



Sunil Hitech Engineers Limited

Reg. Off.: 6th Floor, C-Wing, MET Educational Complex, Gen. A.K.Vaidya Marg, Bandra Reclamation,  
Bandra (W) Mumbai-400050 | Tel.: 022-61872400 | Email:investor@sunilhitech.com

(CIN: L28920MH1998PLC115155)

# Notice of Annual General Meeting

Notice is hereby given that 18th Annual General Meeting of the Members of 'SUNIL HITECH ENGINEERS LIMITED' (CIN:L28920MH1998PLC115155) will be held on Thursday, the 22nd day of September, 2016 at 11.00 A.M. at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai, Maharashtra 400050, to transact the following business:

## Ordinary Business:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the company for the financial year ended on March 31, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year ended on 31st March, 2016.
3. To appoint a Director in place of Mr. Venkataramana Condoor (DIN 02161093), who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED** that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. V. Sankar Aiyar & Co., Chartered Accountants (FRN 109208W), be appointed as statutory auditors of the Company for a period of five years starting from the conclusion of forthcoming annual general meeting until the conclusion of 23rd annual general meeting of the Company subject to the ratification at each annual general meeting held after forthcoming annual general meeting and that the Board of Directors be

and is hereby authorized to fix their remuneration."

## Special Business:

5. Sub-division of 1 (one) equity share of face value of Rs. 10/- each into 10 (Ten) equity shares of Re. 1/- each.

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED** that pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned Statutory Authority(ies) each equity share of the Company having a face value of Rs. 10/- each fully paid-up be sub-divided into 10 (Ten) equity shares of the face value of Re.1/- each fully paid-up.

**RESOLVED FURTHER** that on sub-division, 10 (Ten) equity shares of face value of Re. 1/- each be allotted in lieu of existing 1 (one) equity share of Rs. 10/- each subject to the terms of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid Equity Shares of Rs. 10/- each of the Company and shall be entitled to participate in full in dividends to be declared after the subdivided equity shares are allotted.

**RESOLVED FURTHER** that on sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the face value of Rs. 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may, without requiring the surrender of the existing share certificate(s), issue and dispatch the new share certificate(s) of the Company in lieu of such existing share certificate(s) subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of equity shares held in the dematerialised form, the number of sub-divided equity shares be credited to the respective beneficiary accounts of the Members with the depository participants, in lieu of the existing credits representing the equity shares of the Company before sub-division.

**RESOLVED FURTHER** that the Board of Directors of the Company (which expression shall also include a Committee thereof) be authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any Director(s), the Company Secretary or any other officer(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

6. Increase in Authorised Share Capital of the Company.

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED** that pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the rules framed there under, the authorized share capital of the Company be and is hereby increased from Rs. 25,00,00,000/- (Rupees Twenty five crores only) divided into 25,00,00,000 (Twenty five crores) equity shares of Re. 1/- each to Rs. 30,00,00,000/- (Rupees Thirty crores only) divided into 30,00,00,000 (Thirty crores) equity shares of Re. 1/- each by creation of additional 5,00,00,000 (Five crores) equity shares of Re. 1/- each ranking pari passu in

all respect with the existing equity shares."

7. Alteration of Capital Clause of Memorandum of Association of the Company.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

**"RESOLVED** that subject to Section 13, 61 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approval(s) from the concerned Statutory Authority(ies) Clause V of the Memorandum of Association of the Company relating to capital be substituted by the following Clause:

**Clause V would be substituted as follows:**

The Authorised Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Re.1/- (Rupee One only) each with power to increase and reduce the Capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

**RESOLVED FURTHER** that the Board of Directors of the Company (which expression shall also include a Committee thereof) be authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any Director(s), the Company Secretary or any other officer(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

8. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution:

**"RESOLVED** that pursuant to the provisions of Section 5 and 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

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

9. Issue of Securities by Qualified Institutional Placement.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution:

**"RESOLVED** that in accordance with the provisions of Section 41, 42, 62 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) as amended from time to time, Foreign Exchange Management Act, 1999, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enabling provisions in the Memorandum and Articles of Association of the Company, provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other appropriate and/or concerned authorities, or bodies, if any as the case may be, and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ('Board') (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the Board be and is hereby authorized to offer, issue and allot in one or more tranches, to Investors whether Indian or Foreign, including Foreign Institutions, Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pension Funds, Individuals

or otherwise, whether shareholders of the Company or not, through an issue of convertible/non convertible bonds/instruments and/or equity shares including by way of Qualified Institutional Placement ('QIP'), to Qualified Institutional Buyers ('QIB') in terms of Chapter VIII of the SEBI Regulations, (hereinafter collectively referred to as "Securities"), whether by way of private placement or otherwise so that the total amount raised through issue of the Securities shall not exceed Rs. 200.00 Crore as may be permitted / permissible under applicable laws and regulations there under, and on such terms and conditions as may be finalized by the Board and that the Board be and is hereby authorised to finalize all such terms and conditions and the matters incidental thereto as it may in its absolute discretion think fit in accordance with all applicable laws, rules and regulations for the time being in force in this regard (the "Issue").

**RESOLVED FURTHER** that pursuant to provisions of Section 62 of the Companies Act 2013, the Board (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), to issue the Securities and/ or such other convertible/nonconvertible instruments to the strategic investors as stated in the foregoing resolutions through qualified institutional placements (QIP) to qualified institutional buyers whether they are members of the Company or not as the case may be.

**RESOLVED FURTHER** that for the purpose of giving effect to the above, the Board be and is hereby also authorized to determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount in issue/conversion/exercise/redemption, rate of interest, redemption period, listings on one or more stock exchanges in India as the Board may in its absolute discretion deems fit and to make and accept any modifications in the proposals as may be by the authorities involved in such issue(s) in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

**RESOLVED FURTHER** that in case of QIP issue, it shall be completed within 12 months from the date of passing of this resolution.

- In case of allotment of equity shares, the date of meeting

in which the Board decides to open the proposed issue.

- In case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

**RESOLVED FURTHER** that the equity shares so issued shall rank pari passu with the existing equity shares of the Company in all respects.

**RESOLVED FURTHER** that for the purpose of giving effect to any offer, issue or allotment of Securities the Board, be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

**RESOLVED FURTHER** that the Board be and is hereby authorised to appoint Lead Manager(s) in offerings of

Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with Lead Manager(s) and to seek the listing of such securities.

**RESOLVED FURTHER** that the Board be and is hereby authorised to create necessary charge on such of the assets and properties (whether present or future) of the Company in respect of Securities and to approve, accept, finalize and execute facilities, sanctions, undertakings, agreements, promissory notes, credit limits and any of the documents and papers in connection with the issue of Securities.

**RESOLVED FURTHER** that the Board be and is hereby authorized to delegate all or any of the powers in such manner as may be deemed fit."

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

Sd/-

**Shrikant C. Rikhe**  
Company Secretary

Date: August 10, 2016

Place: Mumbai

Off Add.: 97, East High Court Road,  
Ramdaspath, Nagpur-440010

## Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE AGM INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER

HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

- 2) The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the business set out under the notice is annexed hereto.
- 3) The Board of Directors has recommended Dividend Rs 1.50 per equity share, for the financial year ended on 31st March, 2016. The Register of Members and the Share Transfer Books of the Company will remain close from Friday, 16th September, 2016 to Thursday, 22nd September, 2016 (both days inclusive) in connection with Annual General Meeting and payment of Dividend.

Subject to the provisions of the Companies Act 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid to those members whose names appear on the Register of Members as on 16th September, 2016.

- 4) Members holding 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.

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.
- 5) 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 registered office for issuing 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.
- 6) Members/Proxy holders are requested to bring their copies of the annual report with them to the annual general meeting, as extra copies will not be provided.
- 7) Any member desirous of getting any information on accounts 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.
- 8) As a part of green initiative likewise 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 requested 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 environment.

- 9) The copy of notice shall also be made available at official website of the Company 'www.sunilhitech.com'. In case if any shareholder could not receive the same, can also download it from Company's website.
- 10) For any communication, the shareholders may also send request to the Company's investor email Id investor@sunilhitech.com.
- 11) Members wishing to claim dividend, which remain unclaimed are requested to correspond with Registrar and Share Transfer Agent; M/s. Bigshare Services Private Limited, having office at 2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400072. Members are requested to note that the dividend not claimed within seven years from the date of transfer to the companies unpaid dividend account, will as per Section 124 of Companies Act, 2013 be transferred to the Investor Education and Protection Fund.
- The Company has transferred the unpaid or unclaimed dividend declared for the financial year 2007-08 to the Investor Education and Protection Fund established by the Central Government during the financial year 2015-16.
- 12) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be passed at the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- 13) The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not earlier cast their vote by remote e-voting shall be able to exercise their voting right at the meeting.

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| <p>14) The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.</p> <p>15) The instructions for shareholders voting electronically are as under:</p> <p>(i) The voting period begins on Sunday, 18.09.2016 (9.00 a.m. IST) and ends on Wednesday, 21.09.2016 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.</p> <p>(ii) Log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a></p> | <p>(iii) Click on Shareholders</p> <p>(iv) Now Enter your User ID</p> <p>a. For CDSL: 16 digits beneficiary ID,</p> <p>b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,</p> <p>c. Members holding shares in Physical Form should enter Folio Number registered with the Company.</p> <p>(v) Next enter the Image Verification as displayed and Click on Login.</p> <p>(vi) If you are holding shares in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier voting of any company, then your existing password is to be used.</p> |
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(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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| <p>(viii) After entering these details appropriately, click on "SUBMIT" tab.</p> <p>(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</p> | <p>(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</p> <p>(xi) Click on the EVSN for the relevant &lt;Company Name&gt; on which you choose to vote.</p> <p>(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.</p> <p>(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.</p> <p>(xiv) After selecting the resolution you have decided to</p> |
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vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.

(B) The voting period begins on Sunday, 18.09.2016 (9.00 a.m. IST) and ends on Wednesday, 21.09.2016 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

16. The Voting rights of members shall be in proportion to the paid up value of their shares in the equity capital of the Company as on cut off date, being 16th September, 2016.
17. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 16th September, 2016 only, shall be entitled to avail the facility of remote e-voting / ballot paper voting.
18. The Scrutinizer shall within forty eight hours of conclusion of Annual General Meeting submit Scrutinizer's Report of the Votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
19. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 22nd September, 2016.
20. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.sunilhitech.com](http://www.sunilhitech.com)) and on website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and communication of the same to BSE Limited and National Stock Exchange of India Limited.

21. Details of Director Seeking Re-appointment at the Annual General Meeting.

Particulars	Mr. Venkataramana Condoor
Date of Birth	12.06.1961
Date of Appointment	01.06.2013
Qualifications	Bachelor of Engineer
Expertise in specific functional areas	Infrastructure Development and Marketing
Directorships held in other public companies (excluding Section 8 companies)	Nil
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Number of shares held in the Company	2,00,000 Equity Shares (Person acting in concert with the promoters)

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of Mr. Venkataramana Condoor, please refer to the Corporate Governance Report.

## Explanatory Statement

(Pursuant to Section 102(1) of the Companies Act, 2013)

### Item No. 5

The equity shares of your Company are listed and actively traded on the National Stock Exchange of India Limited and the BSE Limited. With a view to encourage the participation of small investors by making equity shares of the Company affordable, the Board of Directors at its Meeting held on August 10, 2016 considered and approved the sub-division of one equity share of the Company having a face value of Rs. 10/- (Rupees Ten only) each into 10 (Ten) equity shares of face value of Re. 1/- (Rupee One only) each subject to approval of the Members and any other statutory and regulatory approvals, as applicable. The Record Date for the aforesaid sub-division of the equity shares will be fixed after approval of the Members is obtained.

The provisions of Section 61 of the Companies Act, 2013 require the Company to seek approval of members to the Sub-division of equity share capital of the Company. Accordingly your Board of Directors recommends the Resolution set out at Item No. 5 of notice for the approval of members as an ordinary resolution.

None of the Director, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested in this resolution.

### Item No. 6

The Board of Directors of your company has proposed to issue and allot equity shares of the Company subject to approval of members of the Company by way of Qualified Institutional Placement. In view of proposed issue of equity shares the authorized share capital of your company is required to be increased from Rs. 25,00,00,000/- (Rupees Twenty five crores only) to Rs. 30,00,00,000/- (Rupees Thirty crores only) by creation of additional 5,00,00,000 (Five crores) equity shares of the face value of Re. 1/- (Rupee one only) each ranking pari passu in all respect with the existing equity shares.

The provisions of Section 61 of the Companies Act, 2013 require the Company to seek approval of members to increase the authorized share capital of the Company; accordingly your Board of Directors recommends the Resolution set out at Item No. 6 of notice for the approval of members as an ordinary resolution.



None of the Director, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested in this resolution.

### Item No. 7

The Board of Directors of your company has proposed the sub-division of equity share capital of the Company having a face value of Rs. 10/- (Rupees Ten only) each into 10 (Ten) equity shares of face value of Re. 1/- (Rupee one only) each. Further, the authorised share capital of the Company has also been proposed to be increased from Rs. 25,00,00,000/- (Rupees Twenty five crores) to Rs. 30,00,00,000/- (Rupees Thirty crores) by creation of additional of 5,00,00,000 (Five crores) equity shares of the face value of Re. 1/- (Rupee one only).

In view of the proposed change in share capital the Clause V of the Memorandum of Association of the Company relating to authorised share capital of the company is required to be amended accordingly.

The provisions of Companies Act, 2013 require the Company to seek approval of members to alter the clause V of the Memorandum of Association of the Company relating to authorized share capital of the Company; accordingly your Board of Directors recommends the Resolution set out at Item No. 7 of notice for the approval of members as an ordinary resolution.

None of the Director, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested in this resolution.

### Item No. 8

The Articles of Association ("AoA") of the Company is presently in force since its incorporation. The existing Articles of Association are in line with the erstwhile Companies Act, 1956 which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). With the coming into force of the new Act several articles of the existing Articles of Association of the Company require alterations / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on August 10, 2016 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek

members' approval for the same.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 10.00 a.m. to 5.00 p.m. and it is also available on official website of the company [www.sunilhitech.com](http://www.sunilhitech.com)

Your Board of Directors recommends the Resolution set out at Item No. 8 of notice for the approval of members as a special resolution.

None of the other Directors /Key Managerial Personnel of the Company /their relatives are in any way, concerned or interested in the said resolution.

### Item No. 9

The Special Resolution proposed is an enabling resolution to facilitate and meet the capital expenditure requirements for the ongoing and future projects of the Company and its subsidiaries, working capital requirements, debt repayment, investment in subsidiary companies, general corporate purposes including but not limited to pursuing new business opportunities, meeting the issue expenses etc.

The resolution contained in the attached Notice pertain to a proposal by the Company to create, offer, issue and allot convertible/non convertible bonds/instruments and/or equity shares., as stated therein in one or more tranches (referred to as "Securities"). The intention is to raise additional capital to meet the funding requirements and business objectives of the Company. For this purpose, the Company seeks your approval as per the resolution stated in the notice of AGM.

The members may please note that the appended resolution is only an enabling resolution and the detailed terms and conditions for the offer will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later. However, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the offer.

As per Section 62 of the Companies Act, 2013, and as per the rules and regulations applicable under the laws, the relevant clauses of the Listing Regulations with the relevant stock exchanges where the equity shares of the Company are listed, the approval of existing members is being sought to empower the Board to issue, offer and allot Securities at such price (at a discount of not more than 5% on the price calculated for the Qualified Institutions Placement or at such other discount as may be permitted under Chapter VIII of the SEBI ICDR Regulations or premium to market price or prices in such a manner and on such terms and conditions including security, rate of interest, etc. to such person(s) including institutions, incorporated bodies, individuals or otherwise as the Board may at its absolute discretion deem fit.

The Special Resolution also seeks to empower the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board has constituted to exercise its powers including the power conferred by this resolution) to undertake a Qualified Institutional Placement as defined by SEBI ICDR Regulations. The Board may in their discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI ICDR Regulations. The pricing of the Equity Shares to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI ICDR Regulations.

The Special Resolution seeks to give the Board the powers to issue Securities as the Board may deem fit, in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the

Board, in its absolute discretion, deems fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law, and other relevant factors.

The Equity Shares so allotted would be listed. The issue / allotment would be subject to the availability of regulatory approvals, if any.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges under the provisions of the Listing Regulation.

Your Board of Directors recommends the Resolution set out at Item No. 9 of notice for the approval of members as a special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the aforesaid Resolution.

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

Sd/-

**Shrikant C. Rikhe**  
Company Secretary

Date: August 10, 2016  
Place: Mumbai

Off Add.: 97, East High Court Road,  
Ramdaspath, Nagpur-440010



Sunil Hitech Engineers Limited

Reg. Off.: 6th Floor, C-Wing, MET Educational Complex, Gen. A.K.Vaidya Marg, Bandra Reclamation,
Bandra (W) Mumbai-400050 | Tel.: 022-61872400 | Email:investor@sunilhitech.com
(CIN: L28920MH1998PLC115155)

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of the Company : Sunil Hitech Engineers Limited
Registered office : 6th Floor, C-Wing, MET Educational Complex, Gen. A.K.Vaidya Marg, Bandra Reclamation,
Bandra (W) Mumbai-400050

Table with 2 columns: Label (Name of the member (s), Registered address, E-mail Id, Folio No/ Client Id, DP ID) and empty input field.

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: ..... E-mail Id: .....

Address: .....

.....Signature:....., or failing him

2. Name: ..... E-mail Id: .....

Address: .....

.....Signature:....., or failing him

3. Name: ..... E-mail Id: .....

Address: .....

.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to
be held on Thursday the 22nd day of September, 2016 At 11.00 a.m. at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra
Reclamation Flyover, Bandra West, Mumbai, Maharashtra 400050 and at any adjournment thereof in respect of such resolutions
as are indicated below:

Resolution No.	Resolution	Vote optional see note 2 (Please mention no. of shares)		
		For	Against	Abstain
1.	To review, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and Profit & Loss Account for the year ended on that date together with the Report of the Board of Directors and the Auditors thereon.			
2.	To declare dividend for the financial year ended on 31st March, 2016.			
3.	Re-appointment of Mr. Venkataramana Condoor (DIN 02161093) by rotation.			
4.	Appointment of Statutory Auditors and fixing their remuneration.			
5.	Sub-division of 1 (one) Equity Share of face value of Rs. 10/- each into 10 (Ten) Equity Shares of Re. 1/- each.			
6.	Increase in Authorised Capital of the Company.			
7.	Alteration of Capital Clause of Memorandum of Association.			
8.	Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.			
9.	Issue of Securities By Qualified Institutional Placement.			

Signed this ..... day of.....2016

Signature of shareholder(s).....



Signature of Proxy holder(s).....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'For, Against or Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he may deem appropriate.



Sunil Hitech Engineers Limited

Reg. Off.: 6th Floor, C-Wing, MET Educational Complex, Gen. A.K.Vaidya Marg, Bandra Reclamation,  
Bandra (W) Mumbai-400050 | Tel.: 022-61872400 | Email:investor@sunilhitech.com  
(CIN: L28920MH1998PLC115155)

# Attendance Slip

## Annual General Meeting

Thursday, the 22nd day of September, 2016 at 11.00 A. M.

1.	Regd. Folio No. or Client ID No.:	
2.	DP ID No.:	
3.	No. of shares held:	
4.	Name of the Member/Proxy:	

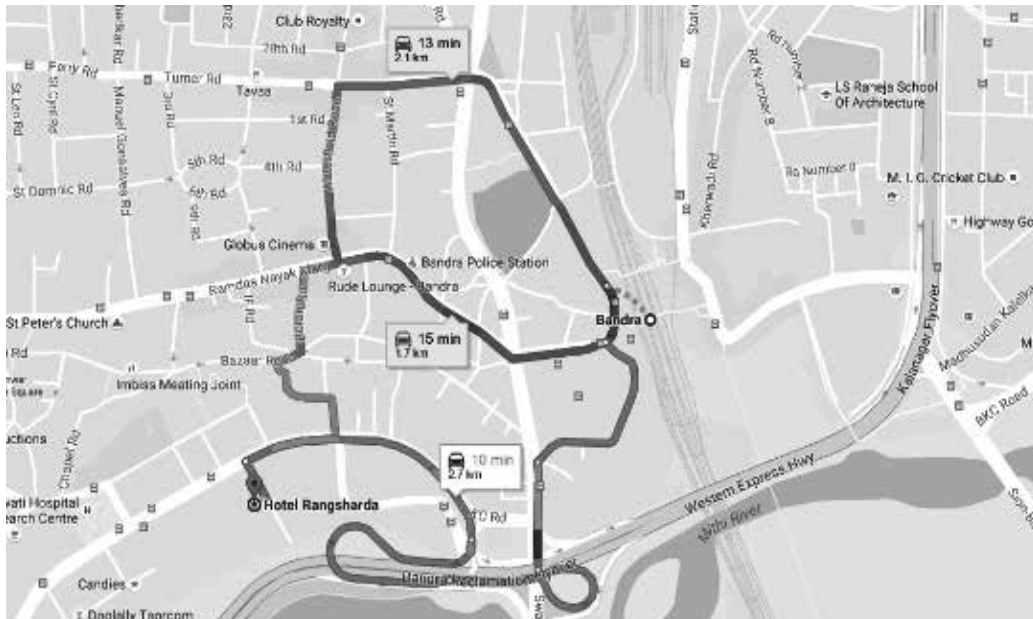
I am a member/proxy for the member of the Company. I hereby record my presence at an Annual General Meeting of the members of the Company at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai, Maharashtra 400050

.....  
Signature of the Member / Proxy

Note: Please complete and sign this attendance slip and hand it over at the entrance of the hall.

## Route Map

- Venue** : Hotel Rangsharda, Near Lilavati Hospital, KC Marg,  
Bandra Reclamation Flyover, Bandra West, Mumbai,  
Maharashtra 400050
- Landmark** : Near Lilavati Hospital
- Distance from Bandra Station** : 2.7 k.m.





**Building Way  
to Future  
Growth**

**Sunil Hitech Engineers Limited**  
18<sup>th</sup> Annual Report 2015-16

# Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# Contents

002	Corporate identity
006	Our identity in numbers
008	Our key accomplishments of 2015-16
010	Trophy projects
012	Financial highlights
014	Chairman's overview
016	Sectoral optimism
020	Managing Director's review
022	Our robust business model
024	Our evolving personality
026	Divisional overview
029	Management discussion and analysis
034	Risk Management
040	Statutory section
081	Financial statements



The general assumption is that 2015-16 was a challenging year for India's construction sector.

Marked by declining profits and weak Balance Sheets.

At Sunil Hitech Limited, we have a contrary performance to report.

The 18<sup>th</sup> year of profitable growth – increased revenues corresponded by an even sharper increase in our profits.



**BUILDING WAY TO  
FUTURE GROWTH.**

**SUNIL HITECH  
ENGINEERS LIMITED.**

**USED TO BE  
A SINGLE-VERTICAL  
CONSTRUCTION COMPANY.  
*NOW MULTI-VERTICAL.***

**USED TO BE A SUB-PROJECT  
DELIVERY VENDOR.  
*NOW CONSOLIDATED  
SOLUTION PROVIDER.***

**USED TO BE A  
THIN-MARGIN COMPANY.  
*NOW INCREASINGLY  
PROFITABLE.***

## 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

## 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 enhance 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 net worth 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

## Positioning

- Sunil Hitech Engineers Limited, the flagship of the Sunil Hitech Group, is among India's leading niche energy technology players, providing solutions in power plant BOP and EPC spaces contributing to India's energy security
- The company has extended to projects in the non-power civil space, roads and bridge construction, as well as the civil-mechanical-electrical engineering spaces now executing World Bank funded road projects in Bihar, West Bengal and Karnataka
- Sunil Hitech has contributed to the commissioning of 34714 MW of power generating assets in India (2007 to 2016), positioning it as among the largest such players in the country
- The Sunil Hitech Group offers engineered and fabricated boiler components through SEAM Industries Limited (subsidiary of Sunil Hitech Engineers Limited)

## Background

- Status of Sunil Engineering Works (commissioned 1984) has been changed to Sunil Hitech Engineers Limited following acquisition by the present management in 1998
- The Company provides design, fabrication, erection and commissioning-related BOP (Balance-of-plant, excluding the boiler, turbine & generator) assignments for power plants ; its expertise also spans fabrication, erection, testing and the commissioning of bunkers, electrostatic precipitators, boilers and TG sets in power plants
- The Company has diversified into high growth civil engineering segments like road and bridge building, solar power project commissioning, construction of correctional homes, solid waste management etc.

## Competencies

### EPC/turnkey projects

■ Balance of plant package for up to 250 MW ■ Sugar plant with co-generation of 30 MW ■ Storage sheds ■ CHP bunker belt extension ■ Raw water/LP piping system ■ Fuel oil system with tank ■ Sub-station up to 220 kV/ 400 kV ■ RAPDRP (Restructured Accelerated Power Development and Reforms Programme) projects

### Civil

■ Civil and architectural works up to 660 MW ■ Civil works of the hydropower plant ■ Staff quarters, school building, and rest house building ■ Storage sheds ■ Hospitals ■ Universities ■ Low cost housing.

### Structural

■ Fabrication and erection of heavy structures up to 660 ■ Fabrication and erection of building and technological structures of various utilities for steel plants ■ Structural works for the sugar and metal industries ■ Structural works for the process and heavy industries

### Mechanical

■ Erection of boilers and auxiliaries up to 800 MW ■ Erection of HRSG ■ Erection of TG and auxiliaries up to 700 MW ■ Complete installation of sinter plant ■ Hydro-mechanical works of hydropower plants ■ Fabrication and erection of raw water piping system ■ Fabrication and erection of chimney flues up to 500 MW ■ Erection of HP/ LP piping system of up to 660 MW

### Transmission

■ EHV transmission lines up to 132 kV, 220 kV and 400 kV ■ EHV sub-station of up to 132 kV, 220 kV and 400 kV ■ Erection, testing, commissioning of power transformers up to 200 MVA ■ C&R panels ■ SCADA system ■ PLCC equipment ■ HT capacitors ■ Construction of control rooms for EHV ■ Construction of heavy consignment roads for carrying out transformers and other equipment of up to 250 MT ■ Earthing system for the entire sub-station

### Distribution

■ Sub-transmission lines for 11 kV, 22 kV and 33 kV ■ Sub-stations for 33/11 kV and 22/11 kV up to 10 MVA rating ■ Erection, testing and commissioning of pole mounted and plinth mounted

## Clientele



distribution transformers up to 630 kVA rating ■ Distribution network including UG cable from 1.1 kV up to 33 kV

#### O&M

■ Renovation of boilers, TG and auxiliaries ■ Repair, modification and rehabilitation for utility boilers up to 660 MW ■ Pressure plants, milling system, rotating parts and ducting ■ HP/LP piping works ■ Operations and maintenance of CHP and AHP

#### Manufacturing

Design and supply of: ■ Super heater and re-heater coils ■ Economizer and LTSH coils ■ Water wall panels ■ High pressure parts bend ■ Structure of TG, bunkers and boilers ■ Technological structures for power and process industry ■ Tanks and vessels ■ Piping ■ Boiler pressure parts tubes up to

660 MW ■ Collection and emitting electrodes of ESP ■ Air register assemblies

#### Roads and bridges

■ Construction of road and highways with paved shoulder ■ Major and minor bridges ■ Rail overbridge and rail underbridge ■ Bus bays, truck lay byes and bus shelters ■ Toll plaza

#### Human capital

Sunil Hitech prides itself on being an equal opportunity employer with an employee base of 1231 members.

Nearly 80% of its employees comprise graduates and diploma engineers, 15% are MBAs while the rest possess CAs, CS and other academic qualifications.

#### Listing and market capitalisation

■ The equity shares of Sunil Hitech are listed on the Bombay and National Stock Exchanges with the promoters holding a 56.17% percent stake in the equity share capital

■ The Company's market capitalisation (free float) stood at Rs 366.95 cr as on 31 March 2016

■ The Company enjoyed strong credit rating of CARE A- (earlier BBB+) for long-term debt

#### Location

■ Sunil Hitech is headquartered in Mumbai (Maharashtra) with extensive operations in Noida and Nagpur

■ The Company manages projects across 44 locations in 13 Indian states

### SUNIL HITECH ENGINEERS LIMITED (FLAGSHIP COMPANY)

- Primarily engaged in EPC business for the power sector, roads and bridges, buildings and urban infra
- The Company completed EPC BOP projects of upto 250 MW (can undertake projects upto 800MW)
- The Company has expertise in the T&D sector,

having erected EHV transmission lines and substations of upto 220KV

- The Company has strong clientele including NTPC, BHEL, MAHAGENCO, MORTH, DOOSAN, Adani group, Reliance Energy, etc

#### SEAM Industries (88.61%)

Manufactures boiler pressure parts and components, industrial boilers, steel pipes and pipe fittings, tanks & vessels, etc.

Strong fabrication capabilities

Complements SHEL's turnkey / EPC projects

#### Sunil Hitech Solar (Dhule) Pvt. Ltd. (100%)

5 MW operational  
Target of 200MW in five years

#### Sunil Hitech India Infra Pvt Ltd. (SHIIL) (78.01%)

Focus on roads and renewable energy sectors

Secured projects worth Rs.800 cr in the first two years of business

# Our identity in numbers

## Order book

■ Sunil Hitech's order book value stood at Rs 3429.57cr as on 31 March 2016

■ New projects bagged stood at Rs 805.25 cr in 2015-16, representing 23.48 per cent of the order book at the beginning of the year under report (1 April 2015)

■ Order book has grown at 5.43 per cent CAGR over the past five years (FY12-FY16)

## Revenue

■ Sunil Hitech's revenues were the highest in its existence at Rs.1827.52

cr in 2015-16 on account of robust project execution, completion and handover

■ Revenue grew a healthy 10.83 per cent during the year under review

■ Revenues grew at a 16.64 per cent CAGR over the past five years (FY12-FY16)

## Operating profit

■ Sunil Hitech's operating profit grew 23.20 per cent to Rs 176.51 cr in 2015-16 on the back of project completion, cost management and value engineering

■ EBIDTA margin grew 78 bps to 10.36 per cent

■ EBIDTA has grown at a 8.13 per cent CAGR over the past five years (FY12-FY16)

## Cash profit

■ Sunil Hitech's cash profit grew 27.47 per cent to Rs 79.99 cr in 2015-16

## Net profit

■ Sunil Hitech's net profit grew 30.39 per cent to Rs. 48.11 cr in 2015-16

■ Net profit margin stood at 2.63 per cent during the year under review

## 2015-16 financial highlights

**1827.52**

Gross revenue (Rs. cr)

**48.11**

Post-tax profit (Rs. cr)

**176.51**

Operating profit (Rs. cr)

**34.94**

Return on capital employed, average (percent)

**1.50**

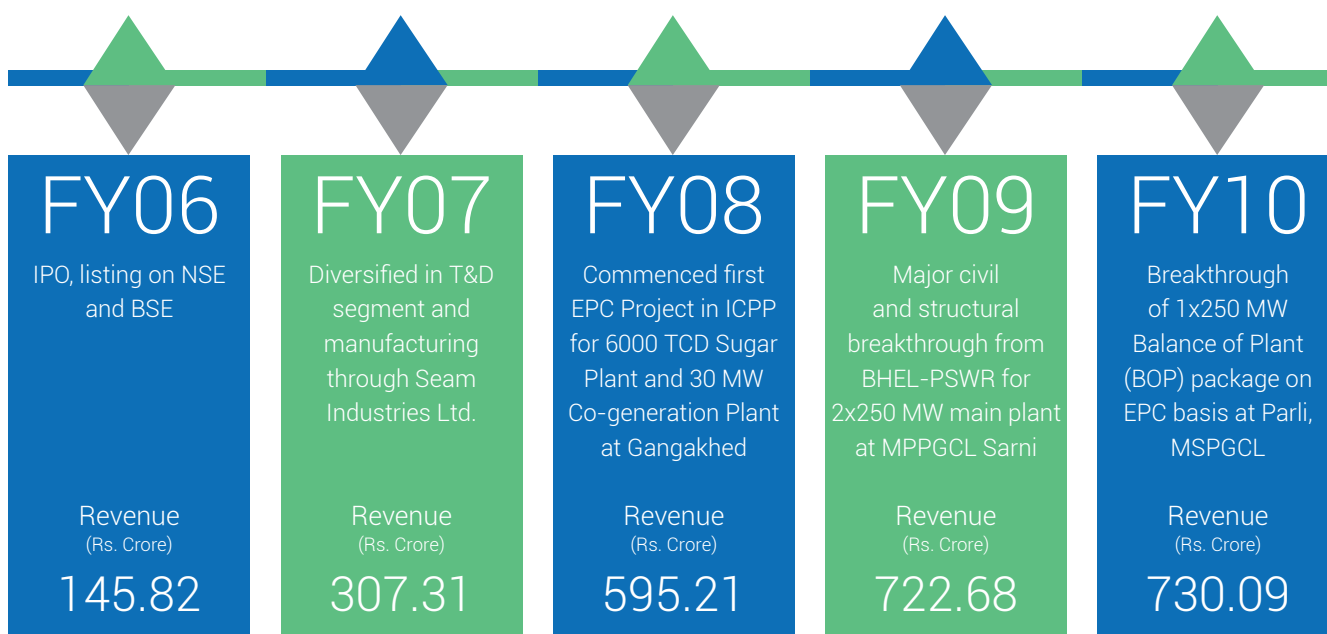
Dividend per share (Rs.)

**239.11**

Book value per share (Rs.)

**0.98**

Debt-equity ratio

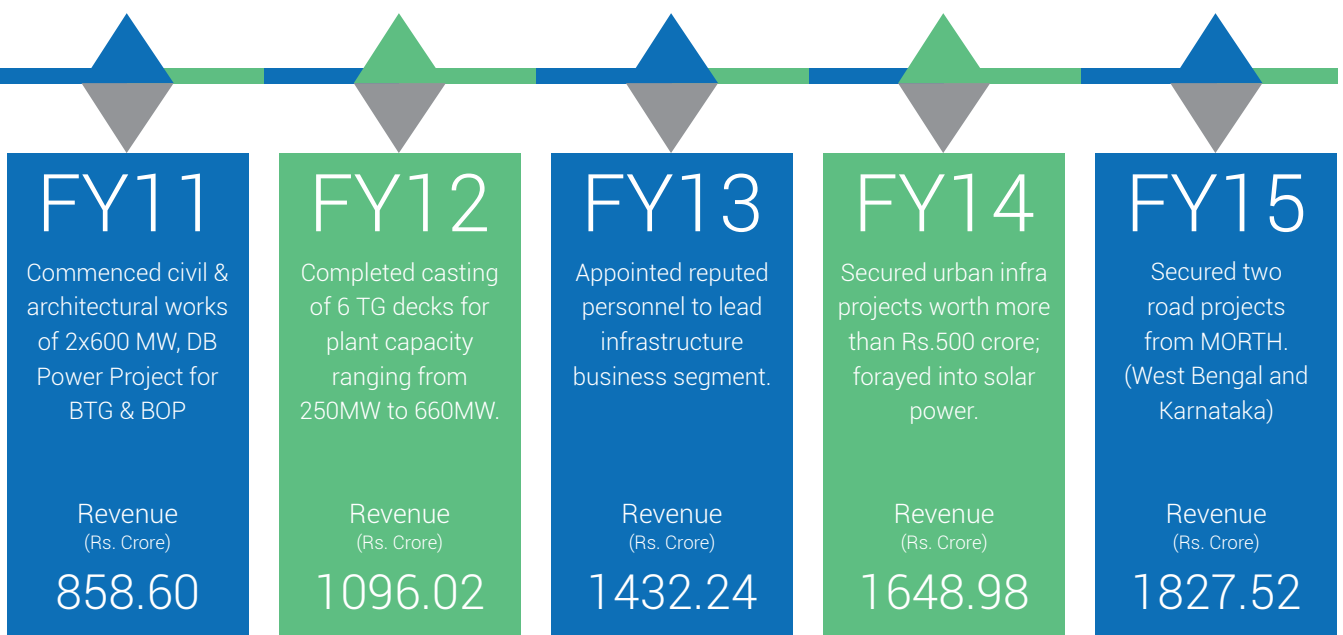
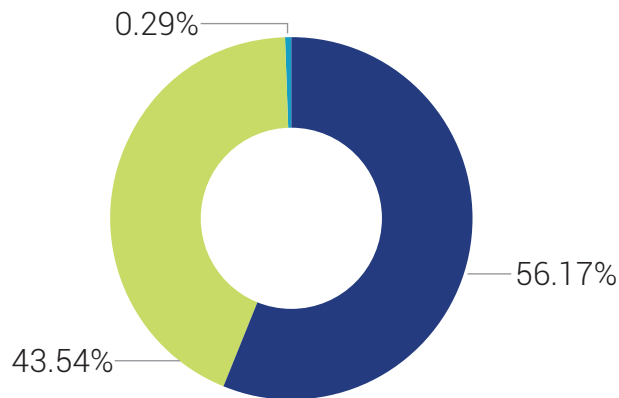


## Capacities commissioned (MW)



## Shareholding pattern as on 31st March 2016

Promoters	56.17%
Public	43.54%
Institutional	0.29%



▶ Our key  
accomplishments  
of 2015-16





Completed six turbine-generator deck projects of 660 MW each, strengthening our ability to bag similar such projects

Bagged Rs 1300 cr new orders in FY15, taking the order book to Rs 3429.57cr, an achievement in a competitive market-place

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

Bagged Rs 474 cr worth of road projects in Bihar.

