as an Assistant General Manager – Business Development and played a key role. Currently designated as CEO, Essar Power Distribution Company and Head – Business Development, Essar Power Ltd, he possesses 32 years of rich experience in the areas of strategy and business development, project coordination, management and execution, corporate governance and business expansion and growth.

# Our project showcase



Torch bearer in the 'power' industry...



In-house... out reach...



Facilitating growth by building capabilities...



Meeting the challenges...



Setting new benchmarks...



Empowering the nation's growth...



Milestones in our journey...



Prudent in sustainability...



An attempt towards skill development...



Lighting up lives...



Footsteps in lifestyle...



Incredibly consistent...

# Management discussion and analysis report

## Industry review – Structure & Development

### The Indian power sector

Power is a core industry as it facilitates development across various economic sectors (manufacturing, agriculture, commercial enterprises and railways). Though India has the fifth largest electricity generation capacity in the world estimated at 192,792 MW (Source: The Economic Times), the country suffers from a shortage, which is indicative of the growing appetite for electricity in the country.

### Correlation between GDP growth and generation capacity

India witnessed total capacity addition of approximately 54,000 MW during the Eleventh Five Year Plan (47 percent by the central government, 34 percent by state governments and 19 percent from the private sector, according to India Energy Congress Report).

In India, power is primarily generated from thermal and nuclear fuels, hydro energy and renewable sources (see in table). India faces a widening gap between power deficit of approximately 8.5 percent and a peak demand deficit of over 10 percent.

This shortage can be attributed to aggregate technical and commercial (AT&C) losses, which is about 30 percent with a high variance across various utilities. It is essential for the government to work proactively to increase the sector’s generation capacity in a sustainable manner by addressing key challenges such as supply shortages and distribution losses without damaging the environment.

To cope with the demand deficit, the Indian government implemented various progressive measures like rural electrification programmes and ultra mega power projects. In particular, the inflow of foreign direct investments is expected to increase capacity addition. The government allowed FDI up to 100 percent through the automatic route in all segments of the power sector except for nuclear energy.

Consequently, the sector attracted about USD 4.6 billion investment over the past decade, of which USD 1.6 billion came in FY12 alone (Source: Overseas India facilitation Centre – Power in India). As per recent statement of Ministry of Power statement revealed that the power sector is expected to receive investments of about USD 300 billion on the back of large expansion plans over the next few years.

## Eleventh Five-Year Plan achievements

The Eleventh Five-Year Plan was one of the most successfully implemented plan. The sector achieved a total capacity addition of approximately 53,922 MW (more than two-and-a half times that in the Tenth Plan), out of which close to 19,500 MW was added in FY12 alone (Source: Indian Power Sector).

Some key achievements of the Eleventh Five Year Plan comprised:

- In the generation sector, approximately 13,800 MW of capacity was added till the end of FY12 and 16,407 MW worth of capacity incorporated in FY13 with the private sector leading the charge with a 125 percent higher capacity addition over the set target of 7,250 MW (Source Ministry of Power)
- The government achieved the electrification of over one lakh villages and provided free electricity to close to 20 million households below the poverty line by the end of the Eleventh Plan.
- Capacity addition of 6,080 MW was sanctioned through nine super critical technology units with over 24,000 MW to be added in a similar manner in the Twelfth Plan
- A National Electricity Fund (NEF) was constituted, which subsidises the interest to be paid on loans taken by State Electricity Boards (SEBs) to hedge against distribution losses

and developed roads / highways transport system for the all round development of the national economy as in addition to power, transport system plays the vital role for national growth. In view of this, the Government has given major thrust to accelerate the road construction and announced various measures for its development.

The Government of India in view of growing need of road / highway / bridges construction & development created a non lapsable dedicated fund for National Highway Development Projects under the Central Road Fund Act, 2000, by levying cess on high speed diesel oil and petrol.

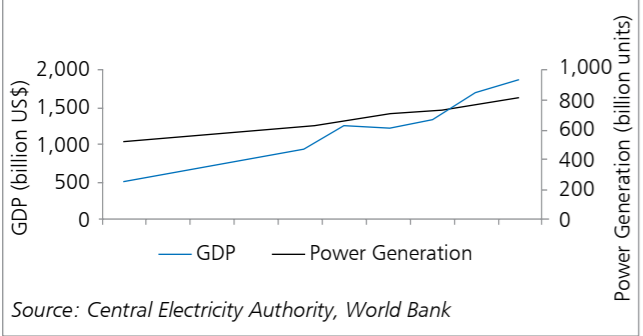
The Road sector in India, after being declared as an Industry is offering plenty of opportunities to Civil Contractors, Engineering Companies etc. In addition to generate opportunities for Civil / Engineering companies, It is also providing opportunities to road equipment manufacturer, cement manufacturer & supplier and generate big employment opportunities for different classes of people.

Initially the Roads/highway projects were mostly public funded with share of Built – Operate- Transfer (BOT) not more than 10% of the total programme. Now most of the Projects were running under Public – Private -Partnership which includes all expressways, six laning/ four laning/two laning projects.

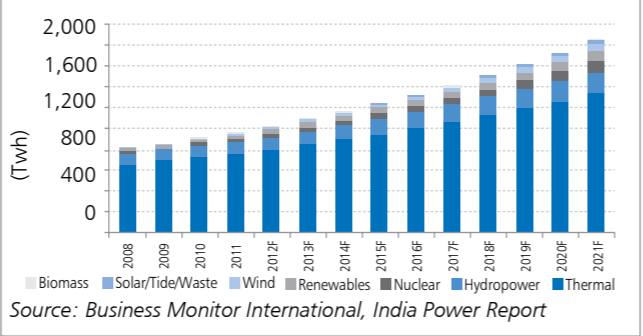
To boost the road construction, the Government has announced the following measures;

- Government will carry out all preparatory work including land acquisition and utility removal. Right of way (ROW) to be made available to concessionaires free from all encumbrances.
- NHAI / GOI to provide capital grant up to 40% of project cost to enhance viability on a case to case basis
- 100% tax exemption for 5 years and 30% relief for next 5

## Comparison of growth in GDP and power generating capacity



## India’s power generation capacity over 2008-21F



## Roads and highways – Structure & Development

The roads sector constitutes a substantial part of infrastructure in India. India has a road network of 4.11 million Kms the second largest in the world. Roads and highways constitute a major part of transport system and its all round development is very essential for the growth of the economy.

The Government of India has realized of having well constructed

- years, which may be availed of in 20 years.
- Concession period allowed up to 30 years
  - Arbitration and Conciliation Act 1996 based on UNICITRAL provisions.
  - In BOT projects entrepreneur are allowed to collect and retain tolls
  - Duty free import of specified modern high capacity equipment for highway construction.
  - Foreign Direct Investment upto 100% in road sector.
  - Easier external commercial borrowing norms.
  - Investment of 9.1 trillion envisaged for the twelfth plan, investments primarily under Public Private Partnership (PPP Model).

Opportunities and threats

Power drives India’s infrastructure growth. Overall growth of Indian economy can be maintained by meeting the growing demand of energy by making timely planned capacity additions and reducing power deficits. According to the Planning Commission, it is imperative for the power sector to grow at 8.1 percent per annum for the country to attain an ambitious economic growth target of 9 percent. Therefore, the government is scaling generation capacity through reforms and in a significant initiative, proposed a deduction of 100 percent on the profits of power sector undertakings set up in the next one year, up to 10 years (Source: Union Budget 2012-13).

Total investments for the Indian power sector, as projected by the Working Group on Power for the Twelfth Five Year Plan, was Rs 13,72,580 cr (USD 253.6 billion). The government focused on raising funds through measures like credit enhancement schemes and infrastructure debt funds. A major part of capital required for financing power projects is expected to come from commercial banks, public financial institutions, infrastructure/ power finance institutions, international investments, bilateral credit and equity markets.

Key emerging developments in the power sector included the use of more efficient and environment-friendly supercritical technology in thermal projects. Approximately 60 percent of

the total capacity addition in the Twelfth Plan is expected to use supercritical technology for electricity production.

The focus is also increasingly shifting to cleaner forms of generation (renewable, hydro or nuclear sources) with the Government proactively encouraging electricity supply companies to adopt the Renewable Purchase Obligation (RPO) scheme, which ensures that they obtain a specified portion of their total energy consumption from renewable resources (Source Business Standard). In addition, power trading is also becoming an important business within the country with companies in the power sector allocating 15-20 percent of the total power they produce to be sold in the market (Source: Business Standard).

Opportunities and Threats for the Road Sector

Road Development Programme

The Government has formulated road development programme for the current Five Year Plan.

The total estimated investment target for Central Sector Roads and Transport during 12th Five Year Plan (2012-17) is Rs. 3,97,598 crore, which includes Gross Budgetary Support (GBS) of Rs. 1,44,769 crore, Internal and Extra Budgetary Resources (IEBR) of Rs. 64,834 crore and Private Sector Investment of Rs. 1,87,995 crore.

The overall physical target fixed for development of NHs during the 12thFive Year Plan include:

Sr. No.	Scheme	Physical target
1.	Widening to 2-lane (km)	14,800
2.	Widening to 4-lane (km)	9,826
3.	Widening to 6-lane (km)	5,590
4.	Strengthening / Improvement of Riding Quality Programme (IRQP) (km)	8,500
5.	Construction of bridges (No.)	50
6.	Construction of bypasses (No.)	5

The State/ UT-wise annual plan for development of National Highways (NHs) is prepared every year keeping in view the

overall target for the Five Year Plan and total outlay as well as total allocation for a particular year.

The total allocation available for States/UTs for development of NHs during the current financial year 2013-14 is Rs. 3,650 crore.

About 1,120 km NH stretches have been planned for development under National Highways Interconnectivity Improvement Programme (NHIP) through World Bank Loan assistance. Apart from this foreign companies/ multilateral financial institutions also bids for the projects on case to case basis.

To sustain economic growth, the Government has given top priority to build high speed road corridors including across controlled expressways and has drawn several highway projects to implement through public private partnership. There are huge opportunities in the Road Sector as the network requires massive overhauling to match international standards and be eco friendly. The corporate sector has also started showing interest in the Road sector for long term participation and Government has also recognized that presence of private players in road construction helps to improve its quality significantly and ensure timeliness for execution of projects.

In the Union Budget 2013 -14, the following are the major announcements for road sector;

- A road regulatory authority would be constituted
- Road projects totalling route length of 3,000 km to be awarded in the first six months of FY14
- Roads will be built to connect north-eastern states with Myanmar with the assistance of World Bank and ADB
- Rs. 217 billion has been allocated towards Pradhan Mantri Gram Sadak Yojana (PMGSY). A part of the funds would be used for PMGSY-II aimed at benefitting states like Andhra Pradesh, Haryana, Karnataka, Maharashtra, Punjab and Rajasthan

Due to allowance of 100% FDI in road sector, Lots of foreign firm has entered in India for the construction and development of road projects, which increases competition among Indian

players. In our country, so far we have not developed the means and methods to construct eco-friendly – green roads/ highways as compared with other developed countries. We adopt technologies and concepts from foreign countries, which ultimately increases our construction costs and dependence on the foreign party.

Segment-wise performance

The Company is operating under three business segments namely: project, overhauling and maintenance and supply/ trading.

**Project segment:** This segment is engaged in the business of fabrication, erection of boilers (power plants), erection testing, commission of ESP, transmission and distribution and EPC contract, civil and structural works, construction and development contracts

**Overhauling & maintenance :** This segment is engaged in the repair and maintenance, overhauling and renovation of boilers and auxiliaries, ash handling systems etc

**Supply Segment:** This segment is engaged in supply of electrodes, boiler spare parts, supply of ESP components and electrical items like transformer cables etc., coal, steel and other materials at various power plants.

During the period of economic uncertainty and financial crisis, the performance of each segment of the Company was satisfactory for the financial year ended on 31.03.2013. The project segment remained steady during this financial year, maintained a growth of 6.78% over the last year. The overhauling & maintenance segment was flat and the supply or trading division witnessed a remarkable performance, registering a significant growth (more than twice) over its last year’s performance. In the current year 2013-14, we expect better performance of infrastructure sector and hence better result for the Company.

Outlook

1) Power

The demand for power is expected to grow at a compounded annual growth rate (CAGR) of approximately 7.5 percent

during the Twelfth Five Year Plan from 9,68,658 Gwh in FY12 to 13,95,065 Gwh in FY17, whereas peak load requirement is expected to grow at a CAGR of 7.4 percent. In view of projected increase in demand, the government initiated various power projects. It also plans a capacity addition of approximately 100 GW, of which 28 GW will come from projects started in the Eleventh Plan. The focus of the Planning Commission during the Twelfth and Thirteenth Plans has been on conventional sources (thermal) and renewable sources. The power sector is in the process of obtaining clearances to address about 22,000 MW of untapped hydropower capacity and 2,800 MW from nuclear energy generation (Source: Central Electricity Authority).

During the Twelfth Plan, the share of the private sector in capacity generation and transmission is likely to increase. The private sector is expected to contribute approximately 60 percent of the total planned capacity over 2012-17. This increased private participation will be primarily on account of allowing 100 percent FDI through the automatic route, setting up of ultra mega power projects and public sector participation through PPP / joint venture routes.

The government’s focus is expected to shift from thermal generation to nuclear generation and renewable sources to ensure sustainability and prevent the depletion of natural reserves.

2) Roads

FY2012-13 witnessed a growth of 6% for the Indian construction sector. Due to monetary issues and other related policies the Indian construction industry showed a lackluster performance in 2012-13. But the outlook for the construction sector beyond FY2012-13 is brightening up. Not only are monetary conditions likely to improve for construction companies in FY2013-14, but the government is also making pertinent efforts to remove bottlenecks that are delaying infrastructure projects in India. India’s construction sector is to reach 7.6% growth in FY2013-14 with the innovations in construction technology and design along with attractive pricing, which is making the NRIs to take a fresh look at the Indian construction sector as unique market in which they can invest.

The current status of the road network in India:

Category of road	Length in km
Total road network	4.109 million
National Highways	76,818
State Highways	1,66,130
Major Distt. Road, Rural road & Urban road	3.606 million

While the national highways are managed by the Union Government, other roads are looked after by State Governments/ local bodies. Planning, project preparation, implementation and overall management of roads are looked after by the respective Govt. Departments.

The roads sector is one of the promising sectors since the last few years and it attracts several private players to explore opportunities. Due to the needs of a growing economy, the Government of India has made several announcements to boost this sector and promoted public-private partnerships for all-round developments of roads/ highways/ bridges across the country. The Government of India has constituted the National Highway Authority of India (NHAI) under the NHAI Act, 1988, for implementing NHDP and for the development, maintenance and management of highways as entrusted to it by the Central Government and for other matters incidental thereto. The Government of India has launched major initiatives to strengthen and upgrade national highways to two lane / four lane / bridges/ six lane/ flyovers/ expressways etc through various phases of NHDP (Phase I to VII). In recent times, the Government has prioritised the roads sector and announced major packages to boost the construction and development of roads/ highways through public private partnerships.

Initiatives announced in Union Budget 2013-14:

- Infrastructure Debt Funds (IDFs) to mobilize resources and provide long-term low-cost debt for infrastructure projects
- India Infrastructure Finance Corporation Ltd. (IIFCL), in partnership with the Asian Development Bank (ADB), will offer credit enhancement to infrastructure companies that wish to access the bond market to tap long-term funds

- Floating of tax-free infrastructure bonds of Rs. 500 billion in FY14
- Mobilizing a corpus of Rs. 200 billion for Rural Infrastructure Development Fund (RIDF)
- Making Rs. 50 billion available to National Bank for Agriculture and Rural Development (NABARD) to finance the construction of warehouses, godowns, silos and cold storage units designed to store agricultural produce. This window will also finance, through State Governments, the construction of godowns by panchayats to store farm produce.
- Almost 15 percent investment allowance in addition to normal depreciation benefits will benefit capital goods and equipment used in various infrastructure sectors.

Key Challenges – Risks & Concerns

The Indian Government undertook several proactive measures to address some of the following challenges mentioned below:

**Fuel shortages:** Power is a capital-intensive industry with long gestation. Traditionally, most power plants in India used coal or natural gas as fuel, both of which are fast depleting. The Working Committee on power forecasts a shortage of 238 billion MT of coal per annum by FY17. Additionally, there is also a shortage of natural gas in the market though the deficit has reduced by 25 percent over the past decade to reach 20 percent over FY11 (Source: PwC). As a remedy, the Indian government plans to allot 40 billion MT of coal reserves through a bidding process, deregulate the power sector and possibly import natural gas from Bangladesh, which possesses surplus coal reserves (Source: PwC).

**Environmental and land clearances:** Land acquisition is one of the key challenges impeding the growth of the power sector in India. A large number of government bodies need to be contacted for clearances, including the Ministry of Environment and Forests, Ministry of Aviation, Department of Forests and other government institutions with corresponding apprehensions regarding rehabilitation, afforestation and regulatory delays.

**Degrading financial health:** Eight state electricity boards (SEBs) had stopped making payments to NTPC in 2011 despite getting discounts of up to 2 percent on immediate payments and 1 percent on payments made within one month. The losses of distribution utilities in India were pegged at Rs 75,000 cr (USD 13.9 billion) in 2011 and are expected to rise to Rs 1.16 trillion (USD 21.4 billion) by 2014-15 (Source: Livemint).

**Competitive bidding risks:** The power sector is inviting bids from private investors, increasing price competition and risks related to quoting tariffs for 25 years (35 years for power transmission companies).

Risks and Concerns – Roads Sector

In the traditional sense, activities pertaining to the roads sector in India used to be confined to construction and maintenance of Road and the expenses therefore were entirely met out of budgetary resources. The concepts associated with road construction, maintenance, financing etc. have undergone sea change on account of the following:

- Growth of economy and consequent explosion in vehicle population.
- Alarming number of road accidents
- Impact on environment during construction and operation of road
- Exposure to best practices in the world by the road administrators and users.

Post NHDP, growth in the Road Sector depends upon the following conditions:

- The Road facility in its entirety should meet the expectations of not only the Road users but also the Project affected families and settlements along the Road.
- The Road facility should have robust provision to ensure safety of users and in fact, it should be forgiving in nature to the errant users. Simultaneously sustained awareness campaigns involving the users and other stakeholders need to be undertaken to build a safe environment for travel.
- The facility should be eco friendly during construction,

maintenance and operation. For example the materials and equipment used for Road construction and maintenance should have least carbon footprint. The garbage and wastes generated/discarded on the Road should be gainfully utilized to the maximum extent possible. Further the capacity, design and operation of the Road facility should be efficient enough to handle the traffic so that there is minimal congestion and consequently least pollution.

- Innovative funding arrangement is required to move beyond the present formats of private participation so as to reduce dependence on budgetary resources. For example, development rights for meeting viability gap (Viability Gap Development Rights, VGD) may be promoted thereby spawning multi modal and multi sectoral development.
- Participation of stakeholders in all aspects of Road construction and management.

The success of Road Sector in our country critically depends on these conditions being fulfilled effectively and consistently so that Road transport is safe, fast and comfortable and devoid of chaos faced at present.

### Infrastructure sector

Investments to the tune of Rs. 55 trillion (USD 1 trillion) are needed during the 12th Plan (2012-17) to scale up and upgrade India's infrastructure, which has reached a saturation point. Investment in infrastructure as a percentage of GDP has increased over the years, but the infrastructure deficit continues.

It is noteworthy that the private investment in infrastructure has been growing at a faster pace than public investment. Nearly 47 percent of the envisaged investment in infrastructure during the Twelfth Plan is expected to come from the private sector.

However, fresh investments stand affected by a slowdown in the economy, tardy policy making, problems in getting clearances pertaining to land and environmental.

### Construction sector

The year 2012-13 witnessed a growth of 6 percent for the Indian construction sector. Due to monetary issues and other related policies the Indian construction industry showed a lackluster performance in 2012-13. But the outlook for the construction sector beyond FY2012-13 is brightening up. Not only are monetary conditions likely to improve for construction companies in FY2013-14, but the government is also making pertinent efforts to remove bottlenecks that are delaying infrastructure projects in India. India's construction sector is to reach 7.6 percent growth in FY2013-14 with the innovations in construction technology and design along with attractive pricing, which is making the NRIs to take a fresh look at the Indian construction sector as unique market in which they can invest.

### Internal Control Systems and their Adequacy

The Company has adequate systems to control its operations like financial, accounting, sale, purchase, execution, receipts and payments. The Company has different departments and the work of each department has been administered by department heads under the supervision & control of senior managerial person / Director of the Company. The Company is maintaining proper accounting & statutory records under the supervision and control of expert persons to safeguard the interest of the stakeholders, employees, bankers, creditors, vendors and all other persons dealing with the Company. The Company has established internal audit system to provide checks at its operations and day to day functioning. The Company also exercises effective control over the purchase, use and protection of its assets and properties. The Company has separate department to look after the management of assets of the Company.

The Governance and Control System has been designed to protect the interest of the organisation as a whole and to secure timeliness in all facets of its operation.

The Internal Control system has been designed to ensure

1. Economical purchase of all assets, properties and materials.
2. Adequate Protection of all assets and Properties against unauthorised use, lose, damage or destruction.
3. Efficient and effective utilization of all resources i.e. man, material, machine & money.
4. Maintenance of accurate, reliable accounting, financial, operational and other statutory records to provide true and fair view of state of affairs of the Company.
5. Timeliness in submission of all financial, accounting and other statutory information to statutory authorities.
6. Compliance with all applicable laws, rules or regulations and internal policies of the Company in true spirit.

### Discussion on financial performance with

The financial year 2012-13 continued to remain sluggish, weighed down by global economic uncertainties, weak consumption and an overall depressed sentiment. Despite this, your Company has registered a net turnover of Rs. 1,096.02 crores for the financial year ended on 31st March 2013, representing an increase of 28.10 percent over the Net Turnover of previous year.

The Operating Profit of your Company for the financial year 2012-13 is Rs. 131.58 crores, whereas it was Rs. 122.32 crores during the previous financial year showing an increase of 7.57% over last years performance. Despite several headwinds,

your Company was able to maintain its profitability to some extent. For the fiscal year ended on 31st March 2013, your Board has recommended a dividend @ Rs. 1.20 per share (12 percent) for the equity shareholders of the Company.

Your Board is regularly taking initiative to improve its performance as a whole. As on 31st March 2013, the Company has an order book position around Rs. 2295 crores and recently received order worth more than Rs. 300 crores for Road / Bridges Construction. Your Board is regularly taking initiative to curb / control operational cost, improve performance by supervising and guiding the employee work force to perform better and better, to put their best towards the development of the organization.

### Material developments in human resources / industrial relations

The Company has a team of experienced professionals and competent staffs. The Company believes that success of the organisation lies in the quality of its human resources and the way of utilisation of those resources. The Senior Management regularly monitors the performance of the employee, give them rewards at regular interval and provide feedback wherever necessary to improve their performance and productivity. The Company also provides them the opportunities for their personal development & growth. The Company as well as the employees have maintained cordial relations throughout the year.

# Directors' Report

To,  
*The members of*  
Sunil Hitech Engineers Limited

Your Directors are pleased to present the Fifteenth Annual Report of the Company together with the Audited Financial Results for the year ended on 31st March, 2013.

### Financial Results

The Financial Performance of the Company for the financial year ended on 31st March 2013 is summarized below

Particulars	( ₹ in Lacs)	
	2012-2013	2011-2012
Net Sales / Income from Operations	109,601.55	85,559.27
Other Income	907.79	1,976.44
Total Income	110,509.34	87,535.71
Operating Profit	13,158.09	12,231.92
Interest & Financial Charges	5,832.34	4,708.07
Depreciation	2,959.09	3,084.18
Profit Before Tax	4,366.65	4,346.15
Taxation - Current	1,698.40	1,245.00
- Deferred Tax	-358.65	82.36
- Income Tax for Prior Period	233.69	715.58
Profit after Taxation	2,793.21	2,396.73
Balance brought forward	10,860.02	8,820.66
Amount available for appropriations	13,653.23	11,217.38
Appropriations		
Proposed Dividend on equity shares	147.3	147.3
Tax on Proposed Dividend	25.03	23.9
Amount transferred to General Reserve	209.49	186.16
Amount transferred to Balance Sheet	13,271.40	10,860.02

### Operational Review

Your Company has registered the net turnover of ₹109,601.55 lacs for the financial year 2012-13 as against ₹85,559.27 lacs in the previous year, thereby registered a growth of 28.10% over the last year's turnover. The operating profit of your Company for the financial year ended 31st March 2013 is ₹13,158.09 lacs, whereas it was ₹12,231.92 lacs during the last financial year. The financial year 2012-13 was the year of economic uncertainty and full of challenges, in spite of that your company maintained its momentum and registered a growth of 28.10% in net turnover and 8.40% in EBITDA over the last year's performance. However the net margins were under pressure due to slow growth in the sector your company operates.

Currently your Company is operating under three segments; namely Project Execution, Overhauling & Maintenance and Supply or Trading. Project Execution segment is engaged in the business of Fabrication, Erection of Boilers (Power Plants), Erection Testing, Commission of ESP, Transmission & Distribution and EPC contract. This is the main segment of the Company and contributing major proportion of the total revenue of the Company. To name a few, the following are some of the projects running presently under this segment:

1. Erection, Testing and Commissioning of Boiler and their Auxiliaries and Bunker Shell & Bunker Mill Bay Structural, Welded Structural Steel Work of Coal Handling Plant and Erection, Testing & Completion of TG Building Steel Structural Work for 2X600 MW Singhitari Thermal Power Project at Athena Chhattisgarh Power Ltd (ACPL), Singhitari, Janjgir-Champa District, Chhattisgarh.
2. General Civil, Structural and Architectural Works for BTG Area / BOP Area / BOP Part 1&2 (Road and Pipe Rack) (all inclusive) of 2X600 MW DB Power Project at Baradarha-Champa Dist. Jajgir -Champa Chhattisgarh.

3. Main Plant & Offsite Civil Works & Structural Steel Work for Main Plant, Offsite Civil Works, Chomney and Chimney Elevator Package for NTPC at Ennore TPS 2X500 MW & 1X500 MW.
4. Main Plant Civil and Structural Works Package Including Supply of material for Phase – I & Phase-II of 2X600 MW JPL, Seoni Project Near Barela-Gorakhpur Village in Seoni Dist. MP
5. Civil Works & Structural Steel works for Coal Handling Plant at Jhabua Thermal Power Project, Seoni, M.P.
6. Civil, Structural and Architectural Works for Main Plant Area of 3X660 MW BTG Package of Mahagenco for Coal Based Power Project at MSPGCL, Koradi Project
7. 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.
8. Civil, Structural, Architectural Etc of Civil Superstructure Work of 2X600 MW, Pkg-B, Unit#2 for Singareni Thermal Power Project, Dist Adilabad, A. P.
9. Structural Steel Works for Steel Melt Shop 2 – Zone 04 (Area-6) Storage Bays for 6.3 MTPA Expansion Project VSP-6.3- at RINL, Vizag (A.P)
10. Erection, Testing and Commissioning of Boiler Unit-3, 3X800 MW Stage-I for NTPC, Kudgi Super Thermal Power Project, Bijapur Karnataka 32918 MT
11. Erection, Testing and commissioning of Steam Generator Comprising of Boiler Structures, Boiler Drum, Pressure

Parts, Boiler Auxiliaries, Power Cycle Piping, ESP, Rotating Equipments, Auxiliary Boiler, Including Application of Insulation & Final Painting & Assistance for Trial Operation, PG Test and Handover of 2X300 MW TRN TPP – TRN Energy Private Ltd, Nawapara –CG

12. Erection, Testing, Comm & Handling over of Boiler and its Auxiliaries etc at Vertical Pkg Stg-IV & V, U-11 & 13 at NTPC, Vindhyachal STPP 2X500 MW & 1X500 MW and at U – 5 at NTPC, Rihand, STPP 2 X 500 MW.
13. Erection, Testing, Comm & Handling over of Boiler and its Auxiliaries etc at Vertical Pkg U-3 at NTPC, Mouda STPP 2X660 MW
14. Supply, Test, Transport, Construction, Erection, Testing and Commissioning of Distribution Lines, Distribution Transformers of Various Capacities & 33/22/11 KV Sub Stations, Other Allied Works, Including Five Years Guarantee Period for Power transformers, Distribution Transformer with Allied Equipment and Two Years Guarantee Period for Other Works in Kolhapur Zone for RAPDRP Part B Scheme
15. Supply, Test, Transport, Construction, Erection, Testing and Commissioning of Distribution Lines, Distribution Transformers of Various Capacities & 33/11 KV Sub Stations, Other Allied Works, Including Five Years Guarantee Period for Power transformers, Distribution Transformer with Allied Equipment and Two Years Guarantee Period for Other Works in Nagpur (Rural) & Nagpur (Urban) Zone for RAPDRP Part B Works

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, Bhusawal, Sarni, Korba, Parli, etc.

Furthermore Your Company has entered into the construction & development of luxury homes / flats equipped with all modern amenities and facilities namely 'Water Green Project' at Nagpur, Maharashtra and 'Green Acres Project' at GOA. Also due to

rapid growth and upcoming opportunities in the construction & development business of roads / highways/bridges/flyover, your Company is eyeing to explore opportunities in this sector.

Your Company has not any operation discontinued as on date.

### Preferential Issue of Warrants Convertible into Equity Shares

The Board of Directors at the meeting held on 04.01.2013 recommended to issue on Preferential basis 30,00,000 (thirty lacs only) warrants convertible into equity shares to Companies under Promoters Group and 49,50,000 (forty nine lacs fifty thousand only) to Foreign Institutional Investors / Sub Accounts of Foreign Institutional Investors. The Board in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and all applicable rules, regulations guidelines issued hereunder, fixed 01.01.2013 as the Relevant Date and as certified by the Independent Valuer ₹73/- (₹ Seventy three only) as the issue price for issue of warrants convertible into equity shares of face value ₹10/- only. The Shareholders at the extra ordinary general meeting held on 31.01.2013 have approved by way of special resolutions passed separately the issue of warrants to Companies under Promoters Group upto 30,00,000 (thirty lacs only) and 49,50,000 (forty nine lacs fifty thousand only) to Foreign Institutional Investors / Sub Account of Foreign Institutional Investors. The Board at the meeting held on 14.02.2013 has allotted 30,00,000 (thirty lacs only) warrants convertible into equity shares to Companies under Promoters group (15,00,000 warrants each to Gutte Infra Pvt. Ltd. and VRG Digital Corporation Pvt. Ltd.) and subject to the approval of Foreign Investment Promotion Board, 49,50,000 (forty nine lacs fifty thousand only) to Foreign Institutional Investors / Sub Account of Foreign Institutional Investors. The Equity shares to be allotted on conversion of warrants shall rank pari passu in all respects with the existing equity shares.

### Dividend

Your Directors are pleased to recommend a dividend @12%, i.e. @ ₹1.20 per equity share of ₹10/- each (previous year ₹1.20 per equity share of ₹10/- each) for the financial year ended 31st March, 2013.

### Future Prospects

The Power business in India is on the expansion mode due to rapid industrialization, substantial expansion by industrial houses and population growth. The electricity sector in India had an installed capacity of 214.630 GW as on February 2013, the world's fifth largest. Captive power plants generate an additional 31.5 GW. Non Renewable Power Plants constitute 87.55% of the installed capacity and 12.45% of Renewable Capacity. India generated 855 BU (855000 MU i.e. 855 TWh electricity during 2011–12 fiscal. The demand of Power is increasing every year due to growing need of the economy. The country's annual electricity generation capacity has increased in last 20 years by about 130 GW, from about 66 GW in 1991 to over 100 GW in 2001, to over 199 GW in 2012. It is expected that current and approved electricity capacity addition projects in India are expected to add about 100 GW of installed capacity between 2012 and 2017. This growth makes India one the fastest growing markets for electricity infrastructure equipment. India's installed capacity growth rates are still less than those achieved by China, and short of capacity needed to ensure universal availability of electricity throughout India by 2017.

In India, Thermal Power Plants constitutes more than 65% of total electricity generation and in coming years too it is expected that the major portion of growing need of electricity shall be met by thermal power plants.

The market for power transmission & distribution is also shining due to rapid increase in consumption of electricity as the per capita power consumption gradually increases to global levels.

Your Company being one of the leading niche energy player of India dealing in BOP and EPC business, shall continue to exploit emerging opportunities in Power sectors thermal power project, transmission & distribution, hydro power project or any other segment of power.

### Road Sector - Future prospects

The Road sector constitutes a substantial part of infrastructure in India. India has a road network of 4.11 million Kms, the second largest in the world. It is estimated that more than 70% of freight and 85% of passengers' traffic in the country is being

handled by roads. Good transport system plays a key role in the development of economy and represents the overall growth status. The Road sector being a major constituent of transport system in India, should be well constructed & developed to meet the growing demand of national economy.

The Government of India also emphasized the need of well constructed and developed roads across the country and give major thrust to boost the road construction. In recent years, the road sector becomes an industry and offering huge opportunities to civil contractors, engineering companies, material suppliers, road equipment manufacturers.

Indian Government in its union budget 2012-13 has announced Allocation of funds of ₹25,360 crores to Road Transport and Highways Ministry to boost / construct the roads / highways in India. In last year, Government has announced the work of construction of roads having length 8800 km to be awarded (construction of Roads) under NHDP and Completion of highway projects 44 per cent higher than in previous fiscal 2011-12. In the Union budget of 2012-13 Government of India has announced Investment in 12th Plan in infrastructure to go upto ₹50,00,000 crore; half of this is expected from private sector.

In the annual budget of 2013-14, Government of India has announced to constitute a regulatory authority for road sector to supervise and speedup the road construction projects and announced 3000 kms of road projects in Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh will be awarded in the first six months of 2013-14.

Recently, Government of India has announced to achieve target of around 38,716 kms for construction and developments of roads/highways/bridges to be achieved during its 12th fifth year plan for 2012-17 with the investment target of more than ₹3,97,000 crores to develop these projects during this period. These facts show the huge opportunities in the road construction business. Recently your Company has been venturing into with prestigious projects of around ₹300 crores in road / bridge construction and shall try to explore opportunities in coming years.

## Public Deposits

During the year ended 31st March, 2013, your Company has not accepted any deposits from the public.

## Directors

As per Article 150 read with Article 149 of Articles of Association of the Company, Mr. Devesh N. Garg, and Mr. Parag A. Sakalikar, Directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Board of Directors recommends their reappointment subject to the approval of shareholders in the ensuing annual general meeting.

On the recommendation of the Board, The members at the annual general meeting held on 27.09.2012, have approved the reappointment of Mr. Vijay Ratnakar Gutte, as a Whole time Director Finance with effect from 29th May 2012 for tenure of five years.

On the recommendation of the Board, The members at the annual general meeting held on 27.09.2012 have regularized the appointment of Mr. Siddharth Mehta as a Director (Independent non executive) of the Company liable to retire by rotation.

Mr. S. K. Kodandaramaiah Executive Director of the Company, due to his personal assignments, resigned from directorship with effect from 14.02.2013. The Board appreciated his contribution towards the growth of the Company and extended their good wishes for his future assignments.

The Board of Directors on the recommendation of the remuneration committee, and subject to such other approvals as may be required hereunder, appointed Mr. C. Venkatramana as additional director (executive category) of the Company with effect from 01.06.2013.

## Directors Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- a) In the preparation of Annual Accounts of the Company, the applicable Accounting Standards have been followed

along with proper explanation to material departure from the same, if there any.

- 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 ended on 31st March, 2013 and of the Profit of the Company for the year ended on that date.
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) They have prepared the annual accounts of the Company on a going concern basis.

## Auditors Query & Management Reply

### Auditors Query:-

In case of PBSPL-SHEL-JV, a joint venture of the Company and MSMC Adkoli Natural Resources Limited, a joint venture of Sunil Hitech Energy Private Limited, one of the subsidiaries of the Company, the audited financial statements are not available, hence the same have not been incorporated in the consolidated financial statements.

### Managements Reply to Auditors Query –

“Sunil Hitech Engineers Limited (“the Parent Company”) has entered into a Joint Venture with Phenix Building Solutions Private Limited named as “PBSPL - SHEL - JV”, a jointly controlled entity where in the Parent company holds 49% interest. The accounts of the said JV are under preparation and therefore the same has not been incorporated in the Consolidated Financial Statements.”

“MSMC Adkoli Natural Resources Limited is a JV company of Sunil Hitech Energy Private Limited, one of the subsidiary of the parent company and Maharashtra State Mining Corporation Limited. The accounts of the said JV Company are under preparation and therefore the same has not been incorporated in the Consolidated Financial Statements.”

## Auditors

M/s Kapoor & Parekh Associates, Chartered Accountants, (having ICAI FRN 104803W), shall hold office only up to the conclusion of ensuing annual general meeting and are eligible for reappointment. The Company has received letter from them that their reappointment, if made shall be within the limit prescribed under section 224(1B) of the Companies Act, 1956, and that they are not disqualified for reappointment under the provisions of section 226 of the said Act.

## Management Discussion and Analysis Report

A detailed review of operational performance and future outlook of the Company is given under the Management Discussion and Analysis Report which forms part of this Report.

## Corporate Governance Report

As required by the Clause 49 of the Listing Agreement with stock exchanges, Corporate Governance Report and a certificate confirming compliance with requirements of corporate governance forms part of this report.

## Notes on Subsidiaries

For the financial year ended on 31st March, 2013, your Company has two subsidiaries namely 1) SEAM Industries Limited & 2) SHEL Investments Consultancy Pvt. Ltd.

Your Board is not attaching the Balance sheet, Profit & Loss Account and other documents of subsidiary Companies with the Balance Sheet of the Company as required under the provisions of the section 212 of the Companies Act, 1956. In addition to the above, Statement under section 212 of the Companies Act, 1956 has been attached with the Annual Report.

In continuance with the above and in accordance with the General Circular no. 2/2011 dated 8th February 2011, issued by the Ministry of Corporate Affairs, Government of India, Your Board of Directors consents that annual accounts of the subsidiary companies and the related detailed information shall be made available to Shareholders of the holding and subsidiary companies seeking such information at any point of time. The

annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding Company and of the subsidiary companies concerned and also the complete annual accounts of the subsidiaries shall be posted on the web site of the Company [www.sunilhitech.com](http://www.sunilhitech.com). Details of Financial Statement of Subsidiary Companies form part of this Annual Report.

## Transfer of Unpaid / Unclaimed share application money & dividend to Investor Education and protection Fund

Your Company had balances of unpaid share application money in the Escrow Accounts maintained with Deutsche Bank AG, Fort Mumbai and with ICICI Bank Limited, CMS, Lower Parel, Mumbai from the financial year 2005-06. These share application monies have been received by the Company at the time of IPO during the financial year 2005-06. These unpaid share application monies have been transferred to the Investor Education and protection Fund of the Central Government in accordance with the provisions of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001. Similarly your Company has balances of unpaid dividend amount of financial year 2005-06, which is due to be transferred to Investor Education and protection Fund in this financial year.

We have sent the reminders to the shareholders having unclaimed / unpaid dividend with our Company for financial years 2005-06, 2006-07, 2007-08 & 2010-11 and we have received reply from few of them claiming their dividend amount. We are in the process of making payment of those unpaid / unclaimed dividend of earlier years.

## Consolidated Accounts

As required under Clause 32 of Listing Agreements with Stock Exchanges, Consolidated Financial Statement of the Company and its subsidiaries as aforesaid have been attached with the annual accounts of the Company.

## Insurance

All the Assets of the Company are adequately insured against risk and uncertainty.

Particulars of Employees

As required by the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 , Statement of particulars of employees forming part of the Directors Report of the year ended on 31st March, 2013 are as follows;

Sr. No.	Name	Designation	Date of Commencement of employment	Qualification	Age (Years)	Experience	Gross Remuneration	Previous Employment
1	Mr. Ratnakar M. Gutte	Chairman & Managing Director	08-06-1998	Under Graduate	55 Years	32 Years	92,40,000	N. A.
2	Mr. M. N. Mohanan	Executive Director	01-06-2003	Diploma - Mech. Eng.	55 Years	31 Years	79,06,000	N. A.

Note:

1. Nature of employment – Contractual.
2. Mr. Ratnakar Manikrao Gutte is related with Mr. Sunil Ratnakar Gutte – Joint Managing Director, Mrs Sudhamati Ratnakar Gutte – Executive Director and Mr. Vijay Ratnakar Gutte Executive Director and Mr. M. N. Mohanan is not related with any Director of the Company.
3. Shareholding of these Directors mentioned in the Report on Corporate Governance.

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

Information in accordance with the provisions of section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are set out below;

(A) 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.

(B) 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, modern machineries and by ensuring the optimum utilization of its technical, professional and skilled manpower.

(C) Foreign Exchange Earnings and Outgo

The Company has incurred the following expenses in foreign currency as per ‘Notes on Accounts’ during the financial year 2012-2013, the rupee equivalent of that amount has been given hereunder;

Particulars	₹ in Lacs
Total Expenditure	11,796.48
Total Earning	3,776.12

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 appreciates 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  
Sunil Hitech Engineers Limited

Place: Nagpur, Maharashtra  
Date: 14.08.2013

Ratnakar Manikrao Gutte  
Chairman & Managing Director

Sunil Ratnakar Gutte  
Joint Managing Director

Code of Conduct

The Concept of Code of Conduct has been introduced vide Clause 49 of the Listing Agreement. This Code of Conduct is very vital for the day to day working of the Company. Every Listed Company must have its own Code of Conduct and Every Member of the Board and Senior Management Officials follow the same in their day to day working of the Organization, to maintain cordial relationships within it.

The Board of Directors, Senior Management Personnel and all other employees of the Company are committed to establish and maintain the highest standard of ethical conduct & business ethics. This code of conduct (hereinafter referred to as “Code”) reflects the business principles that support the Senior Managerial Personnel to develop amongst employees a sense of belongingness, the way to discharge their obligations and to create within the Organization a corporate culture, a cordial working environment. The Board of Directors are responsible for setting the code and for updating it from time to time, if require to reflect legal and regulatory developments. Every Director and Senior Management Personnel of the Company must read and understand this code and its application to the performance of their duties.

In addition to the above, the Company as a whole is committed to establish mutually beneficial relations with our Suppliers, Customers, Bankers and all other persons associated with the Company. In our business dealings we expect our partners to adhere to business principles consistent with our own.

Community involvement:

The Company as a whole strives to be a trusted corporate citizen and as an integral part of society, to fulfill our responsibilities to the societies and communities in which we operate.

Public Activities:

The Company as a whole is encouraged to promote and defend their legitimate business interests. Sunil Hitech will cooperate with governments and other organizations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests. Sunil Hitech neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party’s interests.

Innovation:

In our scientific innovation to meet consumer needs, we will respect the concerns of our consumers and of society. We will work on the basis of sound science, applying rigorous standards of product safety and also take very much care of Environment.

Competition:

The Company believes in vigorous yet fair competition and supports the development of appropriate

Competition laws. The Company will conduct its operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity Fairness & Transparency:

The Directors and Senior Management Personnel discharge their duties and obligations in accordance with sound business policies and prudent commercial practices and in the interests of the Company and its stakeholders. They apply their best efforts and organize the resources towards the achievement of Company’s mission, aspiration, & values.

They are expected to act diligently, openly, honestly and in good faith. They must guide their subordinates to act diligently and collectively.

The Board of Directors and senior management personnel of the Company must maintain the confidentiality of all material non-public information entrusted to them by Company. They shall not disclose any material fact to any outsider except authorised by the Board and required under any applicable Laws to do so.

Sunil Hitech as a whole does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management. Sunil Hitech accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests:

All employees are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the Company. They must not seek gain for themselves or others through misuse of their positions.

Compliances Monitoring & Reporting:

Compliance with these principles is an essential element in our business success. The Board & Senior Management Personnel are responsible for ensuring these principles are communicated to, and understood and observed by, all employees. Day to- day responsibility is delegated to the senior management of the company. They are responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs. Assurance of compliance is given and monitored each year. Compliance with the code is subject to review by the Board supported by the audit committee of the board. Any breaches of the code must be reported in accordance with the procedures specified by the Secretary. The Board will not criticize management for any loss of business resulting from adherence to these principles and other mandatory policies and instructions.

The Board of Directors and senior management personnel to whom such code is applicable shall comply with this code and develop a mechanism for the prompt and fair adjudication of alleged violations of this Code.

In addition to the above, the senior managerial personnel must abide by all laws, rules and regulations of the country applicable to the Company and Company’s insider trading norms. The Board of Directors has designed the Company Secretary to secure compliance with the Laws, Rules and Regulations, applicable to the Company.

Compliance Officer

The Board has designated the Company Secretary to act as Compliance Officer to administer the code. Directors, employees may make any report or complaint to the Compliance Officer for submission to the Board of Directors.

Amendment and Modification

This Code may be amended or modified by the Board when required, subject to the applicable laws, rules and regulations of the country.

# Report On Corporate Governance

## 1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The term Corporate Governance refers to the set of systems, principles, practices, or set of laws, regulations requires 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 maintains 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 value of the organization, to strengthen its relationships with employees, shareholders, creditors and to practice highest degree of professionalism and integrity within the organization.

### Board Composition

#### Size and composition of the Board

The Board has a combination of Executive and Independent Non-Executive Directors as provided in the Listing Agreement 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 2013, the Board comprises eleven Directors. The details of the composition of the Board of Directors & details of other directorships held by them, during the year are as per the below mentioned table;

### Composition of the Board, Directorships held, attendance of Directors at Board Meetings and the last Annual General Meeting:

Name of the Director	Category of Directorship	No. of Board Meeting Attended	Whether Last AGM Attended	No of other Directorships#	Committee position held in other public companies	
					Chairman	Member
Mr. Ratnakar M. Gutte	P&ED	3	Yes	2	0	0
Mrs. Sudhamati R. Gutte	P&ED	3	Yes	1	0	1
Mr. Sunil R. Gutte	P&ED	5	No	2	0	2
Mr. Vijay R. Gutte	P&ED	4	No	1	0	1
Mr. S. K. Kodandaramaiah*	ED	1	No	0	0	0
Mr. M. N. Mohanan	ED	3	No	0	0	0
Mr. Dilip Y. Ghanekar	I&NED	3	No	0	0	0
Mr. S. S. Waghmare	I&NED	4	No	0	0	0
Mr. Sajid Ali	I&NED	4	Yes	0	0	0
Mr. Parag Sakalikar	I&NED	4	Yes	1	1	0
Mr. Devesh Garg	I&NED	0	No	0	0	0
Mr. Siddharth R. Mehta**	I&NED	3	No	0	0	0

excludes Private Limited Companies, Companies registered not for earning profit (Section 25 Companies) and Foreign Companies  
P – Promoter, ED – Executive Director, I – Independent Director, NED – Non Executive Director

\*Mr. S. K. Kodandaramaiah has resigned from directorship with effect from 14.02.2013.

\*\*Mr. Siddharth R. Mehta, has been appointed as the Director (Independent – Non Executive) of the Company with effect from 14th August, 2012.

There is no Nominee Director in the Company.

### Board Meetings held and the dates on which held

During the financial year 2012-13, Five Board Meetings were held. The Board meets at least once every quarter inter-alia to discuss and review the performance of the Company; its future plans, financial and other issues, and other important aspects.

Sr. No.	Date	No. of Directors Present
1	14th May, 2012	8
2	14th August, 2012	7
3	12th November, 2012	9
4	4th January, 2013	4
5	14th February, 2013	9

As per Article 150 read with Article 149 of Articles of Association of the Company, Mr. Devesh N. Garg, and Mr. Parag A. Sakalikar, Directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offered themselves for reappointment. The Board of Directors recommends their reappointment subject to the approval of shareholders in the ensuing Annual General Meeting.

The Board of Directors, on the recommendation of the Remuneration Committee, at their respective meetings held on 11th February 2012 has re appointed Shri Vijay R. Gutte as Whole time Director (Finance) of the Company with effect from

29th May 2012 for a period of five years and the shareholders have approved his reappointment by way of special resolution passed in the annual general meeting held on 27.09.2012.

The Board of Directors at their meeting held on 14th August 2012, has appointed Mr. Siddharth Mehta as additional director of the Company, and the shareholders have regularised his appointment in the annual general meeting held on 27.09.2012.

Profiles of Retiring Directors in the Annual General Meeting have been given hereunder;

Name of the Director	Devesh N. Garg	Parag A. Sakalika
Date of Birth	01.09.1965	09.06.1973
Date of Appointment on the Board	18.09.2008	28.12.2007
Qualification	Bachelor of Science (Electrical Engineering) and MBA (Finance)	B. E. in Mechanical Engineering
Expertise in Specific Areas	Experience in industrial & finance sectors, managed business of various sizes from pre revenue stage to world wide operations.	Experience in the areas of Administration, Control, Budgeting Finance & Accounts.
List of other Companies in which Directorship held as on 31st March, 2013 (excluding Directorship in private, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.)	Nil	1. SEAM Industries Limited 2. SHEL Investments Consultancy Pvt. Ltd.

### Board Committees

Currently the Board has three committees, i.e. Audit Committee, Remuneration Committee and Investors' Grievance Committee. The quorum of the meetings is two members or one-third of total strength, whichever is higher.

In addition to the above, the Board of Directors vide their meeting held on 11th Feb 2012, has formed a Committee to look after the banking activities of the Company. As on 31st March 2013 Mr. Sunil R. Gutte – Joint Managing Director & Mr. M. N. Mohanan, Executive Director are its members.

## 2. AUDIT COMMITTEE

The Board has constituted the Audit Committee to meet the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. The Audit

Committee consists of five members and all members of the Audit Committee are financially literate. Two third members of the Committee consist of Independent Directors.

The Audit Committee is entrusted with the powers as well as the duties and responsibilities as mentioned in Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. The main function of the Audit Committee includes oversight of the Company's reporting process as required under applicable laws, to ensure timely disclosure of all material facts, to review the quarterly as well as annual financial statements before submission to the Board for approval, to monitor the internal audit system and recommend changes as deemed required, to review company management policies from time to time.

Mr. Lalit Vidhani, who is a fellow member of the Institute of Chartered Accountants of India, has been appointed as Chief Financial Officer of the Company with effect from 25.03.2013.

### Details of the Audit Committee meetings held:-

During the financial year ended on 31st March, 2013, four meetings of the audit committee were held on 14th May, 2012; 14th August, 2012; 12th November, 2012 and 14th February, 2013 the details of no. of meeting attended by the members are as follows:

Name of Members	Category	Meetings Attended
Mr. Parag Sakalika	Chairman	3
Mr. Dilip Y. Ghanekar	Member	3
Mr. Vijay R. Gutte	Member	3
Mr. Ratnakar M. Gutte	Member	3
Mr. Sajid Ali	Member	4

### Details of remuneration of the Directors:

The aggregate value of salary and perquisites paid to the Chairman and Managing Director & other Executive Directors in accordance with the provisions of the Companies Act, 1956, for the financial year ended 31st March, 2013 were as follows:

Name	Salary(₹)	Perquisites & Allowances (₹)	Total (₹)
Mr. Ratnakar M. Gutte, (Chairman & Managing Director)	84,00,000	8,40,000	92,40,000
Mrs. Sudhamati R. Gutte	48,00,000	0	48,00,000
Mr. Sunil R. Gutte	48,00,000	2,88,000	50,88,000
Mr. M. N. Mohanan	51,00,000	28,06,000	79,06,000
Mr. S.K. Kodandaramaiah	34,81,607	0	34,81,607
Mr. Vijay R. Gutte	48,00,000	2,88,000	50,88,000

Apart from the above, The Company has not paid any fixed component and performance linked incentives, along with the performance criteria. The Company has not issued any stock option to its Directors.

The sitting fees paid to Non-Executive Directors for the financial year ended on 31st March 2013, are as follows:

## 3. REMUNERATION COMMITTEE

The Board of Directors has constituted the Remuneration Committee for the Company, to recommend to the Board in respect of revisions and fixation of remuneration of the Directors of the Board and matters related therewith or incidental thereto.

The Remuneration Committee while recommending revision in the remuneration, takes into account the profitability of the Company, applicable provisions of the Companies Act 1956, experience, past performance and other matters related therewith or incidental there to.

The Remuneration committee consists of three Independent Directors, Mr. Parag Sakalika, Mr. Sajid Ali and Mr. Dilip Y. Ghanekar. During the financial year 2012-2013, the meeting of the Remuneration Committee has not been held.

Name of Non-Executive Directors	Sitting Fees (in ₹)
Mr. Dilip Y. Ghanekar	30,000
Mr. Sajid Ali	40,000
Mr. Parag A. Sakalika	40,000
Mr. S. S. Waghmare	40,000
Mr. Devesh Garg	0
Mr. Siddharth R. Mehta	30,000

The equity shareholding of the Directors as on 31st March, 2013 is as follows:

Name of Directors	Holding
Mr. Ratnakar M. Gutte	22,02,500
Mrs Sudhamati R. Gutte	19,68,750
Mr. Sunil R. Gutte	16,78,740
Mr. Vijay R. Gutte	6,75,000
Mr. M. N. Mohanan	1,005
Mr. S. K. Kodandaramaiah	1,005
Mr. Parag Sakalikar	110
Mr. Dilip Y. Ghanekar	Nil
Mr. Sajid Ali	Nil
Mr. S. S. Waghmare	Nil
Mr. Devesh Garg	Nil

#### 4. SHAREHOLDERS / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders / Investors' Grievance Committee comprised of three Directors and two of them are Independent Directors. The Committee has been constituted to resolve the complaints and grievances of the investors. The meeting of this Committee has been held on 14th May, 2012; 14th August, 2012; 12th November, 2012 and 14th February, 2013 during the financial year 2012-13. The name of the members of the Investors' Grievance Committee & the number of meetings attended by them are as follows:

#### 5. GENERAL BODY MEETINGS

##### A. Location and time of the last three AGMs:

Year	Location	Date & Time	Whether any special resolution passed
2009-2010	Ratnadeep, Jaynagar, Parli – Vaijnath, Dist – Beed (Maharashtra), Pin – 431520.	30th September 2010 at 3.00 P.M	Yes
2010-2011	Ratnadeep, Jaynagar, Parli – Vaijnath, Dist – Beed (Maharashtra), Pin – 431520.	29th September 2011 at 2.00 P.M	Yes
2011-2012	Ratnadeep, Jaynagar, Parli – Vaijnath, Dist – Beed (Maharashtra), Pin – 431520.	27th September 2012 at 2.00 P.M	Yes

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

The Company Secretary acts as a Secretary to the Committee and also as the Compliance Officer. The Company has received 11 complaints during the year and all of them have been redressed /answered to the satisfactory of the Shareholders. No investor grievance remained unattended /pending for more than 30 days.

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

Sr. No.	Descriptions	No. of Complaints
1	Non Receipt of Annual Report	2
2	Non Receipt of Dividend Warrant	9

Name, Designation & address of the Company Secretary & Compliance Officer have been mentioned at the end of this report.