Bagged Rs 183 cr worth of Ash Dyke Package at NTPC Kudgi projects

Recruited specialised talent for core managerial positions

Reinforced the business plan to enter synergic sectors through a prudent leverage of our rich civil engineering experience

# Trophy projects

## Maharashtra

■ 500 MW-TG structure, boiler auxiliaries, Chandrapur ■ 2 x 210 MW- boiler and main plant structure, Khaparkheda ■ 250 MW, U#1- SG & TG structure, CHP, boiler auxiliaries, Parli ■ 250 MW- U#1SG & TG structure and fuel oil handling system, Paras ■ 210 MW- ESP erection and retrofitting, Koradi ■ 22 kV lines and sub-station of APDRP, MSEDCL, Kalyan ■ Transmission, distribution of button line and sub-station on turnkey, MSEDCL, Chandrapur ■ 250 MW, U#2 - Structure, Boiler Auxiliaries, STG Erection LD Piping, 220 Mtr RCC chimney steel flues

and Staff Qtrs, School Bldg Parli TPS Exp. ■ 250 MW- U#2 – Structure, 220 Mtr RCC chimney steel flues and Boiler Auxiliaries, Paras TPS Expn. ■ 500 MW Boilers and Auxiliaries, Khaparkheda ■ 6000 TCD Sugar Plant, 30 MW Co-Gen Plant and 60 KLPD Distillery Plant EPC Gangakhed ■ 4x300 MW – Structure Steel, STG & BTG Ere. And MHS for JSWERL, Ratnagri ■ 2x500 MW, Structure and Boiler Auxiliaries, Bhusawal TPS ■ 2x300 MW, Structure, ESP & STG and Critical Piping, VIDC, Butibori TPS ■ 5x660 MW. Structure Erection in Adani Power, Tiroda ■ 500 MW, Boiler and Auxiliaries, Staff Qtrs at NTPC

Mouda TPP ■ 220/132/100/33/22 kV Sub Station at Magarpatta, Wathar & Bambawade in MSETCL ■ Transmission, distribution of button line and sub-station on turnkey, MSEDCL, Aurangabad Zone ■ 22/11 kV lines and sub-station of APDRP, MSEDCL, Bhandup ■ Pre-Engineered Building for Warehousing in Mihan ■ Residential Complex of Water Green in Jaitala, Nagpur ■ 500 MW, U#8 Boilers and Auxiliaries, Chandrapur ■ 2x660 MW, Civil, Structural and Architectural in Main Plant of BTG Pkg. at Koradi Expn. ■ 250 MW, U#8 Balance of Plant Pkg. Parli TPS ■ 660 MW, Boiler and Auxiliaries at NTPC Mouda TPP

## Uttar Pradesh

■ 2x500 MW, boilers auxiliaries, Misc structures and 250 metres RCC chimney steel flues, Rihand ■ 210 MW, Boilers and auxiliaries, Unchahar

■ 2x80 MW, TPH- HRSG, Gail pata ■ 2x210 MW boilers, auxiliaries, Main plant structures, Parichha ■ 2x490 MW, ESP Erection, NCPP, Dadri ■ 2x250 MW, Structure Work in Parichha TPS ■ 2x250 MW, Structure and Boiler

Auxiliaries, Harduaganj TPS ■ 2x500 MW, Boiler, Auxiliaries and Turbine Generator at NTPC, Rihand TPP Stg-III ■ Structural Steel work of Offsite-I at Gail Pata

## Madhya Pradesh

■ 4x500 MW, Stg-II & III Main plant structure and CW piping work, Vindhychal ■ 210 MW, Structure and CW piping work, Amarkantak ■ 2x250 MW, Main Plant & CHP Structure

in Bina TPP ■ 500 MW, Boiler and Auxiliaries at NTPC Vindhychal TPP Stg-IV ■ 2x250 MW, Civil, Structural and Architectural in Main Plant Non Plant Bldg. of MPGCL, Satpura TPS Sarni ■ 2x600 MW, Boiler, Auxiliaries

and Critical Piping at MPPGCL, SSTPP, Malwa ■ 600 MW, Civil, Structural and Architectural in Main Plant, CHP at JPL, Seoni ■ 500 MW, Boiler, Auxiliaries and Turbine Generator at NTPC Vindhychal TPP Stg-V

## Haryana

■ 125 TPH HRSG, 2x250 MW TG and mill bunker structure, boiler and auxiliaries, Panipat ■ 66 kV and 132 kV sub-station, Halluwas, Dahina and Gurgaon ■ 2x300 MW main plant structure, Non-pressure parts and ESP, HPGCL, Yamunanagar ■ 2x600 MW, Main Plant Structure, HPGCL, Hissar

## Punjab

■ 2x250 MW bunker structure, Bhatinda ■ Construction of Central Sudhar Ghar at Bhatinda

## Orissa

■ 4x500 MW, SG and TG area civil package, structure and ash piping, Talcher

## Rajasthan

■ 3x250 MW main plant structure, boiler and auxiliaries, Suratgarh ■ 2x125 MW main plant structure, Giral ■ 195 MW, Main Plant structure, RRVUNL, Kota ■ 2x250 MW, Main Plant Structure, RRVUNL, Chhabra TPP ■ 2x125 MW, Boiler and Auxiliaries, AHP Erection in NLC, Barsingsar TPP ■ 8x135 MW, Earthwork in Raw Water Reservoir in Rajwest TPP

## Chhattisgarh

■ 1x275 TPH boiler, 2x135 TPH-boiler and auxiliaries for BALCO at Korba ■ 250 MW boiler and auxiliaries, Bhilai ■ 2x500 MW SG and TG area civil works package, ESP, NTPC Sipat ■ 4x250 MW main plant structure and ESP, JSPL Raigarh ■ 2x135 MW, BTG & STG Erection, JSPL, Dangamahua ■ 3x660 MW, Structural Steel work in SG Area, NTPC, Sipat ■ 2x600 MW, Main Plant Structural Work, JSTPP, Tamarar Raigarh ■ 1500 TPA Erection of Shop Fabricated Structure for Solar Manufacturing Plant, Lanco, Rajnadaon ■ 2x600 MW, Civil, Structural and Architectural in Main Plant of BTG & BOP Pkg. at DB Power, Champa

## Tamil Nadu

■ 2x210 MW & 2x250 MW Structural works, NLC, Neyveli ■ Renovation of boiler structure, TNEB, Ennore ■ 2x500 MW, Main Plant Structure, NTECL, Vallur TPP ■ 500 MW, Main Plant Structure & ESP Ere. NTECL, Vallur TPP Expn

## Gujarat

■ Fabrication and erection of structure and piping work, Dahej ■ 2x125 MW, Main Plant Structure, Boiler auxiliaries, CW Piping and Storage Shed in GIPCL, Magrol ■ 500 MW, Boiler and Auxiliaries at GSECL, Ukai TPS

## Himachal Pradesh

■ 2x2.0 MW, Civil and Hydro Mechanical work, Sechi

## Karnataka

■ JSW Steel Ltd, Bellary, structure of 7 MTPA sinter plant ■ 2x300 MW, power plant general structure, JSW Vijaynagar Energy Ltd, Bellary ■ 2x300 MW, Structural Steel Work, JSW Steel Plant, Bellary ■ 500 MW, Structural Steel Work, KPCL, Bellary TPP

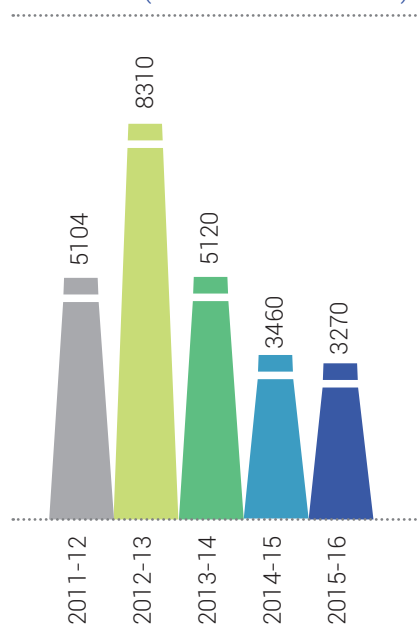
## Andhra Pradesh

■ 210 MW, Main Plant Building Foundation, RTPS, VV Reddy Nagar ■ 500 MW, Boiler and Auxiliaries at NTPC, Simhadri TPP ■ 6.3 MTPA, Structural Steel Work in Steel Melt Shop2 Zone4, Castor Shop, Mill, Storage Bay, RMHS Zone, RINL, Vizag

▶ The year 2015-16 was sluggish for the Indian economy and the Indian construction sector.

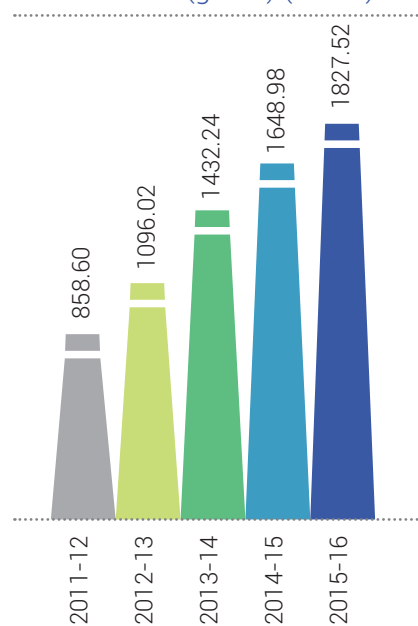
Sunil Hitech delivered better results regardless.

Portfolio (MW commissioned)



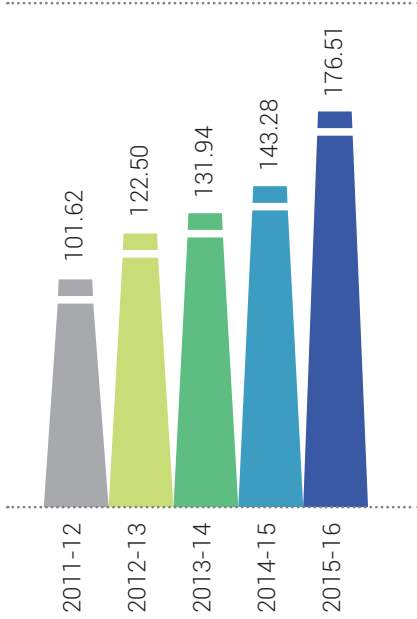
Growing civil engineering engagement comprising larger BoP projects ...

Turnover (gross) (Rs. cr)



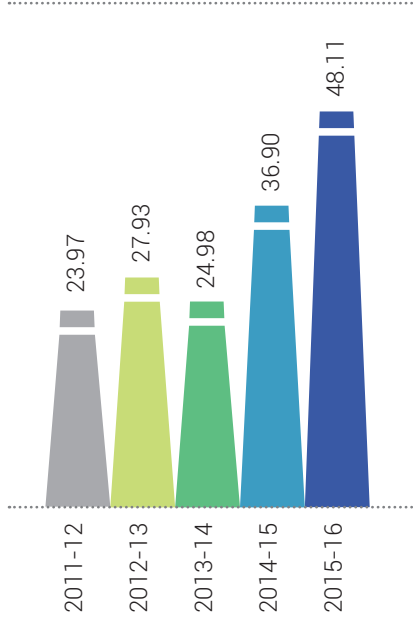
... aggregating into a larger turnover...

### Operating profit (Rs. cr)



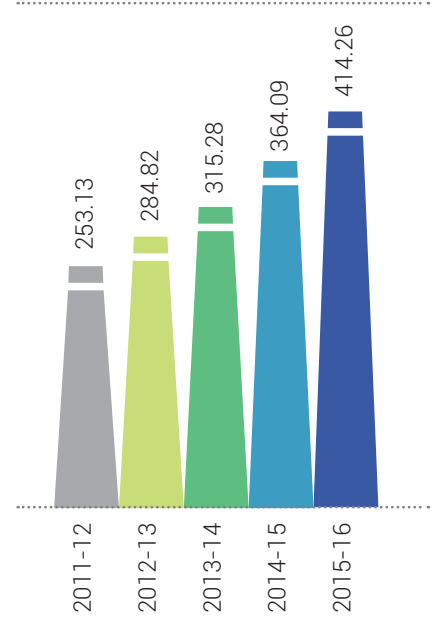
... Accompanied by more profitable projects, tight cost control and value engineering leading to profit growth...

### Post-tax profit (Rs. cr)



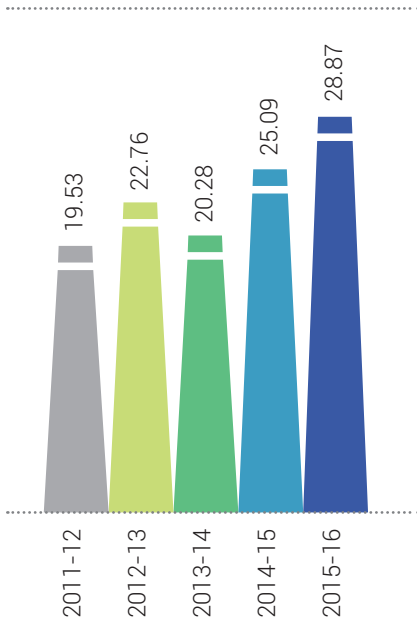
...Moderated debt use, steadily increasing post-tax profits

### Net worth (Rs. cr)



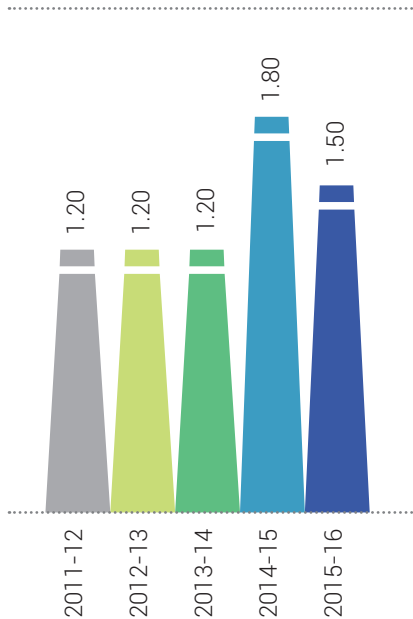
Profit plough-back strengthened our project qualification credentials...

### Earnings per share (Rs.)



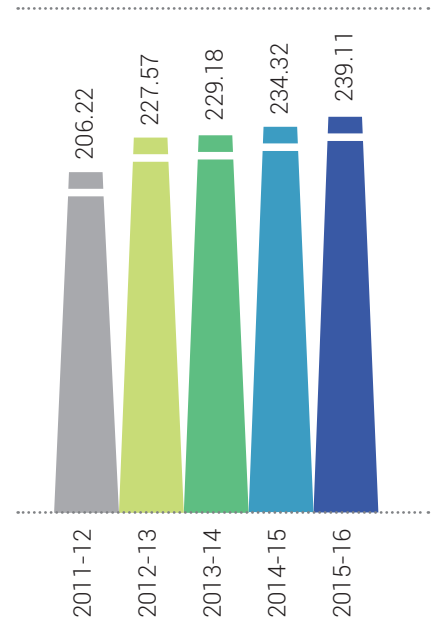
... and strengthened our earnings...

### Dividend per share (Rs.)



... Leading respectable payout...

### Book value per share (Rs.)



... and enhanced shareholder value

Chairman's overview

▶ I am happy to present our numbers for 2015-16.



OUR REVENUES GREW 11 PER CENT WHILE OUR PROFIT AFTER TAX STRENGTHENED 30 PER CENT, OUR FOURTH STRAIGHT YEAR OF PROFITABLE GROWTH.

This profitable growth validated what we wanted our company to be –one that would be driven by a growing presence in rapidly growing but relatively under-crowded verticals, favourable trade terms and attractive profitability.

The numbers of the last financial year, marked by a 78 bps improvement in EBIDTA margin to 10.36 per cent and a 130 bps improvement in Return on Equity to 11.61 per cent, indicate that we are indeed headed in the right direction.

#### Vision

To contribute extensively to the development of the Infrastructure Sectors by providing quality services matching the best in the Industry thus consistently meeting the benchmarks set by customers in terms of quality, price and schedules.

#### The alchemy of culture

There is a simple way in which I wish to describe the re-invented Sunil Hitech.

One company. One vision. One information system. One monitoring system.

In a world where businesses and markets are becoming increasingly complex, what is required is a simplified management approach.

Through progressively investments in technology, we are enunciating a common agenda that aligns every single individual in the company around a common goal; we are building a system of review

meetings that connects people across geographies to accelerate informed decision making; we are investing in information sharing systems that make it possible for executives to tap into a common knowledge pool; we are investing in information design and implementation that makes all relevant information easily accessible.

For long, we have heard that extensively empowered companies are the most successful. In today's rapidly changing environment, information lies at the cutting-edge of empowerment. The most successful companies are also the best informed. So when everyone knows what is to be achieved, the company works as a team; when information is adequately available in an easily accessible manner, enhanced morale and success inevitably follow.

It might sound simplistic, but the reality is that in the reinvented Sunil Hitech, memos have been replaced by whatsapp groups, periodic cross-functional meetings have been replaced by multi-locational video-conferencing, office diaries have been replaced by smartphones, a monthly newsletter from the MD's office has been replaced by a broadcast group – right down to day-long hired cars now being replaced by Uber and Ola. We may be in old businesses; we possess a rejuvenated mindset.

The result is that at the Sunil Hitech of today, the focus is to work smarter and not mindlessly harder. The focus is to go consciously slower, if only to move consistently faster. There is a growing conviction that God lies not as much in the financials as much in the culture. The bottom line: if a project has been allocated to Sunil Hitech, then the customer should be assured that the project will be successfully completed.

## Growing opportunities

### 5 challenges that we faced in our business

- The BoP business was marked by project delays
- Receivables were generally extended, stretching working capital
- Clients encountered funding challenges, affecting vendors
- The increased cost of working capital affected viability
- Overheads affected competitiveness

This cultural transformation could not have come a day too soon.

There is adequate traction building up: the country's road building sector has turned around and sits at the cusp of an unprecedented opportunity; the building sector is reporting a bigger quantum of larger contracts; the power sector is likely to deliver attractive growth, translating into attractive Balance of Plant assignments.

At Sunil Hitech, we believe that our complement of operating culture, core competence and a right-sized Balance Sheet will address the emerging infrastructure opportunity at a time when most construction companies in the country are addressing legacy low-margin orders and nurse stretched Balance Sheets.

### 5 decisive initiatives through which we countered challenges

- Reduced the proportion of BOP business over the years
- Moderated receivables proportionate to turnover
- Worked completely on government projects funded by global agencies; eliminated bad debts
- Moderated working capital cost from banks by nearly 50 bps
- Restructured the business; reduced BoP business manning by 400 people

We had grown our order book to Rs 3429.57cr by the close of 2015-16, which provides 30 months of revenue visibility; these projects correspond to attractive margins that should increase our EBIDTA margin yet again in 2016-17. At Sunil Hitech, we have laid the foundation for scalable growth, which should make it possible for each of our three offices to contribute at least Rs 1000 cr in revenues to the company five years from now, which should translate into sustained revenue growth, improved margins, profitable growth – and enhanced value in the hands of those who hold shares in our company.

**Ratnakar Gutte**, *Chairman*




# What excites us about the sectors in which the reinvented Sunil Hitech operates are...

**The reality**



A billion people need more energy

**The reality**



A billion people need to commute quicker and better; thousands of villages and towns needing superior connectivity



<p><b>The fine print</b></p> <ul style="list-style-type: none"> <li>■ Per capita energy consumption projected to rise from 940kWh towards the international average of 2500 kWh</li> <li>■ \$250 billion planned investments in India's power sector</li> <li>■ Power generation capacity addition of 174.9GW up to 2022</li> </ul>	<p><b>Sunil Hitech's presence</b></p> <ul style="list-style-type: none"> <li>■ Sunil Hitech is amongst the leading EPC contractors in the Indian power industry and specializes in Balance of Plant execution.</li> <li>■ The Company has cumulatively commissioned 34714MW of power plants.</li> </ul>
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<p><b>The fine print</b></p> <ul style="list-style-type: none"> <li>■ Expansion of India's road network from 92,850 kms to 100,000 km by 2017</li> <li>■ Proposed investment of \$31 billion in highways over five years</li> <li>■ Public-Private Partnership highway investments projected at around \$31 billion</li> </ul>	<p><b>Sunil Hitech's presence</b></p> <ul style="list-style-type: none"> <li>■ Qualified to bid for NHAI road projects having value upto Rs.900 crore</li> <li>■ Won the bid for EPC for a road project worth Rs.474 crore located in Bihar</li> <li>■ Plans to actively bid for road EPC tenders</li> </ul>
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Our evolving order book



2295

As on  
31 March 2013  
(Rs cr)



3243

As on  
31 March 2014  
(Rs cr)



### The reality



A billion people need Smart Cities and integrated townships

### The reality



A billion people need better urban infrastructure

<h4>The fine print</h4> <ul style="list-style-type: none"> <li>■ Estimated \$650 bn required to upgrade India's urban infrastructure in 20 years</li> <li>■ India's urban population to grow from 377 mn to 590 mn by 2030</li> <li>■ Urban Development Mission to develop 500 new cities</li> <li>■ The Indian real estate market expected to grow from \$ 78.5 billion in 2013 to \$140 billion by 2017</li> </ul>	<h4>Sunil Hitech's presence</h4> <ul style="list-style-type: none"> <li>■ Executing township development project for the Kanpur Development Authority</li> <li>■ Bagged EPC project of Rs.350 crore for the construction of Central SudharGhar at Bhatinda and Govindawal in Punjab</li> <li>■ Bagged order for Rs.200 crore of redevelopment projects in Mumbai suburb</li> <li>■ Qualified to bid for projects with value in excess of Rs.300 crore</li> </ul>
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<h4>The fine print</h4> <ul style="list-style-type: none"> <li>■ Urban water infrastructure expected to emerge as an annual \$30 billion opportunity</li> <li>■ Close to 1,15,000 MT of municipal solid waste generated daily in India expected to double by 2025.</li> <li>■ Per capita waste generation (0.2-0.6 kg per day) increasing by 13% per annum.</li> </ul>	<h4>Sunil Hitech's presence</h4> <ul style="list-style-type: none"> <li>■ Possesses capabilities in EPC for urban water infrastructure and municipal solid waste</li> <li>■ Intends to bid aggressively in this space</li> </ul>
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3580

As on  
31 March 2015  
(Rs cr)



3430

As on  
31 March 2016  
(Rs cr)

01

THE BHATINDA CENTRAL SUDHAR GHAR PROJECT

## Bringing courage to challenge

WHEN YOUR FIRST EVER BUILDINGS PROJECT ALSO HAPPENS TO BE CHALLENGING, THERE IS A GOOD INCENTIVE TO SHRINK AND SEEK EXCUSES.

The sophisticated nature of the 60-acre Rs 170 cr assignment made it necessary to engage with four demanding regulatory authorities; the objective extended beyond usual building standards towards the

most demanding security measures; sludge and effluent treatment plants needed to be commissioned within; the compound walls needed to be electrically charged; the completion deadline was challenging.

At Sunil Hitech, we addressed these diverse challenges chin-up.

We worked closely with the customer to comprehend world-class benchmarks. We engaged specialists.

We trained our respective teams.

The result is that Sunil Hitech delivered this project in a flat 27 months, quicker than what most would have expected.

This project has done more than delight the customer; it has strengthened the company's pre-qualification credential that will make it possible to bid for larger and more profitable buildings assignments, reconciling volume with value.

*For Sunil Hitech, there is only one word that is faithful for this jails experience. Liberating.*

02

SUNIL HITECH'S FIRST INDEPENDENT ROAD-BUILDING PROJECTS

## Bringing determination to difficulties

IN 2015-16, SUNIL HITECH ADDRESSED ITS FIRST INDEPENDENT ROAD BUILDING PROJECTS.

The challenges were numerous: local terrain understanding, timely evacuation clearances, on-site men and materials convergence and cash flow management.

Add to these an additional complexity: World Bank.

Since these projects – Bengal and

Karnataka, aggregate 140 kms – were funded by this demanding international funding organisation, there were a number of additional compelling riders: high environment standard and comprehensive systemic compliance.

At Sunil Hitech, we addressed this as a learning opportunity.

We re-prioritised. We consciously staggered specific processes rather than skipping systems. We engaged in extensive training.

The result: we got things right first time, we enhanced systemic discipline and we graduated to an international project management standard from Day One.

We are optimistic that this precious exposure will strengthen our credentials to work with a larger number of international funding institutions engaged in one of the most dynamic growth phases of India's road building sector.

*For Sunil Hitech, there is only one word fitting this roads project. Accelerating.*

03

SUNIL HITECH'S BOILER PROJECTS FOR NTPC AND BHEL

## Bringing internal determination to external delays

IN 2015-16, SUNIL HITECH EMBARKED ON A 660 MW BOILER ASSIGNMENT FOR NTPC AND BHEL.

With an imposing challenge from Day One: the project was commissioned a year behind schedule by the client; the client insisted that the project be delivered as per the erstwhile schedule.

Most vendors would have resisted;

Sunil Hitech perceived this to be a golden opportunity.

An opportunity to reinforce its respect as a 'willing to do anything' vendor; an opportunity to play for pride over revenues; an opportunity to showcase passion in adversity.

The company deployed a total of 1500, 400 more people and professionals

than would have been normally warranted; the team worked virtually round-the-clock for the last two months.

The result: possibly one of the fastest tenures that this kind of project has been delivered anywhere in India.

At Sunil Hitech, the secret of our outperformance is encapsulated in just three words: 'Whatever it takes'.

04

SUNIL HITECH'S CHALLENGING SINKING WELL PROJECT FOR NTPC

## Bringing vibrancy to volatility

IN 2015-16, SUNIL HITECH WAS AWARDED ONE OF THE LARGEST SINKING WELL PROJECTS ASSOCIATED WITH A RAW WATER INTAKE SYSTEM FOR NTPC AT MEJA.

There were a number of daunting realities: the Rs 176 cr project was the largest of its kind in India; the assignment was to be delivered inside India's largest river (Ganges); the

company had no prior experience of delivering such a project on a river.

The company addressed realities chin-up.

It responded through the engagement of specialised consultants and some of its most experienced professionals. The challenges were shortlisted. The competencies were aggregated. A

prescribed workflow (water isolation, jacketing and screening) was identified.

The result is that the company is well on way to deliver the completed assignment by 2018.

The result: enhanced peer respect and customer trust as a company that delivers.

At Sunil Hitech, we deliver because we fuse *innovation with determination*.



▶ "Courage and confidence made it possible to counter challenges"

**Sunil Gutte, Managing Director,** analyses the growing of the company during 2015-16

**Q:** Was the 2015-16 performance of the company in line with your expectations?

**A:** The performance of Sunil Hitech in 2015-16 was clearly in line with our expectations. I would also state that when we outlined our differentiated business approach a couple of years ago, a number of industry observers appeared sceptical. We said that we would report profitable growth; they pointed to the slowdown in the country's infrastructure sector. We said that we would be increasingly selective in growing our order book; they pointed to a possibility that our margins could be affected.

In view of these apprehensions and prevailing economic realities, I am happy to state that we have surprised our stakeholders yet again. Sunil Hitech reported profitable growth for the fourth year in succession: revenues increased 113 per cent while cash profit strengthened 46 per cent and profit after tax rose 101 per cent.

These superior numbers were not coincidental; they were the result of a conscious strategic clarity: wider

vertical presence, stronger qualification credentials, timely managerial recruitment, creation of Strategic Business Units headed by respected industry professionals and bidding for projects that would generate retention-free revenues and higher margins.

**Q:** What business achievements enhanced this satisfaction?

**A:** Primarily, we achieved our overall revenue, profits and margins target for the year under review. We had clearly articulated that while there was a possibility that revenue growth would not be hugely attractive, and much of the action would shift to bottomline accretion as the company embarked on liquidating the old relatively less-profitable orders and graduated to the more profitable orders. Besides, we had expressed specific targets that we expected to achieve in our Buildings and Roads businesses; these were achieved. We had indicated that we would strengthen our pre-qualification credentials in 2015-16; these were achieved across our businesses.

So if you ask me about the broad import of the company's performance

during the year under review, my answer would be that we strengthened our overall competence and capability in 2015-16, the full impact of which would be increasingly visible in 2016-17 and beyond.

**Q:** What were some of the numbers that reflect a strengthening of the company's business model?

**A:** Over the years, there was a growing apprehension about the health of the sector's financial numbers. This is precisely where we acquitted: in a working capital-intensive business, we made a better use of financial resources. There was a fundamental reason for this. Our significant Balance of Plant exposure in the past consumed excessive working capital, and suffered extended project tenures. What resulted was that even as we would have often completed our portion of the project, delays by other vendors would result in delays in our payments. As we complete our legacy BoP contracts and moderate our exposure to this segment, we foresee an increase in our cash flows and margins.

A bit of this impact was visible during the financial year under review. Our topline increased by Rs 178.55 cr but our interest outflow rose by a mere Rs 7.91 cr and our interest cover (number of times EBIDTA covered the interest outflow) strengthened from 2.05 to 2.22. The bottomline is that at a time when India's construction sector continued to be sluggish, Sunil Hitech reported better numbers. This sustained improvement conclusively proves that well-managed construction companies that work in a methodical manner within their established areas of competence can indeed be sustainable and profitable.

**Q: What were some of your business-strengthening initiatives?**

**A: The fact that** Sunil Hitech embarked on its first independent road building projects – in Bengal and Karnataka, aggregating 140 two-laned kms. At our company, we see this extension, into what we see as a fast-growing sector from this point, as a presence in the right space with the right skills at the right time.

Permit me to explain: the fact that we went independent in our project execution of these road projects indicates that we now possess the skills to address these projects and the qualifications to impress prospective customers. Besides, these MORTH (Ministry of Road Transport and Highways) projects were funded by World Bank, the latter's standards being even higher than what is practiced within our country.

At Sunil Hitech, we see this complement – MORTH and World Bank – as experience-enriching at a time when we need to build our credentials and when the sector is at the cusp of a significant take-off. We have absolutely no doubt that these two assignments – in addition to the two other projects we bagged

– promise to be the start of robust sustainable growth for this business at our company.

**Q: What is the basis of your optimism?**

**A: Let me** start with competence, which is something that most people are likely to initially miss and will become increasingly manifest over time. The one thing I would like our shareholders to notice is the breadth and depth of our projects - the wide range of projects we are engaged in on the one hand and projects complexity on the other – that is making it possible to strengthen our respect as a challenge-embracing and engineering-driven solutions provider.

For instance, the 660 MW boiler assignment for NTPC/BHEL was delivered in less than a year of the usual time through considerably higher mobilisation and urgency; the 3x660 MW Koradi civil works Balance of Plant project was our largest in a single location; the sinking well project in the raw water intake system for NTPC was the most complex of its kind that we have encountered. What I have to communicate is that we are addressing these projects through a combination of enhanced recruitment (nearly 300 professionals), courage, innovation and engineering knowledge, which is helping graduate our respect among customers and sectoral opinion makers. The result is that over the next two years, we will have delivered these projects on schedule (as appears now), strengthening our prequalification

Sunil Hitech reported profitable growth for the fourth year in succession: revenues increased 113 per cent while cash profit strengthened 46 per cent and profit after tax rose 101 per cent.

credentials to assume larger, more complex and more profitable projects.

**Q: What are the other reasons for the company's optimism?**

**A: The shareholders** need to appraise carefully that in a challenging year we have year-end order book position Rs 3430 cr. Besides, these orders were added at our terms, implying that we did not compromise our desired profitability in seeking new orders. We expect that this 24-month revenue visibility will translate into attractive margins and value in the hands of our shareholders.

**Q: What are the company's priorities?**

**A: I would like** to answer this from two perspectives. On the one hand, we possess a robust Balance Sheet. Our gearing (net of working capital) was only 1.83, which indicates adequate borrowing room should circumstances warrant and a foundation on which to grow our business.

On the other hand, our priority is to accelerate liquidation of the company's order book that sustains our cash flow, win more road (not BOT or annuity) and building projects that establishes profitable revenue visibility and manage a growing number of projects with existing (or marginally higher) debt. In doing so, we expect to graduate our Return on Equity from 11.61 per cent to around 14 per cent across the foreseeable future.

**I am optimistic** that these realities will make it possible for Sunil Hitech to increase revenues annually 10-15 per cent and EBIDTA margin by 50 bps, enhancing value in the hands of our stakeholders.

## Our robust business model

THE CONSTRUCTION BUSINESS IS ONE OF THE MOST CHALLENGING.

The sector is marked by diverse variables and terrain realities on the one hand and a need for sustained accretion in stakeholder value on the other.

The variables are many. Growing projects scale. Success derived through multi-vertical presence. Evolving customer needs. Knowledge intensiveness. Tightening deadlines. Rising environment standards. Premium on people retention.

At Sunil Hitech, one of our principal achievements has been the validation of what we have always believed: that it is completely possible for well-managed and process-driven construction companies to be liquid and profitable even in the most challenging markets and report robust growth in the best of times.

At Sunil Hitech Limited, our business model is likely to generate multi-year growth across industry cycles, graduating the company in scale, competencies and competitiveness.

## Vision

At Sunil Hitech, our vision is to be a high ROE player focused on complex projects in fast-growing business verticals. We believe that this prudent combination will make our revenue growth sustainable, insulating us from commodity margins. The company is focused on growth at all costs in the past, convinced that this would enhance visibility and lead to more projects; the company expects to report sustainable revenue growth of 11 per cent year-on-year with enhanced profitability. The company is a bottom line-driven organization bidding only for profitable orders in specific business segments that can be delivered on schedule, translating into higher returns.

## Positioning

The company is positioned as a standalone EPC contractor specialising in adequate asset ownership, efficient resource mobilisation, timely order liquidation and the generation of adequate cash flows for reinvestment in larger projects. In line with this positioning, the company has consciously decided not to embark on BOT or annuity income projects that could stretch its Balance Sheet and dilute its profitability focus.

## Projects

The company will be a volume-cum-value player bidding for attractively sizable projects in spaces relatively protected from extensive competition. In doing so, the company expects to vacate spaces with significant competition and enhance its bottomline-focus.

## Priority

The company intends to prioritise corporate stability, reflected in a willingness to compromise rapid revenue growth if it comes at the cost of margins stability, liquidity and organisational sustainability. The company earlier generated a major part of its revenues from working capital-intensive business of civil construction opportunities inside power plants; the company is increasingly engaged in retention-friendly businesses that enhance cash flow, backed by bankers and financial stakeholders.

## Focus

The company continues to focus on some of the fastest growing verticals within the Indian economy – roads, buildings and the power sector (Balance of Plant projects). Within the roads segment, the company has selected to position itself as an EPC contractor without assuming BOT projects. In the buildings segment, the company is focused on government projects (where scale and receivables are assured). In the power sector, the company focused on the civil works niche of the Balance of Plant segment (provide prospects of sustained revenue growth and attractive margins).

## Value chain

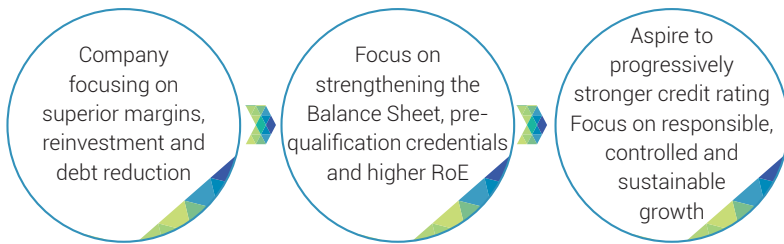
The company was once engaged in civil work as a project manager or as a sub-vendor to a larger company; it is now an end-to-end solutions provider. The company's objective is to independently address projects (without alliance partners) that makes it possible to retain revenues / profits that would otherwise have to be shared. The company selects to enter into alliances only when this facilitates getting larger orders through stronger pre-qualification credentials.

## Evolving vertical presence

The company largely focused on civil construction projects inside power plants in the past; over time, it has entered new spaces, strengthened credentials and bid for large projects. In the past, the company worked with government clients within few sectors; the company now strengthens credentials with government clients with the expectation to be awarded projects across diverse sectors. The company was once focused on mechanical engineering projects from the Balance of Plant space in the country's power generation sector; it is now additionally focused on diverse opportunities from India's rapidly growing civil (power and non-power), roads, bridges, and civil-mechanical-electrical engineering industries.

# Our evolving personality

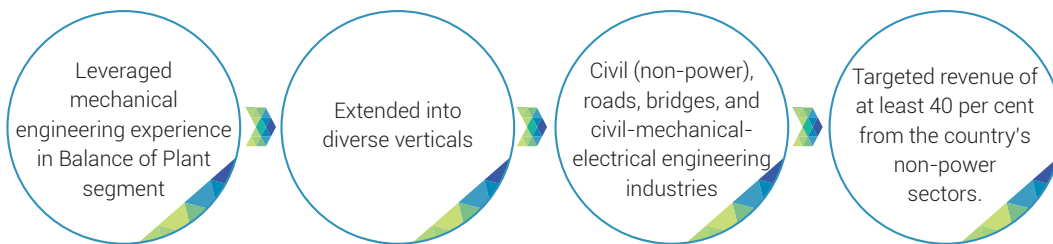
## THE COMPANY FOCUSED ON AGGRESSIVE REVENUE GROWTH IN THE PAST



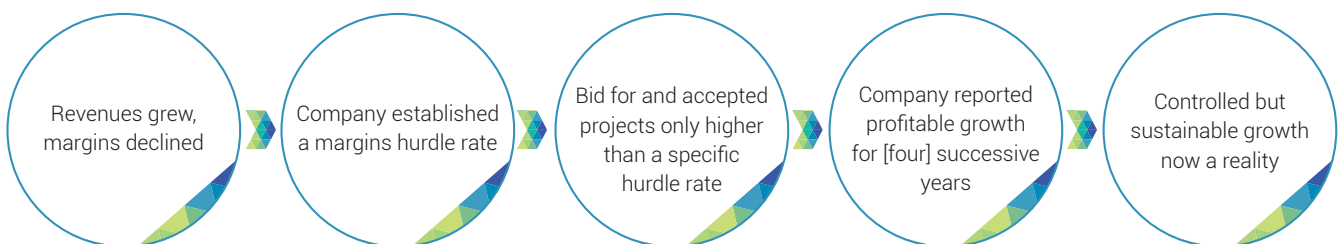
## THE COMPANY SUFFERED LOW MARGINS IN THE PAST



## THE COMPANY COMPETENTLY ADDRESSED POWER SECTOR OPPORTUNITIES



## THE COMPANY FOCUSED ON REVENUE GROWTH AT ALL COSTS





#### THE COMPANY WAS A PROJECT MANAGER OR SUB-VENDOR



#### THE COMPANY CENTRALIZED OUT OF ONE LOCATION (NAGPUR)



#### THE COMPANY WAS PRESENT IN OVERCROWDED SPACES



#### THE COMPANY BID FOR LARGE BOP PROJECTS IN THE POWER SECTOR



DIVISIONAL  
OVERVIEW



## Power Sector

EPC PROJECTS IN THE POWER SECTOR  
AND BoP IMPLEMENTATION AND  
COMMISSIONING

### Overview

The BoP (Balance of Plant) and EPC (Engineering, Procurement and Construction) services for power plants account for the largest proportion of the Company's revenues. The Company entered this business vertical in 2010 and completed projects amounting into 3,270 megawatts in FY 2015-16. The Company specialises in setting up EPC/turnkey projects (up to 250 megawatts), erecting boilers, TGs and auxiliaries, renovating and modernising BTG, T&D projects as well as overhauling, operating and maintaining power plants (up to 800 megawatts). This end-to-end presence of Sunil Hitech has cemented its

reputation as one of the most reliable names in the BoP and EPC segments. The Company has leveraged the power of this identity to create successful standalone businesses.