The Company Secretary plays a key role in ensuring that the Board procedures are followed in true spirit. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors for effective decision making at the meetings. Also the Secretary ensures timely submission of all relevant information to the statutory authorities, stock exchanges stakeholders, bankers and all other persons concerned.

The following are the special resolutions passed at the Annual General Meeting held on 27th September 2012:

- Commencement of new business – to carry on any activity for social and economic welfare, rural development programme etc
- Commencement of new business – to carry on business of sole or general agent or stockiest or distributors or organizers or commission agent of any industrial, commercial or agricultural enterprise
- Commencement of new business – to carry on business of hire purchase or leasing of all industrial or durable or commercial properties,
- Reappointment of Mr. Vijay R. Gutte as whole time director w. e. f. 29.05.2012 for five years.

##### A. Resolution passed through postal ballot process:

None of the business proposed to be conducted through postal ballot process as special resolution in the ensuing annual general meeting. Also during the financial year 2012-13, there was no resolution passed through postal ballot process.

##### B. Preferential Issue of Warrants Convertible into Equity Shares

The Board of Directors at the meeting held on 04.01.2013 has recommended to issue and allot warrants convertible into equity shares on preferential basis to Companies under promoters group and Foreign Institutional investors / Sub Account of FIIs and authorized to call an extra ordinary general meeting on 31st January 2013 for necessary approval of shareholders for preferential issue of warrants by way of special resolutions. Thereafter the extra ordinary general meeting has been held on 31st January 2013 in which the following matters have been approved by the shareholders by way of special resolutions;

- Preferential issue and allotment of 30,00,000 (thirty lacs only) warrants convertible into equity shares to Companies under Promoters group (15,00,000 warrants each to Gutte Infra Pvt. Ltd. and VRG Digital Corporation Pvt. Ltd.).
- Approval for issue and allotment of securities to Foreign Investors, Foreign Institutional Investors (FIIs) / Sub Account of FIIs upto 49%.
- Preferential issue and allotment of 49,50,000 (forty nine lacs

fifty thousand only) warrants convertible into equity shares, subject to the approval of FIPB and all other approvals, to Foreign Institutional Investors (FIIs) / Sub Account of FIIs).

#### 6. DISCLOSURES

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have the potential conflict with the interest of the Company at large:

None of the transactions with any of the related parties was in conflict with the interests of the Company. The transactions with the related parties are disclosed in the Notes on Financial Statements.

- 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 Exchange or SEBI or any statutory authority.
- The Company is in the process of establishing the 'Whistle Blower Policy'. No person has been denied access to the audit committee.
- The Company has complied with the mandatory requirements of Clause 49 of the listing agreement and submits on quarterly basis the quarterly compliance report to the stock exchanges concerned.
- All Directors and senior management personnel have affirmed compliance with the Code of Conduct and a declaration to that effect is attached with this report.

#### 7. MEANS OF COMMUNICATION

Your Company publishes its quarterly / half yearly / annual financial results in the leading English daily and the leading local newspapers. The Annual Audited Financial Statements on standalone as well as on consolidated basis are also published in the leading English & local newspapers. These financial results are also posted in our official Website www.sunilhitech.com. Our means of communication is transparent and timely. In addition to the financial results, we publish the other information too, as required to be published under the Companies Act, 1956 or the Listing Agreement or any other

laws applicable or as may be required in the public interest. At the time of disclosing the material facts, we take care of interests of the person to whom the information is addressed so that each and every material fact should be disclosed to the extent possible.

Apart from disclosing information in Newspapers, we provide and update from time to time various information about our

Company in our official web site [www.sunilhitech.com](http://www.sunilhitech.com) related with investors, customers, etc. and all other person dealing with your Company. In addition to this, we also send ‘Investors Presentation’ on quarterly basis to research analysts and financial institutions.

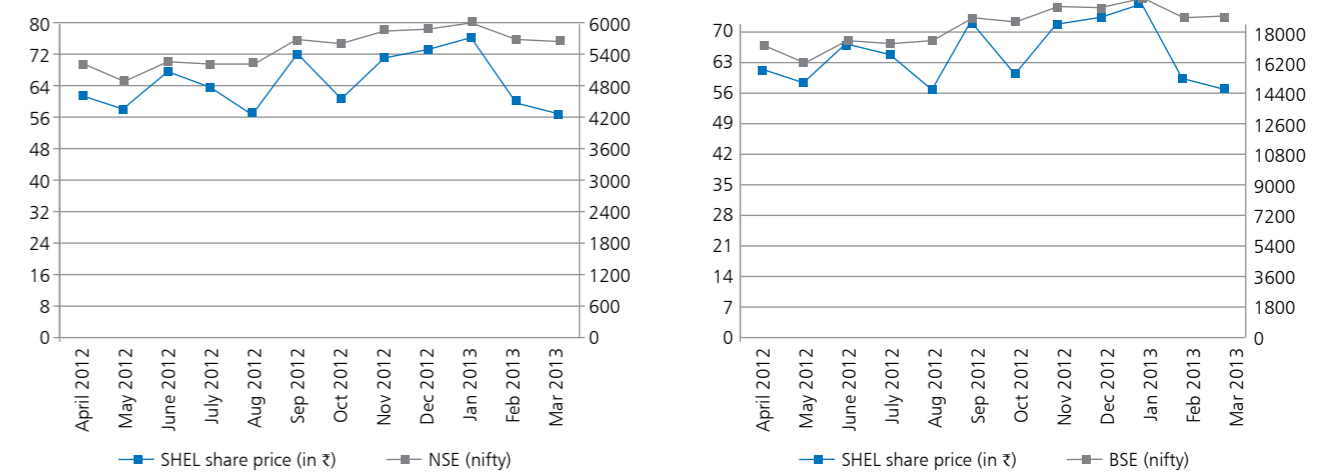
8. GENERAL SHAREHOLDER INFORMATION

i	Annual General Meeting	
	Date, time and venue	26th September, 2013 Parli, Vajinath, Dist. Beed, Maharashtra
ii	Financial Calendar (Tentative) Results for the Quarter ending:	
	30th June 2013	Upto 14th August 2013
	30th September 2013	Upto 14th November 2013
	31st December 2013	Upto 14th February 2014
	31st March 2014	within the time and mode as permissible under the Listing Agreement
iii	Dates of Book Closure	20th September 2013 to 26th September 2013
iv	Dividend Payment Date	04th October 2013
v	Listing on Stock Exchanges	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Code: 532711)
		National Stock Exchange of India Ltd. “Exchange Plaza” Plot No. C/1, G – Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 (Code : SUNILHITEC)
vi	ISIN Number for NSDL and CSDL	INE305H01010

vii Stock Market Data:  
Monthly high & low quotes of Shares traded in NSE and BSE

Period	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr - 12	70.00	58.05	1,15,368	75.00	58.50	62894
May-12	66.00	54.65	1,39,113	63.5	55	57671
Jun-12	70.30	55.00	5,41,112	69.9	55.55	237473
Jul-12	78.10	62.40	9,27,425	75.6	62.45	530620
Aug-12	69.00	56.70	1,31,319	69.8	56	72996
Sep-12	73.90	55.55	7,36,756	73.9	56.7	395945
Oct-12	73.95	59.00	2,51,844	73.7	60	127246
Nov-12	75.40	58.75	7,87,000	75.3	59.3	377936
Dec-12	79.05	69.60	7,90,060	79	69.5	362162
Jan-13	95.85	73.25	19,04,603	90.45	73.5	774064
Feb-13	77.80	53.70	4,35,048	78	58.15	183477
Mar-13	67.50	54.40	3,85,861	67.25	54.75	161249

Stock Performance



viii	Registrar and Transfer Agents	Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072 Tel : 022-40430200 Email : <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>
ix	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.

## x Shareholding Pattern and Distribution of Equity Shareholding as on 31st March, 2013.

## a) Shareholding Pattern :

Sr. No.	Category	No. of Shares	Shareholding (%)
1	Promoter Holding		
	Indian Promoter	65,30,990	53.2
	Foreign Promoter	Nil	Nil
2	Financial Institutions & Banks	165	0.001
3	Corporate Bodies	5,72,395	4.66
4	NRI, Foreign National, OBCs & FIIS	12,79,791	10.43
5	Individual Shareholders Holding Nominal Capital up to ₹ 1 Lac	31,67,148	25.8
	Individual Shareholders Holding Nominal Capital in excess of ₹ 1 Lac	7,11,531	5.8
6	Clearing Member	13,087	0.11
7	Trust	53	0
	TOTAL	1,22,75,160	100

## b) Distribution of Shareholding

Numbers of Shares held	Shareholders		Shares	
	Number	Percentage	Number	Percentage
Upto 5000	14716	91.66	1604708	13.07
5001-10000	695	4.33	558936	4.55
10001-20000	347	2.16	518882	4.23
20001-30000	101	0.63	251886	2.05
30001-40000	58	0.36	209256	1.71
40001-50000	39	0.24	187499	1.53
50001-100000	64	0.40	437432	3.56
100001 & above	35	0.22	8506561	69.30
TOTAL	16,055	100.00	1,22,75,160	0.11

## xi De-materialisation 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).

We submit the Secretarial Audit Report duly certified by the Practicing Company Secretary in time to keep the Stock Exchanges updated about the latest position of our shares.

As on 31st March, 2013 Shares held in CDSL, NSDL & in Physical form are as follows:-

Particulars	No. of Shares	% of total Capital Issued
CDSL	12,04,662	9.81
NSDL	1,10,65,544	90.15
PHYSICAL	4,954	0.04
TOTAL	1,22,75,160	100.00

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity – The Company does not have any outstanding instruments which entitles to subscribe to the equity.

The Address of Registrar & Share Transfer Agent for communication is - Bigshare Services Private Limited, (Unit: Sunil Hitech Engineers Limited (INE305H01010)), E 2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400072.

xiii Your Company has balances of unpaid / unclaimed dividend amount of financial year 2005-06, which is due to be transferred to Investor Education and protection Fund in this financial year.

## xiv Investor Correspondence Address:

The Address of our Registrar & Share Transfer Agent for communication is - Bigshare Services Private Limited, (Unit:

Sunil Hitech Engineers Limited - (INE305H01010)),E 2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400072.

## Details of Company Secretary &amp; Compliance Officer:

Shri Sandeep Kr. Mishra

## Sunil Hitech Engineers Ltd

97, East High Court Road, Ramdaspath, Nagpur – 440 010

Email: cs@sunilhitech.com / investor@sunilhitech.com

## For Transfer / De-materialisation of shares, payment of dividend on shares and any other query relating to the shares of the Company:

Bigshare Services Private Limited,  
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai - 400 072

Tel.: 022-40430200

Email: info@bigshareonline.com

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 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations has been limited to a review of the procedure and implementations thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreements. 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.

For Kapoor & Parekh Associates  
Chartered Accountants  
ICAI FRN 104803W

N. M. Parekh  
Partner  
Membership No. 33528

Nagpur, 14 August, 2013

Declaration pursuant to Clause 49(I)(D) of the Listing Agreement

“I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2012-13.”

Sunil R. Gutte  
Joint Managing Director

CEO/CFO certification for 2012-13

SHEL/LA/2013-14/27.05.2013

To,  
The Board of Directors  
Sunil Hitech Engineers Ltd.  
Parli Vajjnath, Dist – Beed., Pin – 431520.

CEO / CFO certification for Preparation of Financial Statements on Standalone & Consolidated Basis  
We, Sunil Ratnakar Gutte – Joint Managing Director and Vijay R. Gutte – Director (Finance) hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement prepared on standalone & consolidated basis for the financial year ended on 31st March’ 2013 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) 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 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 we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee

(i) Minor changes in internal control over financial reporting during the year;

(ii) There is no changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) There are no instances of significant fraud in the company’s internal control system over financial reporting.

Place: Nagpur, Maharashtra  
Date: 27.05.2013

Sunil Ratnakar Gutte  
Joint Managing Director

Vijay R. Gutte  
Director (Finance)

## Statement Pursuant to Section 212 of the Companies Act, 1956, Relating to Companies' Interest in Subsidiaries for the Financial Year 2012-13

Sr. No.	Particulars	SEAM Industries Limited	SHEL Investments Consultancy Pvt. Ltd.
1	Date from which they became subsidiaries	28th May, 2005	15th March, 2010
2	The financial year of the subsidiary company ended on	31.03.2013	31.03.2013
3	Number of shares in the subsidiary company held by Sunil Hitech Engineers Limited at the above date	49,00,000 Shares of Rs. 10/- Each	9,999 Shares of Rs. 10/- Each
4	Extent of holding at the end of the financial year of The subsidiary company	88.61%	99.99%
5	The net aggregate amounts of the subsidiary companies profit / (loss) so far as it concerns the members of holding company		
	A. Not Dealt With Holding Co. Accounts (H In Lacs):		
	I. For the financial year ended 31st March, 2013	719.59	(0.40)
	II. For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries	1,183.97	(0.89)
	B. Dealt With In Holding Company's Accounts (H In Lacs):		
	I. For the financial year ended 31st March, 2013	Nil	Nil
	II. For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries	Nil	Nil

## Details of Subsidiary Companies As on 31st March, 2013

Sr. No.	Particulars	SEAM Industries Limited	SHEL Investments Consultancy Pvt. Ltd.
1	Capital	553.00	1.00
2	Reserves	2,497.88	( 1.29)
3	Liabilities	11,228.27	1,211.75
4	Total Assets	14,279.15	1,211.46
5	Total Liabilities	14,279.15	1,211.46
6	Investments	16.00	1,210.74
7	Turnover	17,230.80	-
8	Profit Before Taxation	1,189.72	( 0.40)
9	Provision For Taxation	377.63	-
10	Profit After Taxation	812.09	( 0.40)
11	Proposed Dividend	Nil	Nil

Date: 30th May 2013

Place: Nagpur

Ratnakar M. Gutte

Chairman &amp; Managing Director

Sunil R. Gutte

Joint Managing Director

## Independent Auditors' Report

To  
The Members of  
SUNIL HITECH ENGINEERS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **SUNIL HITECH ENGINEERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Kapoor & Parekh Associates  
Chartered Accountants  
ICAI FRN 104803W

N. M. Parekh  
Partner

Nagpur, 30 May 2013

Membership No. 33528

Annexure to the Independent Auditors’ Report

(The Annexure referred to in para 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the Members of SUNIL HITECH ENGINEERS LIMITED on the financial statements for the year ended 31 March 2013.)

1. In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except location wise details of some of the movable assets shifted / transferred amongst various sites.
- b) As explained to us, the fixed assets have been physically verified by the management during the year as per the phased programme which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification.
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and going concern status of the Company is not affected.

2. In respect of inventories:

- a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
3. a) In our opinion and according to the information and explanations given to us, the Company had granted unsecured loans to two companies covered under the register maintained under section 301 of the companies Act, 1956. The maximum amount outstanding during the year was ₹ 301.00 Lacs and the year end balance of loans granted to such companies was ₹ 301.00 Lacs.
- b) In our opinion the rate of interest charged, wherever charged, and the other terms and conditions thereof are prima facie, not prejudicial to the interest of the Company.
- c) The loans granted are re-payable on demand. The parties have repaid the principal amounts as stipulated and have also been regular in the payment of interest to the Company, wherever stipulated.

- d) There is no overdue amount in excess of ₹ 1 Lac in respect of loans granted to companies covered under the register maintained under section 301 of the companies Act, 1956.
- The Company has not granted any loan, secured or unsecured, to the firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- The Company has not taken any loan from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, hence the provision of clause 4(iii)(e), 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there exist an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. However internal control as regards to documentation of receipts and issues of raw materials and stores at project sites needs to be strengthened. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section and such transactions exceeding ₹ 5.00 Lacs in respect of each party have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time where such prices are available.
6. The Company has not accepted any deposit from public. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records of the Company in respect of relevant activities pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
9. According to the information and explanations given to us in respect of statutory and other dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the year except in case of service tax where there are some delays in depositing.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2013 for a period of more than six months from the

- date they became payable except for profession tax aggregating to ₹ 0.17 Lacs.
- c) On the basis of our examination of the documents and records of the Company and the information and explanations given to 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 the Dues	Amount* (₹ Lacs )	Period to which amount relates (Financial Year )	Forum where dispute is pending
Service Tax under Finance Act, 1994 & The Central Excise Act, 1944	Service Tax (Basic & Penalty)	1,580.12 **	2005-06 To 2010-11	Custom, Excise, Service Tax Appellate Tribunal
		18.12 **	2005-06 To 2010-11	Custom, Excise, Service Tax Commissionerate, Nagpur
The Chhattisgarh Value Added Tax Act, 2005	VAT Tax (Basic)	35.85	2006-07 2007-08	Addl. Commissioner of Commercial Tax, Raipur
The Customs Act, 1962	Custom Duty	97.49	2007-08 2008-09	Commissioner of Customs (Import), Mumbai

\* Net of amounts paid under protest or otherwise. Amount as per demand orders including interest and penalty wherever quantified.

\*\* Amount stayed

10. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
11. Based on our audit procedures, information and explanations given to us, in our opinion the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any outstanding debentures during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

17. According to the cash flow statement and other records examined by us and on the basis of the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
19. According to the information and explanations given to us, the Company has neither outstanding debentures at the beginning of the year nor has issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kapoor & Parekh Associates  
Chartered Accountants  
ICAI FRN 104803W

Nagpur, 30 May 2013

N. M. Parekh  
Partner

Membership No. 33528

**Balance Sheet** as at 31 March 2013 (Standalone)

(₹ in Lacs)			
Particulars	Note	As at 31 March 2013	As at 31 March 2012
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,227.52	1,227.52
Reserves and Surplus	4	26,763.34	24,143.38
Money received against share warrants	5	547.50	-
		<u>28,538.36</u>	<u>25,370.90</u>
<b>Non-current Liabilities</b>			
Long Term Borrowings	6	2,097.12	2,085.93
Other Long Term Liabilities	7	7,599.97	6,478.27
Long Term Provisions	8	213.89	204.80
		<u>9,910.98</u>	<u>8,769.00</u>
<b>Current Liabilities</b>			
Short Term Borrowings	9	35,963.33	28,861.37
Trade Payables	10	25,254.61	14,639.19
Other Current Liabilities	7	9,211.86	13,071.43
Short Term Provisions	11	217.46	223.28
		<u>70,647.26</u>	<u>56,795.27</u>
<b>Total</b>		<u><u>109,096.60</u></u>	<u><u>90,935.17</u></u>
<b>Assets</b>			
<b>Non-current Assets</b>			
Fixed Assets	12		
Tangible Assets		10,879.89	13,040.70
Intangible Assets		417.28	534.32
Capital Work-in-Progress		539.45	542.44
Non Current Investments	13	3,226.94	2,968.90
Deferred Tax Assets	14	808.66	450.02
Long Term Loans and Advances	15	2,033.16	2,630.89
Other Non Current Assets	16	3,897.45	3,612.64
		<u>21,802.83</u>	<u>23,779.91</u>
<b>Current Assets</b>			
Inventories	17	9,511.42	11,334.67
Trade Receivables	18	37,529.20	35,066.29
Cash and Bank Balances	19	7,794.04	3,818.41
Short Term Loans and Advances	15	8,455.57	6,680.52
Other Current Assets	16	24,003.54	10,255.37
		<u>87,293.77</u>	<u>67,155.26</u>
<b>Total</b>		<u><u>109,096.60</u></u>	<u><u>90,935.17</u></u>

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Kapoor &amp; Parekh Associates

Chartered Accountants

For and on behalf of Board of Directors

N. M. Parekh  
PartnerSandeep Mishra  
Company SecretaryRatnakar M. Gutte  
Chairman and  
Managing DirectorSunil R. Gutte  
Joint Managing Director

Nagpur, 30 May 2013

**Statement of Profit and Loss** for the year ended 31 March 2013 (Standalone)

(₹ in Lacs)			
Particulars	Note	Year ended 31 March 2013	Year ended 31 March 2012
<b>Revenue</b>			
Revenue from Operations	20	109,601.55	85,559.27
Other Income	21	907.79	1,976.44
<b>Total Revenue</b>		<u>110,509.34</u>	<u>87,535.71</u>
<b>Expenses</b>			
Cost of Material Consumed	22	30,427.40	24,757.00
Changes in Inventories of Work in Progress	23	-	(300.94)
Purchase of Stock in Trade	24	28,487.72	9,726.72
Contract and Site Expenses	25	25,568.23	27,403.53
Employee Benefits Expense	26	6,431.73	6,462.55
Finance Costs	27	5,832.34	4,708.07
Depreciation and Amortisation Expense	28	2,959.09	3,084.18
Other Expenses	29	6,436.18	7,348.45
<b>Total Expenses</b>		<u>106,142.69</u>	<u>83,189.56</u>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<u>4,366.65</u>	<u>4,346.15</u>
Add/(Less): Exceptional Items [Income/(Expense)]		-	-
<b>Profit Before Extraordinary Items and Tax</b>		<u>4,366.65</u>	<u>4,346.15</u>
Add: Extraordinary Items -Income		-	93.52
<b>Profit Before Tax</b>		<u>4,366.65</u>	<u>4,439.67</u>
<b>Tax Expenses</b>			
-Current Tax			
Expenses for Current Year		1,698.40	1,245.00
Expenses Relates to Prior Years		233.69	715.58
-Deferred Tax		(358.65)	82.36
<b>Profit for the year from Continuing Operations</b>		<u><u>2,793.21</u></u>	<u><u>2,396.73</u></u>

There are no discontinuing operations.

Earnings per share (Face Value ₹ 10/-)

30

Before Extraordinary Items

Basic and Diluted (₹)

22.76 19.01

After Extraordinary Items

Basic and Diluted (₹)

22.76 19.53

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Kapoor &amp; Parekh Associates

Chartered Accountants

For and on behalf of Board of Directors

N. M. Parekh  
PartnerSandeep Mishra  
Company SecretaryRatnakar M. Gutte  
Chairman and  
Managing DirectorSunil R. Gutte  
Joint Managing Director

Nagpur, 30 May 2013

## Statement of Cash Flow for the year ended 31 March 2013 (Standalone)

(₹ in Lacs)		
Particulars	31 March 2013	31 March 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and Extraordinary Items	4,366.65	4,346.15
Adjustment for :		
Depreciation and Amortisation	2,959.09	3,084.18
Exchange Differences	52.52	368.19
Bad Debts/Advances Written off	9.31	119.57
Provision for Doubtful Debts/Advances	125.66	108.10
Loss on Sale of Non Current Investments	0.06	20.00
Wealth Tax (Included in Other Expenses)	2.27	5.78
Loss of Inventory by Fire	53.04	-
Loss from Partnership Business	0.69	-
Amount Written Back	(104.22)	(167.68)
Profit on Sale of Non-Current Investment- Non Trade- Net	-	(569.21)
Profit on Sale of Fixed Assets	(32.68)	(603.05)
Interest Expenses (Considered in Financing Activities)	5,832.34	4,708.07
Interest Incomes (Considered in Investing Activities)	(650.29)	(428.55)
Interest Income from Partnership Firm (Considered in Investing Activities)	(27.72)	-
Dividend Income (Considered in Investing Activities)	-	(2.39)
<b>Operating Profit before Working Capital Changes :</b>	<b>12,586.72</b>	<b>10,989.16</b>
Decrease (Increase) in Inventories	1,539.16	(7,121.99)
Decrease (Increase) in Trade Receivables	(1,983.62)	4,983.08
Decrease (Increase) in Other Current Assets	(13,612.23)	(2,230.39)
Decrease (Increase) in Long Term Loans and Advances	663.95	152.02
Decrease (Increase) in Short Term Loans and Advances	(2,205.27)	(4,502.61)
Increase (Decrease) in Long Term Provisions	9.09	59.95
Increase (Decrease) in Short Term Provisions	(4.66)	17.61
Increase (Decrease) in Trade Payables	10,608.35	2,032.96
Increase (Decrease) in Other Non Current Liabilities	1,121.70	6,478.27
Increase (Decrease) in Other Current Liabilities	(4,254.31)	(9,314.85)
<b>Cash Generated from Operations</b>	<b>4,468.88</b>	<b>1,543.21</b>
Net Income Tax Paid	(1,427.82)	(1,962.66)
<b>Cash Flow Before Extraordinary Items</b>	<b>3,041.06</b>	<b>(419.45)</b>
Extraordinary Income	-	93.52
<b>Net Cash flow from (used in) Operating Activities (A)</b>	<b>3,041.06</b>	<b>(325.93)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed assets including capital advances	(1,040.77)	(4,043.41)
Proceeds from sale of Fixed Assets	309.26	1,799.03
Purchase of Non Current Investments	-	(420.00)
Proceeds from Sale of Non-Current Investments	-	1,520.00
Proceeds from Sale of Current Investments	-	700.00
Bank Balances not considered as cash and cash equivalents (net)	(3,871.57)	(870.76)
Interest Received	506.90	183.32
Dividend Received	-	2.39
<b>Net Cash from (Used in) Investing Activities (B)</b>	<b>(4,096.18)</b>	<b>(1,129.43)</b>

## Statement of Cash Flow for the year ended 31 March 2013 (Standalone)

(₹ in Lacs)		
Particulars	31 March 2013	31 March 2012
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	3,352.67	2,280.54
Repayment of Long Term Borrowings	(3,038.44)	(2,163.64)
Proceeds (Repayment) of Short Term Borrowings	7,049.44	5,760.49
Money received against share warrants	547.50	-
Dividend Paid	(146.28)	(146.41)
Dividend Distribution Tax Paid	(23.90)	(23.90)
Interest Paid	(5,820.27)	(4,707.95)
<b>Net Cash from (Used in) Financing Activities (C)</b>	<b>1,920.72</b>	<b>999.13</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>865.60</b>	<b>(456.23)</b>
<b>Cash and Cash Equivalents as at the Beginning of the year</b>	<b>239.02</b>	<b>695.25</b>
<b>Cash and Cash Equivalents as at the End of the year</b>	<b>1,104.62</b>	<b>239.02</b>
<b>Components of Cash and Cash Equivalents</b>		
Balances with Banks - in Current Accounts	1,046.40	143.65
Cheques/Drafts on hand	-	13.03
Cash on hand	58.22	82.34
<b>Total Cash and Cash Equivalents</b>	<b>1,104.62</b>	<b>239.02</b>

Figures in brackets indicates outflow.

Significant Accounting Policies (Refer note 2)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Kapoor & Parekh Associates

Chartered Accountants

N. M. Parekh  
Partner

Sandeep Mishra  
Company Secretary

For and on behalf of Board of Directors

Ratnakar M. Gutte  
Chairman and  
Managing Director

Sunil R. Gutte  
Joint Managing Director

Nagpur, 30 May 2013

## Notes to Financial Statements for the year ended 31 March 2013

### 1 GENERAL INFORMATION

Sunil Hitech Engineers Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. 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.

### 2 SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of Accounting :

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise specified. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

#### 2.2 Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP, requires estimates and assumptions to be made that affect reported amounts of assets and liabilities on the date of financial statements and amount of revenues and expenses during the reported year. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the year in which results are known / materialised.

#### 2.3 Inventories:

Inventories are stated at lower of cost and net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Cost of inventories is ascertained on the FIFO basis. Tools are written off based on technical evaluation.

#### 2.4 Cenvat, Service Tax and VAT Credit:

Cenvat, Service Tax and VAT credits receivable/availed are treated as an asset with relevant expenses being accounted net of such credits, and the same are reduced to the extent of their utilisations.

#### 2.5 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of the 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.

#### 2.6 Cash And Cash Equivalents:

Cash and Cash Equivalent for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.

#### 2.7 Fixed Assets:

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses incurred to bring the assets to its working condition for its intended use, less accumulated depreciation / amortisation / impairment losses (if any) adjusted by revaluation of certain fixed assets.

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment loss, if any. Intangible assets are recognised only if it is probable that the expected future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

#### 2.8 Depreciation and Amortisation:

Depreciation is provided on written down value method in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956.

## Notes to Financial Statements for the year ended 31 March 2013

Fixed assets individually costing upto ₹ 0.05 Lacs are fully depreciated in the year 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 year 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.

#### 2.9 Revenue Recognition:

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.

Revenues 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.

Dividend income is recognised when the right to receive dividend is established.

Interest income is recognised on time proportion basis.

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

#### 2.10 Foreign Currency Transactions:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions and / or restatements are dealt with in the Statement of Profit and Loss as income or expenses of the period in which they arise.

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.

In respect of the Forward Exchange contracts with underlying transaction, the premium or discount arising at the inception of such contract are recognised as expenses or income over the life of the contract.

#### 2.11 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 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.

#### 2.12 Investments:

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

Long term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are valued at lower of cost and net realisable value.

## Notes to Financial Statements for the year ended 31 March 2013

### 2.13 Employee Benefits:

#### Short-term Benefits

These are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the period in which the related services are rendered. Short term compensated absences are provided for based on actuarial valuation in accordance with Company rules.

#### Post Employment Benefits

Company's contribution for the period paid / payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss.

Company's liability towards defined benefit plans viz. gratuity is determined using the Projected Unit Credit Method as per the valuation carried out at the Balance Sheet date.

Defined benefit in the form of compensated absences is provided for based on actuarial valuation at the year-end in accordance with Company's policy.

### 2.14 Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

### 2.15 Segment Reporting:

The Company is engaged in the business of Engineering, Procurement, Construction-(EPC), Overhauling and Maintenance, Trading. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies ( Accounting Standards) Rules,2006, are considered to constitute different primary segments. Further, there is no reportable secondary segment i.e. Geographical Segment.

### 2.16 Operating Leases:

Assets taken/given on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/income under operating leases are recognised as expenses/income on accrual basis in accordance with the respective lease agreements.

### 2.17 Earnings Per Share:

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20- Earnings per share

Basic earning per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 2.18 Taxes on Income:

Tax expense comprises of current and Deferred tax.

Current Tax on income is accounted on the basis of the provision of the Income Tax Act, 1961.

Deferred tax resulting from timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

## Notes to Financial Statements for the year ended 31 March 2013

### 2.19 Impairment of Assets:

The fixed assets are reviewed for impairment at each balance sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### 2.20 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of amount of the obligation cannot be made. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

## 3 SHARE CAPITAL

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
Authorised :		
2,50,00,000 (Pr.Yr. 2,50,00,000) Equity shares of ₹ 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up :		
1,22,75,160 (Pr.Yr. 1,22,75,160) Equity shares of ₹ 10/- each fully paid up	1,227.52	1,227.52
	1,227.52	1,227.52

### 3.1 Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Equity shares at the beginning of the year	1,22,75,160	1,227.52	1,22,75,160	1,227.52
Movement during the year	-	-	-	-
Equity shares outstanding at the end of the year	1,22,75,160	1,227.52	1,22,75,160	1,227.52

### 3.2 Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Holders of equity shares are entitled to voting rights as follows: (i) On voting by show of hands, every holder shall have one vote (ii) On voting by poll, in proportion to the amount paid on equity shares held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 1.20 (Pr.Yr. ₹ 1.20).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 3.3 The Company does not have any holding company.

## Notes to Financial Statements for the year ended 31 March 2013

### 3.4 The details of shareholders holding more than 5% of Equity Shares in the Company:

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	% holding	No. of Shares	% holding
Mr. Ratnakar Manikrao Gutte	22,02,500	17.94%	22,02,500	17.94%
Mrs. Sudhamati Ratnakar Gutte	19,68,750	16.04%	19,68,750	16.04%
Mr. Sunil Ratnakar Gutte	16,78,740	13.68%	16,78,740	13.68%
Bessemer Venture Partners Trust	11,00,000	8.96%	11,00,000	8.96%
Mr. Vijay Ratnakar Gutte	675,000	5.50%	675,000	5.50%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### 3.5 Terms of Warrants

Refer Note 5

## 4 RESERVES AND SURPLUS

Particulars	As at		As at	
	31 March 2013		31 March 2012	
<b>Capital Reserve</b>				
Balance as per the last financial statements	825.60		825.60	
<b>Securities Premium Account</b>				
Balance as per the last financial statements	11,150.14		11,150.14	
<b>Revaluation Reserve</b>				
Balance as per the last financial statements	57.62		58.59	
Less: Amount transferred to the statement of profit and loss as reduction from depreciation	0.92		0.97	
	56.70		57.62	
<b>General Reserve</b>				
Balance as per the last financial statements	1,250.00		1,063.84	
Add: Transferred from Statement of Profit and Loss	209.50		186.16	
	1,459.50		1,250.00	
<b>Surplus in the Statement of Profit and Loss</b>				
Balance as per last financial statements	10,860.02		8,820.65	
Profit for the year	2,793.21		2,396.73	
Less: Appropriations				
Proposed dividend on equity shares	147.30		147.30	
Tax on proposed equity dividend	25.03		23.90	
Transfer to general reserve	209.50		186.16	
Total appropriations	381.83		357.36	
Net Surplus in the Statement of Profit and Loss	13,271.40		10,860.02	
	26,763.34		24,143.38	

## 5 MONEY RECEIVED AGAINST SHARE WARRANTS

5.1 The members at the Extra Ordinary General Meeting held on 31 January 2013 has authorized the Board/Committee thereof, to create, offer, issue and allot on preferential basis (i) 30,00,000 warrants convertible into equity shares to the Promoters Group, Persons acting in concert with Promoters or Companies under Promoters Group (ii) 49,50,000 warrants convertible into equity shares to the Foreign Institutional Investors (FIIs) and/or Sub Account of FIIs.

### 5.2 Terms attached to equity warrants

The Pricing of the Warrants convertible into equity shares of face value ₹ 10/- has been determined in accordance with the provisions of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009, which came to ₹ 73/- per warrant.

On 14 February 2013 warrants aggregating to 30,00,000 has been allotted to promoter group after receiving ₹ 18.25

## Notes to Financial Statements for the year ended 31 March 2013

per warrant (25% of ₹ 73/-) as subscription money. The balance amount shall be payable at the time of conversion of warrants into equity shares. Each Warrant entitle the holder thereof for one equity share of face value ₹ 10/- only.

The holder of warrants will have an option to apply for and be allotted 1 (one) equity share of the Company per warrant any time after the date of allotment but on or before the expiry of 18 months from the respective date of allotment.

If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 months, the entitlement of warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.

The warrant holders shall also be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into equity shares by the Company in the same proportion and manner as any other shareholders of the Company for the time being.

The Equity shares to be allotted on conversion of warrants shall rank pari passu in all respects with the existing equity shares of the Company.

## 6 LONG TERM BORROWINGS

Particulars	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Rupee Term Loans (Secured)</b>				
From Banks	915.33	977.25	1,814.21	1,727.92
From Financial Institutions	1,181.79	1,108.68	835.00	618.26
	2,097.12	2,085.93	2,649.21	2,346.18
Amount disclosed under the head Other Current Liabilities as Current Maturities of Long-Term Debt (Refer Note 07)	-	-	2,649.21	2,346.18
	2,097.12	2,085.93	-	-

### 6.1 Term loan from bank referred above to the extent of:

- ₹ 499.18 Lacs (Pr.Yr. ₹ 341.52 Lacs) are secured by first mortgage/pari-passu charge on the respective buildings situated at Pune and Nagpur.
- ₹ 1,038.46 Lacs (Pr.Yr. ₹ 2,199.85 Lacs) secured by first hypothecation/pari-passu charge on the respective plant and machineries including Hydras at various sites.
- ₹ 84.32 Lacs (Pr.Yr. ₹ 163.80 Lacs) are secured by first hypothecation/pari-passu charge on the respective Vehicles at various sites.
- ₹ 1,107.58 Lacs (Pr.Yr. ₹ Nil) are secured by exclusive charge over the project specific total assets including receivables of the Kolhapur T&D site.

### 6.2 Term loan from financial institutions referred above to the extent of:

- ₹ 1,975.15 Lacs (Pr.Yr. ₹ 1,717.43 Lacs) are secured by first hypothecation/pari-passu charge on the respective plant and machineries including Hydras situated at various sites.
- ₹ 6.33 Lacs (Pr.Yr. ₹ 9.51 Lacs) are secured by first hypothecation/pari-passu charge on the respective Vehicles at various sites.
- ₹ 35.31 Lacs (Pr.Yr. ₹ Nil) are secured by first and exclusive hypothecation on the respective non consumable materials.

## Notes to Financial Statements for the year ended 31 March 2013

### 6.3 Maturity profile and Rate of Interest on Secured Loans are as set out below.

For the Year Ended 31 March 2013

Sr. No.	Particulars	Range of Interest Rate *	(₹ in Lacs)			
			1-2 Years 2014-2015	2-3 Years 2015-2016	3-4 Years 2016-2017	Beyond Four Years 2017-2018 Onward
1	Property loan	13%	91.12	102.84	116.06	108.46
2	Vehicle	5.75%-12.08%	10.47	3.32	-	-
3	Machinery	5.12%-14.85%	690.60	597.18	-	-
4	Non Consumable Materials	7.10%	357.59	-	-	-
5	Project Funding	13%	17.96	1.61	-	-
			1,167.74	704.85	116.06	108.46

For the Year Ended 31 March 2013

Sr. No.	Particulars	Range of Interest Rate *	(₹ in Lacs)			
			1-2 Years 2013-2014	2-3 Years 2014-2015	3-4 Years 2015-2016	Beyond Four Years 2016-2017 Onward
1	Property loan	8.75%-11.00%	30.67	35.61	39.82	191.99
2	Vehicle	5.75%-12.08%	76.13	4.44	-	-
3	Machinery	5.12-14.85%	1,152.87	284.69	269.71	-
			1,259.67	324.74	309.53	191.99

\* Above interest rates are Floating rates

## 7 OTHER LIABILITIES

Particulars	(₹ in Lacs)			
	Non-current (Long Term)		Current (Short Term)	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Current Maturities of Long-Term Debts	-	-	2,649.21	2,346.18
Interest Accrued but Not Due	-	-	59.35	47.28
Unpaid Dividends	-	-	6.46	5.44
(To be credited to Investor Education and Protection Fund when due)				
Other Advance Received *	-	-	201.32	123.14
Security Deposit & Retention Money from Sub-Contractors	3,963.28	2,599.61	1,119.06	879.10
Advance from Customers	3,636.69	3,878.66	2,227.17	3,595.95
Due to Customers (Project related activity)	-	-	984.30	4,265.04
Income Tax (Net of Provision)	-	-	78.62	-
Other Payables **	-	-	1,886.37	1,809.30
	7,599.97	6,478.27	9,211.86	13,071.43

\* Includes Government Grant under SGSY Scheme received in advance aggregating to ₹ 71.55 Lacs.

\*\* Includes statutory dues and payable against other contractual obligations.

## 8 LONG TERM PROVISIONS

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
Provision for employee benefit (Refer Note 37)		
Provision for Gratuity (Net)	9.78	0.21
Provision for Compensated Absences	204.11	204.59
	213.89	204.80

## Notes to Financial Statements for the year ended 31 March 2013

### 9 SHORT TERM BORROWINGS

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
Working Capital Rupee loans from Banks repayable on demand (Secured)	28,258.86	25,797.06
Foreign Currency Buyers Credit Arrangement from Banks (Unsecured)	7,704.47	3,064.31
	35,963.33	28,861.37

9.1 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.

### 10 TRADE PAYABLES

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
Trade Payables	25,254.61	14,639.19
(Refer Note 46 for Micro, Small & Medium Enterprises disclosure)		
	25,254.61	14,639.19

### 11 SHORT TERM PROVISIONS

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
Provision for Employee Benefits (Refer Note 37)		
Provision for Compensated Absences	41.93	46.58
Other Provisions		
Proposed Dividend	147.30	147.30
Tax on Dividend	25.03	23.90
Provision for Wealth Tax	3.20	5.50
	217.46	223.28

Description	Gross Block			Depreciation/Amortisation		Net Block	
	As At 01.04.2012	Additions	Deduction/ Adjustment	As At 01.04.2012	Additions	As At 31.03.2013	As At 31.03.2013
A TANGIBLE ASSETS :-							
Freehold Land	166.90	-	11.28	-	-	-	155.62
Leasehold Land	40.36	-	-	1.22	0.41	1.63	38.73
Buildings*	2,524.10	12.79	133.72	481.12	99.35	553.79	1,849.38
Plant and Machinery*	17,658.94	200.55	127.07	8,646.79	1,919.01	10,463.32	7,269.10
Computer and Printer	539.24	242.14	211.61	247.68	168.84	293.64	276.13
Furniture and Fixtures	711.46	78.69	7.69	210.40	93.67	297.47	484.99
Office Equipment	338.90	33.77	2.39	127.19	33.00	158.32	211.96
Vehicles	1,216.78	78.32	113.12	714.27	130.92	756.70	425.28
Temporary Office Construction	683.37	315.08	60.18	410.67	381.60	769.57	168.70
Total Tangible Assets	23,880.05	961.34	667.06	10,839.34	2,826.80	13,294.44	10,879.89
B INTANGIBLE ASSETS:-							
Computer Softwares	690.66	16.19	-	156.34	133.24	-	289.58
Total Intangible Assets	690.66	16.19	-	156.34	133.24	-	289.58
C CAPITAL WORK-IN-PROGRESS							
Total Fixed Assets (A) + (B) + (C)	24,570.71	977.53	667.06	10,995.67	2,960.04	371.70	11,836.62
12.1 Previous Year							
Description	Gross Block			Depreciation/Amortisation		Net Block	
	As At 01.04.2011	Additions	Deduction/ Adjustment	As At 01.04.2011	Additions	As At 31.03.2012	As At 31.03.2012
A TANGIBLE ASSETS :-							
Freehold Land	466.55	57.23	356.88	-	-	-	166.90
Leasehold Land	134.59	7.68	101.91	5.00	0.92	1.22	39.14
Buildings*	2,473.56	128.19	77.65	382.69	107.86	481.12	2,042.98
Plant and Machinery*	16,221.30	2,800.32	1,362.68	7,113.83	2,178.58	8,646.79	9,012.15
Computer and Printer	275.32	264.79	0.87	137.27	111.19	247.68	291.56
Furniture and Fixtures	360.09	351.48	0.11	149.63	60.84	210.40	501.06
Office Equipment	256.46	82.66	0.22	86.14	41.18	127.19	211.71
Vehicles	1,075.61	160.09	18.92	563.20	164.83	714.27	502.51
Temporary Office Construction	309.17	374.20	-	81.59	329.08	410.67	272.70
Total Tangible Assets	21,572.65	4,226.64	1,919.24	8,519.35	2,994.48	10,839.34	13,040.71
B INTANGIBLE ASSETS:-							
Computer Softwares	122.52	568.14	-	65.67	90.66	156.33	534.33
Total Intangible Assets	122.52	568.14	-	65.67	90.66	156.33	534.33
C CAPITAL WORK-IN-PROGRESS							
Total Fixed Assets (A) + (B) + (C)	21,695.18	4,794.78	1,919.24	8,585.02	3,085.14	10,995.67	14,117.48

\* Charge against certain movable fixed assets like crawler and other cranes (included in Plant and Machinery) and certain immovable properties situated at CBD Belapur, New Mumbai (included in Building) have been created in favour of Tata Capital Ltd. in respect of the debenture issued by Gangakhed Sugar & Energy Ltd. to Tata Capital Ltd.

Notes to Financial Statements for the year ended 31 March 2013

13 NON -CURRENT INVESTMENTS (Long Term Investment)

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
A Trade Investments - Unquoted		
In Subsidiary Company		
SEAM Industries Limited		
49,00,000 (Pr.Yr. 49,00,000) Equity Shares of ₹ 10/- each fully paid up	770.00	770.00
Investment in Partnership Firm *		
45% share in the partnership firm V. K. Realtors	258.04	-
(includes accumulated share of loss ₹ 0.69 Lacs and interest on capital ₹ 27.72 Lacs)		
B Other Investments - Unquoted		
In Subsidiary Companies		
Sunil Hitech Energy Private Limited		
24,42,960 (Pr.Yr. 24,42,960) Equity Shares of ₹ 10/- each fully paid up	247.89	247.89
SHEL Investments Consultancy Private Limited		
9,999 (Pr.Yr. 9,999) Equity Shares of ₹ 10/- each fully paid up	1.00	1.00
(Pledged to zero coupon secured optionally convertible debenture holders of SHEL Investments Consultancy Private Limited)		
In Associate Company		
Gangakhed Sugar and Energy Limited		
1,95,00,000 (Pr.Yr. 1,95,00,000) Equity Shares of ₹ 10/- each fully paid up	1,950.00	1,950.00
(Pledged with banks against term loans to Gangakhed Sugar and Energy Limited and can not be sold/transferred till the loans are outstanding)		
In Other Companies		
Sudama Mahavir Power Private Limited		
100 (Pr.Yr. 100) Equity Shares of ₹ 10/- each fully paid up	0.01	0.01
	3,226.94	2,968.90
* Details of Investments in partnership firm		
Investment in V. K. Realtors		
Name of the partner and share in profits (%)		
Sunil Hitech Engineers Limited	45%	-
Mr. Kunal N. Kuwadekar	30%	-
Mrs. Meenakshi K. Kuwadekar	15%	-
Mr. Tarun Surender Ahuja	10%	-
Total Fixed Capital of the firm (₹ in Lacs)	283.00	-

14 DEFERRED TAX ASSETS

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
Depreciation	233.16	112.09
Provision for Doubtful Debts/Deposits/Advances	277.61	256.37
Disallowances under Income Tax Act to be allowed in future years	297.89	81.56
	808.66	450.02

## Notes to Financial Statements for the year ended 31 March 2013

### 15 LOANS AND ADVANCES (UNSECURED)

Particulars	(₹ in Lacs)			
	Non-current (Long Term)		Current (Short Term)	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Capital Advances (Considered Good)	427.01	360.78	-	-
Deposits				
Considered Good	1,509.47	1,984.70	1,338.48	601.03
Considered Doubtful	-	-	6.51	6.51
	1,509.47	1,984.70	1,345.00	607.54
Less: Provision for Doubtful Deposits	-	-	6.51	6.51
	1,509.47	1,984.70	1,338.48	601.03
Advances to Creditors				
Considered Good	-	-	3,625.48	2,124.15
Considered Doubtful	-	-	4.20	4.20
	-	-	3,629.68	2,128.35
Less: Provision for Doubtful Advances	-	-	4.20	4.20
	-	-	3,625.48	2,124.15
Loans and Advances to Related Parties (Considered Good)	-	-	301.00	548.00
Balances with Statutory/Government Authorities				
Income Tax (Net of Provision)	-	-	-	430.21
Service Tax Receivable	-	-	168.73	423.59
VAT Receivable	-	-	1,745.13	1,510.81
Prepaid Expenses	96.68	285.41	534.39	511.06
Advances Recoverable in Cash or in Kind	-	-	742.36	531.67
	2,033.16	2,630.89	8,455.57	6,680.52

### 16 OTHER ASSETS

Particulars	(₹ in Lacs)			
	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Interest Accrued on Fixed Deposits	92.28	66.04	348.70	231.55
Fixed Deposits with Banks (Under Lien) (Refer Note 19)	2,027.43	1,265.89	-	-
Due from Customers (Project related activity)	-	-	23,587.27	9,975.05
Fixed Assets - Land Held for Sale	-	-	67.57	48.77
Long Term Trade Receivables - Considered Good	1,777.74	2,280.71	-	-
	3,897.45	3,612.64	24,003.54	10,255.37

### 17 INVENTORIES (As certified by the Management)

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
Raw Material and Components	4,721.09	3,495.46
Raw Material and Components (Goods in Transit)	25.23	1,655.70
Steel and T&D Material	2,128.65	3,257.94
Stores, Spare Parts and Loose Tools	2,391.67	2,451.66
Stores, Spare Parts and Loose Tools (Goods in Transit)	1.09	1.06
Land	243.69	171.91
Land - Work in Progress	-	300.94
	9,511.42	11,334.67

## Notes to Financial Statements for the year ended 31 March 2013

### 18 TRADE RECEIVABLES (UNSECURED)

Particulars	(₹ in Lacs)			
	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Over Six Months from the date it become due for payment				
Considered Good			1,994.59	1,555.43
Considered Doubtful	-	-	803.12	779.44
			2,797.71	2,334.87
Others- Considered Good	1,774.74	2,280.71	35,534.61	33,510.86
	1,777.74	2,280.71	38,332.32	35,845.73
Less : Provision for Doubtful Debts	-	-	803.12	779.44
Less : Amount disclosed under Other Non Current Assets	1,777.74	2,280.71		
	-	-	37,529.20	35,066.29

### 19 CASH AND BANK BALANCES

Particulars	(₹ in Lacs)			
	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Cash and Cash Equivalents (As per AS 3)				
Balances with Banks in Current Accounts			1,046.40	143.65
Cheques/Drafts on hand			-	13.03
Cash on Hand			58.22	82.34
			1,104.62	239.02
Other Bank Balances				
Earmarked Balances with Banks				
- Unpaid Dividend	-	-	6.46	5.43
- Government Grants	-	-	70.07	-
Fixed Deposits with original maturity for more than 3 months and upto 12 months (Under Lien)	-	-	4,071.76	346.28
Fixed Deposits with original maturity for more than 12 months (Under Lien)	2,027.43	1,265.89	2,541.13	3,227.68
	2,027.43	1,265.89	6,689.42	3,579.39
Amount disclosed under Other Non-Current Assets	2,027.43	1,265.89		
	-	-	7,794.04	3,818.41

## Notes to Financial Statements for the year ended 31 March 2013

### 20 REVENUE FROM OPERATIONS

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Revenue from Projects and Maintenance (Refer Note 41 for Segmental Revenue)	80,146.32	75,319.57
Sales-Trading		
Steel	17,443.48	5,989.63
Coal	-	2,717.70
Others	11,334.03	1,142.12
	28,777.51	9,849.45
A	108,923.83	85,169.02
Other Operating Revenues		
Commission Received	32.73	13.15
Income from Crane Hire	241.18	229.07
Sale of Scrap	36.93	32.19
Metal (Boulder) and Other Sale	345.80	115.84
Insurance Claim Received	21.08	-
B	677.72	390.25
(A+B)	109,601.55	85,559.27

### 21 OTHER INCOME

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Interest Income		
Bank deposits	650.29	428.55
Capital of V. K. Realtors	27.72	-
Others	35.10	39.94
Dividend from Current Investments - Non Trade	-	2.39
Profit on Sale of Non Current Investments - Non Trade	-	569.21
Profit on Sale of Fixed Assets (Net)	32.68	603.05
Amount Written Back	104.22	167.68
Miscellaneous Incomes	57.78	165.62
	907.79	1,976.44

### 22 COST OF MATERIAL CONSUMED

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Construction Material Consumed		
Steel	12,756.99	6,960.40
Other Materials	17,670.41	17,796.60
	30,427.40	24,757.00

22.1

Particulars	31 March 2013		31 March 2012	
	Amount (₹)	Percentage	Amount (₹)	Percentage
Construction Material Consumed				
Indigenous	30,334.70	99.70%	24,757.00	100.00%
Imported	92.70	0.30%	-	-
	30,427.40	100.00%	24,757.00	100.00%

## Notes to Financial Statements for the year ended 31 March 2013

### 23 CHANGES IN INVENTORIES OF WORK IN PROGRESS

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Inventories at the beginning of the year		
Work-in Progress	300.94	-
Less: Transfer to Investments in Partnership Firm	231.06	-
Less: Consumed & billed in project	69.88	-
(A)	-	-
Inventories at the end of the year		
Work-in Progress	-	300.94
Net (Increase) Decrease Inventories of Work in Progress	(A-B)	(300.94)

### 24 PURCHASE OF STOCK IN TRADE

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Steel	17,288.30	6,002.76
Coal	-	2,649.08
Others	11,199.42	1,074.88
	28,487.72	9,726.72

### 25 CONTRACT AND SITE EXPENSES

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Construction, Erection, Fabrication and Maintenance	22,434.22	24,186.70
Excavation, Disposal and Leveling	314.74	448.41
Hire Charges	1,329.35	1,466.86
Transportation Expenses	472.31	369.83
Royalty Fees	24.96	64.99
Other Site Expenses	992.65	866.74
	25,568.23	27,403.53

### 26 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Salary, Wages and Allowances	5,650.60	5,657.60
Contribution to Provident, Superannuation and Other Funds	349.25	320.69
Staff and Labour Welfare Expenses	431.88	484.26
	6,431.73	6,462.55

### 27 FINANCE COSTS

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Interest Paid to Bank	4,155.68	3,622.65
Other Borrowings Cost	1,462.69	888.44
Interest on Service Tax	78.38	162.05
Interest Paid to Customer	135.59	34.01
Foreign Currency Transaction and Translation Loss (Net)	-	0.92
	5,832.34	4,708.07

## Notes to Financial Statements for the year ended 31 March 2013

### 28 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Depreciation and Amortisation (Refer Note 12)	2,960.01	3,085.15
Less: Recoupment from Revaluation Reserve	0.92	0.97
	2,959.09	3,084.18

### 29 OTHER EXPENSES

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Consumption of Stores and Spares	2,076.64	2,163.41
VAT, Entry Tax and Service Tax	1,044.24	991.77
Rent	745.70	714.31
Travelling and Conveyance	509.19	554.28
Legal and Professional Fees	225.68	426.11
Provision for Doubtful Debts	125.66	108.10
Bad Debts / Advances Written Off	9.31	119.57
Repairs to Machinery	210.83	250.92
Repairs to Building	74.34	49.57
Repairs - Others	175.98	213.91
Insurance	212.31	223.70
Power and Fuel	216.69	213.61
Communication	156.40	185.72
Rates and Taxes	89.46	92.86
Printing and Stationery	78.20	91.43
Exchange Rate Difference (Net)	52.52	368.19
Loss of Inventory by Fire	53.04	-
Loss from Partnership Business	0.69	-
Loss on Sale of Non Current Investments (Non Trade)	0.06	20.00
Miscellaneous Expenses	379.24	560.99
	6,436.18	7,348.45

### 30 EARNINGS PER SHARE (EPS)

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars		31 March 2013	31 March 2012
Basic and Diluted Earnings Per Share:			
Profit after tax before Extra Ordinary activities attributable to Equity Shareholders considered for Basic EPS (₹ in Lacs)	(A)	2,793.21	2,333.55
Profit after tax after Extra Ordinary activities attributable to Equity Shareholders considered for Basic EPS (₹ in Lacs)	(B)	2,793.21	2,396.73
Add: Dilutive effect on profit (₹ in Lacs)	(C)	Nil	Nil
Profit after tax before Extra Ordinary activities attributable to Equity shareholders for computing Diluted EPS (₹ in Lacs)	(D=A+C)	2,793.21	2,333.55
Profit after tax after Extra Ordinary activities attributable to Equity shareholders for computing Diluted EPS (₹ in Lacs)	(E=B+C)	2,793.21	2,396.73
Nominal Value of Equity Shares (₹)	(F)	10.00	10.00
Weighted average number of Equity Shares outstanding considered for Basic EPS	(G)	1,22,75,160	1,22,75,160
Add: Dilutive effect of Warrants - Number of shares *	(H)	Nil	Nil
Weighted average number of Equity Shares outstanding considered for Diluted EPS	(I=G+H)	12,275,160	12,275,160

## Notes to Financial Statements for the year ended 31 March 2013

Particulars	31 March 2013	31 March 2012
Nominal Value of Equity Shares (₹)	10.00	10.00
Basic and Diluted Earnings Per Share before Extra Ordinary activities (₹) (J=A/G & D/I)	22.76	19.01
Basic and Diluted Earnings Per Share after Extra Ordinary activities (₹) (K=B/G & E/I)	22.76	19.53
(A+B)	109,601.55	85,559.27

\* The conversion of warrants to equity shares is "Anti- Dilutive" and hence effect of anti-dilutive Potential Equity Shares is ignored in calculating Diluted Earnings per Share.