### Strengths

- Sunil Hitech is empaneled to undertake EPC projects for all major power generating units in India
- Sunil Hitech possesses proven expertise in fabricating, erecting, testing and commissioning of bunkers, electrostatic precipitators, boilers and TG sets in power plants
- Sunil Hitech possesses best-in-class proprietary competence in engineering

and fabricating boiler components (through its 88.61%-subsidiary SEAM Industries Limited)

- Sunil Hitech enjoys enduring relationships with all major power generation companies
- Sunil Hitech's project management experience covers a multitude of locations and the harshest of topographies

### Financial highlights, FY2015-16

- Sunil Hitech reported a turnover of Rs.1,827.52 crore from this vertical, an increase of 10.83% higher than in the previous year.



DIVISIONAL  
OVERVIEW



## Civil Engineering

EPC PROJECTS FOR CIVIL WORKS SUCH AS ROADS,  
BUILDINGS AND BRIDGES, AMONG OTHERS

### Overview

The Company made the most of the rich experience that it has gathered from undertaking innumerable BoP

and EPC projects for power plants to extend into spaces other than the power sector. These include structural engineering projects, bridge, building

and road construction projects, sewage management projects, and other civil engineering projects.



## Roads

The performance of the Company in this niche space was one of the highlights of its FY2015-16 performance. In order to raise the level of competence to deal with this increasing influx of projects, the management procured cutting-edge equipments and machineries. The result: the vertical generated effective margins.

During the fiscal gone by, the Company showcased its focus on the EPC segment by bagging projects from several State Governments and MoRTH which were funded by multilateral funding agencies like ADB and the World Bank. As of 31st March 2016, it had more than 500 lane kilometres worth of projects under execution in West Bengal, Bihar and Karnataka. Moreover, the Company became qualified to bid for BOT and annuity projects under the aegis of the NHAI. On a long-term basis, this strengthened its qualification credentials when it comes to bidding for larger NHAI projects. The Company focused on projects where it could work as a direct contractor or work

as a vendor for a Grade-A contractor and is developing a strategy to bid for annuity projects more effectively.

### Financial highlights, FY2015-16

- The Company, in its independent capacity, won a Rs. 83 crore low-cost housing project in Jharkhand as part of Coal India Limited's rehabilitation scheme for 2,000 families. The project was considered important enough to have been monitored directly by the PMO.
- The Company secured a Rs. 90 crore project from the Kanpur Development Authority for developing a Kanpur township
- The Company worked on the construction of a Rs. 350 crore project to build the Central Sudharghar correctional facilities in Bhatinda and Govindwal
- The Company completed Rs. 150 crore worth of projects during the year under review. These projects represent an attractive basis for the Company to bid independently for larger projects.

■ The Company was awarded four of 14 projects floated by MoRTH and backed by the World Bank, raising its sectoral reputation.

### Outlook

The 2016 Union Budget raised the budgetary allocation for the highways and Road sector stood at Rs. 97,000 crore. The road construction pace of 20 kilometres per day is projected to rise to around 30 kilometres per day by 2017. Furthermore, it has been estimated that 7,500 kilometres of stalled road projects have restarted. Besides, there is a growing focus on the creation of civil infrastructure like bridges, hospitals and airports, among others. The Company is presently pre-qualified to bid for Rs. 150 crore worth of projects in its independent capacity and Rs. 500 crore worth of projects with partners in 2017-18. These figures are expected to rise to Rs. 500 crore and Rs. 1,650 crore respectively, in 2018-19, representing a sharp improvement in prospects.



## Solar power plants

The Company entered this sunrise sector by capitalising on its decades-long experience in the realms of civil and mechanical engineering. The Company commissioned a 5-megawatt EPC pilot project in Solapur (undertaken through a 100%-subsidiary). The project was awarded under the Jawaharlal Nehru

National Solar Mission (Phase-II, Batch-I) and will generate attractive annuity revenues and profits in the years that lie ahead.

### Financial highlights, FY2015-16

■ Sunil Hitech placed bids for 20 MW civil engineering works relating to the

design and execution of a solar power plant.

### Outlook

The Central Government's announcement to add 100,000 megawatts in solar power projects by 2022 bodes well for the Company.



## Sewage management

The Company has decided to make its presence in this niche segment because of its high-growth potential. The Company has in place the expertise necessary to execute large and complex projects in the urban solid waste management space.

### Financial highlights, FY2015-16

The Company placed bids for Rs. 300 crore solid waste management projects and sewage water treatment project for Rs. 470 crore during the year.

### Outlook

India is generating larger waste than ever warranting the establishment of state-of-the-art solid waste management solutions. The Company secured a sewage management project in Patna worth to Rs.187 crore.



## Railways and defence

The Company undertakes projects in these spaces through its subsidiary SEAM Industries Limited. The Company is building a competent team to manufacture railway coaches and ancillary structures. The Company utilised its existing capacities (25,000

tonnes per annum) for manufacturing ROB and RUB railway girder slabs.

### Financial highlights, FY2015-16

The vertical is in the process of generation of revenue which shall take

effect in next fiscal.

### Outlook

The Company was approved as a fabrication shop by BHEL and NTPC and this should bring in more contracts from these national entities.

# Management discussion and analysis

## Economic overview

India's economy expanded at a faster pace in 2015-16 despite a slowdown in GDP expansion in the third quarter of the fiscal under review. India's GDP growth stood at 7.6% in 2015-16 against 7.2% in 2014-15 – this jump was primarily catalysed by a sharp rise in manufacturing sector (9.5% growth in 2015-16 against 5.5% in 2014-15). The superior performance of the manufacturing sector was due to a significant fall in inputs costs following the collapse of global commodity prices. India's economy recovery was also facilitated by positive policy actions and a reduction in external vulnerabilities. RBI policies helped contain demand pressures

created a buffer against external shocks and kept a check on the volatility of the rupee and inflation. According to the Economic Survey 2015-16, inflation measured by the CPI, which averaged 6.5% in 2014-15 could decline to 5.0-5.5% in 2015-16. The slide in global oil prices since late 2014 boosted economic activity in India and underpinned a further improvement in the current account and fiscal positions. Looking ahead, the World Bank has projected GDP growth of 7-7.8% in 2016-17. According to the IMF, India continues to be the bright spot in an otherwise slowing global economy, and expects India's growth to surpass China's in 2016-17.

## Key numbers

**7.6%**  
GDP growth  
in 2015-16

**5.5%**  
CPI  
in 2015-16

**9.5%**  
Growth in the  
manufacturing  
sector

**9.2%**  
Growth in the  
services sector

**\$23,690.1**  
Foreign exchange reserves  
as on March 31, 2016 (mn)

**7.8%**  
Estimated GDP  
growth in 2016-17

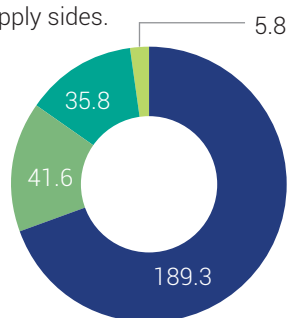
## Congestion and wastage

Over 3 billion units of electricity were wasted in 2014-15 due of congestion on transmission highways. In 2013-14, the figure was 5.3 billion units, enough to ensure supplies to the national capital region for nearly two months.

### India's power sector

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. Power is considered to be a core industry as it facilitates development across various sectors of the Indian economy, such as manufacturing, agriculture, commercial enterprises and railways. India's power sector is one of the most diversified in the world; power is generated from a wide array of inputs -- conventional sources include coal, lignite, natural gas, oil, hydro and nuclear power and viable non-conventional sources are wind, solar, and agricultural and domestic waste. Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity

is increasing at both the market and supply sides.



Thermal power - 189.3 gigawatts | Hydro power - 41.6 gigawatts | Renewable energy - 35.8 gigawatts | Nuclear power - 5.8 gigawatts

### Power generation

India has the fifth-largest power generation capacity in the world. India's installed capacity stood at 272.5 gigawatts, as of FY15 increasing at a CAGR of 9.4%. In FY15, India generated 1,048.7 terawatt-hours of electricity. Despite this growth, India continues to lag behind the power generation targets. This is due to bottlenecks in obtaining regulatory clearances and lack of adequate low-cost funding. Resultantly, there has always remained

a considerable gap between the targeted and the actual addition to generation capacity. Recently, things however have improved. India has added the highest-ever power generation capacity during the 12th Five Year plan period. India added a cumulative power capacity of 61,014 megawatts up to March 2015 (69% of the targeted capacity addition of 88,537 megawatts). This has been largely led by a sharp improvement in the thermal segment which achieved 80% of the targeted capacity addition. Moreover, the Central Government's assurance of coal linkages has infused a fresh lease of life into the power generation units that were lying idle. This is expected to strengthen power generation in India over the near-term. The Planning Commission estimates total domestic energy production to reach 669.6 million tonnes of oil equivalent by 2016-end and 844 million tonnes of oil equivalent by 2022.

### India's total installed power generation capacity and break-up (as of 31 March 2016)

Zones	Thermal (megawatts)	Nuclear (megawatts)	Hydro (megawatts)	Renewable (megawatts)	Total (megawatts)
Northern	50,975.76	1,620	18,246.77	8,166.92	79,009.45
Western	82,968.42	1,840	7,447.50	13,698.15	1,05,954.07
Southern	43,833.64	2,320	11,558.03	16,213.18	73,924.85
Eastern	30,812.87	0	4,289.12	469.54	35,571.53
North Eastern	2,044.30	0	1,242	262	3,548
Islands	40.05	0	0	11.10	51.15
All India	2,01,675.04	5,780	42,783.42	38,821.51	2,98,059.97

## Transmission and distribution

Electricity generation is unevenly dispersed and concentrated in a few pockets in the country. This makes a robust and efficiently-managed transmission and distribution infrastructure critical for effective power utilisation. While India's power generation capacity has jumped by 50% over the last five years to 272,000 megawatts, transmission capacity has increased by just 30%. This is due to the paradoxical situation where State Electricity Boards lack the means to buy power from power generation units, leading to surplus power in the hands of generators and record-low PLF levels. Power theft is another major factor adding to the huge losses incurred by State Electricity Boards. This has resulted in discoms being plagued by huge losses. Financially stressed discoms are not able to supply adequate power at affordable rates, which hampers quality of life and overall economic growth. Additionally, unpaid bank loans of financially-stressed discoms can seriously impact the banking sector and the economy at large. These challenges have deterred the private sector from entering the distribution space. Private players account for 38% of the power generation capacity today, but their share in the transmission sector is just 3%. As a step to improve the distribution space, the Central Government has offered an important bailout package for discoms as part of the Ujwal Discom Assurance Yojna.

## Governmental emphasis on the power sector

■ The Government of India has resolved the issues regarding transfer of mining leases and grant of forest clearances to the winning bidders of coal blocks. It expects operations to start in about 10 more mines by March 2016, easing coal availability to the projects attached to these mines.

■ The Ministry of Power has planned to provide electricity to 18,500 villages in three years under the Deendayal Upadhyaya Gram Jyoti Yojana. Out of these, 3,500 villages would receive electricity through off-grid or renewable energy solutions.

■ The Ministry of New and Renewable Energy is implementing grid connected rooftop and small solar power plants and off-grid and decentralised solar applications.

■ The Government of India has announced a massive renewable power production target of 175,000 megawatts by 2022; this comprises generation of 100,000 megawatts from solar power, 60,000 megawatts from wind energy, 10,000 megawatts from biomass, and 5,000 megawatts from small hydro power projects.

## Outlook

The Indian power sector has been allocated Rs. 15 trillion (US\$ 237 billion) over the next five years, to improve power generation, distribution, transmission capabilities. The Central Government's immediate goal is to generate two trillion kilowatt-hours of

energy by 2019. This means doubling the current production capacity to provide round-the-clock power for residential, industrial, commercial and agriculture use.

## Roads and transport infrastructure

India's road infrastructure is the second-largest in the world spanning 52.3 lac kilometres. Roadways handle 60% of the freight and 90% of the passenger traffic. Through various governmental initiatives, the total length of national highways has reached 1,00,087 kilometres. In 2015-16, the construction of highways reached a record high of 6,026 kilometres. The Ministry of Transport built 20 kilometres of roads per day in 2015. For 2016-17, NHAI is setting an even more ambitious target of laying 40 kilometres of roads per day. Despite setting a target for constructing 10,000 kilometres of roads, the Ministry of Transport has upped the target to 15,000 kilometres in 2016-17. The budgetary allocation for road projects was Rs. 57,000 crore and the NHAI has been allowed to raise an additional Rs.15,000 crore through tax-free bonds. Moreover, the Pradhan Mantri Gram Sadak Yojana has allocated a total investment of Rs. 97,000 crore towards boosting the nation's road infrastructure. The Central Government has approved a plan to construct 1,000 kilometres of expressways on a fast-track basis under Phase-VI of the National Highway Development Project at a cost of Rs. 16,680 crore. Volume

and feasibility studies conducted by governmental authorities have identified the Vadodara-Mumbai corridor (400 kilometres) to be the stretch with the highest traffic density with the Delhi-Meerut (66 kilometres), Bengaluru-Chennai (334 kilometres), Delhi-Jaipur (261 kilometres), Delhi-Chandigarh (249 kilometres), Kolkata-Dhanbad (277 kilometres) and Delhi-Agra (200 kilometres) stretches staying close on its heels. In 2016, road infrastructure projects worth Rs. 73,367 crore are likely to be launched in Maharashtra. Notable road projects include Mumbai coastal road (Kandivali to Nariman Point, 34 kilometres, Rs. 13,000 crore), Mumbai Trans Harbour Link (Rs. 11,500 crore), Dahisar to DN Nagar (18.5 kilometres, Rs. 4,994 crore) and Dahisar East to Andheri East (16.5 kilometres, Rs. 4,737 crore). The State Government set an ambitious target to commission all of these projects in 2019. The Konkan area already has Rs. 20,000 crore of sanctioned projects. The four-laning of the Mumbai-Goa highway will be undertaken at an investment Rs. 3,570 crore. MoRTH has decided to include 16 stretches of state highways within Maharashtra into the national highways project. The total length of these roads was 3,883 kilometres. Other notable projects announced by the Central Government comprised the four-laning of the Solapur-Vijaypur section of NH#13, Sangli-Solapur section of NH#166 and four-laning of Sonapur-Akkalkot-Gangapur section of NH#150E. In May 2016, the Maharashtra Government gave the go-ahead to Mumbai's second sea link connecting Bandra to Versova, allowing motorists in the suburbs to drive to Worli almost entirely over the sea.

### Governmental emphasis on the roads and highways sector

- The Government of India plans to award 100 highway projects under the PPP mode in 2016, with expectations that recent amendments in regulations would revive investor sentiments in the infrastructure sector.
- The Ministry of Road Transport and Highways has undertaken development of about 7,000 kilometres of national highways under Bharatmala Pariyojana at an estimated cost of Rs. 80,000 crore (US\$ 12 billion) in consultation with State Governments and the NHAI.
- The Central Government has approved the construction of around 1,000 kilometres of expressways at a cost of Rs. 16.68 crore (US\$ 2.5 million) via the DBFOT mode.
- The Central Government has approved the upgradation of 50,000 kilometres of state highways into national highways.
- The Central Government will amend the Motor Vehicles Act and open up the roads and highways sector to provide an enabling ecosystem for the passenger transport segment.

### Outlook

Cognisant of the need of creating an adequate road network for catering to the increased traffic and goods movement, the Central Government has earmarked 20% of the infrastructure budget of US\$1 trillion during the 12th Five Year Plan to develop the country's roads. Furthermore, the value of roads and bridges infrastructure in India is projected to grow at a CAGR of 17.4% over FY12-17.

### Waste management

Of the sewage generated in India on a daily basis, only 30% gets treated. This means 70% of untreated sewage ends up in water bodies that serve as sources of municipal water. No wonder, clean water is fast becoming a scarce resource. To secure clean water for the average Indian on a sustainable basis, the Central Government is planning to strengthen its waste water management infrastructure. Urban India alone generates more than 38 billion litres of sewage and around 60 million tonnes of municipal solid waste annually. As urbanisation increases, the amount of municipal solid waste generated is only expected to multiply over the coming years. In October 2014, the Central Government launched the ambitious Swachh Bharath Abhiyaan to provide access to basic sanitation to all Indians. It also aims to achieve 100%-coverage in terms of waste collection and processing by 2019 across 4,041 towns and cities where about 306 million reside. The Central Government has allocated approximately US\$1.11 billion for solid waste management projects in urban areas which generate about 0.18 million tonnes of municipal solid waste every day. Apart from providing direct funding via Central and State Governments, special taxes and cesses have been implemented to finance these projects.

### Housing industry

The Indian construction industry contributes approximately 8% towards India's GDP and employs roughly 33 million people. The sector had been witnessing a gradual slowdown in activity due to shortage of skilled labour, scarcity of raw materials



## If efficient solid waste management system existed in India...

- 9.6 million tonnes of compost that could have resulted in a better agricultural yield
- Energy equivalent to 58 million barrels of oil could have been generated from non-recyclable wastes
- 6.7 million tonnes of secondary raw materials to industries in the form of recyclable materials and livelihood for the urban poor



and political disturbances. Recent governmental interventions have however revitalised this sector and boosted investment. The government's plans for smart cities and its ambitious 'Housing for all' initiative have kickstarted a flurry of activity. The average annual growth rate for the sector stood at 2.95% over 2011-15, but is expected to rise to 5.65% over 2016-20. The estimated value of the sector is predicted to rise from \$428.1 billion in 2015 to \$563.4 billion in 2020. Infrastructure construction accounts for approximately 23% of the total industry's value and is expected to grow at a CAGR of 9.94% till 2020. Residential construction remains the largest segment of the industry, and is estimated to account for 30.6% of the industry's value by 2020.

### Governmental emphasis on the construction sector

- The Ministry of Urban Development has approved an investment of Rs. 19,170 crore for improving basic urban infrastructure in 474 cities in 18 states and union territories under the Atal Mission for Urban Rejuvenation and Transformation.
- In the 2015-16 Union Budget, the capital outlays for roads and railways had been increased by Rs. 140.3 billion and Rs. 100.5 billion, respectively.

- The Central Government plans to launch the National Infrastructure Investment Fund with an initial corpus of Rs. 40,000 crore.

- The Central Government has relaxed FDI norms in the construction sector and has also reduced the minimum built-up area as well as capital requirements

### Internal control systems and their adequacy

Every successful company needs to have certain controls in place for function effectively. Sunil Hitech, too, has the necessary internal control systems in place which are in sync with the nature and magnitude of its business.

- The assets of the Company are acquired in an economical manner and are safeguarded diligently to ensure that they are not damaged or destroyed.

- A seamless system of checks and balances relating to the financial and operational aspects of the business has been implemented to detect discrepancies and raise alerts.

- The Company ensures stringent compliance with all applicable laws and internal policies.

The internal auditors of the Company

regularly review the internal control systems and submit a report to the management on a monthly basis and so as to prevent and detect fraudulent and dubious activities. Furthermore, the internal control systems are periodically reviewed and updated by the audit committee to ensure their relevance and effectiveness.

### Human resources and industrial relations

Sunil Hitech has always been known as an employer that provides equal opportunities to its employees. Standout performers are rewarded with appraisals and career advancement opportunities. Besides, the Company provides employees with advice and consent when necessary so as to drive productivity and enhance performance. These methods have ensured that the relations with the staff remained amicable during the year. The Company has branched out into various business segments and successfully completed several prestigious projects. This has only been possible due to Sunil Hitech's vast pool of talented personnel.

## Risk management

### 01 Strategic risk

#### Risk impact:

A lack of farsightedness could stymie growth over the medium and long-term and adversely impact the Company's ability when it comes to leveraging incipient opportunities.

#### Mitigation measures:

The Company has laid a keen emphasis on maximising its ROI by undertaking only those projects that have minimal hurdle rates. This ensures that as long as the Company is able to execute these projects as

per scheduled and in a cost-effective manner, receivables will not prove to be an issue. Over the long-term this has lowered the Company's dependence on external debt. Case in point: the Company's RoE has been strengthened by 181 bps over the past three years.

### 02 Customer risk

#### Risk impact:

Inability of specific customers to reimburse the company on schedule could lead to cash flow challenges, impacting profitability.

#### Mitigation measures:

The Company has consciously selected to work for public sector enterprises and government agencies, marked by large order size and milestone-based revenue predictability.

Besides, the Company generally prefers to work on projects funded by international agencies, resulting in financial closure and timely project progress.

### 03 Liquidity risks

#### Risk impact:

Inappropriate selection of business spaces could affect liquidity.

#### Mitigation measures:

The Company has focused predominantly on EPC projects as opposed to BOT projects which are characterised by uncertain income flows and could stretch the Company's Balance Sheet. Besides, the Company has selected to focus on rapidly-

growing verticals like buildings and roads where timely completion does not depend on the efforts put in by third-party agencies. The Company has also preferred to bid for projects that have been funded by international agencies, ensuring prompt financial closure.

## 04 Competence risks

### Risk impact:

Failure to successfully execute challenging projects could tarnish the Company's reputation.

### Mitigation measures:

The Company possesses an experienced team of engineers to carry out EPC and BoP projects for power

plants, roads and civil infrastructure. The Company avoids picking projects in areas that fall outside the realm of its expertise.

## 05 Sectoral risks

### Risk impact:

The sectors that the Company is present may underperform, shaving off margins and scuttling growth.

### Mitigation measures:

The Company has extended from the BoP space to the non-power civil engineering (construction of roads and bridges) and civil-mechanical-electrical engineering spaces. Enhanced

governmental focus, increasing project sizes, relative under-crowding and higher availability of funds ensure that these spaces will continue to grow sustainably in the years ahead.

## 06 Control risks

### Risk impact:

Since, the Company works on diverse projects across different locations, weak operational control could lead to project delays.

### Mitigation measures:

The Company has responded to this challenge through the establishment of SOPs coupled with proactive investments in MIS-enabled

technology. The result: informed decision-making and project execution has quickened.

## 07 Financial risks

### Risk impact:

Financial sustainability is critical to organisational growth and hence the lack of it could adversely affect the Company.

### Mitigation measures:

The efficacy of the Company's fiscal management policies is reflected in the steady shrinking of receivables cycles and a declining reliance on debt. The

result: the Company's EBIDTA margin has increased from 9.58% to 10.36% in the last three years and gearing (net of working capital) has strengthened from 2.85 to 2.71 during the same period.

## ▶ Director's profile



### 01 Mr. Ratnakar Manikrao Gutte Chairman

Mr. Ratnakar Manikrao Gutte, promoter of Sunil Hitech Engineers Limited, is a first generation entrepreneur. Mr. Gutte started his career with a contractor rendering services to the State Electricity Board. Here he worked as a helper, welder and a fitter. In all these roles, it was only his determination to excel in his work that made him rise to his current stature in the industry. His 34 years of rich experience in project execution, especially in the areas of fabrication, erection, testing and commissioning of power plants has helped the Company immensely.

Buoyed by an entrenched understanding of the intricacies of

civil construction and machinery installation and an un-matched expertise in of finance, banking, taxation, general management and commercial matters, he steered Sunil Hitech Engineers Limited towards unprecedented success and growth. His visionary abilities have skilfully nurtured the Company since its inception and established it as one of the leading players in EPC projects for thermal power units.

Mr. Gutte has always stressed on delivering quality and timely services to his clients. In recognition of his services, he has been honoured with the Life Time Udyog Achievement award and the 'Great Achiever in Industrial Excellence' award in 2004 by EGSI and IOCI, respectively. He was also awarded the 'NCCL Entrepreneur

of the Year 2007-08' by the Nagpur Chamber of Commerce Limited.

### 02 Mr. Sunil Ratnakar Gutte Managing Director

Mr. Sunil Gutte is a mechanical engineer from the Pune University. He thereafter completed the family business management course from S.P. Jain Institute of Management, Mumbai and the project management course from IIM, Ahmedabad.

After completing his education, he joined Sunil Hitech Engineers and took charge of project executions, administration and control. It was under his able guidance, expertise and a futuristic vision that Sunil Hitech converted from a private limited to a

limited concern and then to being listed on the two major stock exchanges of India. Mr. Sunil Gutte successfully completed the Company's IPO in 2006 and QIP in 2008.

His dedication and a keen understanding of business and finance, along with an ability to draft and implement effective developmental policies, broadened avenues for the Company to enter into various niche businesses.

### 03 Mrs. Sudhamati Ratnakar Gutte Whole-time Director

With more than 18 years hands-on experience in management and administration of the Company, Mrs. Gutte ensures smooth functioning of backend processes. She believes in interacting with employees to ascertain grey areas in the overall working of departments and suggests remedial measures to help teams overcome them so that the employees can utilise their time and expertise to the optimal level in the organisation.

In addition to the above, Mrs. Gutte regularly participates in social activities to fulfill the Company's CSR activities. She regularly interacts with the underprivileged and has in place various initiatives for their welfare like providing them with educational, medical and farming facilities.

### 04 Mr. Vijay Ratnakar Gutte Whole-time Director

An MBA with specialisation in marketing and finance, Mr. Vijay Gutte's competencies lie in the areas of banking, finance, taxation and last

but not the least, the airline industry. To his credit, he has completed various projects in these fields, thus helping build the Company's' prestige.

Since his induction in 2007, he has transformed Sunil Hitech's finance vertical into a highly robust one. He continuously monitors transactions to analyse defects and ascertain their causes and identify remedies for the same. Mr. Vijay Gutte has been responsible for investing in web-enabled capabilities to connect with vendors, customers, employees and managers.

His strengths are building leadership qualities in people who work with him and maintaining a healthy professional environment in the Company.

### 05 Mr. C. Venkataramana Whole-time Director

Mr. C. Venkataramana has over 36 years of versatile experience in marketing and infrastructure areas. He has served in senior positions in numerous reputed companies. He currently holds the position of Whole-time Director.

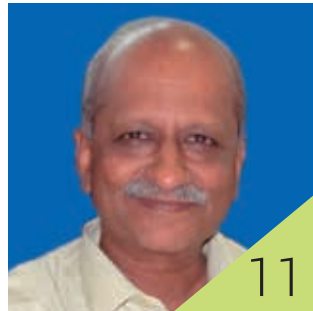
Mr. Venkataramana has in his capacity, handled various prestigious projects from bid to execution stage with two leading groups in the country - GVK and Essel Group (Zee TV). He has been partly instrumental for the success stories of these two groups establishing themselves in the infra space from scratch. In the case of Essel Group, it was Mr. Venkataramana who handled the total growth in infra space.

### 06 Mr. Anupam Dhiman Whole-time Director

An alumnus of IIT Kanpur, Mr. Dhiman has 33 years of rich experience in the infrastructure and marketing domain. He has spent close to 10 years in the field of infrastructural development and has held several senior positions.

A versatile personality, Mr. Dhiman has handled several prestigious assignments in infra projects, right from the bid stage to the execution stage with leading groups in the country like ABB, Alstom, Punj Loyd and JMC Projects. He has acquired the right blend of experience in detailed engineering, EPC contracting and construction having worked for various prestigious companies in these sectors.

Apart from his rich experience, Mr. Dhiman has handled prestigious assignments in countries like Germany, France, Israel, the UK, Austria, Hong Kong, Indonesia, Kazakhstan and Bangladesh.



**07** Mr. Dilip Y. Ghanekar  
Independent Director

Mr. Dilip Y. Ghanekar finished his graduation in the year 1967 from VRCE, Nagpur. He retired as technical director, MSEB. He has 36 years of work experience with the Maharashtra State Electricity Board in the areas of operation, maintenance, construction and planning at power stations up to 500 megawatts. Mr. Ghanekar is also adept at global procurement of equipment, encouraging nonconventional energy development of contracts for power purchase, and other areas of operations.

Mr. Ghanekar has undergone training at the boiler manufacturer M/s. Combustion Engineering, the US for

500 megawatt-units. He has also received training in Australia conducted by the United Nations in the realm of coal technology and environment.

**08** Mr. Sajid Ali  
Independent Director

Mr. Sajid Ali is an engineering graduate engineer with 40 years of experience in erection and commissioning of equipment in coke oven plants, piping, boiler erection and turnkey projects. He has vast knowledge and experience in planning and execution of various projects and has handled large volume projects. An able administrator, Mr. Ali was in-charge of total construction management of the power sector for BHEL, Western Region, in 1994.

**09** Mr. Parag Sakalikar  
Independent Director

Mr. Parag Sakalikar, a young entrepreneur, joined as the Company as an Additional Director in 2007. He completed his diploma in mechanical engineering from the Bombay Technical Board in 1994 and has a BE degree in mechanical engineering from Nagpur in 1998. After graduation, he joined as trainee in TUV Asia Private Limited's auditor training programme and got trained in ISO 9001 - 2000. Later he did his advanced training from Maruti Udyog Limited. He started his career as works manager in Maruti's authorised workshop.

Mr. Sakalikar later, went on to set up his own authorised automobile

service station, (an ISO 9001:2000 certified company from TÜV) for the entire range of Maruti vehicles. Mr. Sakalika's company was awarded not only for Maharashtra but also for the entire Western region (Maharashtra, Goa, Gujarat and Chhattisgarh) by Maruti Suzuki. He has also set up additional new Maruti authorised service stations in Butibori with 'A' grade category.

## 10 Mr. S.S. Waghmare Independent Director

Mr. S.S. Waghmare, a versatile personality, has accrued 33 years of experience in the banking sector. He retired as a deputy general manager with UCO Bank in 2006. Mr. Waghmare has been trained in project planning and management from the University of Bradford, England.

## 11 Mr. Siddharth R. Mehta Independent Director

A bachelor of electrical engineering from the Indian Institute of Science, Bangalore, Mr. Siddharth R. Mehta has around 32 years of rich experience in areas of strategy and business development. His other areas of proficiency are project coordination, management and execution and good corporate governance.

Mr. Mehta has worked with big industrial houses like Tata Power and Torrent Power and has been part of their business expansion and growth projects. Currently he is serving Essar Power, looking after the development of their new distribution and transmission vertical working towards securitisation of the upcoming of generation through power distribution – DISCOMs, franchisees, open access and SEZs.

## 12 Mr. Anil R. Aurangabadkar Independent Director

Mr. Anil Aurangabadkar is a mechanical engineer and has obtained his master's degree in material science. He has been engaged with one of the most prominent companies belonging to the power sector, Bharat Heavy Electricals Limited for the past 37 years. He oversees activities pertaining to design,

manufacturing, assembly and erection of rotating heavy electrical equipment, transformer, capacitor, bushing, hydro and thermal project management and execution at BHEL.

Mr. Aurangabadkar's has an excellent track record of executing over 45 projects for BHEL's power sector for the Western region. His expertise spans across functional sectors and the order ranges from small units to 600-megawatt conventional units, Frame-9FA advanced class gas turbines, largest CFBC boilers to cater to 250-megawatt output.

In 2012, he founded his consultancy services firm which services the power and industry sector. Within a very short time, his firm has successfully established and equipped itself to handle large projects to the fullest satisfaction of clients.

# Directors' Report

To,  
The Members,  
Sunil Hitech Engineers Limited

Your Directors are pleased to present the Eighteenth Annual Report of the Company together with the Audited Financial Results for the financial year ended on 31st March, 2016.

## Financial Results

The Financial Performance of the Company for the financial year ended on 31st March, 2016 is summarized below:

	(₹ in Lacs)	
Particulars	2015-16	2014-15
Net Sales/ Income from Operations	1,82,752.13	1,64,897.54
Other Income	1,429.33	1,627.31
Total Income	1,84,181.46	1,66,524.85
Operating Profit	19,080.27	15,954.86
Interest & Financial Charges	8,576.63	7,785.67
Depreciation	3,188.32	2,585.85
Profit Before Tax	7,315.32	5,583.34
Taxation – Current	2,546.34	1,983.50
- Deferred Tax	(42.08)	(134.75)
- Income Tax for Prior Period	–	44.94
Profit after Taxation	4,811.06	3,689.65
Balance brought forward	18,420.86	15,390.91
Additional Depreciation (net of deferred tax as per Companies Act, 2013)	–	(29.88)
Amount available for appropriations	23,231.92	19,050.68
<b>Appropriations:</b>		
Proposed Dividend on equity shares	259.88	294.76
Tax on Proposed Dividend	52.91	58.33
Amount transferred to General Reserve	–	276.72
Amount transferred to Balance Sheet	22,919.13	18,420.87

## Operational Review

Your Company has achieved net turnover of ₹182,752.13 lacs for the financial year ended 31st March, 2016 as against ₹164,897.54 lacs in the previous financial year, thereby registered a growth of 10.83% over the last year's turnover. The operating profit of your company for the financial year ended 31st March, 2016 is ₹19,080.27 lacs, whereas it was ₹15,954.86 lacs during the last financial year, thereby registered a growth of 19.59% over the last year's operating profit.

Currently your Company is operating in project related activities which includes Project execution, Overhauling & Maintenance, Fabrication and erection of structural works, Erection, testing

and commissioning of boilers and its auxiliaries like ESP (Power Plants), Transmission & Distribution and EPC contract, Road, Bridges, Civil construction, Solar Energy projects, Waste Management projects. To name a few, the following are some of the projects running presently:

1. Ash Dyke Package and Boiler erection package for Kudgi Super Thermal Power Project, Bijapur, Karnataka.
2. Erection, Testing and Commissioning of Boiler Unit-2, 2X800 MW for NTPC, Lara Super Thermal Power Project, at Lara Dist. Raigarh, Chattisgarh.
3. Erection, Testing, Comm & Handling over of Boiler and its Auxiliaries etc. at Vertical Pkg U-3 at NTPC, Mouda STPP 2X660 MW.



4. CW System and Make up Water System Civil Works Package for NTPC Lara Super Thermal Power Project, Stage-I 2x800 MW at Lara, District. Raigarh, Chattisgarh.
  5. CW System and Make up Water System Civil Works Package for Meja Thermal Power Project, 2x660 MW at Meja, P.O. Kohdar, Tehsil-Meja Dist. Allahabad, Uttar Pradesh.
  6. Supply of finished product of bunkers and bunker structure and erection, testing and commissioning of Unit#3 of 2X660 MW, NTPC Mouda STPP Stage-II, Dist Nagpur, State Maharashtra.
  7. Construction of 490 Nos. M.C. Type of Quarters (35 blocks, each block of 14 units) Storied Buildings (G+1 type) at 2x600 MW STPP and Construction of 1 No. GM Bungalow, 10 Nos. MA type of Quarters and 192 Nos. MB type of Quarters (16 blocks, each block of 12 units) Storied Buildings (G+1 type) at 2 x 600 MW STPP Jaipur Mandal, Adilabad Dist. Telangana State.
  8. Civil, Structural, Architectural etc. of Civil Superstructure Work of 2X600 MW, Pkg-B, Unit#2 for Singareni Thermal Power Project, Dist. Adilabad, Andhra Pradesh.
  9. CW System and Make up Water System Civil Works Package for Darlipali Super Thermal Power Project, Stage-I 2x800 MW at Darlipali, Dist. Sundargarh, Odisha.
  10. Development of Regional (MSW) Municipal Solid Waste to Energy (Electricity) and Scientific Landfill Facility in Patna on PPP.
  11. 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 Unit8, 1X250 MW.
  12. Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Madhugiri Mulbagal Section (km 343.800 to km 483.151) of NH-234 in the State of Karnataka (Package No. NHIIP-KA-234-10) for Lot-I- km 343.800 to km 400.330 under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIIP).
  13. Engineering, Procurement and Construction of Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Bankura-Purulia Section (km 0.0 to km 84.0) of NH-60A in the State of West Bengal under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIIP).
  14. Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Sitamarhi-Jaynagar-Narahia Section (km 40 to km 219.945) of NH-104 in the State of Bihar for Lot-I km 40.00 to km 79.40, under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIIP-BR-104-11).
  15. Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Sitamarhi-Jaynagar-Narahia Section (km 40 to km 219.945) of NH-104 in the State of Bihar for Lot-II km 79.40 to km 156.50, under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIIP-BR-104-11).
  16. Construction of Central Sudhar Ghar at Goindwal Sahib, Dist. Tarn Taran and Bhatinda in the state of Punjab.
  17. Establishment of 132/33 KV Sub Station at Kavathe-Yamai, Tal. Shirur, Dist. Pune, State Maharashtra.
  18. 11kV/22kV/33kV Lines, New/Aug. Distribution Transformers of Various Capacities, and Other Allied Works, Turnkey Contract for Works Under Infrastructure Plan Part-II Phase - D-1 Project, including Guarantee Defects Liability Period in Morshi Division under Amravati Circle of Amravati Zone.
  19. Package-A Civil, Structural and Architectural Works Etc of BTG Area for Unit#1 & 3 for 3x660MW NTPC North Karanpura STPP, Jharkhand.
  20. Complete Material Handling, Erection, Testing and Commissioning of Boiler and their Auxilliaries for 2X660 MW Bhavanapadu Thermal Power Project at East Coast Energy Pvt. Ltd. (ECEPL), Bhavanapadu, Near Kakrapalli Village of Srikakulam Dist. Andhra Pradesh 62937 MT.
- 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, Talcher, Wanakbori etc.
- Furthermore your company is engaged in the prestigious Civil Construction projects like Supply, Design, Engineering, Marketing & Civil Construction work of Residential Complex

at Plot No. 104, East High Court Road, Ramdaspath Nagpur, Construction of Class Room Complex including Internal Electrification for VNIT, Nagpur, Supply, Design, Engineering, Marketing & Civil Construction of Residential Complex of Green Project, Goa and Construction of houses for Kanpur Development Authority, Kanpur.

Your Company has successfully commissioned 5 MW Solar PV Capacity project awarded by JNNSM Phase-2 Batch-1 at Karajgi, Solapur.

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

## Future Prospects

### Infrastructure

In developing countries, an essential requirement for economic growth and sustainable development is the provision of efficient, reliable and affordable infrastructure services, such as water and sanitation, power, transport and telecommunications. The availability of efficient infrastructure services is an important determinant of the pace of market development and output growth and, in addition, access to affordable infrastructure services for consumption purposes serves to improve household welfare. In most countries, however, the potential contribution of infrastructure to economic growth and poverty reduction has not been fully realized, and existing infrastructure stock and services fall far short of the requirements.

The capital scarcity which lies at the core of infrastructure under-investment has emphasized the need to financial innovation. With enormous public infrastructure finance needs, and available funding scarcer, every capital rupee needs to be spent more efficiently and effectively. Considering India's growth and government focus on infrastructure development, all infrastructure sectors including power, roads, railways, ports and airports are marked for massive capacity expansion. There are opportunities for all stakeholders like developers, financial institutions and suppliers in this process. India needs to double its infrastructure spending to ~10% of its GDP to achieve 9%+ GDP growth which further requires new funding sources.

India needs Rs 31 trillion (US\$ 454.83 billion) to be spent on infrastructure development over the next five years, with 70 per cent of funds needed for power, roads and urban infrastructure segments.

The Indian power sector itself has an investment potential

of US\$ 250 billion in the next 4-5 years, providing immense opportunities in power generation, distribution, transmission and equipment, according to Union Minister of Coal, Power and Renewable Energy.

The Indian construction equipment industry is reviving after a gap of four years and is expected to grow to US\$ 5 billion by FY2019-20 from current size of US\$ 2.8 billion, according to a report released by the Indian Construction Equipment Manufacturers' Association (Icema).

Foreign Direct Investment (FDI) received in construction development sector from April 2000 to December 2015 stood at US\$ 24.18 billion, according to the Department of Industrial Policy and Promotion (DIPP).

The Government of India has earmarked Rs 50,000 crore (US\$ 7.34 billion) to develop 100 smart cities across the country. The Government released its list of 98 cities for the smart cities project in August 2015.

### Power Sector

The energy sector in India has seen a transformational change with progressive policy-level changes and effective implementation of directives. These changes promise enormous opportunities for various stakeholders and market players. However, deep thinking on various aspects of policy and regulatory interventions and their long-term implications will help in taking informed decisions and contribute in developing the sector.

Energy is one of the key enablers for the country's economic development. With the certainty in policy-level interventions, the economy is bound to propagate and the demand for energy will inevitably surge. Other than economic growth, human developmental aspects like poverty reduction, employment generation, etc. are also considerably dependent on secure energy supply.

The power sector is a major consumer of energy and it has a significant impact on economic developments and social welfare. Per-capita electricity consumption of the country has now crossed 1,000 kilowatt-hour (kWh), but still, it is far below the average global consumption.

As on June 2015, all-India generation capacity stood at 275 gigawatts (GW) with a contribution of 69% from thermal energy, 15% from hydro, 13% from renewable, and 2% from nuclear sources. The eastern region contributes 12% to the total generation capacity. Despite the efforts to generate more electrical energy by using multiple energy sources, the country

has recorded a shortage of 3.6% of demand in FY15. As per the Central Electricity Authority's (CEA) Load Generation Balance Report 2015-16, in spite of the expected capacity addition of 20 GW, the country will probably experience energy shortage.

As of November 2015, total thermal installed capacity stood at 196.2 gigawatt (GW), while hydro and renewable energy installed capacity totalled 42.6 GW and 37.4 GW, respectively. At 5.8 GW, nuclear energy capacity remained broadly constant compared with the previous year. India's rooftop solar capacity addition grew 66 per cent from last year to reach 525 Mega Watts (MW), and has the potential to grow up to 6.5 giga watts (GW)<sup>1</sup>. India's wind power capacity, installed in FY2016, is estimated to increase 20 per cent over last year to 2,800 Mega Watt (MW)<sup>2</sup>, led by favourable policy support that has encouraged both independent power producers (IPP) and non-IPPs.

In the recent past, policymakers have initiated multiple steps towards improving the power sector output and benefit consumers. These include the proposed amendment to the Electricity Act, round-the-clock power supply, the Coal Mines Special Provision Ordinance, coal auction and allocation, auction of natural gas, Integrated Power Development Scheme, Deendayal Upadhyaya Gram Jyoti Yojana, aggressive renewable energy generation targets and massive transmission connectivity plans.

Proposed provisions and interventions will modify the energy sourcing mix, secure fuel for power generation, bring efficiency and competition in the sector, enhance clean energy generation, increase power supply to households, strengthen the grid, generate business and employment opportunities, etc. This will impact electricity tariffs, operations of utility and environmental conditions, and increase accountability of stakeholders and consumers.

### Road Sector

A good road network is a critical infrastructure requirement for rapid growth. It provides connectivity to remote areas; provides accessibility to markets, schools, and hospitals; and opens up backward regions to trade and investment. Roads also play an important role in inter-modal transport development, establishing links with airports, railway stations, and ports.

India has one of the largest road networks of over 52.32 lakh km. It comprises National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads with following length distribution (upto Dec.

2016):

National Highways / Expressway	1,00,475 km
State Highways	1,48,256km
Other Roads	49,83,579km

The value of roads and bridges infrastructure in India is projected to grow at a Compound Annual Growth Rate (CAGR) of 17.4 per cent over FY12-17. The country's roads and bridges infrastructure, which was valued at US\$ 6.9 billion in 2009 is expected to touch US\$ 19.2 billion by 2017. The financial outlay for road transport and highways grew at a CAGR of 19.4 per cent in the period FY09-14. The plan outlay for 2015-16 stepped up budgetary support for Road Transport and Highways to Rs 42,912 crore (US\$ 6.43 billion).

As part of the government's renewed thrust on infrastructure, Finance Minister has focused on the roads sector, alongside railways and ports, as a key vehicle for catalysing public investments. Finance Minister announced an outlay of Rs 97,000 crore for the roads sector in his Budget for the next fiscal.

Thrust areas include the construction and award of 10,000 km roads each over the next fiscal, upgradation of 50,000 km of state highways into national highways and rolling out of 85 per cent of the stuck projects involving investment of Rs 1 lakh crore.

### Renewable Energy

Renewable energy sector growth in India during the last few years has been significant, even for electricity generation from renewable sources. The need to increase the use of renewable energy sources for sustainable energy development has been recognized by the Government. The Government has given significant thrust to the research, development and induction of renewable energy technologies in different sectors. India is blessed with an abundance of sunlight, water, biomass and biofuels resources. The Ministry of New and Renewable Energy to exploit the abundant renewable energy resources of India has launched a multifaceted renewable energy programme. The programme has been quite successful as India has an installed capacity of over 15,225 MW, in 2009. India is set to emerge as a hub of wind, solar, biomass and biofuels related manufacturing and exports because of its very strong manufacturing and R&D orientation. The Government of India to accelerate the pace of renewable energy in the country has announced The National Solar Mission under the National Action Plan on Climate Change which envisages

a 20,000MW solar capacity addition by 2022. India's renewable growth so far has been financed domestically and conservatively. Majority of financing has been asset financing in the area of wind where captive power generators have been investing to expand wind-manufacturing capacity and project development. The investment perception of industry is changing due to the growing awareness, government's changing priorities and the inevitability of renewables to supplement India's energy mix. In the conventional biofuels sector there exists a huge opportunity in manufacturing, technology development and, operations and maintenance services. Going forward the 2nd and 3rd generation biofuels offer opportunity in research and development area.

India's wind energy market is expected to attract investments totalling Rs 1,00,000 crore (US\$ 15.7 billion) by 2020, and wind power capacity is estimated to almost double by 2020 from over 23,000 MW in June 2015, with an addition of about 4,000 MW per annum in the next five years.

### Dividend

Your Directors are pleased to recommend 15% dividend, i.e. ₹1.50 per equity share of ₹10/- each (previous year ₹1.80 per equity share of ₹10/- each) for the financial year ended 31st March, 2016.

### Public Deposits

During the year ended 31st March, 2016, your Company has not accepted any deposits from the public. There is no deposit remained unpaid/unclaimed at the end of the financial year.

### Management Discussion and Analysis Report

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

### Corporate Governance Report

A Corporate Governance Report in the format given in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a certificate regarding compliance of conditions of corporate governance forms part of this report.

### Consolidated Accounts

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

### Allotment of Equity Shares

During the Financial year 2015-16, Warrants aggregating to 18,50,000 which were allotted to Non-Promoters are converted into Equity shares of Rs.10/- each on 11th August, 2015. Similarly Warrants aggregating to 2,00,000 which were allotted to person acting in concert with the Promoters are converted into equity shares of Rs.10/- each on 16th February, 2016.

### Directors

During the period with the approval of members Mrs. Sudhamati R. Gutte has been re-appointed as a Whole-time Director of the Company for a period of five years.

As per Article 150 read with Article 149 of Articles of Association of the Company and Section 152 (6) of the Companies Act, 2013 Mr. Venkatarmana Condoor (DIN-02161093) Whole-time Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. The Board of Directors recommends his reappointment at the forthcoming Annual General Meeting of the company.

### Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

### Directors Responsibility Statement

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

- a) In the preparation of Annual Accounts for the financial year ended on 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanation to material departures;
- b) They have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period.
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) They have prepared the annual accounts of the Company on a going concern basis.
- e) They have laid down internal financial controls in the company that are adequate and are operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and operating efficiently.

## Company's Policy on Director's Appointment and Remuneration

### Policy on Director's Appointment

- a. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

### Policy on Directors' Remuneration

1. Remuneration to Managing/ Whole-time/ Executive Director, KMP and Senior Management Personnel:
  - a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
  - b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
2. Remuneration to Non-Executive/Independent Director:
  - a. The Non-Executive/Independent Directors may

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

- b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
  - c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
  - d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
    - i. The Services are rendered by such Director in his capacity as the professional; and
    - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
3. Remuneration to Key Managerial Personnel and Senior Management:
    - a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and may include incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
    - b. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
    - c. The Incentive pay shall be decided based on the balance between performances of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

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

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

Sl. No.	Name	Designation	Remuneration paid F.Y.2015-16 (₹ in lakhs)	% Increase in remuneration from previous year	Ratio/Times per Median of employee remuneration	Profit before tax (₹ in lakhs)	% Increase in Profit before tax from previous year
1	Ratnakar M. Gutte	Chairman	92.40	-	456	7,315.32 (5,583.34)	31.02%
2	Sunil R. Gutte	Managing Director	60.47	-	298		
3	Sudhamati R. Gutte	Executive Director	48.00	-	237		
4	Vijay R. Gutte	Executive Director & CFO	48.38	-	239		
5	Venkataramana Condoor	Executive Director	245.29	-	470		
6	Anupam Dhiman	Executive Director	81.60	23.78	403		
7	Shrikant C. Rikhe	Company Secretary	03.58	8.44	18		

**Note:**

- There is 17.85% increase in the median remuneration of employees in the financial year 2015-16.
- There are 1161 permanent employees on the rolls of company.
- Relationship between average increase in remuneration and company performance:-  
The Profit before Tax for the financial year ended March 31, 2016 increased by 31.02% whereas the increase in median remuneration was 17.85%.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
The total remuneration of Key Managerial Personnel increased by 48.11% from ₹3.91crore in 2014-15 to ₹5.80crore in 2015-16 whereas the Profit before Tax increased by 31.02% to ₹73.15crore in 2015-16 (₹55.83crore in 2014-15).
- a) Variations in the market capitalisation of the Company:  
The market capitalisation as on March 31, 2016 was ₹366.95crore (₹218.82crore as on March 31, 2015).  
b) Price Earnings ratio of the Company was ₹28.87 as at March 31, 2016 and was ₹24.82 as at March 31, 2015.  
c) Percentage increase/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year- The Company had come out with initial public offer (IPO) in 2005-06 for Rs. 34.75 crore. The Market price of said shares is Rs. 73.60 crore thus registered growth of 211.80%.
- During the year Mr. Venkataramana Condoor has been paid incentives of Rs. 1.5 cr. as variable component on performance basis.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Nil.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Number of Board Meetings held**

The Board of Directors duly met five times during the financial year from 1st April, 2015 to 31st March, 2016. The dates on which the meetings were held are as follows:

28th May, 2015; 7th August, 2015; 5th November, 2015, 18th January, 2016 and 9th February, 2016.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The evaluation was done on parameters such as contribution to the performance of the company, level of active participation in the board deliberations, strategy formulation and execution, resource

management, contribution and independence of judgment thereby safeguarding the interest of the company, etc. and such other suggested parameters.

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

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

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

The Directors expressed their satisfaction with the evaluation process.

## Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements of the Company.

### Development and Implementation of Risk Management Policy

The Board of Directors of the Company has adopted Risk Management Policy the main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

It has set out risk factors which inter-alia includes External Factors such as Economic Environment and Market conditions, Political Environment, Competition, Revenue Concentration and liquidity aspects, Inflation and Cost structure, Technology Obsolescence, Legal, Fluctuations in Foreign Exchange, etc. and Internal Risk Factors such as Project Execution,

Contractual Compliance, Operational Efficiency, Hurdles in optimum use of resources, Quality Assurance, Environmental Management, Human Resource Management, Culture and values, etc. detailed framework to deal with key areas of risks encompassing project execution risk, regulatory risk, inflation risk, risk specific to the company, etc

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

### Vigil Mechanism:

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

### Anti-Sexual Harassment Policy

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint on sexual harassment was received during the 2015-16

## Corporate Social Responsibility (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee. The Committee comprises of Executive and Independent Directors. CSR Committee of the Board has developed a CSR Policy and uploaded on the website of the Company at [www.sunilhitech.com](http://www.sunilhitech.com). CSR reporting required under Companies (Corporate Social Responsibility Policy) Rules, 2014 enclosed as a part of this report in Annexure-A.

### Brief outline of Company's CSR policy

1. Skill Development for sustainable income generation & Livelihood
  - a. Skill development training for unemployed youth for better employability & to promote self-employment.
  - b. Vocational/ technical/professional training for youth for ultimate support to the projects for hiring skilled youth.
  - c. Promote enterprise development.
  - d. Promote self-help groups.
2. Literacy / Education
  - a. Construction/repair of school buildings & facilities including boundary walls, separate toilets for boys & girls

- and provision of drinking water.
  - b. Provision of uniforms, books, stationery, computer & Laboratory equipment etc., to schools.
  - c. Scholarships/fellowships to deserving students to encourage education.
  - d. Promotion of adult education with focus on women's education etc.
  - e. Reducing the drop-out rate of students & absenteeism through counselling & other means.
  - f. Promote computer literacy and technology assisted learning.
  - g. To set up/ promote higher education through special coaching/inputs to bridge the gap.
  - h. To promote Technical/ professional/ medical education by giving financial assistance / opening institutions through Organizations/ infrastructural support.
3. Safe Drinking Water /Health care & Sanitation
- a. Provide safe drinking water by sinking bore wells, tube wells, establishment of water treatment plants etc.
  - b. Preventive and promote health care through mobile medical vans etc.,
  - c. Nutritional supplements to lactating mothers, children, adolescent girls and pregnant women.
  - d. Health awareness campaigns on serious/chronic diseases.
  - e. OP/IP treatment including operations at project hospitals.
  - f. Organising periodic health camps.
  - g. Offering specialized support services to the physically handicapped and mentally challenged people.
  - h. Veterinary medical support.
  - i. Promotion of sanitation through proper drainage system and construction of toilets.
  - j. Assistance for establishment of Hospitals/Medical Colleges etc.
4. Agriculture & Infrastructure Development
- a. To promote water shed development /water harvesting water conservation measures.
  - b. Development of roads, bridges, markets, transport facilities, community welfare centres beautification of towns, cities, other civic amenities etc.
  - c. Promote use of non-conventional energy.
  - d. Electrification of Public buildings in villages.
5. Women empowerment:-
- a. Creation of primary group of women producer.

- b. Federation of women producer groups and facilitation of its financial linkages.
  - c. Facilitation of new agro technology and other resources to improve per hectare production especially to women farmers.
  - d. Literacy and training programs for women farmers to ensure they inculcate basic business traits.
  - e. Health check-up camps for women and children.
6. Environment and sustainability:-
- a. Plantation drives around work sites.
  - b. Training program for CBO's to improve energy conservations and increasing dependency upon secondary energy resources.

**SHEL- CSR Program Scope Analysis & Mapping:-**

Participatory Rural Appraisal (PRA) technique was adopted to ensure inclusive impact of SHEL-CSR program in targeted region of Maharashtra & Chhattisgarh. The process had involved active participation of all Primary stakeholders across targeted districts in due consultation with Sunil HiTech CSR members and involvement of CDO's/CVO's (Community Development Organisation & Community Voluntary Organisations) as well as cooperation of PRI members in respective districts. The scope identification and impact assessment exercise had designed to cover socioeconomic indicators across region and study suggested a necessary impetus toward education in targeted districts. Hence SHEL – CSR committee proposed a skill development training for the youth in the region which later linked to wage employment in industries.

**SHEL- CSR Program Process:-**

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

S.N	Name of the State	Targeted Districts
1	Maharashtra	Nagpur Gondia Gadchiroli
2	Chhattisgarh	Korba Surguja

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



been able to generate substantial income for more than 1000 family targeted under this initiative.

The outcome of SHEL-CSR are measured qualitative as well as quantities for an overall analysis throw SPSS .

## Audit Observations

### (i) Statutory Auditor's Observation:

Financial statements of the associate company which has carrying value of INR 39,97,95,468/- as on April 1, 2015 are still under preparation and accordingly, the Group's share of profit/loss has not been considered in the consolidated financial statements. We are unable to express any opinion regarding its impact on the consolidated Profits of the Group for the year.

### Management's Reply:

The Financial Statements of the Associate Company are under preparations, thus same were not available for consolidation of the financial statements of the company.

### (ii) Secretarial Auditor's Observation:

The Company has delayed in filing e-forms with ROC; TDS, VAT and Service Tax Returns with concerned authorities.

### Management's Reply:

The Company has delayed in filing e-forms with ROC; TDS, VAT and Service Tax returns due to administrative reasons.

## Auditors

### i) Statutory Auditors :

The Board of Directors has recommended the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants as Statutory Auditors of the company for a period of five years from the conclusion of ensuing annual general meeting of the company up to the conclusion of 23rd Annual General Meeting of the Company.

### ii) Secretarial Audit :

According to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice enclosed as a part of this report Annexure-B.

## Related Party Transactions

The company's related party transactions are entered with its group companies and firms. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of group companies. All related party transactions

are negotiated on an arms-length basis, and are intended to further the Company's interests. A policy on related party transactions is posted on the website of the company at www.sunilhitech.com.

No Material Related Party Transaction(s), i.e. transaction(s) with a related party exceeding ten percent of the annual consolidated turnover as per the last audited financial statements were entered during the year by your Company. Accordingly, the disclosure of Related Party Transaction(s) as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

## Extract of the annual return as provided under sub-section (3) of Section 92

The Extract of the annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 is annexed herewith as Annexure-C.

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

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

## Acknowledgement

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

By the order of the Board  
For Sunil Hitech Engineers Limited

**Ratnakar Manikrao Gutte**  
Chairman

**Sunil Ratnakar Gutte**  
Managing Director

Place: Mumbai  
Date: 10th August, 2016

**Annexure – A**

# Corporate Social Responsibility

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Refer Section Corporate Social Responsibility of Directors' Report
2	The Composition of the CSR Committee	Mr. Sonyabapu Waghmare, Mr. Parag Sakalikar, Mr. Siddharth Mehta, Mr. Sunil R. Gutte and Mr. Venkataramana Condoor
3	Average net profit of the company for last three financial years (₹ in cr.)	50.12
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (₹ in cr.)	1.00
5	Details of CSR spent during the financial year 2015-16	
	(a) Total amount to be spent for the financial year 2015-16 (₹ in cr.)	1.00
	(b) Amount unspent, if any	Nil
	(c) Manner in which the amount spent during the financial year is detailed below:	

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (₹ in cr.)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in cr.)	Cumulative Expenditure upto the reporting period i.e. FY 2014-2015 (₹ in cr.)	Amount Spent Direct or through implementing Agency
1	Skill Development for sustainable income generation & Livelihood	Clause (ii) Special education and employment enhancing vocation skills	Maharashtra: Gondia, Gadchiroli, & Nagpur Chhattisgarh: Korba, &Surjuja	1.00	1.00	1.00	Direct
				1.00	1.00	1.00	

## Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

**Sunil R. Gutte**  
Managing Director

**S.S.Waghmare**  
Chairman, CSR Committee

# Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the financial year ended as on 31/03/2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Sunil Hitech Engineers Limited,  
CIN: L28920MH1998PLC115155  
6th Floor, C-Wing, MET Educational, Complex,  
Gen. A.K.Vaidya Marg, Bandra Reclamation,  
Bandra (W), Mumbai, Maharashtra- 400050.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sunil Hitech Engineers Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Sunil Hitech Engineers Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter subject to certain qualifications which may be part of the reporting hereunder:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sunil Hitech Engineers Limited ("The Company") for the period ended on 31st March 2016 according to the provisions of:
  - The Companies Act, 2013 (the Act) and the Rules made there under;
  - The Securities Contracts (Regulation) Act, 1956 ('SCRA')

and the Rules made there under;

- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisitions of Shares And Takeovers) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Listing Obligation And Disclosure Requirement), Regulations, 2015;
  - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2013;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2011.
  - g) The Securities and Exchange Board of India (Delisting Of Equity Shares) Regulations, 2009.
  - h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008.
  - i) Other laws applicable as per the representation made

by the management such as:

**Income Tax Act, 1961 and Other Direct Tax Laws**

Professional Tax

Value Added Tax

Service Tax

Central Sales Tax Laws

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Payment of Gratuity Act, 1972

Employees Provident Fund and Miscellaneous Provision Act, 1952

Employees State Insurance Act, 1948

Employees Compensation Act, 1923

The Payment of Bonus Act, 1965

The Apprentices Act, 1961

The Indian Stamp Act, 1999

Indian Contract Act, 1872

Negotiable Instrument Act, 1881

Bombay Shops and Establishment Act, 1948

The Contract Labour (Regulation and Abolition) Act, 1970

Competition Law, 2002

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

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

- a) The Company has maintained all the statutory registers and documents and have made all the necessary entries therein.
- b) The provisions with regard to closure of the Register of Members have been duly complied with.
- c) The forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government have been duly filed.

However there has been a delay in filing certain forms related to charge, appointment of auditor, annual return and resolutions.

- d) The provisions with regard to service of documents by the Company on its Members, Auditors and the Registrar of Companies have been duly complied with.
- e) The notices of Board meetings and Committee meetings of Directors have been served appropriately.
- f) The Company has complied with the provisions related to the Board of Directors Meeting during the year. The Audit Committee Meetings, Stakeholders' Relationship Committee Meetings, Share Allotment Committee Meetings, Nomination and Remuneration Committee Meetings and Corporate Social Responsibility Committee Meetings have been duly held.
- g) The 17th Annual General Meeting of the Company was duly held on 23rd July, 2015 for the financial year ending 31/03/2015.
- h) The approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, have been taken, wherever required.
- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
- j) The Company has complied with the provisions with regard to payment of remuneration to Directors including the Managing Director and Whole-time Directors.
- k) The Company has complied with the provisions with regard to appointment and remuneration of Statutory Auditors.
- l) The Company has complied with the provisions with regard to transfer and transmission of the shares and issue and dispatch of duplicate share certificates.
- m) The Company has complied with the provisions with regard to declaration and payment of dividends.
- n) The Company has established a Vigil Mechanism and provides to complainants, if any, unhindered access to the Chairman of the Audit Committee.
- o) The Company has transferred the unpaid amount of dividend as required under the Act to the Investor

Education and Protection Fund and have uploaded the details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs.

- p) The Company has complied with the provisions with regard to borrowings and registration, modification and satisfaction of charges wherever applicable.
  - q) The Company has complied with the provisions with regard to investment of the Company's funds including investments and loans to others.
  - r) During the period under review, the Company has obtained necessary approval under Section 188 of the Companies Act, 2013 for related party transactions.
  - s) The Company has complied with the provisions of the Act with regard to form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act.
  - t) The Company has complied with the provisions with regard to report of the Board of Directors for the financial year ended 31/03/2016.
  - u) The Company has complied with the provisions with regard to contracts, common seal, registered office and publication of name of the Company; and
  - v) Generally, the Company has complied with the provisions with regard to all other applicable provisions of the Act and the Rules made under the Act.
  - w) The Company has undertaken and spent the amount as prescribed under section 135, of the Companies Act, 2013 and the rules framed there under, relating to Corporate Social Responsibility.
4. We further report that:
- a) As informed by the management of the Company, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - b) Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.
- c) The Company has obtained all necessary approvals under the various provisions of the Act.
  - d) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, LODR Regulations and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - e) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, they being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
5. We further report that the Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
6. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the bye laws framed there under by the Depositories with regard to dematerialization / re-materialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
7. We further report that the Company has complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made under that Act to the extent applicable.
8. We further report that:
- a) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations are applicable to the Company during the financial year under review.
  - c) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosure and maintenance of records required under the said Regulations;

9. We further report that:

- a) The Company has complied with the provisions of Income Tax Act, 1961 and Professional Tax. However, the returns of Tax Deducted at Source and Tax Collected at Source are delayed for 1st quarter, 2nd quarter, 3rd quarter and the returns of 4th quarter are yet to be filed by the Company and the Company is in process of filing the same.
- b) The Company has complied with the provisions of Service Tax and paid the statutory dues related to Service Tax. However, the half yearly service tax returns for the financial year 2015-2016 are yet filed by the Company. Litigation relating to service tax during the financial year 2015-2016 are ongoing with the statutory authorities concerned.
- c) The Company has complied with the provisions of Central Sales Tax Laws and Value Added Tax Laws. However there has been delay in filing of returns due to administrative reasons.
- d) The Company has complied with the provisions of Entry Tax.

10. We further report that:

The Company has complied with all the provisions of The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Employees' State Insurance Act, 1948, The Employees' Provident Fund and Miscellaneous

Provisions Act, 1952, The Payment of Bonus Act, 1965, The Apprentices Act, India Contract Act, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation and Abolition) Act, 1970, The Employees' Compensation Act, 1923 and The Bombay Shops and Establishment Act, 1948, Competition Law, 2002, Negotiable Instrument Act, 1881, The Indian Stamp Act, 1999.

11. We further report that:

- a) Based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and
- b) The Company has complied with all the other laws specifically applicable to the Company.

For MANISH PANDE & CO.

**Manish Pande**

Place: Nagpur

Membership No. 5004

Date: 08/08/2016

C.P. No. 3424

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

## ANNEXURE I

To,  
The Members,  
Sunil Hitech Engineers Limited,  
CIN: L28920MH1998PLC115155  
6th Floor, C-Wing, MET Educational, Complex,  
Gen. A.K.Vaidya Marg, Bandra Reclamation,  
Bandra (W), Mumbai, Maharashtra- 400050.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MANISH PANDE & CO.

Place: Nagpur  
Date: 08/08/2016

**Manish Pande**  
Membership No. 5004  
C.P. No. 3424

**Annexure - C**

# Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

### I. Registration and other Details:

i)	<b>CIN:</b>	L28920MH1998PLC115155
ii)	<b>Registration Date:</b>	29/05/1998
iii)	<b>Name of the Company:</b>	Sunil Hitech Engineers Limited
iv)	<b>Category / Sub-Category of the Company:</b>	Public Limited Company
v)	<b>Address of the Registered office and contact details:</b>	6th Floor, C-Wing, MET Educational Complex, Gen. A. K. Vaidya Marg, Bandra Reclamation, Bandra (W), Mumbai-400050 Tel. 022-61872400 Email: info@sunilhitech.com
vi)	<b>Whether listed company Yes / No :</b>	Yes
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent:</b>	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

### II. Principal business activities of the Company

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

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

### III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of The Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	SEAM Industries Ltd. Reg. Off.: 6th Floor, C-Wing, MET Educational Complex Gen. A.K.Vaidya Marg, Bandra Reclamation, Bandra (W) Mumbai-400050	U28120MH2005PLC153364	Subsidiary	88.61	2(87)(ii)
2	SHEL Investments Consultancy Pvt. Ltd. Reg. Off.: 97, East High Court Road, Ramdaspath, Nagpur-440010	U45202MH2009PTC195072	Subsidiary	99.99	2(87)(ii)
3	Sunil Hitech Energy Pvt. Ltd. Reg. Off.: 97, East High Court Road, Ramdaspath, Nagpur-440010	U40109MH2008PTC178611	Subsidiary	51.00	2(87)(ii)



Sl. No.	Name and address of The Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
4	Sunilhitech India Infra Pvt. Ltd. 6th Floor, C-Wing, MET Educational Complex Gen. A.K.Vaidya Marg,Bandra Reclamation,Bandra (W) Mumbai-400050	U45400MH2012PTC232077	Subsidiary	78.01	2(87)(ii)
5	Sunilhitech Solar (Dhule) Pvt. Ltd. Reg. Off.: 6th Floor, C-Wing, MET Educational Complex Gen. A.K.Vaidya Marg,Bandra Reclamation,Bandra (W) Mumbai-400050	U40108MH2014PTC254060	Subsidiary	100.00	2(87)(ii)
6	Patna Green Energy Pvt. Ltd. Reg. Off.: 6th Floor, C-Wing, MET Educational Complex Gen. A.K.Vaidya Marg,Bandra Reclamation,Bandra (W) Mumbai-400050	U40108MH2014PTC258256	Subsidiary	90.00	2(87)(ii)
7	Gangakhed Sugar & Energy Ltd. Reg. Off.: 6th Floor, C-Wing, MET Educational Complex Gen. A.K.Vaidya Marg,Bandra Reclamation,Bandra (W) Mumbai-400050	U15421MH2007PLC174599	Associate	28.08	2(6)
8	MSMC Adkoli Natural Resources Ltd. Reg. Off.: Plot No. 7, Ajni Square, Wardha Road, Nagpur-440015	U10200MH2010SGC200221	Associate	24.99	2(6)

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

##### i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
(a) Individual/ HUF	65,30,990	-	65,30,990	42.76	67,30,990	-	67,30,990	38.85	-3.90	
(b) Central Govt.	-	-	-	-	-	-	-	-	-	
(c) State Govt. (s)	-	-	-	-	-	-	-	-	-	
(d) Bodies Corp.	30,08,188	-	30,08,188	19.69	30,00,000	-	30,00,000	17.32	-2.38	
(e) Banks / FI	-	-	-	-	-	-	-	-	-	
(f) Any Other....	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A) (1)</b>	<b>95,39,178</b>	<b>-</b>	<b>95,39,178</b>	<b>62.45</b>	<b>97,30,990</b>	<b>-</b>	<b>97,30,990</b>	<b>56.17</b>	<b>-6.28</b>	
(2) Foreign										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any Other....	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>95,39,178</b>	<b>-</b>	<b>95,39,178</b>	<b>62.45</b>	<b>97,30,990</b>	<b>-</b>	<b>97,30,990</b>	<b>56.17</b>	<b>-6.28</b>	

<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	20,052	-	20,052	0.13	20,483	-	20,483	0.12	-0.01
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FII's	40,000	-	40,000	0.26	30,000	-	30,000	0.17	-0.09
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	<b>60,052</b>	<b>-</b>	<b>60,052</b>	<b>0.39</b>	<b>50,483</b>	<b>-</b>	<b>50,483</b>	<b>0.29</b>	<b>-0.10</b>
<b>2. Non-Institutions</b>										
a)	Bodies Corp.									
i)	Indian	11,21,160	-	11,21,160	7.34	33,33,904	-	33,33,904	19.24	11.90
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	32,83,632	854	32,84,486	21.50	29,78,731	54	29,78,785	17.19	-4.31
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	10,26,158	-	10,26,158	6.72	8,76,557	-	8,76,557	5.06	-1.66
<b>Category of Shareholder</b>		<b>No. of Shares held at the beginning of the year</b>				<b>No. of Shares held at the end of the year</b>				<b>% Change during the year</b>
		<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	
c)	<b>Others</b>									
i)	Trusts	53	-	53	-	27,053	-	27,053	0.16	0.16
ii)	Clearing Member	93,054	-	93,054	0.61	1,30,166	-	1,30,166	0.75	0.14
iii)	Directors/Relatives	110	-	110	-	110	-	110	-	-
iii)	NRI	1,50,909	-	1,50,909	0.99	1,88,147	-	1,88,147	1.09	0.10
iv)	Overseas Bodies Corporate	-	-	-	-	8,165	-	8,165	0.05	0.05
v)	Employees	-	-	-	-	-	800	800	-	-
	<b>Sub-total (B)(2):-</b>	<b>56,75,076</b>	<b>854</b>	<b>56,75,930</b>	<b>37.16</b>	<b>75,42,833</b>	<b>854</b>	<b>75,43,687</b>	<b>43.54</b>	<b>6.38</b>
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>57,35,128</b>	<b>854</b>	<b>57,35,982</b>	<b>37.55</b>	<b>75,93,316</b>	<b>854</b>	<b>75,94,170</b>	<b>43.83</b>	<b>6.28</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>1,52,74,306</b>	<b>854</b>	<b>1,52,75,160</b>	<b>100.00</b>	<b>1,73,24,306</b>	<b>854</b>	<b>1,73,25,160</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Ratnakar M. Gutte	22,02,500	14.42	-	22,02,500	12.71	-	-1.71
2	Mrs. Sudhamati R. Gutte	19,68,750	12.89	-	19,68,750	11.36	-	-1.53
3	Mr. Sunil R. Gutte	16,78,740	10.99	-	16,78,740	9.69	2.74	-1.30
4	VRG Digital Corporation Pvt. Ltd.	15,08,188	9.87	-	15,00,000	8.66	-	-1.21
5	Gutte Infra Pvt. Ltd.	15,00,000	9.82	-	15,00,000	8.66	-	-1.16
6	Mr. Vijay R. Gutte	6,75,000	4.42	-	6,75,000	3.90	-	-0.52
7	Mrs. Swati R. Phad	6,000	0.04	-	6,000	0.03	-	-0.01
8	Mr. Venkataramana Condoor	-	-	-	2,00,000	1.15	-	1.15
	Total	95,39,178	62.45	-	97,30,990	56.17	2.74	-6.28

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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Ratnakar M. Gutte	22,02,500	14.42	01.04.2015	-	Nil movement during the year	22,02,500	14.42
	At the end of the year	22,02,500	12.71	31.03.2016				
2	Mrs. Sudhamati R. Gutte	19,68,750	12.89	01.04.2015	-	Nil movement during the year	19,68,750	12.89
	At the end of the year	19,68,750	11.36	31.03.2016				
3	Mr. Sunil R. Gutte	16,78,740	10.99	01.04.2015	-	Nil movement during the year	16,78,740	10.99
	At the end of the year	16,78,740	9.69	31.03.2016				
4	VRG Digital Corporation Private Limited	15,08,188	9.87	01.04.2015	-		15,08,188	9.87
				07.08.2015	8,188	Transfer	15,00,000	9.82
	At the end of the year	15,00,000	8.66	31.03.2016				
5	Gutte Infra Private Limited	15,00,000	9.82	01.04.2014	-	Nil movement during the year	15,00,000	9.82
	At the end of the year	15,00,000	8.66	31.03.2016				
6	Mr. Vijay R. Gutte	6,75,000	4.42	01.04.2015	-	Nil movement during the year	6,75,000	4.42
	At the end of the year	6,75,000	3.90	31.03.2016				
7	Mrs. Swati R. Phad	6,000	0.04	01.04.2015	-	Nil movement during the year	6,000	0.04
	At the end of the year	6,000	0.03	31.03.2016				
8	Mr. Venkataramana Condoor	-	-	01.04.2015	-		-	-
				16.02.2016	2,00,000	Conversion of Warrants into Equity Shares	2,00,000	1.15
	At the end of the year	2,00,000	1.15	31.03.2016				