### 31 CONTINGENT LIABILITIES

(₹ in Lacs)		
Particulars	31 March 2013	31 March 2012
a) Service Tax demand disputed, contested in appeal	1,598.24	864.85
b) Sales Tax demand disputed, contested in appeal	39.84	-
c) Customs Duty disputed	115.49	-
d) Guarantee given to Banks and Financial Institutions on behalf of -		
i) A subsidiary company	5,242.00	5,242.00
- Loans/ LC/ BG outstanding at the year end	3,539.25	4,467.52
ii) An Associate Company	2,500.00	-
- Loans outstanding at the year end	1,298.33	-
iii) Others	250.00	-
e) Claims against the Company not acknowledged as debts	101.37	17.60

### 32 REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX)

(₹ in Lacs)		
Particulars	31 March 2013	31 March 2012
Statutory Audit Fees	20.00	18.50
For Certification and Other Matters	5.28	6.50

### 33 CIF VALUE OF IMPORTS

(₹ in Lacs)		
Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
Raw Materials and Stock in Trade	9,647.32	1,054.78
Capital Goods	106.76	1,642.05

### 34 EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)		
Particulars	Year Ended 31 March 2013	Year Ended 31 March 2012
Interest	62.17	43.22
Travelling and Conveyance	0.68	10.74
Others	4.57	28.86

## Notes to Financial Statements for the year ended 31 March 2013

### 35 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Particulars	31 March 2013	31 March 2012
Year to which the dividend relates	2011-12	2010-11
Number of non-resident shareholders	284	304
Number of shares held by them	1,276,521	1,276,217
Amount of dividend (₹ in Lacs)	15.32	15.31

The Company has paid dividend in respect of shares held by Non-Resident Shareholders, on repatriation basis. 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 can not be ascertained.

### 36 EARNINGS IN FOREIGN CURRENCY

Particulars	31 March 2013	31 March 2012
Exports at FOB Value	3776.12	-

### 37 EMPLOYEE BENEFITS

As required by Accounting Standard-15 "Employee Benefits" the disclosures are as under:

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 cover 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.

During the year, the Company has recognised the following amounts in the Accounts:

Particulars	31 March 2013	31 March 2012
Provident Fund, Employee's Pension Scheme and MLWF	312.68	302.55
Employees State Insurance	21.64	18.14
	334.32	320.69

Defined Benefit Plans

Leave Encashment:

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 has been provided based on the report of independent actuary, using the "Projected Accrued Benefit Method", which is same as the "Projected Unit Credit Method" in respect of past services. Accordingly ₹ 246.03 Lacs (Pr.Yr. ₹ 251.17 Lacs) being the liability as at the year end for compensated absences have been provided in the accounts.

Gratuity:

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.

## Notes to Financial Statements for the year ended 31 March 2013

The Company makes annual 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:

- On normal retirement/early retirement/withdrawal/resignation:  
As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.
- On the death in service:  
As per the provisions of 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 2013:

Particulars	31 March 2013	31 March 2012
i) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	229.94	189.74
Current service cost	54.99	51.67
Interest cost	23.95	19.44
Actuarial loss/(gain)	(42.12)	(20.81)
Benefit (paid)	(13.57)	(10.10)
Closing defined benefit obligation	253.18	229.94
ii) Changes in Fair Value of Assets		
Opening fair value of plan assets	229.72	186.46
Expected return on plan assets	18.50	15.53
Actuarial gain/(loss)	8.71	(4.88)
Contributions of employer	0.05	42.72
Benefits (paid)	(13.57)	(10.10)
Closing fair value of plan assets	243.40	229.72
iii) Amount recognised in the Balance Sheet		
Present value of the obligations as at year end (Funded + Non Funded)	253.18	229.94
Fair value of the plan assets as at year end	(243.40)	(229.72)
Net (asset)/liability recognised as at the year end	9.78	0.22
iv) Expenses recognised in the Statement of Profit and Loss		
Current service cost	54.99	51.67
Interest on defined benefit obligation	23.95	19.44
Expected return on plan assets	(18.50)	(15.53)
Net actuarial loss/(gain) recognised in the current year	(50.83)	(15.93)
Total expenses	9.61	39.65
v) Asset information (% Allocation)		
Government of India Securities	Nil	Nil
Corporate Bonds	Nil	Nil
Special Deposit Scheme	Nil	Nil
Insurer Managed Funds	100%	102%
Others	Nil	-2%
vi) Principal actuarial assumptions used		
Discount Rate (p.a.)	8.10%	8.65%
Expected Rate of Return on Plan Assets (p.a.)	7.50%	7.50%
Salary Escalation Rate (p.a.)	6.00%	6.00%

The estimate of future increase in compensation levels considered in the actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## Notes to Financial Statements for the year ended 31 March 2013

### 38 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-7 "CONSTRUCTION CONTRACT" (REVISED)

(₹ in Lacs)		
Particulars	31 March 2013	31 March 2012
Contract revenue recognised for the year	77,125.23	72,218.27
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	237,663.05	173,096.21
Amount of customer advances received and outstanding for contracts in progress	5,817.19	7,471.03
Retention amount due from customers for contract in progress	13,952.85	12,900.21
Gross amount due from customers as at year end	23,587.27	9,975.05
Gross amount due to customers as at year end	984.30	4,265.05

### 39 DISCLOSURE FOR OPERATING LEASES UNDER ACCOUNTING STANDARD-19 "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 and ranges from 5 months to 15 years under leave and license, or longer for other leases 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 ₹ 755.55 Lacs (Pr.Yr. ₹ 656.25 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.

(₹ in Lacs)		
Particulars	31 March 2013	31 March 2012
Not later than one year	683.36	736.24
Later than one year but not later than five years	1,734.20	2,388.76
Later than five years	858.24	1,012.14

40 In terms of the requirements of the Accounting Standard-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, 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.

### 41 SEGMENT REPORTING

#### I. Business Segments:

Business segments have been identified in line with Accounting Standards on Segment Reporting "AS 17".

The Company's businesses are classified into following three primary business segments:

- Project
- Overhauling & Maintenance (O & M)
- Supply

Project 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).

O & M Segment: This segment is engaged in the business of Repair and Maintenance, Overhauling and Renovations of Boilers and auxiliaries, Ash Handling Systems etc.

Supply Segment: Supply of Electrodes, Boiler Spare Parts, Coal, Steel and other materials at various Thermal Power Plants.

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.

## Notes to Financial Statements for the year ended 31 March 2013

(₹ in Lacs)			
Sr. No.	Particulars	31 March 2013	31 March 2012
1	Segment Revenue (Net Sales / Income from each segment)		
	a. Project	77,125.23	72,223.91
	b. Overhauling and Maintenance	3,021.09	3,095.66
	c. Supply	28,777.51	9,849.44
	Total	108,923.83	85,169.01
	Less: Intersegment Revenue	-	-
	Net Sales/Income from Operations	108,923.83	85,169.01
2	Segment Results (Profit before tax and finance cost)		
	a. Project	12,691.64	11,741.45
	b. Overhauling and Maintenance	480.26	1,199.22
	c. Supply	580.66	(93.86)
	Total	13,752.56	12,846.81
	Less:		
	i) Finance Cost	5,832.34	4,708.07
	ii) Other un-allocable expenditure net off un-allocable income	3,553.57	3,699.07
	Profit Before Tax	4,366.65	4,439.67
3	Capital Employed (Segment Assets – Segment Liabilities) (Based on reasonable estimate)		
	a. Project	37,491.82	32,086.30
	b. Overhauling and Maintenance	1,798.71	1,854.12
	c. Supply	(205.09)	2,309.40
	Total	39,085.44	36,249.82
	d. Unallocated	(10,603.78)	(10,936.54)
	Total Capital Employed	28,481.66	25,313.28

#### II. Geographical Segments

Since company operates only in India, there are no geographical segments as defined in AS 17.

### 42 NOTE ON HEDGE AND UNHEDGED FOREIGN CURRENCY ASSETS AND LIABILITIES

During the year, the Company has not entered into any forward exchange contract, being derivative instruments for hedge or trading or speculation purpose. No Forward Exchange Contracts are outstanding as at the year end. The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are as below.

Particulars	Amount	Amount	Foreign Currency	Foreign Currency	Foreign Currency
	31 March 2013	31 March 2012	Amt in Lacs	Amt in Lacs	
Amount Receivable	3,777.00	17.34	69.44	0.34	USD
Amount Payable	11,432.55	2,883.32	210.20	56.36	USD
	338.49	212.12	4.87	3.10	EURO

## Notes to Financial Statements for the year ended 31 March 2013

### 43 RELATED PARTY DISCLOSURE WITH WHOM TRANSACTIONS HAVE TAKEN PLACE DURING THE YEAR AS REQUIRED BY ACCOUNTING STANDARD-18 ARE GIVEN BELOW

Category I : Subsidiaries	SEAM Industries Limited Sunil Hitech Energy Private Limited SHEL Investments Consultancy Private Limited Ecological Road Construction Private Limited (From 13 February 2013 to 05 March 2013)
Category II : Associates	Gangakhed Sugar & Energy Limited V. K. Realtors (Partnership Firm)
Category III : Joint Venture	PBSPL - SHEL - JV
Category IV : Directors, Key Management Personnel and their Relatives	Mr. Ratnakar M. Gutte Mrs. Sudhamati R. Gutte Mr. Sunil R. Gutte Mr. Vijay R. Gutte Mr. M. N. Mohanan Mr. S. K. K. Ramaiah (upto 11 February 2013)
Category V : Enterprises over which persons covered under Category IV above are able to exercise significant control	Gutte Infra Private Limited (Formerly - Sadoday Laxmi Infrastructure Private Limited) VRG Digital Corporation Private Limited

#### A Transactions with Related Parties During the Year are as Under \*

(₹ in Lacs)							
Sr. No.	Particulars	I	II	III	IV	V	Total
1	Sale of Asset	-	-	-	-	-	-
		(1,237.17)	-	-	-	-	(1,237.17)
2	Investments made	0.99	258.72	-	-	-	259.71
		(420.00)	-	-	-	-	(420.00)
3	Application Money Received Back	-	-	-	-	-	-
		(38.38)	-	-	-	-	(38.38)
4	Sale of Investments	0.99	-	-	-	-	0.99
		-	-	-	-	-	-
5	Sale of Investments to	-	-	-	0.99	-	0.99
		-	-	-	(20.00)	-	(20.00)
6	Repayment of Loans	-	-	-	-	-	-
		(286.67)	-	-	-	-	(286.67)
7	Capital Advances Given	-	-	-	116.79	-	116.79
		-	-	-	(195.00)	-	(195.00)
8	Advances Received for Contracts and Projects	-	269.21	-	-	852.75	1,121.96
		-	-	-	-	-	-
9	Advances Given Received Back	247.00	-	-	-	-	247.00
		(1,207.72)	-	-	-	-	(1,207.72)
10	Purchases (Net)	1,258.71	-	-	-	-	1,258.71
		(1,433.89)	-	-	-	-	(1,433.89)
11	Sales of Goods/Contract Revenue & Services	360.39	911.91	261.15	-	1,715.46	3,248.90
		(213.72)	(3,202.01)	(1,018.04)	-	-	(4,433.77)

## Notes to Financial Statements for the year ended 31 March 2013

(₹ in Lacs)							
Sr. No.	Particulars	I	II	III	IV	V	Total
12	Services Received	-	-	-	-	-	-
		(36.74)	-	-	-	-	(36.74)
13	Remuneration to Directors (Including Perquisites)	-	-	-	356.04	-	356.04
		-	-	-	(372.67)	-	(372.67)
14	Rent Paid	-	-	-	157.60	-	157.60
		-	-	-	(164.82)	-	(164.82)
15	Commission Income	32.73	-	-	-	-	32.73
		(13.15)	-	-	-	-	(13.15)
16	Interest Income	33.00	-	-	-	-	33.00
		(33.08)	-	-	-	-	(33.08)
17	Expenses reimbursement to	6.17	80.39	-	-	-	86.56
		(0.35)	-	-	-	-	(0.35)
18	Expenses reimbursement from	7.29	106.20	-	-	-	113.49
		-	-	-	-	-	-
19	Share Warrant Application Money	-	-	-	-	547.50	547.50
		-	-	-	-	-	-

\* 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

(₹ in Lacs)				
Sr. No.	Particulars	Category	31 March 2013	31 March 2012
1	Sale of Asset			
	SEAM Industries Limited	I	-	1,237.17
2	Investments made			
	SEAM Industries Limited	I	-	420.00
	V. K. Realtors	II	258.72	-
3	Application Money Received Back			
	Sunil Hitech Energy Private Limited	I	-	38.38
4	Sale of Investments			
	Ecological Road Construction Private Limited	I	0.99	-
5	Sale of Investments to			
	Mr. Ratnakar M. Gutte	IV	-	20.00
	Mr. Sunil R. Gutte	IV	0.98	-
6	Repayment of Loans			
	Sunil Hitech Energy Private Limited	I	-	276.67
7	Capital Advances Given			
	Mr. Ratnakar M. Gutte	IV	29.20	48.75
	Mrs. Sudhamati R. Gutte	IV	29.20	48.75
	Mr. Sunil R. Gutte	IV	29.20	48.75
	Mr. Vijay R. Gutte	IV	29.20	48.75
8	Advances Received for Contracts and Projects			
	V. K. Realtors	II	269.21	-
	Gutte Infra Private Limited	V	852.75	-

## Notes to Financial Statements for the year ended 31 March 2013

(₹ in Lacs)

Sr. No.	Particulars	Category	31 March 2013	31 March 2012
9	Advances Given Received Back			
	SEAM Industries Limited	I	247.00	-
	SHEL Investment Consultancy Private Limited	I	-	1,207.72
10	Purchases (Net)			
	SEAM Industries Limited	I	1,258.71	1,433.89
11	Sales of Goods/Contract Revenue & Services			
	SEAM Industries Limited	I	360.39	-
	Gangakhed Sugar and Energy Limited	II	383.10	3,202.01
	V. K. Realtors	II	518.52	-
	PBSPL - SHEL - JV	III	261.15	1,018.04
	Gutte Infra Private Limited	V	1,715.46	-
12	Services Received			
	SEAM Industries Limited	I	-	36.74
13	Remuneration to Directors (Including Perquisites)			
	Mr. Ratnakar M. Gutte	IV	92.40	99.87
	Mrs. Sudhamati R. Gutte	IV	48.00	50.89
	Mr. Sunil R. Gutte	IV	50.88	50.88
	Mr. Vijay R. Gutte	IV	50.88	50.88
	Mr. M. N. Mohanan	IV	79.06	79.95
	Mr. S. K. K. Ramaiah	IV	34.82	40.20
14	Rent Paid			
	Mr. Ratnakar M. Gutte	IV	59.63	64.23
	Mrs. Sudhamati R. Gutte	IV	66.21	66.21
	Mr. Sunil R. Gutte	IV	17.94	17.94
15	Commission Income			
	SEAM Industries Limited	I	32.73	13.15
16	Interest Income			
	SEAM Industries Limited	I	33.00	33.08
17	Expenses reimbursement to			
	SEAM Industries Limited	I	-	0.35
	Gangakhed Sugar and Energy Limited	II	80.39	-
18	Expenses reimbursement from			
	Gangakhed Sugar and Energy Limited	II	51.35	-
	V. K. Realtors	II	54.85	-
19	Share Warrant Application Money			
	Gutte Infra Private Limited	V	273.75	-
	VRG Digital Corporation Private Limited	V	273.75	-

## Notes to Financial Statements for the year ended 31 March 2013

### C Balances Due from/to the Related Parties as at 31 March 2013 \*

(₹ in Lacs)

Sr. No.	Particulars	I	II	III	IV	V	Total
1	Investments	1,018.89	2,208.03	-	-	-	3,226.93
		(1,018.89)	(1,950.00)	-	-	-	(2,968.89)
2	Trade Receivables	119.63	4,372.59	684.46	-	100.66	5,277.34
		-	(5,028.10)	(540.55)	-	-	(5,568.65)
3	Loans Given	301.00	-	-	-	-	301.00
		(301.00)	-	-	-	-	(301.00)
4	Advances Given	-	-	-	-	-	-
		(247.00)	-	-	-	-	(247.00)
5	Deposits Given	-	-	63.32	-	-	63.32
		-	-	(64.19)	-	-	(64.19)
6	Capital Advances Given	-	-	-	311.79	-	311.79
		-	-	-	(195.00)	-	(195.00)
7	Trade Payables	1,112.19	29.80	-	-	-	1,141.99
		(406.08)	-	-	(6.71)	-	(412.79)
8	Financial Guarantees	5,242.00	2,500.00	-	-	-	7,742.00
		(5,242.00)	-	-	-	-	(5,242.00)
9	Share Warrant Application Money	-	-	-	-	547.50	547.50
		-	-	-	-	-	-

\* Figures in brackets indicate previous year figures.

### 44 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

(₹ in Lacs)

Particulars	Outstanding at the year end		Maximum amount outstanding during the year	
	31 March 2013	31 March 2012	2012-13	2011-12
Sunil Hitech Energy Private Limited	1.00	1.00	1.00	290.16

#### B. Interest bearing Loans/Advances in the nature of Loans/Advances to

(₹ in Lacs)

Particulars	Outstanding at the year end		Maximum amount outstanding during the year	
	31 March 2013	31 March 2012	2012-13	2011-12
SEAM Industries Limited	300.00	300.00	300.00	300.00
SHEL Investments Consultancy Private Limited	-	-	-	10.77

#### Notes:

- Above Loans and Advances are repayable on demand.
- 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.

Notes to Financial Statements for the year ended 31 March 2013

C. Investment of loanee in the shares of

( <i>₹ in Lacs</i> )		
Particulars	No of Shares	Amount
-its Subsidiary Company *	N.A.	N.A.
	(71,04,240)	(1,210.74)

\* SHEL Investments Consultancy Private Limited holds 71,04,240 shares of Sunil Hitech Energy Private Limited of value ₹ 1,210.74 Lacs only.

45 The company has entered into a Joint Venture with Phenix Building Solutions Private Limited named as “PBSPL - SHEL - JV”, a jointly controlled entity where in the company holds 49% interest.

The company has not made any capital contribution in the said Joint Venture. The accounts of the JV are under preparation and therefore proportionate share in the profits or losses are not incorporated in the Financial statements.

46 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 2013 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 7.90 Lacs (Pr.Yr. ₹ 28.32 Lacs) and interest payable thereon ₹ Nil (Pr.Yr. ₹ Nil) and interest paid during the year ₹ Nil (Pr.Yr. ₹ Nil).

47 Balance of some of the Trade Receivables and Trade Payables are subject to confirmation/reconciliation and adjustments, if any.

48 Due to natural calamity occurred at SECHI Site, the Company had incurred loss of ₹ 147.50 Lacs in FY 2009-10 and same had been provided as extraordinary loss in the books of accounts for the year ended 31 March 2010. The site and the assets thereon were sufficiently insured and claim of ₹ 50 Lacs received in the FY 2010-11 and ₹ 93.52 Lacs received in the FY 2011-12 had been accounted as an extraordinary income in the respective year.

49 Previous year’s figures are regrouped and recasted wherever required.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached  
For Kapoor & Parekh Associates  
Chartered Accountants

For and on behalf of Board of Directors

N. M. Parekh  
Partner

Sandeep Mishra  
Company Secretary

Ratnakar M. Gutte  
Chairman and  
Managing Director

Sunil R. Gutte  
Joint Managing Director

Nagpur, 30 May 2013

Independent Auditors’ Report

To  
The Board of Directors of  
SUNIL HITECH ENGINEERS LIMITED

We have audited the accompanying consolidated financial statements of **SUNIL HITECH ENGINEERS LIMITED** (“the Company”) and its subsidiaries, which comprise the consolidated Balance Sheet as at 31 March 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and presentation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of non availability of audited financial statements of Joint ventures

and non incorporation of the same in consolidated financial statements as noted below in the “Emphasis of Matter” paragraph and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associate referred to below in the “Other Matter” paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

As stated in note 32.4 in case of PBSPL-SHEL-JV, a joint venture of the Company and note 32.5 in case of MSMC Adkoli Natural Resources Limited, a joint venture of Sunil Hitech Energy Private Limited, one of the subsidiaries of the Company, the audited financial statements are not available, hence the same have not been incorporated in the consolidated financial statements.

Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (net) of ₹ 20,224.71 Lacs as at 31March 2013 total revenues of ₹ 17,245.04 Lacs and net cash outflows amounting to ₹ 90.33 Lacs for the year then ended. We did not audit the financial statement of the associate whose financial statement includes the Group’s share of profit of ₹ 49.29 Lacs. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For Kapoor & Parekh Associates  
Chartered Accountants  
ICAI FRN 104803W

N. M. Parekh  
Partner

Nagpur, 30 May 2013

Membership No. 33528

## Consolidated Balance Sheet as at 31 March 2013

(₹ in Lacs)			
Particulars	Note	As at 31 March 2013	As at 31 March 2012
<b>Equity And Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,227.52	1,227.52
Reserves and Surplus	4	29,408.19	26,016.87
Money received against share warrants	5	547.50	-
		<b>31,183.21</b>	<b>27,244.39</b>
Minority Interest		1,264.74	1,172.23
<b>Non Current Liabilities</b>			
Long Term Borrowings	6	5,070.37	3,758.59
Deferred Tax Liabilities	7	85.23	47.78
Other Long Term Liabilities	8	9,151.11	6,478.27
Long Term Provisions	9	257.77	228.97
		<b>14,564.48</b>	<b>10,513.61</b>
<b>Current Liabilities</b>			
Short Term Borrowings	10	39,746.38	32,379.59
Trade Payables	11	28,214.57	18,517.01
Other Current Liabilities	8	11,511.94	15,303.73
Short Term Provisions	12	278.76	276.35
		<b>79,751.65</b>	<b>66,476.68</b>
<b>Total</b>		<b>126,764.08</b>	<b>105,406.91</b>
<b>Assets</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
	13		
Tangible Assets		13,890.72	15,557.44
Intangible Assets		429.27	554.30
Capital Work-in-Progress		4,642.08	4,485.09
Incidental expenses pending allocation		787.88	527.67
Non Current Investments	14	3,452.33	3,143.81
Deferred Tax Assets	15	808.66	450.02
Long Term Loans and Advances	16	2,253.87	2,742.22
Other Non Current Assets	17	3,897.45	3,612.64
		<b>30,162.25</b>	<b>31,073.19</b>
<b>Current Assets</b>			
Inventories	18	13,054.67	12,386.73
Trade Receivables	19	42,288.92	41,267.50
Cash and Bank Balances	20	8,181.80	4,080.72
Short Term Loans and Advances	16	9,060.57	6,336.79
Other Current Assets	17	24,015.87	10,261.98
		<b>96,601.83</b>	<b>74,333.72</b>
<b>Total</b>		<b>126,764.08</b>	<b>105,406.91</b>

## Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Kapoor &amp; Parekh Associates

Chartered Accountants

For and on behalf of Board of Directors

N. M. Parekh  
PartnerSandeep Mishra  
Company SecretaryRatnakar M. Gutte  
Chairman and  
Managing DirectorSunil R. Gutte  
Joint Managing Director

Nagpur, 30 May 2013

## Consolidated Statement of Profit and Loss for the year ended 31 March 2013

(₹ in Lacs)			
Particulars	Note	Year ended 31 March 2013	Year ended 31 March 2012
<b>Revenue</b>			
Revenue from Operations	21	125,281.69	95,781.63
Other Income	22	889.03	1,939.68
<b>Total Revenue</b>		<b>126,170.72</b>	<b>97,721.31</b>
<b>Expenses</b>			
Cost of Material Consumed	23	42,108.61	31,863.82
Changes in Inventories of Work in Progress	24	(341.97)	(482.95)
Purchase of Stock in Trade	25	28,487.72	9,726.72
Contract and Site Expenses	26	26,544.80	28,378.83
Employee Benefits Expense	27	7,126.25	6,872.60
Finance Costs	28	6,517.96	5,148.04
Depreciation and Amortisation Expense	29	3,304.91	3,257.94
Other Expenses	30	6,864.76	7,741.32
<b>Total Expenses</b>		<b>120,613.04</b>	<b>92,506.32</b>
<b>Profit Before Exceptional and Extraordinary Items and Tax</b>		<b>5,557.68</b>	<b>5,214.99</b>
Add/(Less): Exceptional Items [Income/(Expense)]		-	-
<b>Profit Before Extraordinary Items and Tax</b>		<b>5,557.68</b>	<b>5,214.99</b>
Add: Extraordinary Items -Income		-	93.53
<b>Profit Before Tax</b>		<b>5,557.68</b>	<b>5,308.52</b>
<b>Tax Expenses</b>			
<b>-Current Tax</b>			
Expenses for Current Year		2,038.58	1,498.29
Expenses Relates to Prior Years		233.69	724.86
<b>-Deferred Tax</b>			
		(321.19)	156.38
<b>Profit/(Loss) for the year from Continuing Operations</b>		<b>3,606.60</b>	<b>2,928.99</b>
Add/(Less): Share in profit/(loss) of Associate Company		49.29	119.38
Less: Minority Interest		92.52	35.34
<b>Profit for the period</b>		<b>3,563.38</b>	<b>3,013.03</b>

There are no discontinuing operations.