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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Fatehpuria Business Associates Pvt. Ltd.	53,000	0.35	01.04.2015	-	-	53,000	0.35
				04.12.2015	16,00,000	Conversion of Warrants into Equity Shares	16,53,000	9.65
				31.12.2015	-53,000	Transfer	16,00,000	9.34
2	At the End of the year Suryavanshi Commotrade Pvt. Ltd.	16,00,000	9.24	31.03.2016				
		-	-	01.04.2015	-	-	-	-
				31.07.2015	3,76,021	Transfer	3,76,021	2.46
				07.08.2015	85,000	Transfer	4,61,021	3.02
		31.03.2016	1,50,000	Transfer	6,11,021	3.53		
	At the End of the year	6,11,021	3.53	31.03.2016				
3	Suresh Bhatia	-	-	01.04.2015	-	-	-	-
				10.07.2015	50,000	Transfer	50,000	0.33
				31.07.2015	20,000	Transfer	70,000	0.46
				31.12.2015	55,000	Transfer	1,25,000	0.73
			At the End of the year	1,25,000	0.72	31.03.2016		
4	Edelweiss Securities Ltd.	4,029	0.03	01.04.2015	-	-	4,029	0.03
				03.04.2015	100	Transfer	4,129	0.03
				10.04.2015	1,400	Transfer	5,529	0.04
				17.04.2015	-833	Transfer	4,696	0.03
				24.04.2015	2,476	Transfer	7,172	0.05
				01.05.2015	567	Transfer	7,739	0.05
				08.05.2015	515	Transfer	8,254	0.05
				15.05.2015	-95	Transfer	8,159	0.05
				22.05.2015	-545	Transfer	7,614	0.05
				29.05.2015	-5	Transfer	7,609	0.05
				05.06.2015	6,125	Transfer	13,734	0.09
				12.06.2015	485	Transfer	14,219	0.09
				19.06.2015	-675	Transfer	13,544	0.09
				26.06.2015	3,917	Transfer	17,461	0.11
				30.06.2015	947	Transfer	18,408	0.12
				03.07.2015	-13,011	Transfer	5,397	0.04
				10.07.2015	-2,601	Transfer	2,796	0.02
				16.07.2015	16,207	Transfer	19,003	0.12
				17.07.2015	965	Transfer	19,968	0.13
				23.07.2015	-816	Transfer	19,152	0.13
				24.07.2015	-100	Transfer	19,052	0.12
		31.07.2015	82,270	Transfer	1,01,322	0.66		
		07.08.2015	-83,791	Transfer	17,531	0.11		
		14.08.2015	-11,595	Transfer	5,936	0.03		
		21.08.2015	90	Transfer	6,026	0.04		
		28.08.2015	-348	Transfer	5,678	0.03		

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				04.09.2015	1,164	Transfer	6,842	0.04
				11.09.2015	-686	Transfer	6,156	0.04
				18.09.2015	-887	Transfer	5,269	0.03
				25.09.2015	-555	Transfer	4,714	0.03
				30.09.2015	-800	Transfer	3,914	0.02
				09.10.2015	30	Transfer	3,944	0.02
				16.10.2015	585	Transfer	4,529	0.03
				23.10.2015	500	Transfer	5,029	0.03
				30.10.2015	7,690	Transfer	12,719	0.07
				06.11.2015	2,300	Transfer	15,019	0.09
				13.11.2015	396	Transfer	15,415	0.09
				20.11.2015	6,923	Transfer	22,338	0.13
				27.11.2015	11,879	Transfer	34,217	0.20
				04.12.2015	3,053	Transfer	37,270	0.22
				11.12.2015	-427	Transfer	36,843	0.22
				18.12.2015	-11,161	Transfer	25,682	0.15
				25.12.2015	-22,205	Transfer	3,477	0.02
				31.12.2015	99,875	Transfer	1,03,352	0.60
				01.01.2016	10	Transfer	1,03,362	0.60
				08.01.2016	1,800	Transfer	1,05,162	0.61
				15.01.2016	-531	Transfer	1,04,631	0.61
				22.01.2016	-75	Transfer	1,04,556	0.61
				29.01.2016	100	Transfer	1,04,656	0.61
				05.02.2016	-135	Transfer	1,04,521	0.61
				12.02.2016	-1,800	Transfer	1,02,721	0.60
				19.02.2016	-89	Transfer	1,02,632	0.59
				26.02.2016	-75	Transfer	1,02,557	0.59
				04.03.2016	-25	Transfer	1,02,532	0.59
				11.03.2016	-99,875	Transfer	2,657	0.02
				18.03.2016	73,287	Transfer	75,944	0.44
				25.03.2016	25,838	Transfer	1,01,782	0.59
				31.03.2016	-833	Transfer	1,00,949	0.58
	At the End of the year	1,00,949	0.58	31.03.2016				
5	AMR Textiles Pvt. Ltd.	-	-	01.04.2015	-	-	-	-
				11.08.2015	1,00,000	Conversion of Warrants into Equity Shares	1,00,000	0.58
	At the End of the year	1,00,000	0.58	31.03.2016				
6	Disha Shrivastava	-	-	01.04.2015	-	-	-	-
				11.08.2015	1,00,000	Conversion of Warrants into Equity Shares	1,00,000	0.58
	At the End of the year	1,00,000	0.58	31.03.2016				

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
7	Dipinder Sandhu	-	-	01.04.2015	-	-	-	-
				13.11.2015	2,000	Transfer	2,000	0.01
				25.12.2015	9,000	Transfer	11,000	0.06
				31.12.2015	15,000	Transfer	26,000	0.15
				08.01.2016	10,000	Transfer	36,000	0.21
				15.01.2016	4,000	Transfer	40,000	0.23
				22.01.2016	12,937	Transfer	52,937	0.31
				05.02.2016	6,598	Transfer	59,535	0.35
			26.02.2015	5,117	Transfer	64,652	0.37	
	At the End of the year	64,652	0.37	31.03.2016				
8	Prabhudas Lilladher Pvt. Ltd.	-	-	01.04.2015	-	-	-	-
				10.04.2015	1,300	Transfer	1,300	0.01
				17.04.2015	3,950	Transfer	5,250	0.03
				24.04.2015	-3,200	Transfer	2,050	0.01
				01.05.2015	-2,000	Transfer	50	-
				08.05.2015	7,050	Transfer	7,100	0.05
				15.05.2015	-7,050	Transfer	50	-
				22.05.2015	548	Transfer	598	-
				29.05.2015	-450	Transfer	148	-
				05.06.2015	18	Transfer	166	-
				12.06.2015	354	Transfer	520	-
				19.06.2015	-370	Transfer	150	-
				26.06.2015	-150	Transfer	-	-
				03.07.2015	100	Transfer	100	-
				10.07.2015	865	Transfer	965	0.01
				16.07.2015	120	Transfer	1,085	0.01
				17.07.2015	355	Transfer	1,440	0.01
				23.07.2015	-1,080	Transfer	360	-
				24.07.2015	383	Transfer	743	-
				31.07.2015	467	Transfer	1,210	0.01
				07.08.2015	-190	Transfer	1,020	0.01
				14.08.2015	-1,011	Transfer	9	-
				21.08.2015	10	Transfer	19	-
				28.08.2015	281	Transfer	300	-
				04.09.2015	-300	Transfer	-	-
				11.09.2015	5	Transfer	5	-
				25.09.2015	55	Transfer	60	-
		30.09.2015	-25	Transfer	35	-		
		02.10.2015	-10	Transfer	25	-		
		23.10.2015	100	Transfer	125	-		
		30.10.2015	-57	Transfer	68	-		
		06.11.2015	-43	Transfer	25	-		
		13.11.2015	901	Transfer	926	0.01		

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				20.11.2015	-897	Transfer	29	-
				27.11.2015	681	Transfer	710	-
				04.12.2015	-385	Transfer	325	-
				11.12.2015	850	Transfer	1,175	0.01
				18.12.2015	1,299	Transfer	2,474	0.01
				25.12.2015	725	Transfer	3,199	0.02
				31.12.2015	-2,125	Transfer	1,074	0.01
				01.01.2016	-273	Transfer	801	-
				08.01.2016	378	Transfer	1,179	0.01
				15.01.2016	-554	Transfer	625	-
				18.01.2016	-600	Transfer	25	-
				22.01.2016	50	Transfer	75	-
				29.01.2016	-50	Transfer	25	-
				19.02.2016	17,854	Transfer	17,879	0.10
				26.02.2016	38,306	Transfer	56,185	0.32
				04.03.2016	10,000	Transfer	66,185	0.38
				11.03.2016	-5,761	Transfer	60,424	0.35
				18.03.2016	3,593	Transfer	64,017	0.37
				25.03.2016	-93	Transfer	63,924	0.37
	At the End of the year	63,924	0.37	31.03.2016				
9	Bodhivriksha Advisors LLP	-	-	01.04.2015	-	-	-	-
				16.10.2015	30,000	Transfer	30,000	0.18
				23.10.2015	19,666	Transfer	49,666	0.29
				30.10.2015	334	Transfer	50,000	0.29
				04.12.2015	10,000	Transfer	60,000	0.35
	At the End of the year	60,000	0.35	31.03.2016				
10	Gauri Shankar Marda	59,000	0.39	01.04.2015	-	Nil movement during the year	59,000	0.39
	At the End of the year	59,000	0.34	31.03.2016				

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Ratnakar M. Gutte Chairman	22,02,500	14.42	01.04.2015	-	Nil movement during the year	22,02,500	14.42
		22,02,500	12.71	31.03.2016				
2	Sudhamati R. Gutte Executive Director	19,68,750	12.89	01.04.2015	-	Nil movement during the year	19,68,750	12.89
		19,68,750	11.36	31.03.2016				
3	Sunil R. Gutte Managing Director	16,78,740	10.99	01.04.2015	-	Nil movement during the year	16,78,740	10.99
		16,78,740	9.69	31.03.2016				
4	Vijay R. Gutte Executive Director & CFO	6,75,000	4.42	01.04.2015	-	Nil movement during the year	6,75,000	4.42
		6,75,000	3.90	31.03.2016				
5	Venkataramana Condoor Executive Director	-	-	01.04.2015	-		-	-
				16.02.2016	2,00,000	Conversion of Warrants into Equity Shares	2,00,000	1.15
		2,00,000	1.15	31.03.2016				
6	Anupam Dhiman Executive Director	-	-	01.04.2015	-	Nil movement during the year	-	-
		-	-	31.03.2016				
7	Dilip Y. Ghanekar Non-Executive Director	-	-	01.04.2015	-	Nil movement during the year	-	-
		-	-	31.03.2016				
8	Sonyabapu S. Waghmare Non-Executive Director	-	-	01.04.2015	-	Nil movement during the year	-	-
		-	-	31.03.2016				
9	Parag A. Sakalikar Non-Executive Director	110	0.00	01.04.2015	-	Nil movement during the year	110	0.00
		110	0.00	31.03.2016				
10	Sajid Imran Ali Non-Executive Director	-	-	01.04.2015	-	Nil movement during the year	-	-
		-	-	31.03.2016				
11	Siddharth R. Mehta Non-Executive Director	-	-	01.04.2015	-	Nil movement during the year	-	-
		-	-	31.03.2016				
12	Anil R. Aurangabadkar Non-Executive Director	-	-	01.04.2015	-	Nil movement during the year	-	-
		-	-	31.03.2016				
13	Shrikant C. Rikhe Company Secretary	-	-	01.04.2015	-	Nil movement during the year	-	-
		-	-	31.03.2016				



## V. Indebtedness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	60,56,31,741	-	-	60,56,31,741
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	34,79,224	-	-	34,79,224
Total (i+ii+iii)	60,91,10,965	-	-	60,91,10,965
<b>Change in Indebtedness during the financial year</b>				
- Addition	45,49,49,500	-	-	45,49,49,500
- Reduction	32,26,13,764	-	-	32,26,13,764
Net Change	13,23,35,736	-	-	13,23,35,736
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	73,72,29,130	-	-	73,72,29,130
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42,17,571	-	-	42,17,571
Total (i+ii+iii)	74,14,46,701	-	-	74,14,46,701

## VI. Remuneration of Directors and Key Managerial Personnel

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

(Rs. in lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager						Total Amount
		Ratnakar M. Gutte	Sudhamati R. Gutte	Sunil R. Gutte	Vijay R. Gutte	Venkataramana Condoor	Anupam Dhiman	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84.00	48.00	60.47	48.38	95.29	81.60	567.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8.40	-	-	-	-	-	8.40
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission							
	- as % of profit	-	-	-	-	-	-	-
	- others	-	-	-	-	-	-	-
5	Incentives	-	-	-	-	150.00	-	-
	Total (A)	92.40	48.00	60.47	48.38	245.29	81.60	576.14
	Ceiling as per the Act							874.57

**B. Remuneration to other Directors:**

(Rs. in lacs)

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Dilip Y. Ghanekar	Sonyabapu S. Waghmare	Parag A. Sakalekar	Sajid Imran Ali	Siddharth R. Mehta	Anil R. Aurangabadkar	
1	Independent Directors							
	– Fee for attending board / committee meetings	0.50	0.50	0.50	0.50	0.50	0.30	2.80
	– Commission	-	-	-	-	-	-	-
	– Others	-	-	-	-	-	-	-
	Total (1)	0.50	0.50	0.50	0.50	0.50	0.30	2.80
2	Other Non-Executive Directors							
	– Fee for attending board /committee meetings	-	-	-	-	-	-	-
	– Commission	-	-	-	-	-	-	-
	– Others	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	0.50	0.50	0.50	0.50	0.50	0.30	2.80
	Total Managerial Remuneration							578.94
	Overall Ceiling as per the Act							874.57

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

(Rs. in lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO*	Company Secretary (Shrikant. C. Rikhe)	CFO** (Vijay R. Gutte)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.58	-	3.58
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5	Others	-	-	-	-
	Total	-	3.58	-	3.58

Note:

\*Salary of CEO is not applicable.

\*\* For Remuneration of CFO please refer table VI. A.

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. Other officers in default</b>					
Penalty			None		
Punishment					
Compounding					

**Annexure - D**

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

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

## (A) Conservation of energy

1. Steps taken or impact on conservation of energy:

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

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

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

## (B) Technology absorption

1. Efforts made towards technology absorption:

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

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

Helps in achieving optimum utilisation of available resources.

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

a. The Details of technology imported: None

b. Year of Import: N.A.

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

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

4. Expenditure incurred on Research and Development:

N.A.

## (C) Foreign exchange earnings and Outgo:

(Rs. in lacs)

Particulars	2015-16	2014-15
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo	14.1	12.84

# Corporate Governance

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

## II. BOARD OF DIRECTORS

### Size and Composition of the Board

The Board has an optimum combination of Executive and Non-Executive Independent Directors as provided in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to ensure independency and transparency in managerial decision making in Board & Committee Meetings, to secure the interests of the company, its employees, stakeholders and creditors. As on 31st March, 2016, the Board comprises of Twelve Directors.

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

Name of the Director	Category of Directorship	No. of Board Meetings Attended	Whether Last AGM Attended	No. of other Directorships	No. of Shares held@	Committee position held in other public companies*	
						Chairman	Member
Mr. Ratnakar M. Gutte	P&ED	2	Yes	6	22,02,500	0	1
Mr. Sudhamati R. Gutte	P&ED	2	Yes	3	19,68,750	0	0
Mr. Sunil R. Gutte	P&ED	5	No	13	16,78,740	0	1
Mr. Vijay R. Gutte	P&ED	2	No	6	6,75,000	0	1
Mr. Venkataramana Condoor	P&ED	5	No	5	2,00,000	0	0
Mr. Anupam Dhiman	ED	2	No	0	Nil	0	0
Mr. Dilip Y. Ghanekar	I&NED	5	Yes	0	Nil	0	0
Mr. S. S. Waghmare	I&NED	5	No	0	Nil	0	0
Mr. Sajid Ali	I&NED	5	No	0	Nil	0	0
Mr. Parag Sakaliker	I&NED	5	No	2	110	1	0
Mr. Anil Aurangabadkar	I&NED	3	No	0	Nil	0	0
Mr. Siddharth R. Mehta	I&NED	5	No	0	Nil	0	0

Notes:

- a) P – Promoter, ED – Executive Director, I – Independent Director, NED – Non Executive Director.
- b) @ Details of shares held as on 31st March, 2016.
- c) \*Committee position held in Audit committee and Stakeholder Relationship committee has been considered.
- d) Details of Board Meetings held-

During the financial year 2015-16, 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.

Sr. No.	Date	No. of Directors Present
1	28th May, 2015	10
2	7th August, 2015	09
3	5th November, 2015	08
4	18th January, 2016	07
5	9th February, 2016	12

- e) Relationships between Directors inter-se: Out of twelve Directors four of the Directors i.e. Mr. Ratnakar M. Gutte, Mrs. Sudhamati R. Gutte, Mr. Sunil R. Gutte and Mr. Vijay R. Gutte are the promoters of the company and members of same family. Further, Mr. Venkataramana Condoor is a person acting in concert with the promoters. Rests of the Directors have no inter-se relationship.
- f) Details of familiarization programmes imparted to the independent directors is available on the website of the company. ([http://sunilhitech.com/pdf/corporate\\_governance/FAMILIARISATION\\_PROGRAMMES\\_FOR\\_INDEPENDENT\\_DIRECTORS.pdf](http://sunilhitech.com/pdf/corporate_governance/FAMILIARISATION_PROGRAMMES_FOR_INDEPENDENT_DIRECTORS.pdf))

### III. AUDIT COMMITTEE

#### a) Composition

The Board has constituted the Audit Committee to meet the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Audit Committee consists of five members - Mr. Sonyabapu Waghmare, Chairman and Mr. Parag Sakalikar, Mr. Dilip Y. Ghanekar, Mr. Sajid Ali and Mr. Vijay R. Gutte, Members. All these Members are financially literate and more than two third members are Independent Directors.

#### b) Meetings and attendance during the year

During the financial year 2015-16, the meetings of Audit Committee were held on 28th May, 2015; 7th August, 2015; 5th November, 2015 and 9th February, 2016.

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

Name of Members	Category	Meetings Attended
Mr. Sonyabapu Waghmare	Chairman	4
Mr. Parag Sakalikar	Member	4
Mr. Dilip Y. Ghanekar	Member	4
Mr. Sajid Ali	Member	4
Mr. Vijay R. Gutte	Member	2

#### c) Terms of reference

##### Powers of Audit Committee

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

##### Role of Audit Committee

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Review of information by Audit Committee**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
  - a) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**IV. NOMINATION AND REMUNERATION COMMITTEE**

**a) Composition**

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

**b) Meetings and attendance during the year**

During the financial year 2015-16, there were two meetings of the Committee held on 28th May, 2015 and 9th February, 2016.

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

Name of Members	Category	Meetings Attended
Mr. Parag Sakalikar	Chairman	2
Mr. Dilip Y. Ghanekar	Member	2
Mr. Sajid Ali	Member	2

**c) Terms of reference**

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

1. Formulation of the criteria for determining qualifications,

- positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
  3. Devising a policy on Board diversity;
  4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
  5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of

performance evaluation of independent directors.

**Performance evaluation criteria for Independent Director:**

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

**V. REMUNERATION OF DIRECTORS**

- a) Apart from payment of sitting fees Non-executive Directors do not have any pecuniary relationship or transactions with the company.

**Details of sitting fees paid to the Independent Directors:**

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Dilip Y. Ghanekar	Sonyabapu S. Waghmare	Parag A. Sakalika	Sajid Imran Ali	Siddharth R. Mehta	Anil R. Aurangabadkar	
1	Independent Directors							
	Fee for attending Board/ Committee Meetings	0.5	0.5	0.5	0.5	0.5	0.3	2.8
	Commission	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total (1)	0.5	0.5	0.5	0.5	0.5	0.3	2.8
2	Other Non-Executive Directors							
	Fee for attending board / committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total=(1+2)	0.5	0.5	0.5	0.5	0.5	0.3	2.8

- b) Criteria for making payments to non-executive directors is given in the Nomination and Remuneration Policy of the company which is available on the website of the Company [www.sunilhitech.com](http://www.sunilhitech.com)
- c) Disclosure of payment to Executive Directors of the Company.



i) Details of salary paid to Executive Directors during the financial year 2015-16.

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager						Total Amount
		Ratnakar M. Gutte	Sudhamati R. Gutte	Sunil R. Gutte	Vijay R. Gutte	Venkataramana Condoor	Anupam Dhiman	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84	48	60.47	48.38	95.29	81.6	567.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8.4	-	-	-	-	-	8.4
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission							
	- as % of profit	-	-	-	-	-	-	-
	- others	-	-	-	-	-	-	-
5	Incentives	-	-	-	-	150.00	-	-
	Total	92.4	48	60.47	48.38	245.29	81.6	576.14

ii) During the year Mr. Venkataramana Condoor has been paid incentives of Rs. 150 lacs as variable component on performance basis.

iii) Service details:

Sr. No.	Name of Director	Date of Appointment	Tenure	Notice Period	Severance fees
1	Ratnakar M. Gutte	07.10.2014	5 Yrs.	One Month	-
2	Sudhamati R. Gutte	23.07.2015	5 Yrs.	One Month	-
3	Sunil R. Gutte	07.10.2014	5 Yrs.	One Month	-
4	Vijay R. Gutte	29.05.2012	5 Yrs.	One Month	-
5	Venkataramana Condoor	01.06.2013	5 Yrs.	One Month	-
6	Anupam Dhiman	08.10.2014	5 Yrs.	One Month	-

## VI. STAKEHOLDER RELATIONSHIP COMMITTEE

### Composition

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

### Meetings and attendance during the year

During the financial year 2015-16 meetings of the Committee were held on 28th May, 2015; 7th August, 2015; 5th November, 2015 and 9th February, 2016.

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

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

### Name and Designation of Compliance Officer:

Mr. Shrikant Chandrashekhar Rikhe,  
Company Secretary and Compliance Officer

### Terms of reference

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

non-receipt of declared dividends.

#### Shareholder's Services

The Company has received 5 complaints during the year and all of them have been redressed /answered to the satisfactory of the Shareholders.

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

Sr. No.	Descriptions	No. of Complaints
1	Non Receipt of Dividend Warrant	3
2	SEBI/Stock Exchanges	2
	Total	5

### VII. CORPORATE SOCIAL RESPONSIBILITY (CSR COMMITTEE)

#### Composition

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

#### Meetings and attendance during the year

During the financial year 2015-16, there were two meetings of the Committee held on 28th May, 2015 and 9th February, 2016.

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

#### Terms of reference

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

### VIII. GENERAL BODY MEETINGS

#### a) Location and time, where last three annual general meetings held

Annual General Meeting during last 3 financial years were held on 23rd July, 2015 (For F.Y. 2014-15), 29th September, 2014 (for F.Y. 2013-14) and 26th September, 2013 (For F.Y.2012-13) at the same location i.e. at the registered office of the company – 'Ratnadeep', Jaynagar, Parli – Vajinath, Dist – Beed 431520. The Special Resolution(s) were passed at all three previous Annual General Meetings with requisite majority.

Sr. No	Date	Venue	Time	Special Resolution
1	23.07.2015	'Ratnadeep', Jaynagar, Parli Vajinath, Dist – Beed 431520	2.00 P.M.	Yes
2	29.09.2014	'Ratnadeep', Jaynagar, Parli Vajinath, Dist – Beed 431520	2:00 P.M.	Yes
3	26.09.2013	'Ratnadeep', Jaynagar, Parli Vajinath, Dist – Beed 431520	2:00 P.M.	Yes

#### b) Postal Ballot

During the financial year 2015-16 following special resolutions were passed by postal ballot process:

1. Shifting the Registered Office of the Company to another place outside the local limits but within the same state.
2. To make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013.
3. To ratify the allotment of 53,00,000 Warrants on preferential basis to promoters.

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

**Details of voting pattern of Postal Ballot:**

Resolution No.	Particulars	Votes cast in favour		Votes cast against	
		No. of Shares	%	No. of Shares	%
1	Shifting the Registered Office of the Company to another place outside the local limits but within the same state.	11215249	99.979	1132	0.010
2	To make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013.	11215014	99.977	1717	0.015
3	To ratify the allotment of 53,00,000 Warrants on preferential basis to promoters.	11214224	99.970	1982	0.018

**IX. MEANS OF COMMUNICATION**

Your Company publishes its quarterly / half yearly / annual financial results within 48 hours of approval by the Board in one English daily newspaper Economic Times and one Marathi daily newspaper Sakal. These financial results are also posted on Company's official website [www.sunilhitech.com](http://www.sunilhitech.com). Company's means of communication are transparent and timely. In addition to the financial results, Company publishes the other information too, as required to be published under the Companies Act, 2013 or the Listing Agreement/Regulations or any other laws applicable or as may be required in the public interest.

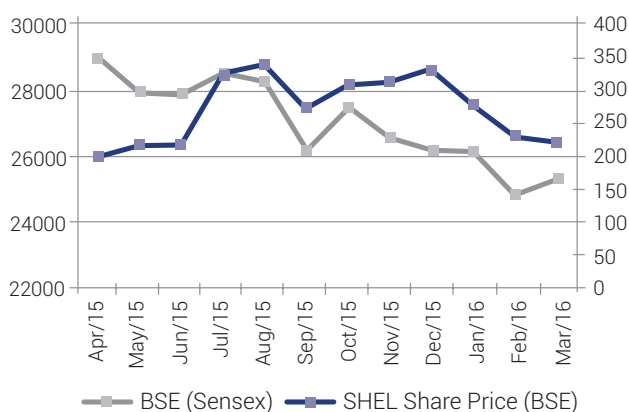
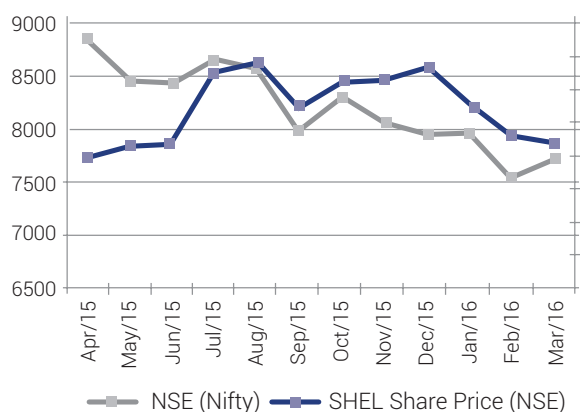
Apart from disclosing information in newspapers, Company provides and updates from time to time various information about it at its official website [www.sunilhitech.com](http://www.sunilhitech.com) related with investors, customers, etc. and all other person dealing with your Company. In addition to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

**X. GENERAL SHAREHOLDERS INFORMATION**

a) Annual General Meeting Date, time and venue	22nd September, 2016 at 11.00 a.m. at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai, Maharashtra 400050
b) Financial Calendar (Tentative) Results for Quarter ending	
30th June, 2016	Upto 14th August, 2016
30th September, 2016	Upto 14th November, 2016
31st December, 2016	Upto 14th February, 2017
31st March, 2017	Upto 30th May, 2017
c) Dividend Payment Date	The dividend, if declared, shall be paid / credited within one month of its declaration.
d) Listing on Stock Exchanges	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Code: 532711)  The National Stock Exchange of India Ltd. "Exchange Plaza" Plot No. C/1, G – Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 (Code: SUNILHITEC)  Annual listing fees of both exchanges for the Financial Year 2016-17 is paid.
e) Market Price Data	Monthly high & low quotes of Shares traded in NSE & BSE

Period	NSE			BSE		
	High	Low	Volume	High	Low	Volume
Apr-15	198.35	150.55	4082529	198.9	151.1	1534943
May-15	212.45	177.45	1861307	212.3	177.0	643708
Jun-15	217.85	190.6	1631714	217.6	190.1	620688
Jul-15	324.1	199.85	7200274	323.6	200.7	2951091
Aug-15	338.15	240.55	3714431	337.7	241.5	1738367
Sep-15	269.1	214.75	2013984	270.0	213.2	1200462
Oct-15	308.55	265.2	1780562	308.6	265.6	747194
Nov-15	312.35	270.2	1811384	311.8	269.7	743573
Dec-15	333.25	257.2	8017317	332.4	256.6	2194275
Jan-16	277.1	206.75	882687	277.2	206.9	564468
Feb-16	228.75	187.40	618571	227.7	187.5	308891
Mar-16	219.65	204.65	1006651	221.6	203.9	299309

f) Stock performance in comparison to BSE and NSE



g) 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: info@bigshareonline.com

h) Share Transfer System

Share Transfers in physical form can be lodged with Bigshare Services Private Limited at the above mentioned address. The transfers are generally processed within 10 days from the date of receipt, if the documents are complete in all respects and thereafter informed to the concerned person.

i) Distribution of shareholding

No. of Shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 5000	12881	91.37	1320565	7.62
5001-10000	611	4.33	493008	2.85
10001-20000	266	1.89	396161	2.29
20001-30000	117	0.83	294968	1.70
30001-40000	41	0.29	147967	0.85
40001-50000	38	0.27	178997	1.03
50001-100000	66	0.47	463541	2.68
100001 & above	77	0.55	14029953	80.98
Total	14097	100.00	17325160	100.00

j) De-materialization of shares and liquidity

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

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

As on 31st March, 2016 Shares held in CDSL, NSDL & in Physical form are as follows:-

Particulars	No. of Shares	% of total Capital Issued
CDSL	2119798	12.24
NSDL	15204508	87.75
Physical	854	0.01
Total	17325160	100.00

k) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

At the end of financial year 31st March, 2016 Company has no outstanding GDRs/ADRs/Warrants or any Convertible instruments.

l) Commodity price risk or foreign exchange risk and hedging activities:

Company has not undertaken any activity regarding commodity price risk or foreign exchange risk and hedging during the financial year 2015-16.

m) Address for Correspondence:

Registered Office:	For Transfer / De-materialisation of shares, payment of dividend on shares and any other query relating to the shares of the Company:
Sunil Hitech Engineers Limited 6th Floor, C-Wing, MET Educational Complex, Gen. A.K.Vaidya Marg, Bandra Reclamation, Bandra (W) Mumbai-400050 Tel.: 022-61872400 Email:investor@sunilhitech.com	Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072 Tel.: 022-40430200 Email: info@bigshareonline.com

## XI. OTHER DISCLOSURES

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

The related party transactions entered during the financial year 2015-16 are in compliance with the all applicable laws and regulations. The transactions with the related parties are disclosed in the Notes to the Financial Statements.

- ii) During the last 3 financial years, there were no instances of non-compliance by the Company on any matters related to the capital markets or penalties/strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority.
- iii) The Company has established 'Whistle Blower Policy/Vigil Mechanism'. No person has been denied access to the audit committee.
- iv) The Company has complied with the mandatory requirements of Listing Agreements/Regulations and submits on quarterly/half yearly/yearly basis the quarterly/half yearly/yearly reports to the concerned Stock Exchanges.
- v) A policy for determining material subsidiary is disclosed on the website of the company [www.sunilhitech.com](http://www.sunilhitech.com)
- vi) A policy on dealing with related party transactions

is disclosed on the website of the company [www.sunilhitech.com](http://www.sunilhitech.com)

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

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

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

- a. The statutory auditors' report on standalone financial statements of the Company is unqualified.
- b. Mr. Rantakar M. Gutte is the Chairman of the Company and Mr. Sunil R. Gutte is the Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director.
- c. The internal auditors of the Company if required may report directly to the audit committee.

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

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

"It is hereby declared that the members of the Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management for the financial year ended 31st March, 2016."

Date: 10th August, 2016  
Place: Mumbai

**Sunil R. Gutte**  
Managing Director

# Auditors' Certificate on Corporate Governance

To

The Members of Sunil Hitech Engineers Limited

1. We have examined the compliance of conditions of Corporate Governance by SUNIL HITECH ENGINEERS LIMITED ("the Company"), for the year ended on 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the with stock exchanges for the period 1 April 2015 to 30 November 2015 and as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures 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 the opinion on the financial statements of the Company.
3. 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 Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.
4. 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 V SANKAR AIYAR & CO

Chartered Accountants

(Firm's Registration No. 109208W)

(ARVIND MOHAN)

PARTNER

(Membership No. 124082)

Mumbai, 10th August, 2016

# Compliance Certificate

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

- A. We have reviewed financial statements for the financial year ended on 31st March, 2016 and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the financial year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- 1) significant changes in internal control over financial reporting during the financial year;
  - 2) significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
  - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 30.05.2016  
Place: Mumbai

**Sunil R. Gutte**  
*Managing Director*

**Vijay R. Gutte**  
*Chief Financial Officer*



# Financial Statements

## Independent Auditor's Report

To the members of  
SUNIL HITECH ENGINEERS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SUNIL HITECH ENGINEERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial

control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement – refer Note no. 33 to the financial statements;

ii. The Company did not have any long-term contracts

including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm's Registration No. 109208W)

**Arvind Mohan**

Place of signature: Mumbai

Partner

Date: 30th May 2016

(Membership No. 124082)

## Annexure A to the Auditor's Report

Based on the audit procedures performed for the purpose of reporting a true and fair view on Standalone Financial Statements of the company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and in our opinion, we report that:

(i) (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) 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 was no material discrepancies noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the Company.

(ii) Physical verification of inventory has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business and the discrepancies noticed on such physical verification between physical records and book records were not material and have been properly dealt with in the books of account.

(iii) a) The company has granted unsecured loans to three Subsidiary companies covered in the register maintained under section 189 of the Companies Act 2013. The

maximum amount outstanding during the year is Rs. 611.54 Lacs and amount outstanding at the yearend is Rs. 611.54 Lacs

b) The rate of interest charged, wherever charged, and other terms and conditions thereof are prima facie, not prejudicial to the interest of the Company.

(c) There is no overdue amount more than Rupees one lac.

(iv) The Company has complied with section 185 and 186 of Companies Act 2013 in respect of loans, investments, guarantees, and securities given.

(v) The company has not accepted deposits from public, accordingly this clause is not applicable.

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

(vii) (a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year. Undisputed dues outstanding, as at 31st March 2016, for a period

of more than six months from the date they become payable are as under:

Statute	Particulars	Amount	Due Date	Date Of Payment
Income Tax Act, 1961	TDS Contractor	33,67,629	07-09-2015	05-04-2016
Income Tax Act, 1961	TDS Contractor	528178	07-10-2015	05-04-2016
Income Tax Act, 1961	TDS Rent	5,23,298	07-09-2015	11-02-2016

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

Name of the statute	Nature of dues	Amount* (₹ in lacs)	Period to which amount relates (Financial Year)	Forum where dispute is pending
Service Tax under Finance Act, 1994 & The Central Excise Act, 1994	Service Tax (Basic & Penalty)	1,067.34	2005-06 To 2010-11	Custom, Excise, Service Tax Appellate Tribunal
The Customs Act, 1962	Custom Duty	120.16	2007-08 2008-09	Commissioner of Customs (Import), Mumbai
The Income-Tax Act, 1961	Income Tax	420.92	2004-05, 2008-09, 2009-10, 2012-13	The Commissioner of Income Tax (Appeals) Mumbai

- (viii) The Company has not defaulted in repayment of dues to a financial institution and banks. The Company does not have any outstanding debentures during the year.
- (ix) The company has not raised any money during the year by way of initial public offer and further public offer (including debt instruments) and term loans.
- (x) No material fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) The company has complied with the provision of section 197 read with schedule V of the Companies Act for payment and provision of managerial remuneration.
- (xii) The Company is not a Nidhi company.
- (xiii) Transactions with the related parties are in compliance with section 177 and section 188 of the Companies Act 2013 where applicable and the details of such transactions have been disclosed in the financial statement as required by applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- (xv) The Company has not entered into any non-cash transaction with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm's Registration No. 109208W)

Place of signature: Mumbai  
Date: 30th May 2016

**Arvind Mohan**  
Partner  
(Membership No. 124082)

## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **SUNIL HITECH ENGINEERS LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm's Registration No. 109208W)

**Arvind Mohan**  
Partner

Place of signature: Mumbai  
Date: 30th May 2016

(Membership No. 124082)

**Balance Sheet** as at 31st March 2016 (Standalone)

₹ Lacs

Particulars	Note	As at 31 March, 2016	As at 31 March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,732.52	1,527.52
Reserves and Surplus	4	39,693.37	34,265.19
Money Received Against Share Warrants	5	-	616.33
		<b>41,425.89</b>	<b>36,409.04</b>
<b>Non-current Liabilities</b>			
Long Term Borrowings	6	4,051.67	4,360.52
Other Long Term Liabilities	7	10,689.44	11,444.07
Long Term Provisions	8	142.02	237.38
		<b>14,883.13</b>	<b>16,041.97</b>
<b>Current Liabilities</b>			
Short Term Borrowings	9	36,423.48	33,628.55
Trade Payables	10		
Total outstanding dues of micro enterprises small enterprises		36.53	3.06
Total outstanding dues of creditors other than micro enterprises small enterprises		46,696.29	41,444.41
Other Current Liabilities	11	13,708.78	12,244.70
Short Term Provisions	12	425.73	477.92
		<b>97,290.81</b>	<b>87,798.64</b>
<b>Total</b>		<b>153,599.83</b>	<b>140,249.65</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
<b>13</b>			
Tangible Assets		15,442.35	12,824.39
Intangible Assets		100.21	221.54
Capital Work-in-Progress		1,356.51	1,174.55
Non Current Investments	14	5,116.57	4,996.99
Deferred Tax Assets	15	944.12	902.06
Long Term Loans and Advances	16	3,143.54	2,697.27
Other Non Current Assets	17	2,854.07	4,409.98
		<b>28,957.37</b>	<b>27,226.78</b>
<b>Current Assets</b>			
Inventories	18	20,814.55	17,482.11
Trade Receivables	19	49,509.04	37,996.93
Cash and Bank Balances	20	11,543.78	8,984.99
Short Term Loans and Advances	21	12,741.52	18,927.92
Other Current Assets	22	30,033.57	29,630.93
		<b>124,642.46</b>	<b>113,022.87</b>
<b>Total</b>		<b>153,599.83</b>	<b>140,249.65</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 V. Sankar Aiyar & Co.**

Chartered Accountants

Firm Regn No 109208W

**For and on behalf of Board of Directors**

**Arvind Mohan**

Partner

Membership No.124082

Mumbai, 30 May 2016

**Shrikant C. Rikhe**

Company Secretary

**Vijay R. Gutte**

Chief Financial Officer  
and Whole-time Director

**Ratnakar M. Gutte**

Chairman

**Sunil R. Gutte**

Managing Director

## Statement of Profit and Loss for the year ended 31st March 2016 (Standalone)

₹ Lacs

Particulars	Note	Year ended 31 March, 2016	Year ended 31 March, 2015
<b>REVENUE</b>			
Revenue from Operations	23	182,752.13	164,897.54
Other Income	24	1,429.33	1,627.31
<b>Total Revenue</b>		<b>184,181.46</b>	<b>166,524.85</b>
<b>EXPENSES</b>			
Material Consumption and Project Supplies	25	104,018.83	94,011.41
Contract and Site Expenses	26	51,431.72	46,579.55
Employee Benefits Expense	27	5,903.08	6,394.03
Finance Costs	28	8,576.63	7,785.67
Depreciation and Amortisation Expense	29	3,188.32	2,585.85
Other Expenses	30	3,747.56	3,585.00
<b>Total Expenses</b>		<b>176,866.14</b>	<b>160,941.51</b>
<b>Profit Before Tax</b>		<b>7,315.32</b>	<b>5,583.34</b>
Tax Expenses			
-Current Tax			
Expenses for Current Year		2,546.34	1,983.50
Expenses Relates to Prior Years		-	44.94
-Deferred Tax		(42.08)	(134.75)
<b>Profit for the year from Continuing Operations</b>		<b>4,811.06</b>	<b>3,689.65</b>
There are no Exceptional, Extraordinary Items and Discontinuing operations.			
<b>Earnings per share (Face Value ₹10/-)</b>	31		
Basic (₹)		28.87	25.08
Diluted (₹)		28.87	24.82
Significant Accounting Policies	2		

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

As per our report of even date attached

**For V. Sankar Aiyar & Co.**

*Chartered Accountants*

Firm Regn No 109208W

**For and on behalf of Board of Directors**

**Arvind Mohan**

*Partner*

Membership No.124082

Mumbai, 30 May 2016

**Shrikant C. Rikhe**

*Company Secretary*

**Vijay R. Gutte**

*Chief Financial Officer  
and Whole-time Director*

**Ratnakar M. Gutte**

*Chairman*

**Sunil R. Gutte**

*Managing Director*

## Statement of Cash Flow for the year ended 31st March 2016 (Standalone)

Particulars	₹ Lacs	
	31 March, 2016	31 March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	7,315.32	5,583.34
<i>Adjustment for :</i>		
Depreciation and Amortisation Expense	3,188.32	2,585.85
Exchange Differences	1.13	(21.50)
Bad Debts/ Advances Written off	-	0.81
Loss (Profit) on Sale of Non Current Investments	-	(2.56)
Wealth Tax (Included in Other Expenses)	-	2.70
Loss from Partnership Business	0.14	0.07
Amount Written Back	(142.73)	(85.22)
Loss (Profit) on Sale of Fixed Assets	(47.05)	(26.95)
Interest Expenses (Considered in Financing Activities)	8,576.63	7,785.67
Interest Incomes (Considered in Investing Activities)	(803.04)	(709.91)
Interest Income from Partnership Firm (Considered in Investing Activities)	(27.72)	(27.72)
<b>Operating Profit before Working Capital Changes :</b>	<b>18,061.00</b>	<b>15,084.58</b>
Decrease (Increase) in Inventories	(3,332.43)	(3,531.18)
Decrease (Increase) in Trade Receivables	(11,357.80)	9,401.52
Decrease (Increase) in Other Current Assets	(304.00)	1,054.56
Decrease (Increase) in Long Term Loans and Advances	(1,102.22)	(213.49)
Decrease (Increase) in Short Term Loans and Advances	5,784.29	(2,923.30)
Increase (Decrease) in Long Term Provisions	(95.36)	24.44
Increase (Decrease) in Short Term Provisions	(1.07)	81.98
Increase (Decrease) in Trade Payables	5,285.40	(6,291.37)
Increase (Decrease) in Other Non Current Liabilities	(754.63)	1,874.53
Increase (Decrease) in Other Current Liabilities	(677.52)	(618.97)
<b>Cash Generated from Operations</b>	<b>11,505.67</b>	<b>13,943.29</b>
Net Income Tax Paid	(2,039.85)	(1,726.60)
<b>Net Cash Flow from (used in) Operating Activities (A)</b>	<b>9,465.82</b>	<b>12,216.69</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed assets including Capital Advances	(5,274.27)	(5,334.45)
Proceeds from sale of Fixed Assets	176.17	178.31
Investments in Subsidiaries	(92.00)	(1,400.90)
Investments in Mutual Funds	-	25.00
Share Application Money Given	209.01	24.72
Bank Balances not considered as Cash and Cash Equivalents (net)	(1,741.10)	583.22
Interest Received	710.98	756.39
<b>Net Cash Flow from (used in) Investing Activities (B)</b>	<b>(6,011.21)</b>	<b>(5,167.71)</b>



## Statement of Cash Flow (contd.) for the year ended 31st March 2016 (Standalone)

₹ Lacs

Particulars	31 March, 2016	31 March, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	4,549.50	6,235.36
Repayment of Long Term Borrowings	(3,226.14)	(4,104.42)
Proceeds (Repayment) of Short Term Borrowings	2,793.81	(1,433.59)
Money received against Share Warrants	519.38	1,519.70
Dividend Paid	(361.82)	(184.36)
Interest Paid	(8,575.69)	(7,798.44)
<b>Net Cash Flow from (used in) Financing Activities (C)</b>	<b>(4,300.95)</b>	<b>(5,765.75)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(846.34)</b>	<b>1,283.23</b>
<b>Cash and Cash Equivalents as at the Beginning of the Year</b>	<b>2,260.72</b>	<b>977.49</b>
<b>Cash and Cash Equivalents as at the End of the Year</b>	<b>1,414.38</b>	<b>2,260.72</b>
<b>Components of Cash and Cash Equivalents</b>		
Balances with Banks - in Current Accounts	1,359.48	2,074.58
Deposits with original maturity of upto three months	-	30.00
Cash on Hand	54.90	156.15
<b>Total Cash and Cash Equivalents</b>	<b>1,414.38</b>	<b>2,260.72</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 V. Sankar Aiyar & Co.**

*Chartered Accountants*

Firm Regn No 109208W

**For and on behalf of Board of Directors**

**Arvind Mohan**

*Partner*

Membership No.124082

Mumbai, 30 May 2016

**Shrikant C. Rikhe**

*Company Secretary*

**Vijay R. Gutte**

*Chief Financial Officer  
and Whole-time Director*

**Ratnakar M. Gutte**

*Chairman*

**Sunil R. Gutte**

*Managing Director*

## Notes to Financial Statements for the year ended 31st March 2016

### 1 CORPORATE INFORMATION

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

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Accounting :

The financial statements of the Company have been prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the Accounting Standards (AS) notified under the relevant provisions of the Companies Act, 2013. 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:

Preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (Indian GAAP), requires estimates and assumptions 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.

#### 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 costs 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 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 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.

#### 2.7 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 based on life of assets prescribed in Schedule II of Companies Act, 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 date of Purchase.

## Notes to Financial Statements for the year ended 31st March 2016

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.

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

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

Interest income is recognised on time proportion basis.

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

### 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.

### 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 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 carried individually at cost, less provision for diminution, other than temporary, in the value of such investments. Cost of investments includes expenses directly incurred on acquisition of investments.

Current investments are carried individually at lower of cost and fair value.

### 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'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.

## Notes to Financial Statements for the year ended 31st March 2016

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), Fabrication, Erection, Overhauling, Maintenance, Trading and Other related activities. 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 is 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 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.

### 2.19 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.

## Notes to Financial Statements for the year ended 31st March 2016

### 3. SHARE CAPITAL

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
<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>		
1,73,25,160 (Pr.Yr. 1,52,75,160) Equity shares of ₹ 10/- each fully paid up	1,732.52	1,527.52
	<b>1,732.52</b>	<b>1,527.52</b>

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

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	No. of Shares	₹ Lacs	No. of Shares	₹ Lacs
Equity shares at the beginning of the year	15,275,160	1,527.52	13,625,160	1,362.52
Add: Allotment during the year against warrants	2,050,000	205.00	1,650,000	165.00
<b>Equity shares outstanding at the end of the year</b>	<b>17,325,160</b>	<b>1,732.52</b>	<b>15,275,160</b>	<b>1,527.52</b>

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

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

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, 2016		As at 31 March, 2015	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Ratnakar Manikrao Gutte	2,202,500	12.71%	2,202,500	14.42%
Mrs. Sudhamati Ratnakar Gutte	1,968,750	11.36%	1,968,750	12.89%
Mr. Sunil Ratnakar Gutte	1,678,740	9.69%	1,678,740	10.99%
Fatehpuria Business Associates Private Limited	1,600,000	9.24%	-	-
Gutte Infra Private Limited	1,500,000	8.66%	1,500,000	9.82%
VRG Digital Corporation Private Limited	1,500,000	8.66%	1,508,188	9.87%

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.

## Notes to Financial Statements for the year ended 31st March 2016

### 4. RESERVES AND SURPLUS

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
<b>Capital Reserve</b>	825.60	825.60
<b>Securities Premium Account</b>		
Balance as per the last Financial Statements	13,040.14	12,000.64
Add: Premium on account of Issue of shares against conversion of Warrants	930.70	1,039.50
	<b>13,970.84</b>	<b>13,040.14</b>
<b>Revaluation Reserve</b>		
Balance as per the last financial statements	55.00	55.83
Less: Amount transferred to the Statement of Profit and Loss as reduction from depreciation	0.79	0.83
	<b>54.21</b>	<b>55.00</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	1,923.58	1,646.86
Add: Transferred from Statement of Profit and Loss	-	276.72
	<b>1,923.58</b>	<b>1,923.58</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	18,420.86	15,390.91
Less: Additional Depreciation, net of deferred tax as per Companies Act, 2013	-	29.88
Profit for the year	4,811.06	3,689.65
Less: Appropriations		
Warrant Conversion to Shares related dividend	-	23.16
Proposed dividend on equity shares	259.88	274.96
Tax on proposed equity dividend	52.91	54.97
Transfer to general reserve	-	276.72
<b>Total appropriations</b>	<b>312.79</b>	<b>629.82</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>22,919.13</b>	<b>18,420.86</b>
	<b>39,693.37</b>	<b>34,265.19</b>

### 5. MONEY RECEIVED AGAINST SHARE WARRANTS

5.1 During the Financial Year 2015-16, Warrants aggregating to 18,50,000 which were allotted to Non-Promoters are converted into Equity shares of Rs.10/- each on 11th August, 2015. Similarly Warrants aggregating to 2,00,000 which were allotted to person acting in concert with the promoters are converted into Equity shares of Rs.10/- each on 16th February, 2016.

The equity shares so allotted rank pari passu in all respects with the existing Equity shares of the Company.

5.2 Company is in the process of obtaining in-principal approval from stock exchanges where the equity shares of the company are listed for the allotment of 53,00,000 warrants to the companies under promoters group at a price of Rs. 55.40 per warrant which entitles the allottee to subscribe 53,00,000 shares of Rs.10/- each.

## Notes to Financial Statements for the year ended 31st March 2016

### 6. LONG TERM BORROWINGS

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
<b>Rupee Term Loans (Secured)</b>		
From Banks	544.05	946.32
From Financial Institutions	3,507.62	3,414.20
	<b>4,051.67</b>	<b>4,360.52</b>

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

- ₹ 439.85 Lacs (Pr.Yr. ₹ 537.07 Lacs) are secured by first mortgage/ pari-passu charge on the respective buildings situated at Pune and Nagpur.
- ₹ 491.29 Lacs (Pr.Yr. ₹ 794.80 Lacs) secured by first hypothecation/ pari-passu charge on the respective plant and machineries including Hydra's at various sites.
- ₹ 92.22 Lacs (Pr.Yr. ₹ 57.99 Lacs) are secured by first hypothecation/ pari-passu charge on the respective Vehicles at various sites.

#### 6.2 Term loan from Financial Institutions referred above to the extent of:

- ₹ 1,434.71 Lacs (Pr.Yr. ₹ 1,197.32) are secured by first mortgage/ pari-passu charge on the respective buildings situated at Nagpur and Mumbai.
- ₹ 2,271.61 Lacs (Pr.Yr. ₹ 2,065.34 Lacs) are secured by first hypothecation/ pari-passu charge on the respective plant and machineries including Hydra's situated at various sites.
- ₹ Nil Lacs (Pr.Yr. ₹ 2.19 Lacs) are secured by first hypothecation/ pari-passu charge on the respective Vehicles at various sites.
- ₹ Nil Lacs (Pr.Yr. ₹ 1.61 Lacs) are secured by first and exclusive hypothecation on the respective non consumable materials.
- ₹ 2,650.00 Lacs (Pr.Yr. ₹ 1,400.00) are secured against retention money receivable from Parli Project.

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

Sr. No.	Particulars	Range of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
		Rate *	2017-2018	2018-2019	2019-2020	2020-2021 onwards
1	Property loan	11.70%-13.00%	146.12 (232.28)	158.41 (148.55)	178.85 (162.38)	1,164.65 (988.95)
2	Vehicle	9.30%-13.23%	27.26 (16.11)	13.55 (9.39)	13.19 (1.31)	6.48 -
3	Machinery	7.64%-14.85%	1,133.51 (967.84)	59.67 (425.91)	- (7.80)	- -
4	Project Funding	12.75%	1,150.00 (1,050.00)	- (350.00)	- -	- -
	<b>Total</b>		<b>2,456.89</b> <b>(2,266.23)</b>	<b>231.63</b> <b>(933.85)</b>	<b>192.04</b> <b>(171.49)</b>	<b>1,171.12</b> <b>(988.95)</b>

\* Above interest rates are Floating rates

\*\* Figures in brackets indicate previous yer figures

## Notes to Financial Statements for the year ended 31st March 2016

### 7. OTHER LONG TERM LIABILITIES

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Security Deposit & Retention Money from Sub-Contractors	5,681.43	5,424.39
Advance from Customers	5,008.01	6,019.68
	<b>10,689.44</b>	<b>11,444.07</b>

### 8. LONG TERM PROVISIONS

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Provision for Employee Benefits (Refer Note 38)		
Provision for Gratuity (Net)	40.89	23.09
Provision for Compensated Absences	101.13	214.29
	<b>142.02</b>	<b>237.38</b>

### 9. SHORT TERM BORROWINGS

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Working Capital Rupee loans from Banks repayable on demand (Secured)	36,423.48	33,628.55
	<b>36,423.48</b>	<b>33,628.55</b>

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, 2016	As at 31 March, 2015
Trade Payables		
Payable to Micro Enterprises and Small Enterprises	36.53	3.06
Payable to Related Parties	4,012.21	4,236.90
Others	42,684.08	37,207.51
	<b>46,732.82</b>	<b>41,447.47</b>

The Details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Principal amount due and remaining unpaid	36.53	3.06
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay	-	-
Amount of further interest remaining due and payable in succeeding years	-	-



## Notes to Financial Statements for the year ended 31st March 2016

### 11. OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Current Maturities of Long-Term Debts (Refer Note 06)	3,328.00	1,695.80
Interest Accrued but Not Due	42.17	41.23
Unpaid Dividends (To be credited to Investor Education and Protection Fund when due)	4.74	5.48
Other Advance Received	265.96	435.02
Security Deposit & Retention Money from Sub-Contractors	3,116.02	1,468.51
Advance from Customers	2,135.91	3,382.06
Due to Customers (Project related activity)	275.15	55.06
Due to Employees	982.82	1,744.78
Income Tax Provisions (Net of Payments)	777.59	268.40
Other Payables *	2,780.42	3,148.36
	<b>13,708.78</b>	<b>12,244.70</b>

\* Includes statutory dues and other expenses

### 12. SHORT TERM PROVISIONS

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
<b>Provision for Employee Benefits (Refer Note 38)</b>		
Provision for Compensated Absences	73.27	87.51
Provision for Gratuity (Net)	39.67	26.50
<b>Other Provisions</b>		
Proposed Dividend	259.88	274.96
Tax on Dividend	52.91	86.13
Provision for Wealth Tax	-	2.82
	<b>425.73</b>	<b>477.92</b>

**Notes to Financial Statements** for the year ended 31st March 2016

Particulars	Gross Block				Depreciation/ Amortisation				Net Block	
	As At	Additions	Deduction/ Adjustment	As At	As At	Additions	Deduction/ Adjustment	As At	As At	
	01.04.2015			31.03.2016	01.04.2015	31.03.2016		31.03.2016	31.03.2016	
<b>A TANGIBLE ASSETS :</b>										
Freehold Land	155.62	243.69	-	399.31	-	-	-	-	399.31	
Leasehold Land	40.37	-	-	40.37	2.44	0.41	-	2.85	37.52	
Buildings	2,541.40	647.23	52.79	3,135.84	736.31	142.49	10.91	867.89	2,267.95	
Plant & Equipment*	22,900.57	4,431.42	1,400.7	27,191.92	12,946.54	2,453.74	1,254.46	15,274.82	11,917.09	
Computer and Printer	554.03	20.35	-	574.38	495.80	25.31	-	521.11	53.27	
Furniture and Fixtures	795.19	22.63	-	817.82	529.42	91.45	-	620.87	196.95	
Office Equipment	453.76	18.58	-	472.33	325.08	52.42	-	377.50	94.83	
Vehicles	1,116.81	109.63	57.55	1,168.89	870.34	100.26	50.74	919.85	249.04	
Temporary Office Construction	1,332.83	246.06	-	1,578.89	1,160.27	192.23	-	1,352.50	226.40	
<b>Total Tangible Assets</b>	<b>29,890.58</b>	<b>5,739.58</b>	<b>250.41</b>	<b>35,379.75</b>	<b>17,066.19</b>	<b>3,058.32</b>	<b>187.11</b>	<b>19,937.40</b>	<b>15,442.35</b>	
<b>B INTANGIBLE ASSETS:</b>										
Computer Softwares	762.62	8.66	-	771.28	541.07	130.00	-	671.07	100.21	
<b>Total Intangible Assets</b>	<b>762.62</b>	<b>8.66</b>	<b>-</b>	<b>771.28</b>	<b>541.07</b>	<b>130.00</b>	<b>-</b>	<b>671.07</b>	<b>100.21</b>	
<b>C Capital Work-in-Progress</b>										
<b>Total Fixed Assets (A)+(B)+(C)</b>	<b>30,653.19</b>	<b>5,748.24</b>	<b>250.41</b>	<b>36,151.03</b>	<b>17,607.26</b>	<b>3,188.32</b>	<b>187.11</b>	<b>20,608.47</b>	<b>16,899.07</b>	
13.2 Previous Year										
<b>Particulars</b>	<b>As At</b>	<b>Additions</b>	<b>Deduction/ Adjustment</b>	<b>As At</b>	<b>As At</b>	<b>Additions</b>	<b>Deduction/ Adjustment</b>	<b>As At</b>	<b>As At</b>	<b>Net Block</b>
	<b>01.04.2014</b>			<b>31.03.2015</b>	<b>01.04.2014</b>			<b>31.03.2015</b>	<b>31.03.2015</b>	
<b>A TANGIBLE ASSETS :</b>										
Freehold Land	155.62	-	-	155.62	-	-	-	-	155.62	
Leasehold Land	40.37	-	-	40.37	2.03	0.41	-	2.44	37.92	
Buildings	2,417.67	123.72	-	2,541.40	646.17	89.31	(0.83)	736.31	1,805.08	
Plant & Equipment*	19,021.27	4,139.46	260.15	22,900.57	11,407.74	1,721.97	183.15	12,946.55	9,954.03	
Computer and Printer	586.17	21.73	53.87	564.03	403.42	113.74	21.36	495.80	58.23	
Furniture and Fixtures	768.04	27.16	-	795.19	373.71	124.35	(31.36)	529.42	265.78	
Office Equipment	422.37	33.74	2.35	453.76	190.69	136.63	2.24	325.08	128.68	
Vehicles	1,183.70	47.88	114.77	1,116.81	833.54	135.92	99.12	870.34	246.47	
Temporary Office Construction	1,278.88	119.07	65.11	1,332.83	1,086.89	132.67	59.30	1,160.27	172.57	
<b>Total Tangible Assets</b>	<b>25,874.08</b>	<b>4,512.75</b>	<b>496.26</b>	<b>29,890.58</b>	<b>14,944.19</b>	<b>2,454.99</b>	<b>332.99</b>	<b>17,066.20</b>	<b>12,824.39</b>	
<b>B INTANGIBLE ASSETS:</b>										
Computer Softwares	756.46	55.76	49.60	762.62	426.44	130.85	16.23	541.07	221.54	
<b>Total Intangible Assets</b>	<b>756.46</b>	<b>55.76</b>	<b>49.60</b>	<b>762.62</b>	<b>426.44</b>	<b>130.85</b>	<b>16.23</b>	<b>541.07</b>	<b>221.54</b>	
<b>C Capital Work-in-Progress</b>										
<b>Total Fixed Assets (A)+(B)+(C)</b>	<b>26,630.54</b>	<b>4,568.51</b>	<b>545.86</b>	<b>30,653.20</b>	<b>15,370.63</b>	<b>2,585.85</b>	<b>349.22</b>	<b>17,607.27</b>	<b>14,220.48</b>	

**Note for 13.1 & 13.2**

- a) Charge against certain immovable properties situated at Ramtek (Included in Freehold Land) have been created in favour of Oriental Bank of Commerce in respect of Corporate Guarantee given by Sunil Hitech Engineers Limited on behalf of one of its Subsidiary Company SEAM Industries Limited.
- b) Deductions and adjustments includes Rs.NIL (Pr Yr Rs.45.27 Lacs) transferred to Retained Earnings as per Schedule II of the Companies Act 2013.

## Notes to Financial Statements for the year ended 31st March 2016

### 14. NON -CURRENT INVESTMENTS (Long Term Investment)

₹ in Lacs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>A Trade Investments - Unquoted</b>		
<b>In Subsidiary Companies</b>		
<b>SEAM Industries Limited</b>		
49,00,000 (Pr.Yr. 49,00,000) Equity Shares of ₹ 10/- each fully paid up	770.00	770.00
<b>Sunilhitech India Infra Private Limited</b>		
43,97,690 (Pr.Yr. 43,97,690) Equity Shares of ₹ 10/- each fully paid up	439.77	439.77
<b>Sunilhitech Solar (Dhule) Private Limited</b>		
1,18,00,000 (Pr.Yr. 1,18,00,000) Equity Shares of ₹ 10/- each fully paid up (Including 1 Share held with Nominee)	1,180.00	1,180.00
<b>Patna Green Energy Private Limited</b>		
9,09,000 (Pr.Yr. 9,000) Equity Shares of ₹ 10/- each fully paid up	90.90	0.90
<b>Investment in Partnership Firm *</b>		
45% share in the partnership firm V. K. Realtors	340.01	312.42
[Includes accumulated share of loss ₹ 0.14 Lacs (Pr.Yr ₹ 0.07 Lacs) and interest on capital ₹ 27.72 Lacs (Pr.Yr. ₹ 27.72 Lacs)]		
<b>Investment in Joint Venture</b>		
Contribution in the Joint Venture SHEL - Assignia JV	2.00	-
<b>B Other Investments - Unquoted</b>		
<b>In Subsidiary Companies</b>		
<b>Sunil Hitech Energy Private Limited</b>		
24,42,960 (Pr.Yr. 24,42,960) Equity Shares of ₹ 10/- each fully paid up	247.89	247.89
<b>SHEL Investments Consultancy Private Limited</b>		
9,999 (Pr.Yr. 9,999) Equity Shares of ₹ 10/- each fully paid up (Pledged to zero coupon secured optionally convertible debenture holders of SHEL Investments Consultancy Private Limited)	1.00	1.00
<b>In Associate Company</b>		
<b>Gangakhed Sugar and Energy Limited</b>		
1,95,00,000 (Pr.Yr. 1,95,00,000) Equity Shares of ₹ 10/- each fully paid up (Pledged with banks against term loans to Gangakhed Sugar and Energy Limited and can not be sold/ transferred till the loans are outstanding)	1,950.00	1,950.00
<b>In Other Company</b>		
<b>Sudama Mahavir Power Private Limited</b>		
Nil (Pr.Yr. 100) Equity Shares of ₹ 10/- each fully paid up	-	0.01
<b>C Other Investments - Quoted</b>		
<b>Investments in Mutual Fund</b>		
<b>Canara Roebeco Protection Oriented Fund</b>		
1,99,990 (Pr.Yr. 1,99,990) units of ₹ 10/- each (Under Lien) [Aggregate Market value of quoted investments ₹ 22.30 lacs (Pr.Yr. ₹ 21.90 lacs)]	20.00	20.00
<b>Union KBC Capital Protection Oriented Fund - Growth Series 3 Regular Plan</b>		
7,50,000 (Pr.Yr. 7,50,000) units of ₹ 10/- each (Under Lien) [Aggregate Market value of quoted investments ₹ 89.64 lacs (Pr.Yr. ₹ 91.59 lacs)]	75.00	75.00
	<b>5,116.57</b>	<b>4,996.99</b>
<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%	45%
Mr. Kunal N. Kuwadekar	30%	30%
Mrs. Meenakshi K. Kuwadekar	15%	15%
Mr. Tarun Surender Ahuja	10%	10%
<b>Total Fixed Capital of the firm (₹ in Lacs)</b>	<b>283.00</b>	<b>283.00</b>

## Notes to Financial Statements for the year ended 31st March 2016

### 15. DEFERRED TAX ASSETS

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Depreciation	564.43	436.82
Expenditure allowable on payment basis under IT Act	379.69	465.24
	<b>944.12</b>	<b>902.06</b>

### 16. LONG TERM LOANS AND ADVANCES (UNSECURED)

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Capital Advances (Considered Good)	81.00	736.94
Deposits (Considered Good)	1,921.16	1,835.39
Balances with Statutory/ Government Authorities	999.23	-
Prepaid Expenses	142.15	124.94
	<b>3,143.54</b>	<b>2,697.27</b>

### 17. OTHER NON CURRENT ASSETS

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Interest Accrued on Fixed Deposits	34.08	106.51
Fixed Deposits with Banks (Under Lien)	501.73	2,165.77
Long Term Trade Receivables - Unsecured Considered Good	2,318.26	2,137.70
	<b>2,854.07</b>	<b>4,409.98</b>

### 18. INVENTORIES

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
(As certified by the Management)		
Raw Material and Components	17,733.51	14,622.28
Raw Material and Components (Goods in Transit)	51.73	-
Stores, Spare Parts	609.51	565.24
Loose Tools	2,419.80	2,050.90
Land	-	243.69
	<b>20,814.55</b>	<b>17,482.11</b>

### 19. TRADE RECEIVABLES (UNSECURED)

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Over Six Months from the date it become due for payment		
Considered Good	2,854.58	2,213.60
Considered Doubtful	589.82	733.98
	<b>3,444.40</b>	<b>2,947.58</b>
Others- Considered Good	44,799.29	33,572.16
Debt Due from Companies in Which Director is Director/ Member	1,855.17	2,211.17
	<b>50,098.86</b>	<b>38,730.91</b>
Less : Provision for Doubtful Debts	589.82	733.98
	<b>49,509.04</b>	<b>37,996.93</b>

## Notes to Financial Statements for the year ended 31st March 2016

### 20. CASH AND BANK BALANCES

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	1,359.48	2,074.58
Deposits with original maturity of upto three months	-	30.00
Cash on Hand	54.90	156.15
	<b>1,414.38</b>	<b>2,260.73</b>
Other Bank Balances		
Earmarked Balances with Banks		
- Unpaid Dividend	4.74	5.48
- Government Grants	1.65	21.87
Fixed Deposits with original maturity for more than 3 months and upto 12 months (Under Lien)	1,521.47	5,050.27
Fixed Deposits with original maturity for more than 12 months (Under Lien)	8,601.54	1,646.64
	<b>10,129.40</b>	<b>6,724.26</b>
	<b>11,543.78</b>	<b>8,984.99</b>

### 21. SHORT TERM LOANS AND ADVANCES (UNSECURED)

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Deposits		
Considered Good	1,417.94	1,342.25
Considered Doubtful	7.27	6.26
	1,425.21	1,348.51
Less: Provision for Doubtful Deposits	7.27	6.26
	<b>1,417.94</b>	<b>1,342.25</b>
Advances to Creditors		
Considered Good	6,208.57	12,174.11
Considered Doubtful	6.56	6.56
	6,215.13	12,180.67
Less: Provision for Doubtful Advances	6.56	6.56
	<b>6,208.57</b>	<b>12,174.11</b>
Loans and Advances to Related Parties (Considered Good)	774.42	750.09
Share Application Money to Subsidiary Company	450.00	659.01
Balances with Statutory/ Government Authorities	2,304.30	2,516.34
Prepaid Expenses	556.45	589.63
Advances Recoverable in Cash or in Kind	1,029.84	896.49
	<b>12,741.52</b>	<b>18,927.92</b>

### 22. OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Interest Accrued on Fixed Deposits	409.87	245.38
Due from Customers (Project related activity)	29,623.74	29,319.74
Assets Held for Sale	-	65.81
	<b>30,033.61</b>	<b>29,630.93</b>

## Notes to Financial Statements for the year ended 31st March 2016

### 23. REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Revenue from Projects and Maintenance	155,622.68	149,711.74
Project Supply	27,010.76	15,038.65
Revenue from Contracts, Projects & Maintenance	<b>182,633.44</b>	<b>164,750.39</b>
<b>Other Operating Revenues</b>		
Income from Crane Leasing	96.36	62.79
Sale of Scrap	17.20	0.96
Metal (Boulder) and Other Sale	5.13	83.40
	<b>118.69</b>	<b>147.15</b>
	<b>182,752.13</b>	<b>164,897.54</b>

### 24. OTHER INCOME

₹ in Lacs

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Interest Income		
Bank Deposits	803.04	709.91
Capital in Partnership Business	27.72	27.72
Others	100.15	464.02
Grant received from NIRD (SGSY Scheme)	77.09	137.58
Rent Income	214.69	127.25
Profit on Sale of Non Current Investments - Non Trade	-	2.56
Profit on Sale/ Discard of Fixed Assets (Net)	54.42	37.71
Exchange Rate Difference (Net)	-	21.50
Amount Written Back (Net)	142.73	85.22
Miscellaneous Incomes	9.49	13.84
	<b>1,429.33</b>	<b>1,627.31</b>

### 25. MATERIAL CONSUMPTION AND PROJECT SUPPLIES

₹ in Lacs

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Material Consumption for Projects	77,542.88	79,288.57
Project Supply	26,475.95	14,722.84
	<b>104,018.83</b>	<b>94,011.41</b>

### 26. CONTRACT AND SITE EXPENSES

₹ in Lacs

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Civil Construction and Fabrication	47,925.48	42,340.10
Lease and Hire Charges	1,527.89	1,631.27
Transportation Expenses	237.98	282.00
Stores and Spares	163.48	297.93
Other Site Expenses	1,576.89	2,028.25
	<b>51,431.72</b>	<b>46,579.55</b>

## Notes to Financial Statements for the year ended 31st March 2016

### 27. EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	Year ended	Year ended
	31 March, 2016	31 March, 2015
Salary, Wages and Allowances	5,032.36	5,606.65
Contribution to Provident, Superannuation and Other Funds	365.86	423.42
Staff and Labour Welfare Expenses	504.86	363.96
	<b>5,903.08</b>	<b>6,394.03</b>

### 28. FINANCE COSTS

₹ in Lacs

Particulars	Year ended	Year ended
	31 March, 2016	31 March, 2015
Interest Paid to Bank	5,489.45	4,928.04
Other Borrowings Cost	2,360.16	2,441.68
Interest Paid to Customers	727.02	384.37
Foreign Currency Transaction and Translation Loss (Net)	-	31.58
	<b>8,576.63</b>	<b>7,785.67</b>

### 29. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Lacs

Particulars	Year ended	Year ended
	31 March, 2016	31 March, 2015
Depreciation and Amortisation (Refer Note 13)	3,189.11	2,586.68
Less: Recoupment from Revaluation Reserve	0.79	0.83
	<b>3,188.32</b>	<b>2,585.85</b>

### 30. OTHER EXPENSES

₹ in Lacs

Particulars	Year ended	Year ended
	31 March, 2016	31 March, 2015
Power and Fuel	229.41	173.44
Rent	688.94	789.67
Repairs to Machinery	128.32	148.22
Repairs to Building	84.32	87.49
Repairs - Others	207.00	192.65
VAT, Entry Tax and Service Tax	679.16	536.40
Insurance	188.51	175.11
Rates and Taxes	84.51	77.47
Legal and Professional Fees	255.77	245.11
Travelling and Conveyance	655.31	576.39
Communication	120.25	143.32
Printing and Stationery	60.94	63.93
Exchange Rate Difference (Net)	1.13	-
Bad Debts / Advances Written Off (Net)	-	0.81
Loss from Partnership Business	0.14	0.07
Loss on Sale/ Discard of Fixed Assets (Net)	7.37	10.77
Remuneration to Auditors		
Statutory Audit Fees	20.00	20.00
Certification & Other Matters	3.85	3.75
CSR Expenses	100.26	105.69
Miscellaneous Expenses	232.37	234.71
	<b>3,747.56</b>	<b>3,585.00</b>

## Notes to Financial Statements for the year ended 31st March 2016

### 31. EARNINGS PER SHARE (EPS)

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

Particulars		31 March, 2016	31 March, 2015
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity Shareholders considered for Basic EPS (₹ in Lacs)	(A)	4,811.06	3,689.65
Add: Dilutive effect on profit (₹ in Lacs)	(B)	Nil	Nil
Profit attributable to Equity Shareholders for computing Diluted EPS (₹ in Lacs)	(C=A+B)	4,811.06	3,689.65
Weighted average number of Equity Shares outstanding considered for Basic EPS	(D)	16,664,612	14,710,092
Add: Dilutive effect of Options outstanding - Number of equity shares *	(E)	-	158,145
Weighted average number of Equity Shares considered for computing Diluted EPS	(F=D+E)	16,664,612	14,868,237
Nominal Value of Equity Shares (₹)		10.00	10.00
Basic Earnings Per Share (₹)		28.87	25.08
Diluted Earnings Per Share (₹)		28.87	24.82

There are no exceptional items, extraordinary items and discontinuing operations.

### 32. COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 6.99 Lacs (Pr. Yr. 222.16 Lacs)
- Other Commitments - Non cancellable operating Leases (Refer Note 40)

### 33. CONTINGENT LIABILITIES

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
a) Service Tax demand disputed, contested in appeal	1,067.34	972.69
b) Sales Tax demand disputed, contested in appeal	-	39.84
c) Customs Duty disputed	138.17	138.17
d) Income Tax disputed, contested in appeal	420.92	291.17
e) Guarantee given to Customers and Financial Institutions	59,367.93	58,132.86
f) Guarantee given to Banks and Financial Institutions on behalf of -		
i) A subsidiary company	8,938.37	8,879.00
- Loans/ LC/ BG outstanding at the year end	7,606.00	7,162.51
ii) An Associate Company	9,439.37	2,401.88
- Loans outstanding at the year end	-	-
iii) Others	-	220.00
g) Claims against the Company not acknowledged as debts	139.78	111.76

- Income Tax authorities had conducted search in the premises of the Company. Proceedings have not yet commenced and no demand has been raised on the Company.

### 35. REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX)

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
Statutory Audit Fees	20.00	20.00
Tax Audit Fees	3.00	3.00
For Certification and Other Matters	0.85	4.18

### 36. EXPENDITURE IN FOREIGN CURRENCY

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
Interest	0.09	6.83
Professional Services	5.49	6.01
Other Expenses	8.52	-



## Notes to Financial Statements for the year ended 31st March 2016

### 37. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
Year to which the dividend relates	2014-15	2013-14
Number of non-resident shareholders	3	243
Number of shares held by them	855	150,938
Amount of dividend	0.02	1.81

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.

### 38. 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 covers substantially all regular employees and the ESI covers eligible workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the PF and the ESI Scheme, contributions into the EPS is made only by the Company. The contributions are normally based on a certain portion of the employee's salary.

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

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
Provident Fund, Employees' Pension Scheme and Labour Welfare Fund	289.41	342.78
Employees' State Insurance	11.16	19.36
<b>TOTAL</b>	<b>300.57</b>	<b>362.14</b>

#### 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, which is non funded, has been provided based on the report of independent actuary using the "Projected Unit Credit Method" in respect of past services. Accordingly ₹ 174.41 Lacs (Pr.Yr. ₹ 301.80 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.

The Company makes contributions to the Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for employees. The scheme provides for payment to employees as under:

- i) On normal retirement/ early retirement/ withdrawal/ resignation:  
As per the provisions of The Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On the death in service:  
As per the provisions of The Payment of Gratuity Act, 1972 without any vesting period.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31 March 2016:

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
<b>i) Changes in Defined Benefit Obligation</b>		
Opening defined benefit obligation	319.78	269.46
Current service cost	79.67	77.84
Interest cost	21.93	23.58
Actuarial loss/ (gain)	(41.62)	(36.11)
Benefits (paid)	(75.13)	(14.99)
<b>Closing defined benefit obligation</b>	<b>304.62</b>	<b>319.78</b>

## Notes to Financial Statements for the year ended 31st March 2016

### 38. EMPLOYEE BENEFITS (contd...)

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31 March 2016: ₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
<b>ii) Changes in Fair Value of Assets</b>		
Opening fair value of plan assets	270.19	251.02
Expected return on plan assets	22.89	21.83
Actuarial gain/ (loss)	(22.89)	0.45
Contributions of employer	29.00	11.88
Benefits (paid)	(75.13)	(14.99)
<b>Closing fair value of plan assets</b>	<b>224.06</b>	<b>270.19</b>
<b>iii) Amount recognised in the Balance Sheet</b>		
Present value of the obligations as at year end (Funded + Non Funded)	304.62	319.78
Fair value of the plan assets as at year end	(224.06)	(270.19)
Net (asset)/ liability recognised as at the year end	80.56	49.59
<b>iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	79.67	77.84
Interest on defined benefit obligation	21.93	23.58
Expected return on plan assets	(22.89)	(21.83)
Net actuarial loss/ (gain) recognised in the current year	(18.73)	(36.56)
Total expenses	59.97	43.03
<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%	100%
Others	Nil	Nil
<b>vi) Principal actuarial assumptions used</b>		
Discount Rate (p.a.)	7.50%	7.77%
Expected Rate of Return on Plan Assets (p.a.)	8.75%	8.75%
Salary Escalation Rate (p.a.)	5.00%	5.00%

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.