Earnings per share (Face Value ₹ 10/-)

31

**Before Extraordinary Items**

Basic and Diluted (₹)

29.03

24.03

**After Extraordinary Items**

Basic and Diluted (₹)

29.03

24.55

## Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Kapoor &amp; Parekh Associates

Chartered Accountants

For and on behalf of Board of Directors

N. M. Parekh  
PartnerSandeep Mishra  
Company SecretaryRatnakar M. Gutte  
Chairman and  
Managing DirectorSunil R. Gutte  
Joint Managing Director

Nagpur, 30 May 2013

## Statement of Cash Flow for the year ended 31 March 2013 (Consolidated)

(₹ in Lacs)		
Particulars	31 March 2013	31 March 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and Extraordinary Items	5,557.66	5,214.99
Adjustment for :		
Depreciation and Amortisation	3,304.91	3,257.94
Exchange Differences	52.52	368.19
Bad Debts/Advances Written off	26.86	131.97
Provision for Doubtful Debts/Advances	125.66	108.10
Loss on Sale of Non-Current Investments	0.06	20.00
Wealth Tax (Included in Other Expenses)	2.27	5.78
Incidental Expenses Pending Allocation	-	31.11
Loss of Inventory by Fire	53.04	-
Loss from Partnership Business	0.69	-
Amount Written Back	(104.22)	(167.68)
Profit on Sale of Fixed Assets	(32.68)	(589.95)
Profit on Sale of Non-Current Investment- Non Trade- Net	-	(569.21)
Interest expenses (Considered in Financing Activities)	6,517.96	5,148.04
Interest Incomes (Considered in Investing Activities)	(630.99)	(402.81)
Interest Income from Partnership Firm (Considered in Investing Activities)	(27.72)	-
Dividend Income (Considered in Investing Activities)	-	(2.39)
Miscellaneous Expenditure Written off	1.19	-
<b>Operating Profit before Working Capital Changes :</b>	<b>14,847.21</b>	<b>12,554.08</b>
Decrease (Increase) in Inventories	(952.04)	(7,759.23)
Decrease (Increase) in Trade Receivables	(1,995.07)	3,417.43
Decrease (Increase) in Other Current Assets	(13,694.11)	(2,249.10)
Decrease (Increase) in Long Term Loans and Advances	663.95	152.02
Decrease (Increase) in Short Term Loans and Advances	(3,163.23)	(3,722.62)
Increase (Decrease) in Long Term Provisions	9.09	59.95
Increase (Decrease) in Short Term Provisions	(4.66)	17.61
Increase (Decrease) in Trade Payables	11,108.98	2,927.90
Increase (Decrease) in Other Non Current Liabilities	1,207.42	5,259.83
Increase (Decrease) in Other Current Liabilities	(3,977.49)	(9,247.85)
<b>Cash Generated from Operations</b>	<b>4,050.05</b>	<b>1,410.02</b>
Net Income Tax Paid	(1,761.87)	(2,169.81)
<b>Cash Flow before Extraordinary Items</b>	<b>2,288.18</b>	<b>(759.79)</b>
Extraordinary Income	-	93.52
<b>Net Cash flow from (used in) Operating Activities (A)</b>	<b>2,288.18</b>	<b>(666.27)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed assets including capital advances	(2,032.66)	(6,717.64)
Decrease (Increase) in Incidental Expenditure Pending Allocation	(260.17)	(246.41)
Proceeds from sale of Fixed Assets	309.26	596.23
Purchase of Non-Current Investments	-	(16.00)
Proceeds from Sale of Non Current Investments	-	1,520.00
Proceeds from Sale of Current Investments	-	700.00
Bank Balances not considered as cash and cash equivalent	(4,087.36)	(923.34)
Interest Received	475.26	157.58
Dividend Received	-	2.39
<b>Net Cash from (Used in) Investing Activities (B)</b>	<b>(5,595.67)</b>	<b>(4,927.19)</b>

## Statement of Cash Flow for the year ended 31 March 2013 (Consolidated)

(₹ in Lacs)		
Particulars	31 March 2013	31 March 2012
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	4,637.32	3,479.68
Repayment of Long Term Borrowings	(3,038.44)	(2,163.64)
Proceeds (Repayment) of Short Term Borrowings	7,308.30	9,299.46
Increase (Decrease) in Share Application Money	-	(41.38)
Money received against share warrants	547.50	-
Capital Subsidy Received	-	5.00
Proceeds from Other Long Term Liabilities	1,304.14	-
Dividend Paid	(146.28)	(146.41)
Dividend Distribution Tax Paid	(23.90)	(23.90)
Interest Paid	(6,505.89)	(5,147.92)
<b>Net Cash from (Used in) Financing Activities (C)</b>	<b>4,082.75</b>	<b>5,260.89</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>775.26</b>	<b>(332.57)</b>
<b>Cash and Cash Equivalents as at the Beginning of the year</b>	<b>388.58</b>	<b>721.15</b>
<b>Cash and Cash Equivalents as at the End of the year</b>	<b>1,163.84</b>	<b>388.58</b>
<b>Components of Cash and Cash Equivalents</b>		
Balances with Banks - in Current Accounts	1,086.57	279.23
Cheques/Drafts on hand	-	13.03
Cash on hand	77.27	96.32
<b>Total Cash and Cash Equivalents</b>	<b>1,163.84</b>	<b>388.58</b>

Figures in brackets indicates outflow.

Significant Accounting Policies (Refer note 2)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Kapoor & Parekh Associates

Chartered Accountants

For and on behalf of Board of Directors

N. M. Parekh  
Partner

Sandeep Mishra  
Company Secretary

Ratnakar M. Gutte  
Chairman and  
Managing Director

Sunil R. Gutte  
Joint Managing Director

Nagpur, 30 May 2013

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 1 GENERAL INFORMATION :

Sunil Hitech Engineers Limited ("the Parent Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. 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 related activities.

### 2 SIGNIFICANT ACCOUNTING POLICIES :

#### 2.1 Basis of Accounting :

2.1.1 The consolidated financial statements (CFS) comprises the financial statements of the parent company, its subsidiaries, associates and joint ventures (hereinafter referred to as "the Group"). The financial statements of the subsidiaries, associates and Joint Ventures used in the consolidation are drawn up to the same reporting date as that of the Parent Company, namely 31 March 2013.

2.1.2 The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention unless otherwise specified. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

#### 2.2 Principles of Consolidation :

2.2.1 The Financial statements of the Parent Company and its subsidiaries have been consolidated in accordance with the Accounting Standard 21 "Consolidated Financial Statements", on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions and unrealised profits/losses.

2.2.2 The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

2.2.3 The excess of cost to the Parent Company of its investment in the subsidiaries, on the acquisition dates over and above the Parent Company's share of equity in the subsidiaries, is recognised in the financial statements as Goodwill on Consolidation and carried forward in the accounts. The said Goodwill is not amortised, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for.

2.2.4 Minority Interest's share of the net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Parent Company.

2.2.5 Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the shareholders of the Parent Company.

2.2.6 Investment in associate companies have been accounted for, by using equity method in accordance with Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements" whereby investment is initially recorded at cost, identifying any Goodwill or Capital Reserve arising at the time of acquisition and the carrying amount is adjusted thereafter for post acquisition change in the Parent Company's share of net assets of the associate. The carrying amount of the investment in the associate company is reduced to recognise any decline which is other than temporary in nature.

2.2.7 Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures".

#### 2.3 Use of Estimates :

Preparation of financial statements in conformity with Generally Accepted Accounting Principles (Indian GAAP), requires estimates and assumption to be made, that affect reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the year. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the year in which results are known/ materialised.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

#### 2.4 Inventories :

Inventories are stated at lower of cost and net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Cost of inventories is ascertained on the FIFO basis. Tools are written off based on technical evaluation.

#### 2.5 Cenvat, Service Tax and VAT Credit :

Cenvat, Service Tax and VAT credits receivable/availed are treated as an asset with relevant expenses being accounted net of such credits, and the same are reduced to the extent of their utilisations.

#### 2.6 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of the 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.

#### 2.7 Cash and Cash Equivalents:

Cash and Cash Equivalents for the purpose of cash flow statement comprise of cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.

#### 2.8 Fixed Assets :

Tangible assets are stated at cost of acquisition, installation or construction including other direct expenses incurred to bring the assets to its present location and condition, less accumulated depreciation/ amortisation/ impairment losses (if any) adjusted by revaluation of certain fixed assets.

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment loss, if any. Intangible assets are recognised only if it is probable that the expected future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Incidental Expenditure during Construction period in case of subsidiaries:

Incidental expenditure incurred on the project/assets during construction/implementation is capitalised and apportion to project/assets on commissioning.

Interest during construction and other attributable "incidental expenditure pending allocation" are allocated in the asset/ part of the asset being capitalised on pro-rata basis to their capital expenditure incurred.

#### 2.9 Depreciation and Amortisation :

Depreciation is provided on written down value method in the manner and at the rates prescribed in Schedule XIV of the Companies Act, 1956.

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 year 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.

In case of the Parent Company, Fixed assets individually costing upto ₹ 0.05 Lacs are fully depreciated in the year of purchase.

#### 2.10 Revenue Recognition :

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.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

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.

Dividend income is recognised when the right to receive dividend is established. Interest income is recognised on time proportion basis.

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

### 2.11 Foreign Currency Transaction :

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions and/or restatements are dealt with in the Statement of Profit and Loss as income or expenses of the period in which they arise.

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.

In respect of the Forward Exchange contracts with underlying transaction, the premium or discount arising at the inception of such contract as expenses or income over the life of contract.

### 2.12 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 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.

### 2.13 Investments :

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

Trade Investments are the investments made for or to enhance the Company's business interests.

Long term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are valued at lower of cost and net realisable value.

### 2.14 Employee Benefits :

#### Short-term Benefits

These are recognised as an expense at the undiscounted amount in the statement of profit and loss of the period in which the related services are rendered. Short term compensated absences are provided for based on actuarial valuation in accordance with Company's rules.

#### Post Employment Benefits

Company's contribution for the period paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss.

Company's liability towards defined benefit plans viz. gratuity is determined using the Projected Unit Credit Method as per the valuation carried out at the balance sheet date.

Defined benefit in the form of compensated absences is provided for based on actuarial valuation at the year-end in accordance with Company's policy.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 2.15 Borrowing Cost :

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

### 2.16 Segment Reporting:

The Company is engaged in the business of Engineering, Procurement, Construction (EPC), Overhauling and Maintenance, Trading. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006, are considered to constitute different primary segments. Further, there is no reportable secondary segment i.e. Geographical Segment.

### 2.17 Operating Leases :

Assets taken/given on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/income under operating leases are recognised as expenses/income on accrual basis in accordance with the respective lease agreements.

### 2.18 Earnings Per Share:

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20- Earnings per share

Basic earning per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 2.19 Taxes on Income :

Tax expense comprises of current and deferred tax.

Current Tax on income is accounted on the basis of the provisions of the Income Tax Act, 1961.

Deferred tax resulting from timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

### 2.20 Impairment of Assets :

The fixed assets are reviewed for impairment at each balance sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### 2.21 Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of amount of the obligation cannot be made. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 3 SHARE CAPITAL

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
<b>Authorised :</b>		
2,50,00,000 (Pr.Yr. 2,50,00,000) Equity shares of ₹ 10/- each	2,500.00	2,500.00
<b>Issued, Subscribed and Fully Paid-up :</b>		
1,22,75,160 (Pr.Yr. 1,22,75,160) Equity shares of ₹ 10/- each fully paid up	1,227.52	1,227.52
	1,227.52	1,227.52

#### 3.1 Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Equity shares at the beginning of the year	1,22,75,160	1,227.52	1,22,75,160	1,227.52
Movement during the year	-	-	-	-
<b>Equity shares outstanding at the end of the year</b>	<b>1,22,75,160</b>	<b>1,227.52</b>	<b>1,22,75,160</b>	<b>1,227.52</b>

#### 3.2 Terms/Rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Holders of equity shares are entitled to voting rights as follows: (i) On voting by show of hands, every holder shall have one vote (ii) On voting by poll, in proportion to the amount paid on equity shares held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.20 (Pr.Yr. ₹ 1.20).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 3.3 The details of shareholders holding more than 5% of Equity Shares in the company.

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	% holding	No. of Shares	% holding
Mr. Ratnakar Manikrao Gutte	22,02,500	17.94%	22,02,500	17.94%
Mrs. Sudhamati Ratnakar Gutte	19,68,750	16.04%	19,68,750	16.04%
Mr. Sunil Ratnakar Gutte	16,78,740	13.68%	16,78,740	13.68%
Bessemer Venture Partners Trust	11,00,000	8.96%	11,00,000	8.96%
Mr. Vijay Ratnakar Gutte	675,000	5.50%	675,000	5.50%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### 3.4 Terms of Warrants

Refer Note 5

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 4 RESERVES AND SURPLUS

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
<b>Capital Reserve</b>		
Balance as per the last financial statements	863.26	842.55
Add: Received during the year	-	5.20
Add: Share in Capital Reserve of Associates	-	15.51
	863.26	863.26
<b>Securities Premium Account</b>		
Balance as per the last financial statements	12,310.59	11,437.12
Less: Transfer to Minority Interest	-	18.41
Add: Share in security premium of the Associates	1.21	891.88
	12,311.81	12,310.59
<b>Revaluation Reserve</b>		
Balance as per the last financial statements	57.62	58.59
Less: Amount transferred to the statement of profit and loss as reduction from depreciation	0.92	0.97
	56.70	57.62
<b>General Reserve</b>		
Balance as per the last financial statements	1,382.91	1,190.96
Add: Transferred from Statement of Profit and Loss	209.44	186.17
Add: Transfer from Minority Interest	-	5.78
	1,592.35	1,382.91
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements	11,402.49	8,760.78
Profit for the year	3,563.38	3,013.03
Add: Amount transferred to Incidental expenses pending for allocation	-	31.11
Less: Goodwill on consolidation written off	-	45.06
Less: Appropriations		
Proposed dividend on equity shares	147.30	147.30
Tax on proposed equity dividend	25.03	23.90
Transfer to general reserve	209.45	186.17
<b>Total appropriations</b>	<b>381.79</b>	<b>357.37</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>14,584.07</b>	<b>11,402.49</b>
	29,408.19	26,016.87

### 5 MONEY RECEIVED AGAINST SHARE WARRANTS

5.1 The members at the Extra Ordinary General Meeting held on 31 January 2013 has authorized the Board/Committee thereof, to create, offer, issue and allot on preferential basis (i) 30,00,000 warrants convertible into equity shares to the Promoters Group, Persons acting in concert with Promoters or Companies under Promoters Group (ii) 49,50,000 warrants convertible into equity shares to the Foreign Institutional Investors (FIIs) and/or Sub Account of FIIs.

#### 5.2 Terms attached to equity warrants

The Pricing of the Warrants convertible into equity shares of face value ₹ 10/- has been determined in accordance with the provisions of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009, which came to ₹ 73/- per warrant.

On 14 February 2013 warrants aggregating to 30,00,000 has been allotted to promoter group after receiving ₹ 18.25 per warrant (25% of ₹ 73/-) as subscription money. The balance amount shall be payable at the time of conversion of warrants into equity shares. Each Warrant entitle the holder thereof for one equity share of face value ₹ 10/- only.

The holder of warrants will have an option to apply for and be allotted 1 (one) equity share of the Company per warrant any time after the date of allotment but on or before the expiry of 18 months from the respective date of allotment.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 months, the entitlement of warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.

The warrant holders shall also be entitled to any future bonus/rights issue(s) of equity shares or other securities convertible into equity shares by the Company in the same proportion and manner as any other shareholders of the Company for the time being.

The Equity shares to be allotted on conversion of warrants shall rank pari passu in all respects with the existing equity shares of the Company.

### 6 LONG TERM BORROWINGS

Particulars	( <i>₹ in Lacs</i> )			
	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Rupee Term Loans (Secured)</b>				
From Banks	1,699.01	1,449.91	1,814.21	2,006.32
From Financial Institutions	1,181.79	1,108.68	835.00	618.26
Loans from related parties	989.57	-	-	-
<b>Bonds/ Debentures (Secured)</b>				
(1,200 Secured Optionally Fully Convertible Debentures of ₹ 1.00 Lac each.)	1,200.00	1,200.00	-	-
	<b>5,070.37</b>	<b>3,758.59</b>	<b>2,649.21</b>	<b>2,624.58</b>
Amount disclosed under the head Other Current Liabilities as Current Maturities of Long-Term Debt (Refer Note 8)		-	2,649.21	2,624.58
	<b>5,070.37</b>	<b>3,758.59</b>	<b>-</b>	<b>-</b>

#### 6.1 Term loan from banks referred above to the extent of (In respect of Parent Company)

- ₹ 499.18 Lacs (Pr.Yr. ₹ 341.52 Lacs) are secured by first mortgage/pari-passu charge on the respective buildings situated at Pune and Nagpur.
- ₹ 1,038.46 Lacs (Pr.Yr. ₹ 2,199.85 Lacs) secured by first hypothecation/pari-passu charge on the respective plant and machineries including Hydra's at various sites.
- ₹ 84.32 Lacs (Pr.Yr. ₹ 163.80 Lacs) are secured by first hypothecation/pari-passu charge on the respective Vehicles at various sites.
- ₹ 1,107.58 Lacs (Pr.Yr. ₹ Nil) are secured by exclusive charge over the project specific total assets including receivables of the Kolhapur T&D site.

In respect of SEAM Industries Ltd (Subsidiary) the term loans \* from banks are secured by

- First Pari Passu equitable mortgage charge over the assets created/ to be created from the term loans.  
Also, Collateral security of
- Land and Building at Five Star Industrial Zone, MIDC, Butibori Industrial Area, Nagpur.
- Freehold Land at Nagpur at Jabalpur Road, Village Bende, Tahsil Ramtek, District Nagpur.
- Freehold Land (situated in agricultural area) bearing GAT No. 421, Parli Vajjnath-Nagpur Road, Village Tokwadi, Tahsil Parli Vajjnath, District Beed.
- Personal Guarantees of Promoters.
- Collaterally secured by way of corporate guarantee of M/s Sunil Hitech Engineers Limited (Holding Company)
- Second charge by way of Hypothecation on all the current assets of the borrower company for securing their working capital facility.

\* Term Loan from Banks Include Long Term Vehicle Loans against hypothecation of the respective Vehicles.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

#### 6.2 Term loan from financial institutions referred above to the extent of:

- ₹ 1,975.15 Lacs (Pr.Yr. ₹ 1,717.43 Lacs) are secured by first hypothecation/pari-passu charge on the respective Plant and machinery including Hydra's situated at various sites.
- ₹ 6.33 Lacs (Pr.Yr. ₹ 9.51 Lacs) are secured by first hypothecation/pari-passu charge on the respective Vehicles at various sites.
- ₹ 35.32 Lacs (Pr.Yr. ₹ Nil) are secured by first and exclusive hypothecation on the respective non consumable materials.

#### 6.3 In respect of SHEL Investment Consultancy Private Limited, the redemption value of zero coupon debentures together with cost and other monies payable are secured (a) by pledged of 71,04,240 equity share of ₹ 10/- each of Sunil Hitech Energy Private Limited held by SHEL Investment Consultancy Private Limited (b) by pledged of 9,999 equity shares of ₹ 10/- each of SHEL Investment Consultancy Private Limited held by Sunil Hitech Engineers Limited and (c) by pledge of 1 equity share of ₹ 10/- each of SHEL Investment Consultancy Private Limited held by Mr. Ratnakar Gutte.

#### 6.4 Terms of redemption/repayments:

- Term loans from banks and financial institutions are repayable from 2013-14 to 2022-23
- The debentures are optionally redeemable by the subscribers on or before 31 March 2020. In the event of the subscribers does not exercise the option of conversion on or before 31 March 2020, the debentures can be redeemed on the date of redemption at par value plus 10% thereon.

#### 6.5 Maturity profile and rate of interest on secured loan are as set out below (In respect of Parent Company) For the Year Ended 31 March 2013

Sr. No.	Particulars	Range of Interest Rate *	( <i>₹ in Lacs</i> )			
			1-2 Years 2014-2015	2-3 Years 2015-2016	3-4 Years 2016-2017	Beyond Four Years 2017-2018 Onward
1	Property loan	13%	91.12	102.84	116.06	108.46
2	Vehicle	5.75%-12.08%	10.48	3.23	-	-
3	Machinery	5.12%-14.85%	690.60	597.18	-	-
4	Non Consumable Materials	7.10%	357.59	-	-	-
5	Project Funding	13%	17.96	1.61	-	-
			<b>1,167.74</b>	<b>704.85</b>	<b>116.06</b>	<b>108.46</b>

#### For the Year Ended 31 March 2012

Sr. No.	Particulars	Range of Interest Rate *	( <i>₹ in Lacs</i> )			
			1-2 Years 2013-2014	2-3 Years 2014-2015	3-4 Years 2015-2016	Beyond Four Years 2016-2017 Onward
1	Property loan	8.75%-11.00%	30.67	35.61	39.82	191.99
2	Vehicle	5.75%-12.08%	76.13	4.44	-	-
3	Machinery	5.12-14.85%	1,152.87	284.69	269.71	-
			<b>1,259.67</b>	<b>324.74</b>	<b>309.53</b>	<b>191.99</b>

\* Above Interest rates are Floating rates

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 7 DEFERRED TAX LIABILITIES

(₹ in Lacs)		
Particulars	As at 31 March 2013	As at 31 March 2012
(Net Deferred Tax Liability in respect of Subsidiary Company)		
Deferred Tax Asset		
Expenditure Disallowed under Income Tax Act	(18.10)	-
Deferred Tax Liability		
Depreciation	94.52	37.65
Disallowances under Income Tax Act to be allowed in future years	8.81	10.13
	85.23	47.78

### 8 OTHER LIABILITIES

(₹ in Lacs)				
Particulars	Non-current (Long Term)		Current (Short Term)	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Current Maturities of Long-Term Debt	-	-	2,911.67	2,624.58
Interest Accrued but Not Due	-	-	86.90	77.52
Unpaid Dividends	-	-	6.46	5.44
(To be credited to Investor Education and Protection Fund when due)				
Other Advance Received *	-	-	201.31	123.14
Security Deposit & Retention Money from Sub-Contractors	3,963.27	2,599.60	1,180.16	879.10
Advance from Customers	3,636.69	3,878.67	2,271.97	3,661.60
Due to Customers (Project related activity)	-	-	984.30	4,265.05
Income Tax (Net of Provision)	-	-	78.62	-
Sweat Money Payable to MSMC	-	-	1,841.00	1,841.00
Other Payables **	1,551.15	-	1,949.55	1,826.30
	9,151.11	6,478.27	11,511.94	15,303.73

\* Includes Government Grant under SGSY Scheme received in Advance aggregating to ₹ 71.55 Lacs.

\*\* Includes statutory dues and payable against other contractual obligations.

### 9 LONG TERM PROVISIONS

(₹ in Lacs)		
Particulars	As at 31 March 2013	As at 31 March 2012
Provision for employee benefit (Refer Note 35 )		
Provision for Gratuity (Net)	26.40	10.50
Provision for Compensated Absences	231.37	218.47
	257.77	228.97

### 10 SHORT TERM BORROWINGS

(₹ in Lacs)		
Particulars	As at 31 March 2013	As at 31 March 2012
Working Capital Rupee Loans from Banks Repayable on Demand (Secured)	32,041.91	28,725.69
Foreign Currency Buyers Credit Arrangement from Banks (Unsecured)	7,704.47	3,064.32
Others (Unsecured)	-	589.58
	39,746.38	32,379.59

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

10.1 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.

### 11 TRADE PAYABLES

(₹ in Lacs)		
Particulars	As at 31 March 2013	As at 31 March 2012
Trade Payables	28,214.57	18,517.01
(Refer Note 42 for Micro, Small and Medium Enterprises disclosure)		
	28,214.57	18,517.01

### 12 SHORT TERM PROVISIONS

(₹ in Lacs)		
Particulars	As at 31 March 2013	As at 31 March 2012
Provision for Employee Benefit (Refer Note 35)		
Provision for Gratuity (Net)	0.59	-
Provision for Compensated Absences	45.27	48.41
Other Provisions		
Proposed Dividend	147.30	147.30
Tax on Dividend	25.03	23.90
Provision for Wealth Tax	3.20	5.50
Provision for Income Tax	57.37	51.24
	278.76	276.35

13 FIXED ASSETS

13.1 Current Year

Description	Gross Block			Depreciation/Amortisation			Net Block	
	As At 01.04.2012	Additions	Deduction/ Adjustment	As At 31.03.2013	As At 01.04.2012	Additions Deduction/ Adjustment	As At 31.03.2013	As At 31.03.2013
<b>A TANGIBLE ASSETS :</b>								
Freehold Land	166.90	-	11.28	155.62	-	-	-	155.62
Leasehold Land	279.64	-	-	279.64	5.79	2.90	8.69	270.95
Buildings*	4,187.99	68.19	133.72	4,122.46	704.79	245.04	923.16	3,199.26
Plant and Machinery*	18,498.54	915.23	127.07	19,286.70	8,825.43	2,060.72	10,783.67	8,503.03
Computer and Printer	560.02	248.77	211.61	597.19	258.09	174.71	309.92	287.27
Furniture and Fixtures	741.85	86.49	7.69	820.65	222.27	97.95	313.62	507.03
Office Equipment	433.41	54.58	2.39	485.60	147.74	45.38	191.25	294.35
Vehicles	1,321.10	104.92	113.12	1,312.90	740.58	156.30	808.39	504.51
Temporary Office Construction	683.37	315.08	60.18	938.27	410.67	381.60	769.57	168.70
<b>Total Tangible Assets</b>	<b>26,872.81</b>	<b>1,793.26</b>	<b>667.06</b>	<b>27,999.03</b>	<b>11,315.36</b>	<b>3,164.60</b>	<b>14,108.27</b>	<b>13,890.72</b>
<b>B INTANGIBLE ASSETS :</b>								
Computer Softwares	710.66	16.19	-	726.86	156.36	141.23	297.59	429.27
<b>Total Intangible Assets</b>	<b>710.66</b>	<b>16.19</b>	<b>-</b>	<b>726.86</b>	<b>156.36</b>	<b>141.23</b>	<b>297.59</b>	<b>429.27</b>
<b>C CAPITAL WORK-IN-PROGRESS</b>								<b>4,642.08</b>
<b>D INCIDENTAL EXPENSES PENDING ALLOCATION (REFER NOTE 13.3)</b>								<b>787.88</b>
<b>Total Fixed Assets (A) + (B) + (C) + (D)</b>	<b>27,583.47</b>	<b>1,809.46</b>	<b>667.06</b>	<b>28,725.89</b>	<b>11,471.72</b>	<b>3,305.83</b>	<b>14,405.86</b>	<b>19,749.94</b>

13.2 Previous Year

Description	Gross Block			Depreciation/Amortisation			Net Block	
	As At 01.04.2011	Additions	Deduction/ Adjustment	As At 31.03.2012	As At 01.04.2011	Additions Deduction/ Adjustment	As At 31.03.2012	As At 31.03.2012
<b>A TANGIBLE ASSETS :</b>								
Freehold Land	466.55	57.23	356.88	166.90	-	-	-	166.90
Leasehold Land	231.89	149.66	101.91	279.64	7.79	2.70	5.79	273.85
Buildings*	2,920.25	1,345.39	77.65	4,187.99	519.51	194.74	704.79	3,483.20
Plant and Machinery*	16,549.79	3,324.53	1,375.78	18,498.54	7,229.70	2,242.32	8,825.43	9,673.11
Computer and Printer	288.40	272.50	0.88	560.02	144.60	114.27	258.09	301.93
Furniture & Fixtures	385.73	356.23	0.12	741.84	158.12	64.23	222.28	519.56
Office Equipment	300.27	133.36	0.22	433.41	100.43	47.44	147.74	285.67
Vehicles	1,109.30	230.72	18.92	1,321.10	579.93	174.41	740.58	580.52
Temporary Office Construction	309.17	374.20	-	683.37	81.59	329.08	410.67	272.70
<b>Total Tangible Assets</b>	<b>22,561.35</b>	<b>6,243.82</b>	<b>1,932.36</b>	<b>26,872.81</b>	<b>8,821.67</b>	<b>3,169.19</b>	<b>11,315.37</b>	<b>15,557.44</b>
<b>B INTANGIBLE ASSETS :</b>								
Computer Softwares	122.52	588.14	-	710.66	65.67	90.69	156.36	554.30
<b>Total Intangible Assets</b>	<b>122.52</b>	<b>588.14</b>	<b>-</b>	<b>710.66</b>	<b>65.67</b>	<b>90.69</b>	<b>156.36</b>	<b>554.30</b>
<b>C CAPITAL WORK-IN-PROGRESS</b>								<b>4,485.09</b>
<b>D INCIDENTAL EXPENSES PENDING ALLOCATION (REFER NOTE 13.3)</b>								<b>527.67</b>
<b>Total Fixed Assets (A) + (B) + (C) + (D)</b>	<b>22,683.87</b>	<b>6,831.96</b>	<b>1,932.36</b>	<b>27,583.47</b>	<b>8,887.34</b>	<b>3,259.87</b>	<b>11,471.73</b>	<b>21,124.51</b>

\* Charge against certain movable fixed assets like crawler and other cranes (included in Plant and Machinery) and certain immovable properties situated at CBD Belapur, New Mumbai (included in Building) have been created in favour of Tata Capital Ltd. in respect of the debenture issued by Gangakhed Sugar & Energy Ltd. to Tata Capital Ltd.