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

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
Contract revenue recognised for the year	136,353.36	103,030.51
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	295,292.65	253,305.81
Amount of customer advances received and outstanding for contracts in progress	7,579.10	10,522.52
Retention amount due from customers for contract in progress	12,956.40	16,020.56
Gross amount due from customers as at year end	29,623.74	29,319.74
Gross amount due to customers as at year end	275.15	55.06

### 40. 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 under leave and license arrangements and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of ₹ 1082.19 Lacs (Pr.Yr. ₹ 1138.90 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, 2016	31 March, 2015
Not later than one year	1,273.88	1,414.91
Later than one year but not later than five years	672.21	1,186.51
Later than five years	485.10	598.68

## Notes to Financial Statements for the year ended 31st March 2016

**41** 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.

### 42 SEGMENT REPORTING

Based on guiding principles given in Accounting Standard on "Segment Reporting" - AS17 as specified in the Companies (Accounting Standard) Rules, 2006 (as amended), single financial report contains both Standalone financial statement and Consolidated financial statement of the Company. Hence, the required segment information has been appended in the Consolidated Financial Statements (CFS).

### 43. 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 Amt in Lacs	Foreign Currency Amt in Lacs	Foreign Currency
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	
Amount Receivable	-	79.28	-	1.27	USD

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

<b>Category I : Subsidiaries :</b>	SEAM Industries Limited Sunilhitech India Infra Private Limited Sunilhitech Solar (Dhule) Private Limited Sunil Hitech Energy Private Limited SHEL Investments Consultancy Private Limited Patna Green Energy Private Limited
<b>Category II : Associates :</b>	Gangakhed Sugar & Energy Limited V. K. Realtors (Partnership Firm)
<b>Category III : Joint Venture :</b>	PBSPL - SHEL - JV SHEL - ASSIGNIA - JV SHEL - RCM - JV
<b>Category IV : Directors, Key Management Personnel and their Relatives :</b>	Mr. Ratnakar Manikrao Gutte Mrs. Sodhamati Ratnakar Gutte Mr. Sunil Ratnakar Gutte Mr. Vijay Ratnakar Gutte Mr. Venkataramana Condoor Mr. Anupam Gianchand Dhiman Mrs. Swati Rajesh Phad CS Shrikant Rikhe
<b>Category V : Enterprise over which persons covered under Category IV above are able to exercise significant control :</b>	Gutte Infra Private Limited VRG Digital Corporation Private Limited RSV & Associates Kolhapur Green Energy Private Limited

## Notes to Financial Statements for the year ended 31st March 2016

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

(₹ In Lacs)

Sr. No.	Particulars	CATEGORY					TOTAL
		I	II	III	IV	V	
1	Investments made	90.00	-	2.00	-	-	92.00
		(2,409.00)	-	-	-	-	(2,409.00)
2	Share Application Money Given	450.00	-	-	-	-	450.00
		(1,455.28)	-	-	-	-	(1,455.28)
3	Share Application Money Received Back	650.51	-	-	-	-	650.51
		-	-	-	-	-	-
4	Loans Given	24.32	-	-	-	-	24.32
		(685.36)	-	-	-	-	(685.36)
5	Repayments of Loans Given	-	-	-	-	-	-
		(561.86)	-	-	-	-	(561.86)
6	Advances Given for Contracts and Projects	-	69.26	-	-	25.61	94.87
		-	-	-	-	-	-
7	Capital Advances Given	-	-	-	-	-	94.87
		-	-	-	-	(485.98)	(485.98)
8	Security Deposit Received	158.42	-	-	-	-	158.42
		-	-	-	-	-	-
9	Advances Received for Contracts and Projects	-	-	-	-	-	-
		-	(249.99)	-	-	(293.64)	(543.63)
10	Advances Given Received Back	1,494.79	-	-	-	-	1,494.79
		(405.77)	-	-	-	-	(405.77)
11	Purchases of Goods and Services	16,588.69	-	-	-	36.30	16,624.98
		(12,887.17)	-	-	-	-	(12,887.17)
12	Sales of Goods/ Contract Revenue & Services	54.26	66.71	-	-	270.85	391.82
		(6.78)	(132.54)	-	-	(1,094.04)	(1,233.36)
13	Purchases of Fixed Asset	-	-	-	-	421.34	421.34
		-	-	-	-	-	-
14	Remuneration to Directors (Including Perquisites)	-	-	-	576.14	-	576.14
		-	-	-	(387.98)	-	(387.98)
15	Dividend Paid	-	-	-	117.45	-	117.45
		-	-	-	(78.38)	-	(78.38)
16	Rent Paid	-	-	-	133.08	-	133.08
		-	-	-	(133.08)	-	(133.08)
17	Rent Income	9.09	-	-	-	196.88	205.97
		-	-	-	-	(88.44)	(88.44)
18	Interest Income	73.57	27.72	-	-	-	101.29
		(189.58)	(27.72)	-	-	-	(217.30)
19	Expenses reimbursement to	634.99	-	-	-	24.15	659.13
		(147.35)	(4.21)	-	-	(30.07)	(181.63)
20	Expenses reimbursement from	9.44	4.28	-	-	-	13.73
		(2.25)	(55.69)	-	-	-	(57.94)
21	Share Warrant Application Money Received	-	-	-	-	(960.38)	(960.38)
		-	-	-	-	-	-
22	Share Allotment against warrant	-	-	-	110.80	-	110.80
		-	-	-	-	(1,863.75)	(1,863.75)

\*Figures in brackets indicate previous year figures.

## Notes to Financial Statements for the year ended 31st March 2016

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 2016	31 March 2015
<b>1</b>	<b>Investments made</b>			
	Sunilhitech India Infra Private Limited	I	-	351.00
	Sunilhitech Solar (Dhule) Private Limited	I	-	2,058.00
	Patna Green Energy Private Limited	I	90.00	-
<b>2</b>	<b>Share Application Money Given</b>			
	Sunilhitech India Infra Private Limited	I	450.00	317.78
	Sunilhitech Solar (Dhule) Private Limited	I	-	1,029.00
<b>3</b>	<b>Share Application Money Received Back</b>			
	Sunilhitech India Infra Private Limited	I	650.51	-
<b>4</b>	<b>Loans Given</b>			
	Sunilhitech India Infra Private Limited	I	-	554.55
	Sunilhitech Solar (Dhule) Private Limited	I	24.32	130.81
<b>5</b>	<b>Repayment of Loans Given</b>			
	Sunilhitech India Infra Private Limited	I	-	561.86
<b>6</b>	<b>Advances Given for Contracts and Projects</b>			
	V. K. Realtors	II	69.26	-
	Gutte Infra Private Limited	V	25.61	-
<b>7</b>	<b>Capital Advances Given</b>			
	RSV & Associates	V	-	485.98
<b>8</b>	<b>Security Deposit Received</b>			
	Sunilhitech India Infra Private Limited	I	158.42	-
<b>9</b>	<b>Advances Received for Contracts and Projects</b>			
	V. K. Realtors	II	-	249.99
	Gutte Infra Private Limited	V	-	293.64
<b>10</b>	<b>Advances Given Received Back</b>			
	Sunilhitech India Infra Private Limited	I	1,494.79	405.77
<b>11</b>	<b>Purchases of Goods and Services</b>			
	Sunilhitech India Infra Private Limited	I	12,232.80	10,756.27
	SEAM Industries Limited	I	4,355.89	2,130.90
<b>12</b>	<b>Sales of Goods/ Contract Revenue &amp; Services</b>			
	SEAM Industries Limited	I	54.26	-
	V. K. Realtors	II	66.71	132.54
	RSV & Associates	V	270.85	217.50
	Gutte Infra Private Limited	V	-	876.54
<b>13</b>	<b>Purchases of Fixed Asset</b>			
	RSV & Associates	V	421.34	-
<b>14</b>	<b>Remuneration to Directors (Incl Perquisites)</b>			
	Mr. Ratnakar Manikrao Gutte	IV	92.40	92.40
	Mrs. Sudhamati Ratnakar Gutte	IV	48.00	48.00
	Mr. Sunil Ratnakar Gutte	IV	60.47	52.00
	Mr. Vijay Ratnakar Gutte	IV	48.38	48.00
	Mr. Venkataramana Condoor	IV	245.29	95.33
	Mr. Anupam Gianchand Dhiman	IV	81.60	25.65
	Mr. Mohanan Narayanan Mattathil	IV	-	26.60

## Notes to Financial Statements for the year ended 31st March 2016

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 2016	31 March 2015
<b>15</b>	<b>Dividend Paid</b>			
	Mr. Ratnakar Manikrao Gutte	IV	39.65	26.43
	Mrs. Sudhamati Ratnakar Gutte	IV	35.44	23.63
	Mr. Sunil Ratnakar Gutte	IV	30.22	20.14
	Mr. Vijay Ratnakar Gutte	IV	12.15	8.10
<b>16</b>	<b>Rent Paid</b>			
	Mr. Ratnakar Manikrao Gutte	IV	53.19	53.19
	Mrs. Sudhamati Ratnakar Gutte	IV	66.21	66.21
<b>17</b>	<b>Rent Income</b>			
	VRG Digital Corporation Private Limited	V	196.88	88.44
<b>18</b>	<b>Interest Income</b>			
	Sunilhitech India Infra Private Limited	I	40.48	156.58
	SEAM Industries Limited	I	33.09	33.00
	V. K. Realtors	II	27.72	27.72
<b>19</b>	<b>Expenses reimbursement to</b>			
	Sunilhitech India Infra Private Limited	I	626.31	138.45
	RSV & Associates	V	12.83	30.07
<b>20</b>	<b>Expenses reimbursement from</b>			
	SEAM Industries Limited	I	8.39	-
	Gangakhed Sugar & Energy Limited	II	4.28	55.69
<b>21</b>	<b>Share Warrant Application Money Received</b>			
	Gutte Infra Private Limited	V	-	451.69
	VRG Digital Corporation Private Limited	V	-	508.69
<b>22</b>	<b>Share Allotment against warrant</b>			
	Mr. Venkataramana Condoor	IV	110.80	-
	Gutte Infra Private Limited	V	-	1,204.50
	VRG Digital Corporation Private Limited	V	-	659.25

C. Balances Due From/ To the Related Parties as at 31st March 2016\*

(₹ In Lacs)

Sr. No.	Particulars	CATEGORY					TOTAL
		I	II	III	IV	V	
1	Investments	2,729.56	2,290.00	2.00	-	-	5,021.56
		(2,639.56)	(2,262.42)	-	-	-	(4,901.98)
2	Trade Receivables	-	676.05	45.69	-	1,092.35	1,814.09
		-	(4,567.48)	(31.10)	-	(1,348.52)	(5,947.10)
3	Interest Receivables	44.04	-	-	-	-	44.04
		(7.61)	-	-	-	-	(7.61)
4	Other Receivables	404.57	-	-	-	105.49	510.06
		(117.51)	-	-	-	(1.84)	(119.35)
5	Loans Given	774.42	-	-	-	-	774.42
		(750.09)	-	-	-	-	(750.09)
6	Advances Given	496.81	-	-	-	-	496.81
		(1,991.60)	-	-	-	-	(1,991.60)
7	Deposits Given	-	-	-	-	-	-
		-	-	(63.32)	-	-	(63.32)

## Notes to Financial Statements for the year ended 31st March 2016

### C. Balances Due From/ To the Related Parties as at 31st March 2016\*

(₹ In Lacs)

Sr. No.	Particulars	CATEGORY					TOTAL
		I	II	III	IV	V	
8	Trade Payables	2,886.77	-	-	-	12.95	2,899.72
		(4,236.90)	-	-	-	-	(4,236.90)
9	Security Deposit Received	158.42	-	-	-	-	158.42
		-	-	-	-	-	-
10	Share Warrant Application Money	-	-	-	-	-	-
		-	-	-	(27.70)	-	(27.70)
11	Share Application Money Given	450.00	-	-	-	-	450.00
		(759.01)	-	-	-	-	(759.01)

\*Figures in brackets indicate previous year figures.

#### 45 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

Particulars	Outstanding at the year end		Maximum amount outstanding during the year	
	31 March, 2016	31 March, 2015	2015-16	2014-15
	Sunil Hitech Energy Private Limited	1.00	1.00	1.00

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

Particulars	Outstanding at the year end		Maximum amount outstanding during the year	
	31 March, 2016	31 March, 2015	2015-16	2014-15
	SEAM Industries Limited	300.00	300.00	300.00
Sunilhitech India Infra Private Limited	310.54	310.54	310.54	317.98

##### 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.
- C. There is no investment by loanee in the shares of Parent Company/ Subsidiary Company.

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

Details of Company's interest in the aforesaid joint venture as per the requirement of AS-27 on Financial Reporting of Interest in Joint Venture is as under :

##### Financial Interest in Jointly Controlled Entity :

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
Assets	100.48	100.48
Liabilities	100.48	100.48
Income	-	50.48
Expenditure	-	50.48

- 47 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 2016 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 36.53 Lacs (Pr.Yr. ₹ 3.06 Lacs) and interest payable thereon ₹ Nil (Pr.Yr. ₹ Nil) and interest paid during the year ₹ Nil (Pr.Yr. ₹ Nil).

## Notes to Financial Statements for the year ended 31st March 2016

### 48 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The Company has incurred total expenditure of ₹100.26 Lacs, which is being debited to profit and loss account for the year ended 31 March 2016.

Nature of Expenses	Schedule in Financial Statements	₹ in Lacs	
		31 March, 2016	31 March, 2015
Education and Employment enhancing vocation training	Other Expenses (Note No 30)	100.26	45.19
Construction of Asset	Other Expenses (Note No 30)	-	66.44
<b>Total</b>		<b>100.26</b>	<b>111.63</b>

The CSR committee constituted by the Board of Directors of the Company under section 135 of the Act supervises all the expenditure incurred for CSR purposes. The Company makes contribution towards projects undertaken for special education and employment enhancing vocation skills of under previllaged candidates.

Particulars	₹ in Lacs	
	31 March, 2016	31 March, 2015
Education and Employment enhancing vocation training	92.17	39.25
Construction of Asset	-	66.44
Salary and Administrative Expenses	8.09	5.94
	<b>100.26</b>	<b>111.63</b>

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

50 Previous year's figures are regrouped and recasted wherever required.

As per our report of even date attached

For V. Sankar Aiyar & Co.

Chartered Accountants

Firm Regn No 109208W

For and on behalf of Board of Directors

Arvind Mohan

Partner

Membership No.124082

Mumbai, 30 May 2016

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer  
and Whole-time Director

Ratnakar M. Gutte

Chairman

Sunil R. Gutte

Managing Director



## Independent Auditor's Report

To the members of

SUNIL HITECH ENGINEERS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Sunil Hitech Engineers Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the

disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Basis for qualified opinion

Financial statements of one associate company which has a carrying value of Rs.3997.95 Lacs as on 1st April 2016, is still under preparation and accordingly the Group's share of profit/loss has not been considered in the consolidated financial statements. We are unable to express any opinion regarding its impact on the consolidated profits of the Group for the year.

### Emphasis of matter

We draw your attention regarding ongoing negotiations towards recoverability of Rs.4916.74 Lacs incurred in the development of coal block project, Our opinion is not qualified in respect of this matter.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in basis for qualified opinion paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

### Other Matters

(a) We did not audit the financial statements of 7 subsidiaries,

whose financial statements reflect total assets of Rs.31441.02 Lacs as at 31st March, 2016, total revenues of Rs.19364.33 Lacs and net decrease in cash flows amounting to Rs. 189.30 Lacs for the year ended on that date, as considered in the consolidated financial statements. This financial statement has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of the other auditors.

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

- b) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs.102.53 Lacs as at 31st March, 2016, total revenues of Rs.Nil and net decrease in cash flows amounting to Rs Nil for the year ended on that date, as considered in the consolidated financial statements. This financial statement has been unaudited whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material for the group.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated

financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements does not have any pending litigations which would impact its financial position
  - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm's Registration No. 109208W)

**Arvind Mohan**  
Partner  
(Membership No. 124082)

Place of signature:  
Date: 30th May 2016.

## Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **SUNIL HITECH ENGINEERS LIMITED** ("the Holding Company") and its subsidiaries as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, the Holding Company and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm's Registration No. 109208W)

Place of signature: Mumbai  
Date: 30th May 2016

**Arvind Mohan**  
Partner  
(Membership No. 124082)

## Consolidated Balance Sheet as at 31st March 2016

₹ Lacs

Particulars	Note	As at 31 March, 2016	As at 31 March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,732.52	1,527.52
Reserves and Surplus	4	44,934.47	38,973.78
Money Received Against Share Warrants	5	-	616.33
		46,666.99	41,117.63
<b>Minority Interest</b>		1,750.67	1,383.58
<b>Non-current Liabilities</b>			
Long Term Borrowings	6	10,358.91	9,912.12
Deferred Tax Liabilities	7	105.55	105.26
Other Long Term Liabilities	8	11,065.41	12,035.93
Long Term Provisions	9	194.05	275.94
		21,723.92	22,329.25
<b>Current Liabilities</b>			
Short Term Borrowings	10	42,421.70	37,456.29
Trade Payables	11		
Total outstanding dues of micro enterprises small enterprises		121.39	57.51
Total outstanding dues of creditors other than micro enterprises small enterprises		47692.25	43,775.40
Other Current Liabilities	12	24,333.33	16,927.73
Short Term Provisions	13	433.12	495.91
		115,001.79	98,712.84
<b>Total</b>		<b>185,143.37</b>	<b>163,543.30</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets	14		
Tangible Assets		18,471.50	16,015.64
Intangible Assets		106.39	231.90
Capital Work-in-Progress		9,456.44	8,695.73
Incidental Expenses Pending Allocation		-	1,057.06
Goodwill on Consolidation		-	0.51
Non Current Investments	15	4,474.12	4,444.55
Deferred Tax Assets	16	944.12	913.42
Long Term Loans and Advances	17	3,327.93	2,879.48
Other Non Current Assets	18	2,854.07	4,409.99
		39,634.57	38,648.29
<b>Current Assets</b>			
Inventories	19	25,408.64	21,776.29
Trade Receivables	20	54,548.98	43,015.39
Cash and Bank Balances	21	12,415.17	10,046.19
Short Term Loans and Advances	22	20,502.19	18,937.11
Other Current Assets	23	32,633.82	31,120.03
		145,508.80	124,895.01
<b>Total</b>		<b>185,143.37</b>	<b>163,543.30</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 V. Sankar Aiyar & Co.**

Chartered Accountants

Firm Regn No 109208W

For and on behalf of Board of Directors

**Arvind Mohan**

Partner

Membership No.124082

Mumbai, 30 May 2016

**Shrikant C. Rikhe**

Company Secretary

**Vijay R. Gutte**

Chief Financial Officer

and Whole-time Director

**Ratnakar M. Gutte**

Chairman

**Sunil R. Gutte**

Managing Director

## Consolidated Statement of Profit and Loss for the year ended 31st March 2016

₹ Lacs

Particulars	Note	Year ended 31 March, 2016	Year ended 31 March, 2015
<b>REVENUE</b>			
Revenue from Operations	24	202,129.55	183,650.73
Other Income	25	1,416.25	1,773.94
<b>Total Revenue</b>		<b>203,545.80</b>	<b>185,424.67</b>
<b>EXPENSES</b>			
Material Consumption and Project Supplies	26	112,703.00	94,149.59
Changes in Inventories of Work in Progress	27	(450.14)	(141.09)
Contract and Site Expenses	28	57,357.50	60,562.61
Employee Benefits Expense	29	7,068.50	7,572.52
Finance Costs	30	9,835.27	8,939.86
Depreciation and Amortisation Expense	31	3,675.83	3,081.12
Other Expenses	32	4,857.40	4,307.24
<b>Total Expenses</b>		<b>195,047.36</b>	<b>178,471.85</b>
<b>Profit Before Tax</b>		<b>8,498.44</b>	<b>6,952.82</b>
Tax Expenses			
-Current Tax			
Expenses for Current Year		2,952.79	2,475.19
Expenses Relates to Prior Years		-	44.94
-Deferred Tax		(38.92)	(147.82)
<b>Profit for the year from Continuing Operations</b>		<b>5,584.57</b>	<b>4,580.51</b>
Add : Share in profit of Associate Company		-	804.66
Less: Minority Interest		244.34	55.96
<b>Profit for the year</b>		<b>5,340.23</b>	<b>5,329.22</b>
<b>There are no Exceptional, Extraordinary Items and Discontinuing operations.</b>			
Earnings per share (Face Value ₹ 10/-)	33		
Basic (₹)		32.05	36.24
Diluted (₹)		32.05	35.85
Significant Accounting Policies	2		

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

As per our report of even date attached

For V. Sankar Aiyar & Co.

Chartered Accountants

Firm Regn No 109208W

For and on behalf of Board of Directors

Arvind Mohan

Partner

Membership No.124082

Mumbai, 30 May 2016

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer

and Whole-time Director

Ratnakar M. Gutte

Chairman

Sunil R. Gutte

Managing Director

**Statement of Cash Flow** for the year ended 31st March 2016 (Consolidated)

₹ Lacs

Particulars	31 March, 2016	31 March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>8,498.44</b>	<b>6,952.83</b>
<i>Adjustment for :</i>		
Depreciation and Amortisation Expense	3,675.83	3,081.12
Exchange Differences	1.13	(21.50)
Bad Debts/ Advances Written off	-	0.81
Loss on Sale of Non-Current Investments	-	(2.56)
Wealth Tax (Included in Other Expenses)	-	2.70
Loss of Inventory by Fire	0.14	0.07
Loss from Partnership Business	(142.73)	(85.22)
Loss (Profit) on Sale of Fixed Assets	(47.05)	(26.95)
Profit on Sale of Fixed Asset	-	(40.56)
Interest Expenses (Considered in Financing Activities)	9,414.84	8,664.14
Interest Incomes (Considered in Investing Activities)	(760.81)	(692.70)
Interest Income from Partnership Firm (Considered in Investing Activities)	(27.72)	(27.72)
<b>Operating Profit before Working Capital Changes :</b>	<b>20,612.07</b>	<b>17,804.46</b>
Decrease (Increase) in Inventories	(3,632.85)	(3,895.75)
Decrease (Increase) in Trade Receivables	(7,343.84)	8,429.48
Decrease (Increase) in Other Current Assets	(328.83)	834.06
Decrease (Increase) in Long Term Loans and Advances	(4,256.91)	527.41
Decrease (Increase) in Short Term Loans and Advances	3,757.05	(4,194.69)
Increase (Decrease) in Long Term Provisions	(87.68)	24.61
Increase (Decrease) in Short Term Provisions	(264.69)	84.43
Increase (Decrease) in Trade Payables	(365.54)	(5,638.96)
Increase (Decrease) in Other Non Current Liabilities	(752.77)	2,396.09
Increase (Decrease) in Other Current Liabilities	4,298.54	(390.58)
<b>Cash Generated from Operations</b>	<b>11,634.52</b>	<b>15,980.56</b>
Net Income Tax Paid	(2,263.39)	(1,962.18)
<b>Net Cash Flow from (used in) Operating Activities (A)</b>	<b>9,371.13</b>	<b>14,018.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed assets including Capital Advances	(5,557.20)	(5,644.19)
Decrease (Increase) in Incidental Expenditure Pending Allocation	(617.54)	(3,639.25)
Proceeds from sale of Fixed Assets	176.17	268.31
Investments in Associates	3,848.30	495.42
Investments in Mutual Funds	-	25.00
Share Application Money Given	209.01	24.72
Bank Balances not considered as Cash and Cash Equivalent	(1,560.92)	548.06
Interest Received	628.32	704.63
<b>Net Cash Flow from (Used in) Investing Activities (B)</b>	<b>(2,873.86)</b>	<b>(7,217.30)</b>

## Statement of Cash Flow (contd.) for the year ended 31st March 2016 (Standalone)

₹ Lacs

Particulars	31 March, 2016	31 March, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	4,090.26	8,478.23
Repayment of Long Term Borrowings	(3,006.48)	(4,111.73)
Proceeds (Repayment) of Short Term Borrowings	4,976.42	(1,671.49)
Proceeds from Issue of Equity Shares	(3,725.55)	(0.90)
Share Application Money Received	(209.01)	(157.95)
Money received against Share Warrants	519.38	1,519.70
Proceeds from Other Long Term Liabilities	(215.89)	-494.77
Dividend Paid	(361.82)	(184.36)
Interest Paid	(9,413.90)	(8,673.76)
<b>Net Cash Flow from (Used in) Financing Activities (C)</b>	<b>(7,346.59)</b>	<b>(5,297.03)</b>
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	(849.26)	1,504.05
Cash and Cash Equivalents as at the Beginning of the Year	2,829.43	1,325.38
<b>Cash and Cash Equivalents as at the End of the Year</b>	<b>1,980.17</b>	<b>2,829.43</b>
<b>Components of Cash and Cash Equivalents</b>		
Balances with Banks - in Current Accounts	1,878.15	2,623.34
Deposits with original maturity of upto three months	-	30.00
Cash on Hand	102.02	176.09
<b>Total Cash and Cash Equivalents</b>	<b>1,980.17</b>	<b>2,829.43</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 V. Sankar Aiyar & Co.**

*Chartered Accountants*

Firm Regn No 109208W

**For and on behalf of Board of Directors**

**Arvind Mohan**

*Partner*

Membership No.124082

Mumbai, 30 May 2016

**Shrikant C. Rikhe**

*Company Secretary*

**Vijay R. Gutte**

*Chief Financial Officer*

*and Whole-time Director*

**Ratnakar M. Gutte**

*Chairman*

**Sunil R. Gutte**

*Managing Director*

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 1 CORPORATE 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 (as amended by the Companies Act, 2013). Its shares are listed on two stock exchanges in India. The Parent Company is engaged in the business of Engineering, Procurement, Construction-(EPC), Fabrication, Erection, Overhauling, Maintenance, Trading and other related activities.

### 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 2015.

2.1.2 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 under the relevant provisions of the Companies Act, 2013. 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 assumptions 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 31st March 2016

### 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 costs 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 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 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.

#### Incidental Expenditure during Construction period in case of subsidiaries:

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

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

### 2.9 Depreciation and Amortisation:

Depreciation is provided on written down value method based on life of assets prescribed in Schedule II of Companies Act, 2013.

Premium on the leasehold land is amortised over the period of lease.

Computer Software is amortised equally over a period of five years, from the date of purchase.

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.

### 2.10 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 31st March 2016

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.

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

### 2.11 Foreign Currency Transactions:

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 contracts are recognised as expenses or income over the life of the 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 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 carried individually at cost., less provision for diminution, other than temporary, in the value of such investments. Cost of investments includes expenses directly incurred on acquisition of investments.

Current investments are carried individually at lower of cost and fair 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 31st March 2016

### 2.15 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.

### 2.16 Segment Reporting:

The Company is engaged in the business of Engineering, Procurement, Construction-(EPC), Fabrication, Erection, Overhauling and Maintenance, Trading and Other related activities . 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 is 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 31st March 2016

### 3. SHARE CAPITAL

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
<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>		
1,73,25,160 (Pr.Yr. 1,52,75,160) Equity shares of ₹ 10/- each fully paid up	1,732.52	1,527.52
	<b>1,732.52</b>	<b>1,527.52</b>

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

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	No. of Shares	₹ Lacs	No. of Shares	₹ Lacs
Equity shares at the beginning of the year	15,275,160	1,527.52	13,625,160	1,362.52
Add: Allotment during the year against warrants	2,050,000	205.00	1,650,000	165.00
<b>Equity shares outstanding at the end of the year</b>	<b>17,325,160</b>	<b>1,732.52</b>	<b>15,275,160</b>	<b>1,527.52</b>

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

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

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, 2016		As at 31 March, 2015	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Ratnakar Manikrao Gutte	2,202,500	12.71%	2,202,500	14.42%
Mrs. Sudhamati Ratnakar Gutte	1,968,750	11.36%	1,968,750	12.89%
Mr. Sunil Ratnakar Gutte	1,678,740	9.69%	1,678,740	10.99%
Fatehpuria Business Associates Private Limited	1,600,000	9.24%	-	-
Gutte Infra Private Limited	1,500,000	8.66%	1,500,000	9.82%
VRG Digital Corporation Pvt Ltd	1,500,000	8.66%	1,508,188	9.87%

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.

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 4. RESERVES AND SURPLUS

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
<b>Capital Reserve</b>	863.26	863.26
<b>Securities Premium Account</b>		
Balance as per the last Financial Statements	14,201.81	13,162.31
Add: Premium on account of Issue of shares against conversion of Warrants	930.70	1,039.50
	15,132.51	14,201.81
<b>Revaluation Reserve</b>		
Balance as per the last Financial Statements	55.00	55.83
Less: Amount transferred to the Statement of Profit and Loss as reduction from depreciation	0.79	0.83
	54.21	55.00
<b>General Reserve</b>		
Balance as per the last Financial Statements	2,056.43	1,779.71
Add: Transferred from Statement of Profit and Loss	-	276.72
	2,056.43	2,056.43
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last Financial Statements	21,797.26	17,125.92
Less: Additional Depreciation, net of deferred tax as per Companies Act, 2013	-	28.07
Add: Profit for the year	5,340.23	5,329.22
Less: Appropriations		
Warrant Conversion to Shares related dividend	-	23.16
Proposed dividend on equity shares	259.88	274.96
Tax on proposed equity dividend	52.91	54.97
Transfer to General Reserve	-	276.72
<b>Total appropriations</b>	<b>312.79</b>	<b>629.81</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>26,824.71</b>	<b>21,797.26</b>
	<b>44,934.47</b>	<b>38,973.78</b>

### 5. MONEY RECEIVED AGAINST SHARE WARRANTS

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Money Received against Share Warrants		
From Related Parties	-	616.33
	-	<b>616.33</b>

5.1 During the Financial Year 2015-16, Warrants aggregating to 18,50,000 which were allotted to Non-Promoters are converted into Equity shares of Rs.10/- each on 11th August, 2015. Similarly Warrants aggregating to 2,00,000 which were allotted to person acting in concert with the promoters are converted into Equity shares of Rs.10/- each on 16th February, 2016.

The equity shares so allotted rank pari passu in all respects with the existing Equity shares of the Company.

5.2 Company is in the process of obtaining in-principal approval from stock exchanges where the equity shares of the company are listed for the allotment of 53,00,000 warrants to the companies under promoters group at a price of Rs. 55.40 per warrant which entitles the allottee to subscribe 53,00,000 shares of Rs.10/- each.

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 6. LONG TERM BORROWINGS

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
<b>Rupee Term Loans (Secured)</b>		
From Banks	888.16	1,657.39
From Financial Institutions	6,459.04	5,645.14
Loans from related parties	1,311.71	1,409.58
Loans from Others	500.00	-
Bonds/ Debentures (Secured)		
(1,200 Secured Optionally Fully Convertible Debentures of ₹ 1.00 Lac each)	1,200.00	1,200.00
	<b>10,358.91</b>	<b>9,912.12</b>

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

- ₹ 439.85 Lacs (Pr.Yr. ₹ 537.07 Lacs) are secured by first mortgage/ pari-passu charge on the respective buildings situated at Pune and Nagpur.
- ₹ 491.29 Lacs (Pr.Yr. ₹ 794.80 Lacs) are secured by first hypothecation/ pari-passu charge on the respective plant and machineries including Hydra's at various sites.
- ₹ 92.22 Lacs (Pr.Yr. ₹ 57.99 Lacs) are secured by first hypothecation/ pari-passu charge on the respective Vehicles at various sites.

#### 6.2 Term loan from Financial Institutions referred above to the extent of:

- ₹ 1,434.71 Lacs (Pr.Yr. ₹ 1,197.32) are secured by first mortgage/ pari-passu charge on the respective buildings situated at Nagpur and Mumbai.
- ₹ 2,271.61 Lacs (Pr.Yr. ₹ 2,065.33 Lacs) are secured by first hypothecation/ pari-passu charge on the respective plant and machineries including Hydra's situated at various sites.
- ₹ Nil (Pr.Yr. ₹ 2.19 Lacs) are secured by first hypothecation/pari-passu charge on the respective Vehicles at various sites.
- ₹ Nil (Pr.Yr. ₹ 1.61 Lacs) are secured by first and exclusive hypothecation on the respective non consumable materials.
- ₹ 2,650.00 Lacs (Pr.Yr. ₹ 1,400.00 Lacs) are secured against retention money receivable from Parli Project.

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 shares 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 2016-17 to 2022-23
- The debentures are optionally redeemable by the subscribers on or before 31 March 2020. In the event of the subscribers not exercising 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.

Sr. No.	Particulars	Range of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
		Rate *	2017-2018	2018-2019	2019-2020	2020-2021 onwards
1	Property loan	11.70%-13.00%	146.12 (232.28)	158.41 (148.55)	178.85 (162.38)	1,164.65 (988.95)
2	Vehicle	9.30%-13.23%	27.26 (16.11)	13.55 (9.39)	13.19 (1.31)	6.48 -
3	Machinery	7.64%-14.85%	1,133.51 (967.84)	59.67 (425.91)	-	-
4	Project Funding	12.75%	1,150.00 (1,050.00)	-	-	-
	<b>Total</b>		<b>2,456.89</b> <b>(2,266.23)</b>	<b>231.63</b> <b>(933.85)</b>	<b>192.04</b> <b>(171.49)</b>	<b>1,171.12</b> <b>(988.95)</b>

\* Above interest rates are Floating rates

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 7. DEFERRED TAX LIABILITIES

₹ in Lacs

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
(Net Deferred Tax Liability in respect of Subsidiary Company)		
Deferred Tax Liability		
Depreciation	95.05	94.76
Disallowances under Income Tax Act to be allowed in future years	24.08	24.09
	A	119.13
Deferred Tax Asset		
Expenditure Disallowed under Income Tax Act	B	13.58
	A-B	105.55
		105.26

### 8. OTHER LONG TERM LIABILITIES

₹ in Lacs

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Security Deposit & Retention Money from Sub-Contractors	5,932.72	5,669.71
Advance from Customers	5,008.01	6,019.67
Other Payables **	124.68	346.55
	11,065.41	12,035.93

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

### 9. LONG TERM PROVISIONS

₹ in Lacs

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Provision for Employee Benefits (Refer Note 39)		
Provision for Gratuity (Net)	66.48	46.29
Provision for Compensated Absences	127.57	229.65
	194.05	275.94

### 10. SHORT TERM BORROWINGS

₹ in Lacs

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Working Capital Rupee loans from Banks repayable on demand (Secured)	42,421.70	37,456.29
	42,421.70	37,456.29

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.

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 11. TRADE PAYABLES

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
<b>Trade Payables</b>		
Payable to Micro Enterprises and Small Enterprises	121.39	57.51
Others (Refer Note 45 for Micro, Small and Medium Enterprises disclosure)	47,692.25	43,775.40
	<b>47,813.64</b>	<b>43,832.91</b>

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under;

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Principal amount due and remaining unpaid	121.39	57.51
Interest due on above and the unpaid interest	4.38	8.00
Interests paid	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

### 12. OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Current Maturities of Long-Term Debt	3,579.06	1,937.48
Interest Accrued but Not Due	131.90	130.95
Unpaid Dividends (To be credited to Investor Education and Protection Fund when due)	4.73	5.48
Other Advance Received	265.95	435.02
Security Deposit & Retention Money from Sub-Contractors	2,957.60	1,469.33
Advance from Other Related Party	2,496.20	1,282.00
Advance from Customers	7,088.52	3,845.01
Due to Customers (Project related activity)	275.15	55.06
Due to Employees	1,004.42	1,574.70
Income Tax Provisions (Net of Payments)	1,088.97	524.80
Sweat Money Payable to MSMC	1,841.00	1,841.00
Other Payables **	3,599.83	3,826.90
	<b>24,333.33</b>	<b>16,927.73</b>

\*\* Includes statutory dues and other expenses.