Notes to Consolidated Financial Statements for the year ended 31 March 2013

13.3 INCIDENTAL EXPENSES PENDING ALLOCATION

Particulars	Year Ended	
	31 March 2013	31 March 2012
Incidental Expenses of Previous years (A)	527.68	312.38
Interest on Loan	260.88	240.22
Professional Fees	0.32	-
Miscellaneous Expenses	0.28	3.78
	261.48	244.00
Less : Interest Received	1.31	0.54
Less : Provision written off	-	28.16
(B)	260.17	215.30
(A+B)	787.86	527.68

14 NON -CURRENT INVESTMENTS (Long Term Investment)

Particulars	As at	
	31 March 2013	31 March 2012
<b>A Trade Investments - Unquoted</b>		
<b>In Associate Company</b>		
MSMC Adkoli Natural Resources Limited	1.00	1.00
4,900 (Pr.Yr.4,900) Equity Shares of ₹ 10/- each fully paid up.		
<b>Investment in Partnership Firm*</b>		
45% share in the partnership firm V. K. Realtors	258.03	-
(includes accumulated share of loss ₹ 0.69 Lacs and interest on capital ₹ 27.72 Lacs)		
<b>B Other Investments - Unquoted</b>		
<b>In Associate Company **</b>		
Gangakhed Sugar & Energy Limited	3,193.29	3,142.80
1,95,40,000 (Pr.Yr.1,95,40,000) Equity Shares of ₹ 10/- each fully paid up		
(1,95,00,000 Equity Shares pledged with banks against term loans to Gangakhed Sugar & Energy Limited and can not be sold/transferred till the loans are outstanding)		
<b>In Other Companies</b>		
Sudama Mahavir Power Private Limited		
100 (Pr.Yr.100) Equity Shares of ₹ 10/- each fully paid up	0.01	0.01
	3,452.33	3,143.81
<b>* Details of Investments in partnership firm</b>		
<b>Investment in V.K. Realtors</b>		
<b>Name of the partner and share in profits (%)</b>		
Sunil Hitech Engineers Limited	45%	-
Mr. Kunal. N. Kuwadekar	30%	-
Mrs. Meenakshi K. Kuwadekar	15%	-
Mr. Tarun Surender Ahuja	10%	-
<b>Total Fixed Capital of the firm (₹ in Lacs)</b>	<b>283.00</b>	
<b>** Investments in Equity Shares of Associates</b>		
Gangakhed Sugar & Energy Limited	1,966.00	1,966.00
Add Share of Accumulated Reserves/Profits	1,058.62	1,057.42
Add Share of Current Profits	168.67	119.38
	3,193.29	3,142.80

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 15 DEFERRED TAX ASSETS

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
(Net Deferred Tax Asset in respect of Parent Company)		
Depreciation	233.16	112.09
Provision for Doubtful Debts/Deposits/Advances	277.61	256.37
Disallowances under Income Tax Act to be allowed in future years	297.89	81.56
	<b>808.66</b>	<b>450.02</b>

### 16 LOANS AND ADVANCES (UNSECURED)

Particulars	(₹ in Lacs)			
	Non-current (Long Term)		Current (Short Term)	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Capital Advances (Considered Good)	485.53	409.93	-	-
Deposits				
Considered Good	1,509.47	1,984.70	1,371.46	638.57
Considered Doubtful	-	-	6.51	6.51
	<b>1,509.47</b>	<b>1,984.70</b>	<b>1,377.97</b>	<b>645.08</b>
Less: Provision for Doubtful Deposits	-	-	6.51	6.51
	<b>1,509.47</b>	<b>1,984.70</b>	<b>1,371.46</b>	<b>638.57</b>
Advances to Creditors				
Considered Good	-	-	4,089.52	2,129.17
Considered Doubtful	-	-	4.20	4.20
	-	-	<b>4,093.72</b>	<b>2,133.37</b>
Less: Provision for Doubtful Advances	-	-	4.20	4.20
	-	-	<b>4,089.52</b>	<b>2,129.17</b>
Loan and Advances to Related Parties (Considered Good)	162.19	62.19	-	-
Income Tax Paid (Net of Provision)	-	-	0.19	429.42
Balances with Statutory/Government Authorities	-	-	396.94	160.58
Income Tax Refund	-	-	-	0.85
Balance with Excise Authorities	-	-	168.73	423.59
VAT Receivable	-	-	1,745.13	1,510.81
Prepaid Expenses	96.68	285.40	540.32	511.25
Advances Recoverable in Cash or in Kind	-	-	748.28	532.55
	<b>2,253.87</b>	<b>2,742.22</b>	<b>9,060.57</b>	<b>6,336.79</b>

### 17 OTHER ASSETS

Particulars	(₹ in Lacs)			
	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Interest Accrued on Fixed Deposits	92.28	66.04	361.03	238.16
Fixed Deposits with Banks (Under Lien) (Refer Note 20)	2,027.43	1,265.89	-	-
Due from Customers (Project related activity)	-	-	23,587.28	9,975.05
Fixed Assets - Land Held for Sale	-	-	67.56	48.77
Long Term Trade Receivables - Considered Good	1,777.74	2,280.71	-	-
	<b>3,897.45</b>	<b>3,612.64</b>	<b>24,015.87</b>	<b>10,261.98</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 18 INVENTORIES (As certified by the Management)

Particulars	(₹ in Lacs)	
	As at 31 March 2013	As at 31 March 2012
Raw Material and Components	7,560.93	4,260.97
Raw Material and Components (Goods in Transit)	25.23	1,655.70
Steel and T&D Material	2,128.65	3,257.94
Stores, Spare Parts and Loose Tools	2,555.61	2,540.70
Stores, Spare Parts and Loose Tools (Goods in Transit)	1.08	1.06
Land	243.69	171.91
Work in Progress (Including Land)	235.97	498.45
Finished Goods	303.51	-
	<b>13,054.67</b>	<b>12,386.73</b>

### 19 TRADE RECEIVABLES (UNSECURED)

Particulars	(₹ in Lacs)			
	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Over Six Months from the date it become due for payment				
Considered Good			3,395.17	1,618.56
Considered Doubtful	-	-	803.12	779.44
			<b>4,198.29</b>	<b>2,398.00</b>
Others- Considered Good	1,777.74	2,280.71	37,664.30	39,242.86
Debt Due by Companies in Which Director is Partner or Director or Member	-	-	1,229.45	406.08
	<b>1,777.74</b>	<b>2,280.71</b>	<b>43,092.04</b>	<b>42,046.94</b>
Less : Provision for doubtful debts	-	-	803.12	779.44
Less: Amount disclosed under Other Non Current Asset	<b>1,777.74</b>	<b>2,280.71</b>	-	-
	-	-	<b>42,288.92</b>	<b>41,267.50</b>

### 20 CASH AND BANK BALANCES

Particulars	(₹ in Lacs)			
	Non-current		Current	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
Cash and Cash Equivalents (As per AS-3)				
Balances with Banks in Current Accounts			1,086.57	279.23
Cheques/Drafts on Hand			-	13.03
Cash on Hand			77.27	96.32
			<b>1,163.84</b>	<b>388.58</b>
Other Bank Balances				
Earmarked Balances with Banks				
Unpaid Dividend	-	-	6.46	5.43
Government Grants	-	-	70.07	-
Fixed Deposits with original maturity for more than 3 months and upto 12 months (Under Lien)	-	-	4,071.77	346.28
Fixed Deposits with original maturity for more than 12 months (Under Lien)	2,027.43	1,265.89	2,869.66	3,340.43
	<b>2,027.43</b>	<b>1,265.89</b>	<b>7,017.96</b>	<b>3,692.14</b>
Amount disclosed under Other Non-Current Assets	<b>2,027.43</b>	<b>1,265.89</b>	-	-
	-	-	<b>8,181.80</b>	<b>4,080.72</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 21 REVENUE FROM OPERATIONS

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Revenue from Projects and Maintenance	80,146.32	75,319.57
Sale of Products	15,982.97	10,934.29
(Refer Note 39 for Segmental Revenue)		
<b>Sales-Trading</b>		
Steel	17,184.26	5,989.62
Coal	-	2,717.70
Others	11,334.03	1,142.12
	28,518.29	9,849.44
<b>A</b>	<b>124,647.58</b>	<b>96,103.30</b>
<b>Other Operating Revenues</b>		
Income from Crane Hire	241.18	229.07
Sale of Scrap	50.58	37.30
Metal (Boulder) and Other Sale	345.80	115.84
Insurance Claim Received	21.08	-
Job Work Receipt	1,125.90	193.85
<b>B</b>	<b>1,784.54</b>	<b>576.06</b>
<b>(A+B)</b>	<b>126,432.12</b>	<b>96,679.36</b>
Less: Excise Duty	1,150.43	897.73
	<b>125,281.69</b>	<b>95,781.63</b>

### 22 OTHER INCOME

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Interest Income		
Bank Deposits	663.99	435.89
Others	29.82	7.71
Dividend from Current Investments - Non Trade	-	2.39
Profit on Sale of Non Current Investments - Non Trade	-	569.21
Profit on Sale of Fixed Assets (Net)	32.68	589.95
Amount Written Back	104.22	167.68
Miscellaneous Income	58.32	166.85
	<b>889.03</b>	<b>1,939.68</b>

### 23 COST OF MATERIAL CONSUMED

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
<b>Construction Material Consumed</b>		
Steel	11,239.06	6,960.40
Other Materials	30,869.55	24,903.42
	<b>42,108.61</b>	<b>31,863.82</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 23.1

Particulars	31 March 2013		31 March 2012	
	Amount (₹)	Percentage	Amount (₹)	Percentage
Construction Material Consumed				
Indigenous	42,015.91	99.78%	31,863.82	100.00%
Imported	92.70	0.22%	-	-
	<b>42,108.61</b>	<b>100.00%</b>	<b>31,863.82</b>	<b>100.00%</b>

### 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
<b>Inventories at the beginning of the year</b>		
Work-in Progress	498.45	15.50
Less: Transfer to Investments in P Firm	231.06	-
Less: Consumed and billed in project	69.88	-
<b>(A)</b>	<b>197.51</b>	<b>15.50</b>
<b>Inventories at the end of the year</b>		
Finished Goods	303.51	-
Work-in Progress	235.97	498.45
<b>(B)</b>	<b>539.48</b>	<b>498.45</b>
<b>Net (Increase)/Decrease Inventories of Work in Progress</b>	<b>(A-B)</b>	<b>(341.97)</b>

### 25 PURCHASE OF STOCK IN TRADE

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Steel	17,288.31	6,002.76
Coal	-	2,649.08
Others	11,199.41	1,074.88
	<b>28,487.72</b>	<b>9,726.72</b>

### 26 CONTRACT AND SITE EXPENSES

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Construction, Erection, Fabrication and Maintenance	22,434.22	24,160.25
Excavation, Disposal and Leveling	314.74	448.41
Hire Charges	1,386.33	1,498.31
Transportation Expenses	535.49	601.43
Royalty Fees	24.96	64.99
Other Site Expenses	1,106.99	951.33
Job Work Charges	742.07	654.10
	<b>26,544.80</b>	<b>28,378.83</b>

### 27 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Salary, Wages and Allowances	6,281.38	6,032.07
Contribution to Provident, Superannuation and Other Funds	374.61	340.12
Staff and Labour Welfare Expenses	470.26	500.40
	<b>7,126.25</b>	<b>6,872.60</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 28 FINANCE COSTS

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Interest Paid to Bank	4,688.42	4,021.29
Interest Paid to Others	0.08	-
Other Borrowing Cost	1,615.50	929.78
Interest on Service Tax	78.38	162.05
Interest Paid to Customer (Against Advance)	135.58	34.00
Foreign Currency Transaction and Translation Loss (Net)	-	0.92
	<b>6,517.96</b>	<b>5,148.04</b>

### 29 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Depreciation and Amortisation (Refer Note 13)	3,305.82	3,258.91
Less: Recoupment from Revaluation Reserve	0.91	0.97
	<b>3,304.91</b>	<b>3,257.94</b>

### 30 OTHER EXPENSES

(₹ in Lacs)		
Particulars	Year ended 31 March 2013	Year ended 31 March 2012
Consumption of Stores and Spares	2,076.64	2,163.41
VAT, Entry Tax, Service Tax and Excise Duty	1,082.12	991.77
Rent	779.91	741.68
Travelling and Conveyance	543.56	594.76
Legal and Professional Fees	251.80	468.05
Provision for Doubtful Debts	125.66	27.21
Provision for Doubtful Withheld and Retention Money	-	80.89
Bad debts/Advances Written Off	9.31	131.97
Repairs to Machinery	231.21	291.63
Repairs to Building	91.28	79.57
Repairs - Others	204.71	244.88
Insurance	215.14	231.50
Power and Fuel	303.98	304.26
Communication	156.40	185.72
Rates and Taxes	89.86	93.32
Printing and Stationery	78.20	91.43
Exchange Rate Difference ( Net)	52.52	368.19
Loss of Inventory by Fire	53.04	-
Loss from Partnership Business	0.69	-
Loss on Sale of Non Current Investments (Non Trade)	0.06	20.00
Demurrage Charges	23.10	22.03
Miscellaneous Expenses	495.57	609.05
	<b>6,864.76</b>	<b>7,741.32</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 31 EARNINGS PER SHARE (EPS)

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share

Particulars	31 March 2013	31 March 2012
Basic and Diluted Earnings Per Share:		
Profit after tax before Extra Ordinary activities attributable to Equity Shareholders considered for Basic EPS (₹ in Lacs) (A)	3,563.38	2,949.85
Profit after tax after Extra Ordinary activities attributable to Equity Shareholders considered for Basic EPS (₹ in Lacs) (B)	3,563.38	3,013.03
Add: Dilutive effect on profit (₹ in Lacs) (C)	Nil	Nil
Profit after tax before Extra Ordinary activities attributable to Equity shareholders for computing Diluted EPS (₹ in Lacs) (D=A+C)	3,563.38	2,949.85
Profit after tax after Extra Ordinary activities attributable to Equity shareholders for computing Diluted EPS (₹ in Lacs) (E=B+C)	3,563.38	3,013.03
Nominal Value of Equity Shares (₹) (F)	10	10
Weighted average number of Equity Shares outstanding considered for Basic EPS (G)	1,22,75,160	1,22,75,160
Add: Dilutive effect of Warrants - Number of shares * (H)	Nil	Nil
Weighted average number of Equity Shares outstanding considered for Diluted EPS (I=G+H)	1,22,75,160	1,22,75,160
Nominal Value of Equity Shares (₹)	10.00	10.00
Basic and Diluted Earnings Per Share before Extra Ordinary activities (₹) (J=A/G & D/I)	29.03	24.03
Basic and Diluted Earnings Per Share after Extra Ordinary activities (₹) (K=B/G & E/I)	29.03	24.55

\* The conversion of warrants to equity shares is "Anti- Dilutive" and hence effect of anti-dilutive Potential Equity Shares is ignored in calculating Diluted Earnings per Share.

### 32 BASIS OF PREPARATION

Consolidated Financial Statement ("CFS") present the consolidated accounts of Sunil Hitech Engineers Limited ("the Parent Company"), the following Subsidiaries and Associates (Collectively referred as "the Group").

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest and voting power as on	
		31 March 2013	31 March 2012
SEAM Industries Limited	India	88.61%	88.61%
Sunil Hitech Energy Private Limited*	India	51.00%	51.00%
SHEL Investment Consultancy Private Limited	India	99.99%	99.99%

\* Including 37.95 % of shares are held by SHEL Investment Consultancy Private Limited.

Name of the Associate Company	Country of Incorporation	Proportion of ownership interest and voting power as on	
		31 March 2013	31 March 2012
Gangakhed Sugar and Energy Limited*	India	28.08%	28.08%

\* Including 0.05 % of shares are held by SEAM Industries Limited

32.1 Accounts of the aforesaid Subsidiary Companies, SEAM Industries Limited, Sunil Hitech Energy Private Limited and SHEL Investment Consultancy Private Limited are for the year from 01 April 2012 to 31 March 2013, and have been audited by other auditors and are incorporated in the consolidated financial statements.

32.2 Investment in subsidiary company namely, Ecological Road Construction Private Limited was for a temporary period from 13 February 2013 to 05 March 2013 further, there are no material transactions during the said period. Hence, the said subsidiary has not been incorporated in Consolidated Financial Statements.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

32.3 In respect of Associate Company, Gangakhed Sugar and Energy Limited accounts for the period 01 April 2012 to 31 March 2013, have been audited by other auditors and are incorporated in the consolidated financial statements.

32.4 Sunil Hitech Engineers Limited (the Parent Company) has entered into a Joint Venture with Phenix Building Solutions Private Limited named as PBSPL - SHEL - JV, a jointly controlled entity where in the Parent company holds 49% interest. The Parent company has not made any capital contribution in the said Joint Venture. The accounts of the said JV are under preparation and therefore, the proportionate share of each of assets, liabilities, income and expenses of the said JV has not been incorporated in the Consolidated Financial Statements.

32.5 "MSMC Adkoli Natural Resources Limited is a JV company of Sunil Hitech Energy Private Limited, one of the subsidiary of the parent company and Maharashtra State Mining Corporation Limited. The accounts of the said JV Company are under preparation and therefore, the proportionate share of each of assets, liabilities, income and expenses of the said JV has not been incorporated in the Consolidated Financial Statements."

### 33 CONTINGENT LIABILITIES

Particulars	(₹ in Lacs)	
	31 March 2013	31 March 2012
a) Service Tax demand disputed, contested in appeal	1,598.24	864.85
b) Sales Tax demand disputed, contested in appeal	39.84	-
c) Customs Duty disputed	115.49	-
d) Guarantee given to Banks and Financial Institutions on behalf of -		
i) An Associate Company	2,500.00	-
- Loans outstanding at the year end	1,298.33	-
ii) Others	250.00	-
e) Estimated amount of contracts remaining to be executed on capital commitments and other commitments, net of advances	10.40	10.00
f) Claims against the Company not acknowledged as debts	101.37	17.60

### 34 REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX)

Particulars	(₹ in Lacs)	
	31 March 2013	31 March 2012
Statutory Audit Fees	23.22	21.70
Tax Audit	0.50	0.75
For Certification and Other Matters	5.28	6.50

### 35 EMPLOYEE BENEFITS:

As required by Accounting Standard-15 "Employee Benefits" the disclosures are as under:

#### 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 cover substantially all the 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.

During the year, following amounts has been recognised in the Accounts

Particulars	(₹ in Lacs)	
	31 March 2013	31 March 2012
Provident Fund, Employee's Pension Scheme and MLWF	333.09	318.24
Employees' State Insurance	26.58	21.89
	359.67	340.12

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

#### Defined Benefit Plans

##### In respect of Parent Company

##### Leave Encashment :

The Parent Company employees are entitled for compensated absences, which are allowed to be accumulated and encashed as per the Company's rules.

The liability of compensated absences has been provided based on the report of independent actuary using the "Projected Accrued Benefit Method", which is same as the "Projected Unit Credit Method" in respect of past services. Accordingly ₹ 246.03 Lacs (Pr.Yr. ₹ 251.17 Lacs) being the liability as at the year end for compensated absences have been provided in the accounts.

##### Gratuity :

The Employees' Gratuity Fund Scheme is a defined benefits plan. The present value of obligation is determined based on 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 annual 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:

- On normal retirement/early retirement/withdrawal/resignation:  
As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.
- On the death in service:  
As per the provisions of 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 31st March, 2013:

Particulars	(₹ in Lacs)	
	31 March 2013	31 March 2012
<b>i) Changes in Defined Benefit Obligation</b>		
Opening defined benefit obligation	229.94	189.74
Current service cost	54.99	51.67
Interest cost	23.95	19.44
Actuarial loss/(gain)	(42.12)	(20.81)
Benefit (paid)	(13.57)	(10.10)
<b>Closing defined benefit obligation</b>	<b>253.18</b>	<b>229.94</b>
<b>ii) Changes in Fair Value of Assets</b>		
Opening fair value of plan assets	229.72	186.46
Expected return on plan assets	18.50	15.53
Actuarial gain/(loss)	8.71	(4.88)
Contributions of employer	0.05	42.72
Benefits (paid)	(13.57)	(10.10)
<b>Closing fair value of plan assets</b>	<b>243.40</b>	<b>229.72</b>
<b>iii) Amount recognised in the Balance Sheet</b>		
Present value of the obligations as at year end (Funded + Non Funded)	253.18	229.94
Fair value of the plan assets as at year end	(243.40)	(229.72)
<b>Net (asset)/liability recognised as at the year end</b>	<b>9.78</b>	<b>0.22</b>
<b>iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	54.99	51.67
Interest on defined benefit obligation	23.95	19.44
Expected return on plan assets	(18.50)	(15.53)
Net actuarial loss/(gain) recognised in the current year	(50.83)	(15.93)
<b>Total expenses</b>	<b>9.61</b>	<b>39.65</b>

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
<b>v) Asset information (% Allocation)</b>		
Government of India Securities	Nil	Nil
Corporate Bonds	Nil	Nil
Special Deposit Scheme	Nil	Nil
Insurer Managed Funds	100%	102%
Others	Nil	-2%
<b>vi) Principle actuarial assumptions used</b>		
Discount Rate (p.a.)	8.10%	8.65%
Expected Rate of Return on Plan Assets (p.a.)	7.50%	7.50%
Salary Escalation Rate (p.a.)	6.00%	6.00%

The estimate of future increase in compensation levels considered in the actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### In respect of Subsidiary Company (SEAM Industries Ltd.)

The Present Value of obligation is determined based on actuarial valuation using the "Projected Unit Credit Method", which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligations. The obligation for leave encashment is recognised in the same manner as gratuity.

(₹ in Lacs)

Particulars	31 March 2013		31 March 2012	
	Gratuity Unfunded	Leave encashment (Unfunded)	Gratuity Unfunded	Leave encashment (Unfunded)
<b>a) Reconciliation of Opening and Closing balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at year beginning	10.29	15.72	2.59	10.29
Current Service Cost	2.99	-	2.31	-
Interest Cost	1.13	-	0.80	-
Actuarial (gain)/loss	2.80	-	(0.42)	-
Benefits Paid	0.85	-	-	-
Liabilities assumed on Acquisition	0.84	-	-	-
Defined Benefit Obligations at year end	17.21	30.60	10.29	15.72
<b>b) Reconciliation of Opening and Closing Balances of Fair value of Plan Assets</b>	-	-	-	-
<b>c) Reconciliation of Fair value assets and obligations</b>				
Fair Value of Plan Assets as at year end	-	-	10.29	15.72
Present Value of Obligation as at year end	17.21	30.60	(10.29)	(15.72)
Amount recognised in balance sheet	(17.21)	(30.60)	-	-
<b>d) Expenses recognised during the period (Under the head "Employee Benefit Expenses")</b>				
Current Service Cost	2.99	-	2.31	-
Interest Cost	1.13	-	0.80	-
Actuarial (gain)/loss	2.80	-	(0.01)	-
Net Cost	6.93	-	2.70	-
<b>e) Discount Rate (p.a.)</b>	8.10%	8.10%	8.65%	Nil
<b>f) Expected Rate of Return on Plan Assets (p.a.)</b>	Nil	Nil	Nil	Nil
<b>g) Salary Escalation rate (p.a.)</b>	6.00%	6.00%	6.00%	6.00%

Actuarial valuation has been carried out using the "Projected Unit Credit Method".

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 36 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-7 "CONSTRUCTION CONTRACTS" (REVISED): (IN CASE OF THE PARENT COMPANY).

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Contract revenue recognised for the year	77,125.23	72,218.27
Aggregate amount of contract costs incurred and recognised profits (Less recognised losses) up to the year end for all contracts in progress as at that date	2,37,663.05	1,73,096.21
Amount of customer advances received and outstanding for contracts in progress	5,817.19	7,471.03
Retention amount due from customers for contracts in progress	13,952.85	12,900.21
Gross amount due from customers as at year end	23,587.27	9,975.05
Gross amount due to customers as at year end	984.30	4,265.05

### 37 DISCLOSURE FOR OPERATING LEASES UNDER ACCOUNTING STANDARD-19 "LEASES": (IN RESPECT OF THE PARENT COMPANY)

The Parent 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 and ranges from 5 months to 15 years under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Parent Company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of ₹ 755.55 Lacs (Pr.Yr. ₹ 656.25 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.

(₹ in Lacs)

Particulars	31 March 2013	31 March 2012
Not later than one year	683.36	736.24
Later than one year but not later than five years	1,734.20	2,388.76
Later than five years	858.24	1,012.14

**38** In terms of the requirements of the Accounting Standard-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, 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.

### 39 SEGMENT REPORTING (In respect of Parent Company) :

#### I. Business Segments:

Business segments have been identified in line with Accounting Standards on Segment Reporting "AS 17".

The Company's businesses are classified into following three primary business segments:

a) Project

b) Overhauling and Maintenance (O & M)

c) Supply

**Project 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).

**O&M Segment:** This segment is engaged in the business of Repair and Maintenance, Overhauling and Renovations of Boilers and auxiliaries, Ash Handling Systems etc.

**Supply Segment:** Supply of Electrodes, Boiler Spare Parts, Coal, Steel and other material at various Thermal Power Plants.

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.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

(₹ in Lacs)			
Sr. No.	Particulars	31 March 2013	31 March 2012
<b>1</b>	<b>Segment Revenue</b>		
	(Net Sales/Income from each segment)		
a.	Project	77,125.23	72,223.91
b.	Overhauling and Maintenance	3,021.09	3,095.66
c.	Supply	28,777.51	9,849.44
	<b>Total</b>	<b>108,923.83</b>	<b>85,169.01</b>
	Less: Inter-segment Revenue	-	-
	<b>Net Sales/Income from Operations</b>	<b>108,923.83</b>	<b>85,169.01</b>
<b>2</b>	<b>Segment Results</b>		
	(Profit before tax and finance cost from each segment)		
a.	Project	12,691.64	11,741.45
b.	Overhauling and Maintenance	480.26	1,199.22
c.	Supply	580.66	(93.86)
	<b>Total</b>	<b>13,752.56</b>	<b>12,846.81</b>
	Less:		
i)	Finance Cost	5,832.34	4,708.07
ii)	Other un-allocable expenditure net off un-allocable income	3,553.57	3,699.07
	<b>Profit Before Tax</b>	<b>4,366.65</b>	<b>4,439.67</b>
<b>3</b>	<b>Capital Employed</b>		
	(Segment Assets – Segment liabilities)		
a.	Project	37,491.82	32,086.30
b.	Overhauling and Maintenance	1,798.71	1,854.12
c.	Supply	(205.09)	2,309.40
	<b>Total</b>	<b>39,085.44</b>	<b>36,249.82</b>
d.	Unallocated	(10,603.78)	(10,936.54)
	<b>Total Capital Employed</b>	<b>28,481.66</b>	<b>25,313.28</b>

### II. Geographical Segments

Since company operates only in India, there are no geographical segments as defined in AS 17.

## 40 NOTE ON HEDGE AND UNHEDGED FOREIGN CURRENCY ASSETS AND LIABILITIES:

The group has not entered into forward exchange contract, being derivative instruments for hedge or trading or speculation purpose. No Forward Exchange Contracts are outstanding as at the year end. The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are as below.