### 13. SHORT TERM PROVISIONS

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Provision for Employee Benefits (Refer Note 39)		
Provision for Compensated Absences	79.18	99.33
Provision for Gratuity (Net)	41.16	32.67
Proposed Dividend	259.88	274.96
Tax on Dividend	52.90	86.13
Provision for Wealth Tax	-	2.82
	<b>433.12</b>	<b>495.91</b>



## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 14. FIXED ASSETS

#### 14.1 Current Year

Particulars	Gross Block				Depreciation/ Amortisation				Net Block	
	As At 01.04.2015	Additions	Deduction/ Adjustment	As At 31.03.2016	As At 01.04.2015	Additions	Deduction/ Adjustment	As At 31.03.2016	As At 31.03.2016	As At 31.03.2016
	₹ in Lacs									
<b>A TANGIBLE ASSETS :</b>										
Freehold Land	155.62	243.69	-	399.31	-	-	-	-	399.31	-
Leasehold Land	246.45	-	-	246.46	10.78	2.57	-	13.36	233.10	-
Buildings	4,923.93	663.46	52.79	5,534.60	1,399.63	360.03	10.91	1,657.83	3,876.77	-
Plant and Equipments	24,768.15	4,446.52	140.07	29,074.59	13,717.82	2,633.95	125.46	16,226.30	12,848.29	-
Computer and Printer	587.60	35.01	-	622.60	522.01	31.16	(0.11)	553.30	69.30	-
Furniture and Fixtures	842.60	73.35	-	915.95	526.30	98.16	-	624.46	291.50	-
Office Equipment	623.53	63.91	-	687.44	436.49	76.11	-	512.60	174.84	-
Vehicles	1,279.84	178.12	57.55	1,400.41	976.56	121.82	49.76	1,048.66	351.75	-
Temporary Office Construction	1,332.83	246.06	-	1,578.89	1,160.27	192.24	-	1,352.50	226.40	-
<b>Total Tangible Assets</b>	<b>34,760.55</b>	<b>5,950.12</b>	<b>250.40</b>	<b>40,460.25</b>	<b>18,749.85</b>	<b>3,516.06</b>	<b>186.00</b>	<b>21,989.00</b>	<b>18,471.27</b>	-
<b>B INTANGIBLE ASSETS:</b>										
Computer Softwares	794.62	8.66	-	803.28	562.71	134.18	-	696.89	106.39	-
<b>Total Intangible Assets</b>	<b>794.62</b>	<b>8.66</b>	<b>-</b>	<b>803.28</b>	<b>562.71</b>	<b>134.18</b>	<b>-</b>	<b>696.89</b>	<b>106.39</b>	<b>-</b>
<b>C Capital Work-in-Progress</b>										
Incidental expenses pending allocation (Refer Note 14.3)										
<b>Total Fixed Assets (A)+(B)+(C)+(D)</b>	<b>35,555.17</b>	<b>5,958.78</b>	<b>250.40</b>	<b>41,263.54</b>	<b>19,342.56</b>	<b>3,650.24</b>	<b>186.00</b>	<b>28,685.89</b>	<b>28,034.11</b>	<b>-</b>

#### 14.2 Previous Year

Particulars	Gross Block				Depreciation/ Amortisation				Net Block	
	As At 01.04.2014	Additions	Deduction/ Adjustment	As At 31.03.2015	As At 01.04.2014	Additions	Deduction/ Adjustment	As At 31.03.2015	As At 31.03.2015	As At 31.03.2015
	₹ in Lacs									
<b>A TANGIBLE ASSETS :</b>										
Freehold Land	155.62	-	-	155.62	-	-	-	-	155.62	-
Leasehold Land	289.13	10.14	52.82	246.46	11.59	2.57	3.38	10.79	235.67	-
Buildings	4,557.23	366.69	-	4,923.92	1,158.65	379.72	(0.84)	1,399.63	3,524.30	-
Plant and Equipments	20,873.29	4,155.00	260.15	24,768.14	11,923.80	1,977.24	183.21	13,717.82	11,050.33	-
Computer and Printer	624.24	28.02	64.29	587.96	420.72	122.65	21.25	522.13	65.78	-
Furniture and Fixtures	812.80	29.80	-	842.60	394.15	131.80	(31.35)	557.30	285.31	-
Office Equipment	573.67	41.75	(8.11)	623.53	238.73	168.99	2.24	405.49	218.04	-
Vehicles	1,346.73	54.12	114.77	1,286.07	910.37	165.61	98.46	977.55	308.52	-
Temporary Office Construction	1,278.88	119.07	65.11	1,332.83	1,086.89	132.68	59.30	1,160.27	172.57	-
<b>Total Tangible Assets</b>	<b>30,511.59</b>	<b>4,804.59</b>	<b>549.02</b>	<b>34,767.15</b>	<b>16,144.89</b>	<b>3,081.28</b>	<b>335.65</b>	<b>18,750.96</b>	<b>16,015.64</b>	<b>-</b>
<b>B INTANGIBLE ASSETS:</b>										
Computer Softwares	788.46	55.76	49.60	794.62	437.30	141.64	16.23	562.71	231.90	-
<b>Total Intangible Assets</b>	<b>788.46</b>	<b>55.76</b>	<b>49.60</b>	<b>794.62</b>	<b>437.30</b>	<b>141.64</b>	<b>16.23</b>	<b>562.71</b>	<b>231.90</b>	<b>-</b>
<b>C Capital Work-in-Progress</b>										
Incidental expenses pending allocation (Refer Note 14.3)										
<b>Total Fixed Assets (A)+(B)+(C)+(D)</b>	<b>31,300.05</b>	<b>4,860.35</b>	<b>598.62</b>	<b>35,561.77</b>	<b>16,582.19</b>	<b>3,222.92</b>	<b>351.87</b>	<b>19,313.67</b>	<b>26,000.33</b>	<b>-</b>

#### Note for 14.1 & 14.2

- a) Charge against certain movable fixed assets like crawler and other cranes (included in Plant and Equipments) 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 Limited to Tata Capital Limited.
- b) Charge against certain immovable properties situated at MIDC Butibori Industrial Area (included in Building), Ramtek (included in Freehold Land) have been created in favour of Oriental Bank of Commerce in respect of Corporate Guarantee given by Sunil Hitech Engineers Limited on behalf of one of its Subsidiary Company SEAM Industries Limited.
- c) Deductions and adjustments includes NIL (₹ 47.08 Lacs) transferred to Retained Earnings as per Schedule II of the Companies Act 2013.

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 14. FIXED ASSETS

#### 14.3 INCIDENTAL EXPENSES PENDING ALLOCATION

₹ in Lacs

Particulars	As at 31 March, 2016	As at 31 March, 2015
Incidental Expenses of Previous years	-	1,056.30
Miscellaneous Expenses	-	0.76
	-	1,057.06

### 15. NON -CURRENT INVESTMENTS (Long Term Investment)

₹ in Lacs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>A Trade Investments - Unquoted</b>		
<b>In Associate Company</b>		
<b>Kolhapur Green Energy Private Limited</b>		
4900 (Pr.Yr. 4900) Equity Shares of ₹ 10/- each	39.17	39.17
<b>Investment in Joint Venture</b>		
Contribution in the Joint Venture SHEL - Assignia JV	2.00	-
<b>Investment in Partnership Firm*</b>		
45% share in the partnership firm V. K. Realtors (includes accumulated share of loss ₹ 0.14 Lacs (Pr.Yr ₹ 0.07 Lacs) and interest on capital ₹ 27.72 Lacs (Pr.Yr. ₹ 27.72 Lacs))	340.00	312.42
<b>B Other Investments - Unquoted</b>		
<b>In Associate Company **</b>		
<b>Gangakhed Sugar &amp; Energy Limited</b>		
1,95,40,000 (Pr.Yr. 1,95,40,000) Equity Shares of ₹ 10/- each fully paid up (Pledged with banks against term loans to Gangakhed Sugar and Energy Limited and can not be sold/ transferred till the loans are outstanding)	3,997.95	3,997.95
<b>In Other Companies</b>		
Sudama Mahavir Power Private Limited NIL (Pr.Yr. 100) Equity Shares of ₹ 10/- each fully paid up	-	0.01
<b>Other Investments - Quoted</b>		
<b>Investments in Mutual Fund</b>		
<b>Canara Roebeco Protection Oriented Fund</b>		
1,99,990 (Pr.Yr. 1,99,990) units of ₹ 10/- each (Under Lien) [Aggregate Market value of quoted investments ₹ 22.30 lacs (Pr.Yr. ₹ 21.90 lacs)]	20.00	20.00
<b>Union KBC Capital Protection Oriented Fund - Growth Series 3 Regular Plan</b>		
7,50,000 (Pr.Yr. 7,50,000) units of ₹ 10/- each (Under Lien) [Aggregate Market value of quoted investments ₹ 89.64 lacs (Pr.Yr. ₹91.59 lacs)]	75.00	75.00
	<b>4,474.12</b>	<b>4,444.55</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 15. NON -CURRENT INVESTMENTS (contd...)

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
<b>* Details of Investments in partnership firm</b>		
Investment in V.K. Realtors		
Name of the partner and share in profits (%)		
Sunil Hitech Engineers Limited	45%	45%
Mr. Kunal N. Kuwadekar	30%	30%
Mrs. Meenakshi K. Kuwadekar	15%	15%
Mr. Tarun Surender Ahuja	10%	10%
<b>Total Fixed Capital of the firm (₹ in Lacs)</b>	<b>283.00</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	2,031.95	1,227.29
Add Share of Current Profits	-	804.66
	<b>3,997.95</b>	<b>3,997.95</b>

### 16. DEFERRED TAX ASSETS

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
<b>(Net Deferred Tax Asset in respect of Parent Company)</b>		
Depreciation	564.43	436.45
Expenditure allowable on payment basis under IT Act	379.69	476.97
	<b>944.12</b>	<b>913.42</b>

### 17. LONG TERM LOANS AND ADVANCES (UNSECURED)

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Capital Advances (Considered Good)	99.54	753.27
Deposits (Considered Good)	1,921.16	1,835.42
Loan and Advances to Related Parties (Considered Good)	165.85	165.85
Balances with Statutory/ Government Authorities	999.23	-
Prepaid Expenses	142.15	124.94
	<b>3,327.93</b>	<b>2,879.48</b>

### 18. OTHER NON CURRENT ASSETS

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Interest Accrued on Fixed Deposits	34.08	106.51
Fixed Deposits with Banks (Under Lien)	501.73	2,165.77
Long Term Trade Receivables - Considered Good	2,318.26	2,137.71
	<b>2,854.07</b>	<b>4,409.99</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 19. INVENTORIES

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
(As certified by the Management)		
Raw Material and Components	19,648.63	16,679.22
Raw Material and Components (Goods in Transit)	51.73	-
Work in Progress	2,151.41	1,740.80
Finished Goods	339.10	299.57
Stores, Spare Parts	797.97	762.10
Loose Tools	2,419.80	2,050.91
Land	-	243.69
	<b>25,408.64</b>	<b>21,776.29</b>

### 20. TRADE RECEIVABLES (UNSECURED)

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Over Six Months from the date it become due for payment		
Considered Good	3,962.40	3,642.22
Considered Doubtful	589.82	733.98
	4,552.22	4,376.20
Others- Considered Good	49,064.44	37,270.97
Debt Due from Companies in Which Director is Director/ Member	1,522.14	2,102.20
	55,138.80	43,749.37
Less : Provision for doubtful debts	589.82	733.98
	<b>54,548.98</b>	<b>43,015.39</b>

### 21. CASH AND BANK BALANCES

Particulars	₹ in Lacs	
	As at 31 March, 2016	As at 31 March, 2015
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	1,878.15	2,623.34
Deposits with original maturity of upto three months	-	30.00
Cash on Hand	102.02	176.09
	<b>1,980.17</b>	<b>2,829.43</b>
Other Bank Balances		
Earmarked Balances with Banks		
- Unpaid Dividend	4.74	5.48
- Government Grants	1.65	21.88
Fixed Deposits with original maturity for more than 3 months and upto 12 months (Under Lien)	1,521.47	5,050.27
Fixed Deposits with original maturity for more than 12 months (Under Lien)	8,907.14	2,139.13
	<b>10,435.00</b>	<b>7,216.76</b>
	<b>12,415.17</b>	<b>10,046.19</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 22. SHORT TERM LOANS AND ADVANCES (UNSECURED)

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Deposits		
Considered Good	1,573.16	1,462.75
Considered Doubtful	7.27	6.27
	1,580.43	1,469.02
Less: Provision for Doubtful Deposits	7.27	6.27
	1,573.16	1,462.75
Advances to Creditors		
Considered Good	5,040.42	10,317.53
Considered Doubtful	6.56	6.56
	5,046.98	10,324.09
Less: Provision for Doubtful Advances	6.56	6.56
	5,040.42	10,317.53
Loan and Advances to Related Parties (Considered Good)	2,552.89	-
Loan to Others	5,221.75	1,792.50
Share Application Money to Related Parties	150.32	132.32
Income Tax Paid (Net of Provision)	40.54	40.54
Balances with Statutory/ Government Authorities	1,776.68	1,315.60
Income Tax (Net of Provisions)	15.55	7.79
Service Tax Receivable	23.26	29.27
VAT Receivable	2,471.22	2,487.07
Prepaid Expenses	582.44	595.27
Advances Recoverable in Cash or in Kind	1,053.96	756.47
	<b>20,502.19</b>	<b>18,937.11</b>

### 23. OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at	As at
	31 March, 2016	31 March, 2015
Interest Accrued on Fixed Deposits	444.43	280.06
Due from Customers (Project related activity)	31,132.25	30,774.17
Assets Held for Sale	-	65.80
Other Receivables	1,057.14	-
	<b>32,633.82</b>	<b>31,120.03</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 24. REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Revenue from Projects and Maintenance	172,999.98	167,077.70
Project Supply	29,163.73	16,345.30
Revenue from Contracts, Projects & Maintenance	<b>202,163.71</b>	<b>183,423.00</b>
<b>Other Operating Revenues</b>		
Income from Crane Leasing	96.36	62.79
Sale of Scrap	31.45	8.66
Metal (Boulder) and Other Sale	5.14	83.40
Job Work Receipt	4.35	284.36
	<b>137.30</b>	<b>439.21</b>
	<b>202,301.01</b>	<b>183,862.21</b>
Less: Excise Duty	171.46	211.48
	<b>202,129.55</b>	<b>183,650.73</b>

### 25. OTHER INCOME

₹ in Lacs

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Interest Income		
Bank Deposits	844.39	752.36
Capital in Partnership Business	27.72	27.72
Others	43.00	433.88
Grant received from NIRD (SGSY Scheme)	87.29	137.58
Rent Income	206.00	127.25
Profit on Sale of Non Current Investments - Non Trade	0.03	96.30
Profit on Sale/ Discard of Fixed Assets (Net)	54.42	78.27
Exchange Rate Difference	-	21.50
Amount Written Back (Net)	142.73	85.22
Miscellaneous Income	10.67	13.86
	<b>1,416.25</b>	<b>1,773.94</b>

### 26. MATERIAL CONSUMPTION AND PROJECT SUPPLIES

₹ in Lacs

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Material Consumption for Projects	83,539.27	77,804.29
Project Supply	29,163.73	16,345.30
	<b>112,703.00</b>	<b>94,149.59</b>

### 27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS

₹ in Lacs

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
<b>Inventories at the beginning of the year</b>		
Finished Goods	299.57	226.68
Work-in Progress	1,740.80	1,672.60
	<b>2,040.37</b>	<b>1,899.28</b>
<b>Inventories at the end of the year</b>		
Finished Goods	339.10	299.57
Work-in Progress	2,151.41	1,740.80
	<b>2,490.51</b>	<b>2,040.37</b>
<b>Net (Increase)/Decrease Inventories of Work in Progress</b>	<b>(450.14)</b>	<b>(141.09)</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 28. CONTRACT AND SITE EXPENSES

₹ in Lacs

Particulars	Year ended	Year ended
	31 March, 2016	31 March, 2015
Civil Construction and Fabrication	52,614.60	55,357.84
Lease and Hire Charges	1,822.75	1,681.70
Transportation Expenses	465.02	501.68
Job Work Charges	433.29	357.84
Stores and Spares	163.48	297.93
Other Site Expenses	1,858.36	2,365.62
	<b>57,357.50</b>	<b>60,562.61</b>

### 29. EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	Year ended	Year ended
	31 March, 2016	31 March, 2015
Salary, Wages and Allowances	6,095.98	6,648.72
Contribution to Provident, Superannuation and Other Funds	411.82	468.90
Staff and Labour Welfare Expenses	560.70	454.90
	<b>7,068.50</b>	<b>7,572.52</b>

### 30. FINANCE COSTS

₹ in Lacs

Particulars	Year ended	Year ended
	31 March, 2016	31 March, 2015
Interest Paid to Bank	6,396.47	5,706.46
Interest Paid to Others	121.34	194.73
Other Borrowing Cost	2,586.06	2,614.72
Interest Paid to Customers	731.40	392.38
Foreign Currency Transaction and Translation Loss (Net)	-	31.57
	<b>9,835.27</b>	<b>8,939.86</b>

### 31. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Lacs

Particulars	Year ended	Year ended
	31 March, 2016	31 March, 2015
Depreciation and Amortisation (Refer Note 14)	3,676.61	3,081.95
Less: Recoupment from Revaluation Reserve	0.78	0.83
	<b>3,675.83</b>	<b>3,081.12</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 32. OTHER EXPENSES

₹ in Lacs

Particulars	Year ended 31 March, 2016	Year ended 31 March, 2015
Power and Fuel	348.33	278.94
Rent	832.96	915.53
Repairs to Machinery	132.70	153.29
Repairs to Building	98.99	89.97
Repairs - Others	250.06	254.71
VAT, Entry Tax, Service Tax and Excise Duty	666.29	552.26
Insurance	201.99	188.84
Rates and Taxes	93.58	96.49
Legal and Professional Fees	658.07	354.99
Travelling and Conveyance	798.87	762.61
Communication	129.53	143.32
Printing and Stationery	68.56	70.14
Exchange Rate Difference (Net)	1.13	-
Bad debts/Advances Written Off	-	0.81
Loss from Partnership Business	0.14	0.07
Loss on Sale/ Discard of Fixed Assets (Net)	7.37	10.77
Remuneration to Auditors		
Statutory Audit Fees	24.09	24.12
Certification & Other Matters	4.14	4.03
CSR Expenses	100.26	105.69
Miscellaneous Expenses	440.34	300.65
	<b>4,857.40</b>	<b>4,307.24</b>

### 33. EARNINGS PER SHARE (EPS)

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

Particulars		31 March, 2016	31 March, 2015
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity Shareholders considered for Basic EPS (₹ in Lacs)	(A)	5,340.23	5,329.22
Add: Dilutive effect on profit (₹ in Lacs)	(B)	Nil	Nil
Profit attributable to Equity Shareholders for computing Diluted EPS (₹ in Lacs)	(C=A+B)	5,340.23	5,329.22
Weighted average number of Equity Shares outstanding considered for Basic EPS	(D)	16,664,612	14,710,092
Add: Dilutive effect of Options outstanding - Number of equity shares	(E)	-	158,145
Weighted average number of Equity Shares considered for computing Diluted EPS	(F=D+E)	16,664,612	14,868,237
Nominal Value of Equity Shares (₹)		10.00	10.00
Basic Earnings Per Share (₹)		32.05	36.24
Diluted Earnings Per Share (₹)		32.05	35.85

There are no exceptional items, extraordinary items and discontinuing operations.



## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 34. BASIS OF PREPARATION

Details of Subsidiaries, Associates and Joint Ventures of the Group are as under :

#### 34.1 Name of the Subsidiary Companies

₹ in Lacs

Name of the Subsidiary Companies	Country of incorporation	Proportion of ownership interest and voting power as on	
		31 March, 2016	31 March, 2015
SEAM Industries Limited	India	88.61%	88.61%
Sunilhitech India Infra Private Limited	India	78.01%	97.51%
Sunil Hitech Energy Private Limited* (Including 37.95 % of shares are held by SHEL Investment Consultancy Private Limited)	India	51.00%	51.00%
SHEL Investment Consultancy Private Limited	India	99.99%	99.99%
Sunilhitech Solar (Dhule) Private Limited (Including 1 share held with Nominee)	India	100.00%	100.00%
Patna Green Energy Private Limited	India	90.00%	90.00%

34.1.1 Accounts of the aforesaid Subsidiary Companies are for the period from 01 April 2015 to 31 March 2016 and are incorporated in the CFS. Financial Statements and other informations of aforesaid Subsidiaries have been audited by other Auditors.

#### 34.2 Name of the Associate Companies

Name of the Associate Companies	Country of incorporation	Proportion of interest	31 March, 2016	31 March, 2015
Gangakhed Sugar & Energy Limited (Including 0.05 % of shares are held by SEAM Industries Limited)	India	Ownership & Voting	28.08%	28.08%

#### 34.3 Name of the Joint Ventures

₹ in Lacs

Name of the Joint Ventures	Country of incorporation	Proportion of ownership interest and voting power as on	
		31 March, 2016	31 March, 2015
<b>Jointly Controlled Entities (JCE)</b>			
PBSPL-SHEL-JV	India	49.00%	49.00%
MSMC Adkoli Natural Resources Limited	India	24.99%	24.99%
SHEL-ASSIGNIA-JV	India	51.00%	-

### 35. COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ 6.99 Lacs (Pr.Yr. ₹ 222.16 Lacs)
- Other Commitments - Non cancellable operating Leases (Refer Note 41)

### 36. CONTINGENT LIABILITIES

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
a) Service Tax demand disputed, contested in appeal	1,067.34	972.69
b) Sales Tax demand disputed, contested in appeal	-	39.84
c) Customs Duty disputed	138.17	138.17
d) Income Tax disputed, contested in appeal	420.92	291.17
e) Guarantee given to Banks and Financial Institutions on behalf of -		
ii) An Associate Company	9,439.37	2,401.88
- Loans outstanding at the year end	-	-
iii) Others	1,406.16	1,282.00
f) Claims against the Company not acknowledged as debts	147.90	111.76

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

37. Income Tax authorities had conducted search in the premises of Group Companies. Proceedings have not yet commenced and no demand has been raised on any of the Group Companies.

### 38. REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX)

Particulars	₹ in Lacs	
	31 March, 2016	31 March, 2015
Statutory Audit Fees	25.60	24.25
Tax Audit	3.75	4.00
For Certification and Other Matters	0.85	4.18

### 39. 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 covers 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, 2016	31 March, 2015
Provident Fund, Employees' Pension Scheme and Labour Welfare Fund	327.49	364.55
Employees' State Insurance	16.03	24.74
<b>TOTAL</b>	<b>343.52</b>	<b>389.29</b>

#### 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, which is non funded, has been provided based on the report of independent actuary using the "Projected Unit Credit Method" in respect of past services. Accordingly ₹ 206.74 Lacs (Pr.Yr. ₹ 328.98 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 contributions to the Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for employees. The scheme provides for payment to employees as under:

- i) On normal retirement/ early retirement/ withdrawal/ resignation:  
As per the provisions of The Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On the death in service:  
As per the provisions of The Payment of Gratuity Act, 1972 without any vesting period.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31 March 2016:

Particulars	₹ in Lacs	
	31 March, 2016	31 March, 2015
<b>i) Changes in Defined Benefit Obligation</b>		
Opening defined benefit obligation	349.15	293.09
Current service cost	87.76	83.29
Interest cost	23.89	25.33
Actuarial loss/ (gain)	(53.96)	(37.57)
Benefit (paid)	(75.13)	(14.99)
<b>Closing defined benefit obligation</b>	<b>331.70</b>	<b>349.15</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 39. EMPLOYEE BENEFITS (contd...)

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31 March 2016:

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
<b>ii) Changes in Fair Value of Assets</b>		
Opening fair value of plan assets	270.19	251.02
Expected return on plan assets	22.89	21.83
Actuarial gain/ (loss)	(22.89)	0.45
Contributions of employer	29.00	11.88
Benefits (paid)	(75.13)	(14.99)
<b>Closing fair value of plan assets</b>	<b>224.06</b>	<b>270.19</b>
<b>iii) Amount recognised in the Balance Sheet</b>		
Present value of the obligations as at year end (Funded + Non Funded)	331.70	349.15
Fair value of the plan assets as at year end	(224.06)	(270.19)
<b>Net (asset)/ liability recognised as at the year end</b>	<b>107.64</b>	<b>78.96</b>
<b>iv) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	90.15	86.98
Interest on defined benefit obligation	24.21	25.66
Expected return on plan assets	(22.89)	(21.83)
Net actuarial loss/ (gain) recognised in the current year	(32.09)	(41.52)
<b>Total expenses</b>	<b>59.37</b>	<b>49.29</b>
<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%	100%
Others	Nil	Nil
<b>vi) Principal actuarial assumptions used</b>		
Discount Rate (p.a.)	7.50%	7.77%
Expected Rate of Return on Plan Assets (p.a.)	8.75%	8.75%
Salary Escalation Rate (p.a.)	5.00%	5.00%

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.

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

₹ in Lacs

Particulars	31 March, 2016	31 March, 2015
Contract revenue recognised for the year	153,828.85	118,083.22
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	312,039.84	267,784.95
Amount of customer advances received and outstanding for contracts in progress	11,913.19	13,796.12
Retention amount due from customers for contracts in progress	13,064.58	16,020.56
Gross amount due from customers as at year end	31,132.18	30,774.18
Gross amount due to customers as at year end	275.15	55.06

### 41. 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 under leave and license arrangements and are renewable by mutual consent on mutually agreeable terms. The company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of ₹ 1,213.06 Lacs (Pr.Yr. ₹ 1,230.54 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, 2016	31 March, 2015
Not later than one year	1,407.63	1,516.10
Later than one year but not later than five years	868.00	1,565.39
Later than five years	485.10	598.68

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

**42** 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.

### 43 SEGMENT REPORTING

#### I. Business Segment

Business segments have been identified in line with Accounting Standard 17 - "Segment Reporting".

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

a) Projects b) Manufacturing c) Power d) Project Supply

**Project and related activities Segment:** This segment is engaged in the business of Fabrication, Erection and Commissioning of Boilers (Power Plants) ESP, Rotating Machineries, Sugar plants, Transmission and Distribution and EPC Contract and Balance of Plant (BOP).

**Manufacturing Segment:** Manufacturing & Supply of IBR and Non IBR Piping, Pressure Parts & Vessels and Technological Structures.

**Power Segment:** Generation and distribution of Solar Power in state of Maharashtra.

**Project Supply Segment:** Supply of Electrodes, Steel and other materials at different Project Sites.

During the year Segment Reporting has been reconstituted in line with the revised reporting norms of the Company. Consequently, segment figures for the previous year have been regrouped.

#### Information about business segments

₹ in Lacs

Particulars	- Project		- Manufacturing		- Power		- Project Supply		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Revenue</b>										
External Sales	156,776.23	150,320.96	15,700.22	16,591.31	352.07	-	29,163.73	16,345.30	201,992.25	183,257.57
Inter segmental	-	-	-	-	-	-	-	-	-	-
Total Revenue	156,776.23	150,320.96	15,700.22	16,591.31	352.07	-	29,163.73	16,345.30	201,992.25	183,257.57
<b>Segment Result</b>										
<b>Operating profit before interest and tax</b>	14,660.65	12,056.53	1,174.98	1,531.10	166.86	-	914.97	531.12	16,917.46	14,118.75
Interest Expense	8,517.29	7,807.89	824.64	935.08	168.71	-	324.63	196.89	9,835.27	8,939.86
Interest & Other Income	1,316.79	1,658.73	40.83	75.13	10.28	-	48.35	40.08	1,416.25	1,773.94
<b>Profit before tax</b>	7,460.15	5,907.37	391.17	671.15	8.43	-	638.69	374.31	8,498.44	6,952.83
Income taxes	-	-	-	-	-	-	-	-	2,913.87	2,372.32
<b>Profit after tax (Before Minority Interest)</b>	7,460.15	5,907.37	391.17	671.15	8.43	-	638.69	374.31	5,584.57	4,580.51
<b>Other Information</b>										
<b>Segment assets</b>										
Total Assets	161,359.04	142,634.28	14,176.12	14,014.28	4,368.23	3,772.60	4,314.63	2,597.34	184,218.02	163,018.50
Unallocated Assets									925.35	524.80
<b>Segment Liabilities</b>										
Total liabilities	134,271.93	119,878.91	10,072.60	10,154.64	3,179.80	2,592.60	4,098.90	2,441.50	151,623.23	135,067.65
Unallocated Liabilities									105.55	105.26
Depreciation	3,072.11	2,503.21	355.24	487.36	116.49	-	-	-	3,543.84	2,990.57
Unallocated Depreciation									131.99	90.55

#### II. Geographical Segments

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

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### 44. 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.

₹ in Lacs

Particulars	Amount		Foreign Currency Amt in Lacs		Foreign Currency
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015	
Amount Receivable	-	79.28	-	1.27	USD

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

Category I : Associates :	Gangakhed Sugar & Energy Limited V. K. Realtors (Partnership Firm)
Category II : Joint Venture :	MSMC Adkoli Natural Resources Limited
Category III : Directors, Key Management Personnel and their Relatives :	Mr. Ratnakar Manikrao Gutte Mrs. Sudhamati Ratnakar Gutte Mr. Sunil Ratnakar Gutte Mr. Vijay Ratnakar Gutte Mr. Venkataramana Condoor Mr. Anupam Gianchand Dhiman Mrs. Swati Rajesh Phad CS Shrikant C. Rikhe
Category IV : Enterprise over which persons covered under Category IV above are able to exercise significant control :	Gutte Infra Private Limited VRG Digital Corporation Private Limited RSV & Associates Kolhapur Green Energy Private Limited

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

(₹ In Lacs)

Sr. No.	Particulars	CATEGORY				TOTAL
		I	II	III	IV	
1	Investments made	-	-	-	-	-
		-	-	-	(34.58)	(34.58)
2	Advances Given for Contracts and Projects	69.26	-	-	25.61	94.87
		-	-	-	-	-
3	Capital Advances Given	-	-	-	-	-
		-	-	-	(485.98)	(485.98)
4	Advances Received for Contracts and Projects	-	-	-	-	-
		(299.99)	-	-	(293.64)	(593.63)
5	Loan Given	-	-	-	137.32	137.32
		-	-	-	-	-
6	Loan Taken	-	-	-	-	-
		-	-	-	(206.13)	(206.13)
7	Repayment of Loans Taken	-	-	-	-	-
		-	-	-	(417.08)	(417.08)
8	Sales of Goods/ Contract Revenue & Services	66.71	-	-	270.85	337.56
		(139.04)	-	-	(1,327.66)	(1,466.70)
9	Remuneration to Directors (Including Perquisites)	-	-	688.83	-	688.83
		-	-	(505.47)	-	(505.47)
10	Dividend Paid	-	-	117.45	-	117.45
		-	-	(78.38)	-	(78.38)
11	Rent Paid	-	-	143.22	-	143.22
		-	-	(138.42)	-	(138.42)

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

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

(₹ In Lacs)

Sr. No.	Particulars	CATEGORY				TOTAL
		I	II	III	IV	
12	Interest Paid	-	-	-	7.01	7.01
		-	-	-	(5.40)	(5.40)
13	Rent Income	-	-	-	196.88	196.88
		-	-	-	(88.44)	(88.44)
14	Interest Income	27.72	-	-	14.45	42.17
		(27.72)	-	-	-	(27.72)
15	Expenses reimbursement to	-	-	-	24.15	24.15
		(4.21)	-	-	(30.07)	(34.28)
16	Expenses reimbursement from	4.28	-	-	-	4.28
		(55.69)	-	-	-	(55.69)
17	Share Alloted against Application Money Received	-	-	112.75	-	112.75
		-	-	-	-	-
18	Share Warrant Application Money Received	-	-	-	-	-
		-	-	-	(960.38)	(960.38)
19	Share Allotment against warrant	-	-	110.80	-	110.80
		-	-	-	(1,863.75)	(1,863.75)
20	Share Application Money Given	-	-	-	-	-
		-	-	-	(775.00)	(775.00)

\*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 2016	31 March 2015
<b>1</b>	<b>Investments made</b>			
	Organic Waste (India) Private Limited	I	-	-
	Kolhapur Green Energy Private Limited	IV	-	34.58
<b>2</b>	<b>Advances Given for Contracts and Projects</b>			
	V. K. Realtors	I	69.26	-
	Gutte Infra Private Limited	IV	25.61	-
<b>3</b>	<b>Capital Advances Given</b>			
	RSV & Associates	IV	-	485.98
<b>4</b>	<b>Loans and Advances Given</b>			
	Kolhapur Green Energy Private Limited	IV	137.32	-
<b>5</b>	<b>Advance Received for Contract and Projects</b>			
	V. K. Realtors	II	-	249.99
	Gutte Infra Private Limited	IV	-	293.64
<b>6</b>	<b>Loans Taken</b>			
	Gutte Infra Private Limited	IV	-	206.13
<b>7</b>	<b>Repayment of Loans Taken</b>			
	Gutte Infra Private Limited	IV	-	417.08
<b>8</b>	<b>Sales of Goods/ Contract Revenue &amp; Services</b>			
	V. K. Realtors	I	66.71	132.54
	RSV & Associates	IV	270.85	217.50
	Gutte Infra Private Limited	IV	-	1,110.16

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

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 2016	31 March 2015
9	<b>Purchases of Fixed Asset</b>			
	RSV & Associates	IV	421.34	-
10	<b>Remuneration to Directors (Including Perquisites)</b>			
	Mr. Ratnakar Manikrao Gutte	III	92.40	92.40
	Mrs. Sudhamati Ratnakar Gutte	III	48.00	48.00
	Mr. Sunil Ratnakar Gutte	III	60.47	52.00
	Mr. Vijay Ratnakar Gutte	III	48.38	48.00
	Mr. Venkataramana Condoor	III	339.98	190.02
	Mr. Anupam Gianchand Dhiman	III	81.60	25.65
11	<b>Dividend Paid</b>			
	Mr. Ratnakar Manikrao Gutte	III	39.65	26.43
	Mrs. Sudhamati Ratnakar Gutte	III	35.44	23.63
	Mr. Sunil Ratnakar Gutte	III	30.22	20.14
	Mr. Vijay Ratnakar Gutte	III	12.15	8.10
12	<b>Rent Paid</b>			
	Mr. Ratnakar Manikrao Gutte	III	53.19	53.19
	Mrs. Sudhamati Ratnakar Gutte	III	66.21	66.21
13	<b>Rent Income</b>			
	VRG Digital Corporation Private Limited	IV	196.88	88.44
14	<b>Interest Income</b>			
	V. K. Realtors	I	27.72	27.72
	Kolhapur Green Energy Private Limited	IV	14.45	-
15	<b>Expenses reimbursement to</b>			
	RSV & Associates	IV	12.83	30.07
16	<b>Expenses reimbursement from</b>			
	Gangakhed Sugar & Energy Limited	I	4.28	55.69
17	<b>Interest Paid</b>			
	Gutte Infra Private Limited	IV	7.01	5.40
18	<b>Share Alloted Against Application Money Received</b>			
	Mr. Sunil Ratnakar Gutte	III	10.00	-
	Mr. Venkataramana Condoor	III	102.75	-
19	<b>Share Warrant Application Money Received</b>			
	Gutte Infra Private Limited	IV	-	451.69
	VRG Digital Corporation Private Limited	IV	-	508.69
20	<b>Share Allotment against Warrant</b>			
	Mr. Venkataramana Condoor	III	110.80	-
	Gutte Infra Private Limited	IV	-	1,204.50
	VRG Digital Corporation Private Limited	IV	-	659.25
21	<b>Share Application Money Given</b>			
	Kolhapur Green Energy Private Limited	IV	-	775.00

## Notes to Consolidated Financial Statements for the year ended 31st March 2016

### C. Balances Due From/ To the Related Parties as at 31st March 2016\*

(₹ In Lacs)

Sr. No.	Particulars	CATEGORY				TOTAL
		I	II	III	IV	
1	Investments	2,290.00	-	-	39.17	2329.17
		(2,262.42)	-	-	(39.17)	(2,301.59)
2	Trade Receivables	676.05	-	-	1,092.35	1768.40
		(4,567.48)	-	-	(1,348.52)	(5916.00)
3	Other Receivables	-	-	-	105.49	105.49
		-	-	-	(1.84)	(1.84)
4	Trade Payables	-	-	-	12.95	12.95
		(49.91)	-	-	-	(49.91)
5	Share Warrant Application Money	-	-	-	-	-
		-	-	(27.70)	-	(27.70)

\*Figures in brackets indicate previous year figures.

#### 46. DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

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 2015 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 121.39 Lacs (Pr.Yr. ₹ 57.51 Lacs) and interest payable thereon ₹ 4.38 Lacs (Pr.Yr. ₹ 8.00 Lacs) and interest paid during the year ₹ Nil (Pr.Yr. ₹ Nil).

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

48. Previous year's figures are regrouped and recasted wherever required.

As per our report of even date attached

**For V. Sankar Aiyar & Co.**

Chartered Accountants

Firm Regn No 109208W

**For and on behalf of Board of Directors**

**Arvind Mohan**

Partner

Membership No.124082

Mumbai, 30 May 2016

**Shrikant C. Rikhe**

Company Secretary

**Vijay R. Gutte**

Chief Financial Officer

and Whole-time Director

**Ratnakar M. Gutte**

Chairman

**Sunil R. Gutte**

Managing Director



# Corporate Information

## Board of Directors

Mr. Ratnakar Manikrao Gutte - *Chairman*  
Mr. Sunil Ratnakar Gutte - *Managing Director*  
Mrs. Sudhamati Ratnakar Gutte - *Whole Time Director*  
Mr. Vijay Ratnakar Gutte - *Whole Time Director*  
Mr. Venkataramana Condoor - *Whole Time Director*  
Mr. Anupam Dhiman - *Whole Time Director*  
Mr. Dilip Yeshwant Ghanekar - *Independent Director*  
Mr. Sajid Ali - *Independent Director*  
Mr. Parag Ashok Sakaliker - *Independent Director*  
Mr. S.S. Waghmare - *Independent Director*  
Mr. Siddharth Ratilal Mehta - *Independent Director*  
Mr. Anil Ramchandra Aurangabadkar - *Independent Director*

## R & T Agents

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

## Depositories

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

## Company Secretary

Mr. Shrikant Chandrashekhar Rikhe  
97, East High Court Road, Ramdaspath,  
Nagpur - 440 010

## Auditors

M/s. V. Sankar Aiyar & Co., Chartered Accountants,  
2-C, Court Chambers, 35, New Marine Lines,  
Mumbai-400 020

## Bankers

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

## Registered office

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

## Regional office (Central)

97, East High Court Road, Ramdaspath,  
Nagpur - 440 010 Maharashtra  
Phone: + 91 712 2562087 / 88 / 6685200 Fax: 2562091

## Regional office (Northern)

NCPL Web Tower, 1st Floor(B), A-4, Sector 9,  
NOIDA – 201301  
Phone: + 91 120 4966390 Fax: 4966391



MET Educational Complex, 6th Floor,  
"C" Wing, A.K. Vaidya Marg,  
Bandra Reclamation,  
Bandra (W), Mumbai-400050  
CIN: L28920MH1998PLC115155  
Website: [www.sunilhitech.com](http://www.sunilhitech.com)