Particulars	(₹ in Lacs)	(₹ in Lacs)	Foreign Currency Amt in Lacs	Foreign Currency Amt in Lacs	Foreign Currency
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	
Amount Receivable	3,796.53	47.75	69.80	0.93	USD
Amount Payable	11,432.55	2,883.32	210.20	56.36	USD
	338.49	212.12	4.87	3.10	EURO

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

### 41 RELATED PARTY DISCLOSURE WITH WHOM TRANSACTIONS HAVE TAKEN PLACE DURING THE YEAR AS REQUIRED BY ACCOUNTING STANDARD-18 ARE GIVEN BELOW

<b>Category I : Associates</b>	Gangakhed Sugar & Energy Limited MSMC Adkoli Natural Resources Limited V. K. Realtors (Partnership Firm)
<b>Category II : Joint Venture</b>	PBSPL - SHEL - JV
<b>Category III : Directors, Key Management Personnel and their Relatives</b>	Mr. Ratnakar M. Gutte Mrs. Sudhamati R. Gutte Mr. Sunil R. Gutte Mr. Vijay R. Gutte Mr. M. N. Mohanan Mr. S. K. K. Ramaiah (upto 11 February 2013) Mrs. Swati Phad
<b>Category IV : Enterprises over which persons covered under Category III above are able to exercise significant control</b>	Gutte Infra Private Limited (Formerly - Sadoday Laxmi Infrastructure Private Limited) VRG Digital Corporation Private Limited

### A Transactions with Related Parties During the Year are as Under \*

(₹ in Lacs)						
Sr. No.	Particulars	I	II	III	IV	Total
1	Investments made	258.72	-	-	-	258.72
		-	-	-	-	-
2	Sale of Investments to	-	-	0.99	-	0.99
		-	-	(20.00)	-	(20.00)
3	Capital Advances Given	-	-	116.79	-	116.79
		-	-	(195.00)	-	(195.00)
4	Loans and Advances Given	100.00	-	-	-	100.00
		(43.66)	-	-	-	(43.66)
5	Advances Received for Contracts and Projects	269.21	-	-	852.75	1,121.96
		-	-	-	-	-
6	Sales of Goods/ Contract Revenue & Services	916.36	261.15	-	1,715.46	2,892.96
		(3,202.01)	(1,018.04)	-	-	(4,220.06)
7	Remuneration to Directors (Including Perquisites)	-	-	374.04	-	374.04
		-	-	(390.67)	-	(390.67)
8	Rent Paid	-	-	160.54	-	160.54
		-	-	(164.82)	-	(164.82)
9	Expenses reimbursement to	80.39	-	-	-	80.39
		-	-	-	-	-
10	Expenses reimbursement from	106.20	-	-	-	106.20
		-	-	-	-	-
11	Share Warrant Application Money	-	-	-	547.50	547.50
		-	-	-	-	-

\* Figures in brackets indicate previous year figures.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

B Out of the above items, transactions in excess of 10% of the total related party transactions are as under

( $\text{₹ in Lacs}$ )				
Sr. No.	Particulars	Category	31 March 2013	31 March 2012
1	Investments made			
	V. K. Realtors	I	258.72	-
2	Sale of Investments to			
	Mr. Ratnakar M. Gutte	III	-	20.00
	Mr. Sunil R. Gutte	III	0.98	-
3	Capital Advances Given			
	Mr. Ratnakar M. Gutte	III	29.20	48.75
	Mrs. Sudhamati R. Gutte	III	29.20	48.75
	Mr. Sunil R. Gutte	III	29.20	48.75
	Mr. Vijay R. Gutte	III	29.20	48.75
4	Loans and Advances Given			
	MSMC Adkoli Natural Resources Limited	I	100.00	43.66
5	Advances Received for Contracts and Projects			
	V. K. Realtors	I	269.21	-
	Gutte Infra Private Limited	IV	852.75	-
6	Sales of Goods/ Contract Revenue & Services			
	Gangakhed Sugar & Energy Limited	I	387.54	3,202.01
	V. K. Realtors	I	518.52	-
	PBSPL - SHEL - JV	II	261.15	1,018.04
	Gutte Infra Private Limited	IV	1,715.46	-
7	Remuneration to Directors (Including Perquisites)			
	Mr. Ratnakar M. Gutte	III	92.40	99.87
	Mrs. Sudhamati R. Gutte	III	48.00	50.89
	Mr. Sunil R. Gutte	III	50.88	50.88
	Mr. Vijay R. Gutte	III	50.88	50.88
	Mr. M. N. Mohanan	III	79.06	79.95
	Mr. S. K. K. Ramaiah	III	34.82	40.20
8	Rent Paid			
	Mr. Ratnakar M. Gutte	III	59.63	64.23
	Mrs. Sudhamati R. Gutte	III	66.21	66.21
	Mr. Sunil R. Gutte	III	20.88	17.94
9	Expenses reimbursement to			
	Gangakhed Sugar & Energy Limited	I	80.39	-
10	Expenses reimbursement from			
	Gangakhed Sugar & Energy Limited	I	51.35	-
	V. K. Realtors	I	54.85	-
11	Share Warrant Application Money			
	Gutte Infra Private Limited	IV	273.75	-
	VRG Digital Corporation Private Limited	IV	273.75	-

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

C Balances Due from/ to the Related Parties as at 31 March 2013 \*

(₹ in Lacs)						
Sr. No.	Particulars	I	II	III	IV	Total
1	Investments	2,225.03	-	-	-	2,225.03
		(1,967.00)	-	-	-	(1,967.00)
2	Trade Receivables	4,376.82	684.46	-	100.66	5,161.93
		(5,028.10)	(540.55)	-	-	(5,568.65)
3	Loans and Advances Given	162.19	-	-	-	162.19
		(62.19)	-	-	-	(62.19)
4	Deposits Given	-	63.32	-	-	63.32
		-	(64.19)	-	-	(64.19)
5	Capital Advances Given	-	-	311.79	-	311.79
		-	-	(195.00)	-	(195.00)
6	Trade Payables	29.80	-	-	-	29.80
		-	-	(7.64)	-	(7.64)
7	Financial Guarantees	2,500.00	-	-	-	2,500.00
		-	-	-	-	-
8	Share Warrant Application Money	-	-	-	547.50	547.50
		-	-	-	-	-

\* Figures in brackets indicate previous year figures.

### 42 DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

#### In respect of Parent Company

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 2013 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 7.90 Lacs (Pr.Yr. ₹ 28.32 Lacs) and interest payable thereon ₹ Nil (Pr.Yr. ₹ Nil) and interest paid during the year ₹ Nil (Pr.Yr. ₹ Nil).

#### In Case of Subsidiary Company- SHEL Investments Consultancy Private Limited and Sunil Hitech Energy Limited

As per the information available with the company, the Company has no dues to Micro, Small and Medium Enterprises as at March 31 2013 and March 31 2012.

#### In Case of Subsidiary Company- SEAM Industries Limited

Amount outstanding (not overdue) as on 31 March 2013 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 269.15 Lacs (Pr.Yr. ₹ Nil) and interest payable thereon ₹ Nil (Pr.Yr. ₹ Nil) and interest paid during the year ₹ Nil (Pr.Yr. ₹ Nil).

43 Balances of some of the Trade Receivables and Trade Payables are subject to confirmation/reconciliation and adjustments, if any.

## Notes to Consolidated Financial Statements for the year ended 31 March 2013

- 44 Due to natural calamity occurred at SECHI Site, the Parent Company had incurred loss of ₹ 147.50 Lacs in FY 2009-10 and same had been provided as extraordinary loss in the books of accounts for the year ended 31 March 2010. The site and the assets thereon were sufficiently insured and claim of ₹ 50 Lacs received in the FY 2010-11 and ₹ 93.52 Lacs received in the FY 2011-12 had been accounted as an extraordinary income in the respective year.
- 45 Pursuant to the agreement between 'Maharashtra State Mining Corporation' (MSMC) and the Parent Company, the Parent Company have since transferred its rights and obligations to 'Sunil Hitech Energy Private Limited' (its subsidiary), for allocating coal mining rights of 'MSMC Adkoli Natural Resources Limited', an amount of ₹ 7,412.00 Lacs is payable in three installments, out of which the 1st installment has been paid and provision for 2nd installment has been made in the books (forming part of CWIP) is adjusted from 'MSMC Adkoli Natural Resources Limited' on achieving COD of the Projects.
- 46 Previous year's figures are regrouped and recasted wherever required.

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As per our report of even date attached  
For Kapoor & Parekh Associates  
*Chartered Accountants*

For and on behalf of Board of Directors

N. M. Parekh  
*Partner*

Sandeep Mishra  
*Company Secretary*

Ratnakar M. Gutte  
*Chairman and  
Managing Director*

Sunil R. Gutte  
*Joint Managing Director*

Nagpur, 30 May 2013



## SUNIL HITECH ENGINEERS LIMITED

### NOTICE

Notice is hereby given that 15th Annual General Meeting of the Company SUNIL HITECH ENGINEERS LIMITED shall be held at Registered Office of the Company at Ratnadeep, Jaynagar, Parli – Vajjnath Dist. Beed, Maharashtra, Pin – 431520, on Thursday, the 26th day of September, 2013 at 02.00 P.M. to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended on 31st March, 2013 and the Audited Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To declare a dividend for the financial year ended on 31st March, 2013.
3. To appoint a Director in place of Mr. Devesh N. Garg, who retires from office by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Parag Sakalikar, who retires from office by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors M/s Kapoor & Parekh Associates, Chartered Accountants, having ICAI Firm Registration No. 104803W from the conclusion of this meeting to the conclusion of next annual general meeting and to fix their remuneration.

#### SPECIAL BUSINESS:

6. To Consider and, if thought fit, to pass following resolution as Special Resolution

**“RESOLVED THAT** in accordance with respective provisions of the Articles of Association of the Company and pursuant to Section 198, 269, 302, 309, 311 and 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act 1956 ( the said Act) including any amendments or modification thereof and all guidelines for managerial appointment & remuneration issued by the Central Government from time to time, consent of the Company be and is hereby accorded to the appointment of Mr. Venkataramana Condoor, as the Whole time Director (in Executive Category) of the company for the period of five years from 01.06.2013 to 31.05.2018 on the remuneration of not exceeding Rs. 6,00,000/- (Rs. Six lacs only) as basic salary per month apart from other benefits, allowances and perquisites for which as he may be entitled hereunder or as may be decided by the Board from time to time.

Resolved further that pursuant to the provisions of Articles of Association, subject to provisions of the Companies Act, 1956 and supervision and control of the Board of Directors of the Company, The Executive Director be and is hereby authorized to manage the business and affairs of the Company, whose remuneration or salary shall be inclusive of the following:

- I. Salary: Basic Salary at the rate of not exceeding Rs. 6,00,000/- (Rupees Six Lacs only) per month, as may be approved by the Board of Directors from time to time in accordance with Schedule XIII and all other applicable provisions of the Companies Act, 1956, including any amendments or modification thereof.
- II. Commission: Company may pay Commission not exceeding 1% of the net profits of the Company computed in the manner laid down under section 309, 349, 350 of the Companies Act, 1956. The amount of Commission and other part of remuneration shall be subject to the overall limits pertaining to the Managerial Remuneration laid down under Sections 198 and 309 of the Companies Act, 1956, provided that the amount available as above for payment of commission will be divided among other Directors but each of them shall however receive commission in aggregate not exceeding 1% of the net profit of the Company or such higher limit as may be approved by the Competent / statutory authorities.
- III. Allowances, Perquisites or Benefits: Allowances, Perquisites or Benefits as listed below allowed in PART A, B & C, in addition to the salary, restricted to the annual salary as above or such higher limit as the Companies Act, 1956 may permit. The Salary, Allowances, Perquisites or Benefits as listed hereunder shall not exceed such percentage of the Net Profit as mentioned under section 198, 309 and computed in accordance with section 349 & 350 and all other applicable provisions of the Companies Act, 1956.

#### Part A:-

- i. City Compensatory Allowance: 40% of Basic Salary
- ii. Factory Allowance: 40% of Basic Salary
- iii. Conveyance Allowance: 20% of Basic Salary
- iv. Housing Facility including gas, electricity, water, servant, telephone, broadband, internet and furnishings (non-interchangeable) in any part of India.
- v. Medical Benefits: For self and family, reimbursement of medical expenses actually incurred.

- vi. Leave Travel Concession: For self and family once a year in accordance with the rules of the Company.
- vii. Club Fees: Subject to a maximum of two clubs excluding life membership or admission fee.
- viii. Insurance Premium not exceeding Rupees 50,00,000/- (Rs. Fifty Lacs only) in a year.
- ix. Travel Facility for self & family in business class within India or Outside India.
- x. Tour / Travel / other Expenditure Allowance: For Self and Family subject to maximum of Rs. 10,00,000/- lacs in a year within India & / or outside India.
- xi. Conveyance Facility in India or abroad.
- xii. Credit / Debit Cards for use within India or Outside India.

Part B:-

- xiii. Company’s contribution towards Provident Fund, Pension Fund, Superannuation/Annuity Fund, or any other fund and Gratuity Fund shall be as per the Rules of the Company. These items will not be considered or included for the computation of ceiling or perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Part C:-

- xiv. Provision of car for use on Company’s business and telephone, broadband, internet facility at residence will not be considered as perquisites.

- xv. Earned / Privileged leave of full pay and allowances will be as per rules of the Company.

RESOLVED FURTHER THAT in accordance with Schedule XIII & other applicable provisions of the Companies Act, 1956 the Board of Directors be and is hereby authorised to pay the managerial remuneration to Mr. Venkataramana Condoor Executive Director of the Company during the tenure of his appointment in the absence or inadequacy of profits.

RESOLVED FURTHER THAT in accordance with Schedule XIII & other applicable provisions of the Companies Act, 1956 the Board of Directors be and is hereby authorised to revise the remuneration and other terms and conditions of the appointment or part of remuneration of Mr. Venkataramana Condoor from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as, in its absolute discretion, may considered necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the above resolution or otherwise considered by the Board of Directors to be in the interest of the company.”

By order of the Board

sd/-  
(Sunil R. Gutte)  
Joint Managing Director

Place : Nagpur  
Date : 14.08.2013

NOTES:

- i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. UNDER THE COMPANIES ACT, 1956, VOTING IS BY SHOW OF HANDS, UNLESS A POLL IS DEMANDED BY A MEMBER OR MEMBERS PRESENT IN PERSON, OR BY PROXY HOLDING AT LEAST ONE-TENTH OF THE TOTAL SHARES ENTITLED TO VOTE ON THE RESOLUTION OR BY THOSE HOLDING PAID-UP CAPITAL OF AT LEAST RS. 50,000/- ONLY. A PROXY CAN NOT VOTE EXCEPT ON A POLL.
- ii) An Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting has been attached.
- iii) The Register of Members and the Share Transfer Books of the Company will remain close from Friday 20th

- September, 2013 to Thursday 26th September, 2013 (both days inclusive).
- iv) Members holding the shares in dematerialized form are requested to notify all the changes with respect of their address e-mail id, ECS mandate and bank details to their depository participant.
  - v) Members (those holding shares in the physical form only) are requested to notify/send the following to the Registrar/ Transfer Agent, M/s. Bigshare Services Private Limited, 2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072;
    - a. particulars of their bank account and e-mail id, in case the same have not been sent earlier;
    - b. any change in their address/e-mail id/ECS mandate/ bank details
    - c. Share certificate(s), held in multiple accounts in identical name or joint names in the same order of names, for consolidation of such shareholding in one account.

- vi) For the convenience of the Members, an Attendance Slip is annexed with the Proxy Form. Photocopies of the slip will not be entertained for issuing gate pass for attending Annual General Meeting. However in case of non-receipt of notice of Annual General Meeting, members are requested to write to the Company at its Corporate Office for issuing of the duplicate of the same. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
- vii) As a measure of economy, Annual Reports shall not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.
- viii) A member desirous of getting any information on the account or operations of the Company is required to forward his/her queries to the Company at least ten days prior to the meeting so that the required information can be made available at the meeting.
- ix) The annual accounts of the subsidiary companies and the related detailed information shall be made available to Shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the registered office & corporate office of the holding company and of the subsidiary companies concerned. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand
- x) As a matter of green initiative in the matter of corporate governance, as per last year, this year too, the Notice and annual report shall be sent to the shareholders by way of email id whose mail ids are available with our Registrar & Transfer Agent, M/s. Bigshare Services Private Limited, having office at 2/3 Ansa Industrial Estate, Sakivihar Road,

- Sakinaka, Andheri (E), Mumbai – 400 072 and physical copy by post to those shareholders whose email ids are not available with us. Members are request to provide their email ids to our RTA to facilitate us to send notices and all other documents electronically to them to save paper, cost and our environment.
- xi) The Copy of Notice shall also be made available in our official web site ‘www.sunilhitech.com’. In case if any shareholder could not receive the same, can also download it or go through the same through our web site.
  - xii) As required by the provisions of the Companies Act, 1956 read with the provisions of the Investor Education and Protection Fund (awareness and protection of investors) Rules, 2001, any amount of unpaid dividend or unpaid share application money, which remains unpaid or unclaimed for a period of seven years from the date of transfer to respective unpaid dividend / share application money account, shall be transferred by the Company to the ‘Investors Investor Education and Protection Fund (IEPF) established under sub-section (1) of 205C of the Act, 1956. We have transferred the unpaid/unclaimed share application money to this IEPF fund. The dividend for the financial year 2005-06 is due to be transferred to this fund during. The shareholders whose dividend amount is un paid or un claimed so far are hereby requested to claim their amount promptly. In addition to this the Company has declared dividend for the financial year 2006-07, 2007-08, 2010-11 & 2011-12, the shareholders who have not received dividend for aforesaid financial year, must claim their dividend promptly.

Annexure to Items 3, 4 of the Notice

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Devesh N. Garg	Parag A. Sakalikar
Date of Birth	01.09.1965	09.06.1973
Date of Appointment on the Board	18.09.2008	28.12.2007
Qualification	Bachelor of Science (Electrical Engineering) and MBA (Finance)	B. E. in Mechanical Engineering
Expertise in Specific Areas	Experience in industrial & finance sectors, managed business of various sizes from pre revenue stage to worldwide operations.	Experience in the areas of Administration, Control, Budgeting Finance & Accounts.
List of other Companies in which Directorship held as on 31st March, 2013 (excluding Directorship in private, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.)	Nil	1. SEAM Industries Limited 2. SHEL Investments Consultancy Pvt. Ltd.

EXPLANATORY STATEMENT AS REQUIRED U/S 173 (2) OF THE COMPANIES ACT, 1956

For Item No. 6

Your Board of Directors at their meeting held on 30.05.2013 had appointed Mr. Venkataramana Condoor as an Additional Director in Executive Category with effect from 01.06.2013.

Mr. Venkataramana Condoor has renowned experience in infrastructure business as well as marketing for over 33 years of which 18 years in the field of infrastructure development with close to 14 years in senior position as M. D, CEO and Sr. VP (Infra).

In the field of infrastructure he has handled many prestigious projects from Bid stage to execution stage with two leading groups in the country i.e. GVK and Essel Group (Zee TV). Has been part of the success story of these two groups establishing themselves in infra space from scratch. In the case of Essel Group (Zee TV) it was he who handled the total growth in Infra space.

Some of the prestigious projects handled by him in GVK were Mumbai airport (9000 cr), Jaipur Kishangarh, 6 lane road (700 cr), Peramballus SEZ (1500 cr), GVK one mall at Hyderabad of 7.5 lacs Sqft (250cr) and many more.

In the Essel Group (Zee TV) he started from scratch in 2008 and has handled 14 road projects (10000cr) of which 9 were completed with 5 roads in NHAI and 9 roads of special state highways and state highways, one hydel project in Nepal – 82 MW (850 cr) 3 solar projects under NVVN and KREDL 30 MW (270cr), a school project of 5 lacs sqft with MMRDA in BKC (260cr), Municipal solid waste to energy project of 3500 TPD per day (1000cr) including Deonar in Mumbai, 24\*7 water supply project at Aurangabad (1200cr) as well signed Memorandum of understanding (MOU's) with various state governments for infra projects.

On the recommendation of the Remuneration Committee, Your Board of Directors, subject to your approval by way of special resolution, appointed him with effect from 1st June, 2013 for five years at basic salary of not exceeding Rs. 6,00,000/- per month apart from other benefits, allowances and perquisites for which he may be entitled hereunder and / or as may be decided by your Board of Directors of the Company from time to time.

Through this notice we seek your approval by way of special resolution for appointment of Mr. Venkataramana Condoor as Whole time Director with effect from 1st June, 2013 for five years at basic salary of not exceeding Rs. 6,00,000/- per month apart from other benefits, allowances and perquisites for which he may be entitled hereunder and / or as may be decided by your Board of Directors of the Company from time to time and authorization in favour of the Board to revise the terms and conditions of his appointment from time to time.

This notice shall be treated as abstract of terms and condition of appointment & remuneration payable to Mr. Venkataramana Condoor as mentioned under section 302 & other applicable provisions of the Companies Act, 1956.

Except Mr. Venkataramana Condoor, none of the Directors of the Company is in any way concerned or interested in the said resolution.



SUNIL HITECH ENGINEERS LIMITED  
DIVIDEND – ECS MANDATE FORM

To,

M/s. Bigshare Services Private Limited,  
2/3 Ansa Industrial Estate,  
Sakivihar Road, Sakinaka,  
Andheri (W) – 400 072

Dear Sirs,

Re.: Payment of Dividend of Sunil Hitech Engineers Ltd. under the Electronic Clearing System (ECS)

I hereby give my/our mandate to credit my/our Dividend on the Shares held by me/us under the Folio mentioned directly to my/our bank account through the Electronic Clearing System (ECS). The details of the Bank Account are given below:

Name of the Sole/First Shareholder (In Block Letters)	Parag A. Sakalikar								
Email id									
DP ID No.									
Folio No.									
No. of Shares held									
Name of the Bank in Full									
Branch Name and Address									
9 digit code No. of the Bank and branch as appearing on the MICR Cheque issued by the Bank*									
Type of the account with code (IFSC CODE)									
Account Number as appearing on the Cheque Book									
Bank Ledger No./Bank Ledger Folio No. (If any as appearing on the cheque book)									

(Please attach a photo copy of your cheque leaf which contains your bank account number and the nine digit MICR number. You can also send your dividend mandate through email to us.)

I hereby declare that the particulars given above are correct and complete. The present mandate will supersede my earlier mandate, if any, given. If the transaction is delayed or not effected at all because of incomplete or incorrect information, I would not hold the Company/the user institution responsible.

Place:

Dated:

Name & Signature of Sole/First Shareholder



## SUNIL HITECH ENGINEERS LIMITED

### ATTENDANCE SLIP

ANNUAL GENERAL MEETING

Thursday, the 26th day of September, 2013 at 02.00 P. M.

1. Regd. Folio No. or Client ID No : .....
2. DP ID No. : .....
3. No. of shares held : .....
4. Name of the Member/Proxy : .....

I am a member/proxy for the member of the Company. I hereby record my presence at an Annual General Meeting of the members of the Company at Ratnadeep, Jaynagar, Parli, Vajjnath, Dist. Beed, Pin – 431520.

.....  
Signature of the Member / Proxy

Note: Please complete and sign this attendance slip and hand it over at the entrance of the hall.



## SUNIL HITECH ENGINEERS LIMITED

### PROXY FORM

Regd. Folio No. ....  
Client ID No. ....  
No. of shares held .....  
DP ID No. ....

I/We ..... of .....  
.....in the district of .....  
..... being the Member(s) of Sunil Hitech Engineers Limited hereby appoint Mr./Ms.....  
.....of.....in the district of .....as my/our  
proxy to attend and vote for me/us and on my/our behalf at an Annual General Meeting of the Company to be held on 26-09-2013  
at 02.00 P.M. at Ratnadeep, Jaynagar, Parli, Vajjnath, Dist. Beed, Pin – 431520 and at any adjournment thereof.

Revenue  
Stamp of  
Rs. 2/-

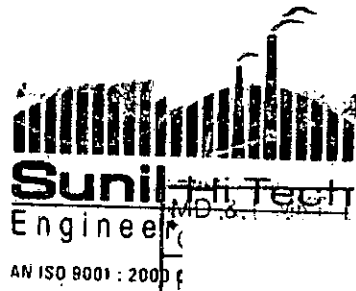
Signed this ..... 2013

Signature of the Member(s)

### Notes:

- 1 The proxy form to be effective should be duly completed in all respects and signed across the revenue stamp.
- 2 The proxy form must be deposited at the Registered Office of the Company at Sunil Hitech Engineers Limited, Ratnadeep, Jaynagar, Parli, Vajjnath, Dist. Beed, Pin - 431520 not less than 48 hours before the time fixed for holding the aforesaid meeting.
- 3 A proxy need not be a member of the Company.





September 03, 2013

The Department of Corporate Services  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001  
Email: corp.relations@bseindia.com

Dear Sir/Madam,

Re: Clause 31(a)  
Scrip Code: BSE - 532711

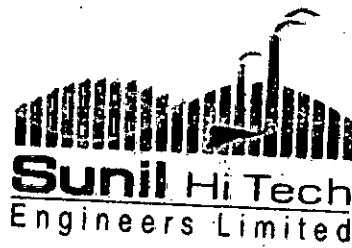
NSE - SUNILHITEC

Pursuant to Clause 31(a) of the listing agreement please find below Audit report in Form A alongwith 6 copies of Annual Report as per Clause 31 of the Listing agreement.

**FORM A**

(Pursuant to clause 31(a) of the Listing Agreement)

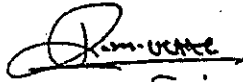
1.	Name of the Company:	SUNIL HITECH ENGINEERS LIMITED
2.	Annual Consolidated Financial Statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis - Non availability of audited accounts of Joint venture Entity
1.	<p><b>Auditors Query:-</b></p> <p>In case of PBSPL-SHEL-JV, a joint venture of the Company and MSMC Adkoli Natural Resources Limited, a joint venture of Sunil Hitech Energy Private Limited, one of the subsidiaries of the Company, the audited financial statements are not available. The same have not been incorporated in the consolidated financial statements.</p>	
	<p><b>Management Reply:-</b></p> <p>"Sunil Hitech Engineers Limited ("the Parent Company") has entered into a Joint Venture with Phenix Building Solutions Private Limited named as "PBSPL - SHEL - JV", a jointly controlled entity where in the Parent company holds 49% interest. The accounts of the said JV are under preparation and therefore the same has not been incorporated in the Consolidated Financial Statements."</p> <p>"MSMC Adkoli Natural Resources Limited is a JV company of Sunil Hitech Energy Private Limited, one of the subsidiary of the parent company and Maharashtra</p>	

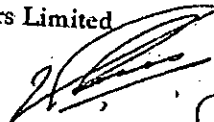


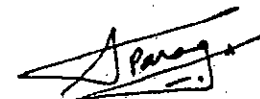
AN ISO 9001 : 2000 CERTIFIED COMPANY

		State Mining Corporation Limited. The accounts of the said JV Company are under preparation and therefore the same has not been incorporated in the Consolidated Financial Statements."	
4.	Frequency of observation		Appeared first time


For Sunil Hitech Engineers Limited

  
Ratnakar M. Gutte  
Managing Director

  
Vijay R. Gutte  
Director Finance

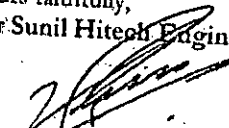
  
Parag A. Sakalikar  
Chairman Audit Committee

Kapoor & Parekh Associates  
Chartered Accountants  
ICAI FRN 1048034J

  
N. M. Parekh  
Partner  
M No. 33528

Kindly acknowledge receipt.

Thanking You,  
Yours faithfully,  
For Sunil Hitech Engineers Limited

  
Vijay R. Gutte  
Director Finance

cc.: The Manager  
National Stock Exchange of India,  
Exchange Plaza, 5<sup>th</sup> Floor, Plot no. C/1, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400 051

Encl: As above