



Ref: SHEL/CS/SE/2017-18/Date: 01.09.2017

The Manager, The Department of Corporate Services – Listing, BSE Limited , Phiroze Jeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 532711	The Manager, The Department of Corporate Services – Listing, National Stock Exchange of India Ltd. , Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Scrip Symbol: SUNILHITEC
---	---

Dear Sir,

Sub: - Submission of Annual Report for the Financial Year 2016-17

The Company hereby pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 submits Annual Report of the Company for the financial year 2016-17.

This is for your information and records.

Thanking You.

Yours faithfully,
For **Sunil Hitech Engineers Limited**

Shrikant C. Rikhe
Company Secretary



Encl: As above.

Regional Off. (Central) :

Sunil Hitech Engineers Limited

97, East High Court Road,
Ramdaspeth, Nagpur - 440010
CIN : L28920MH1998PLC115155

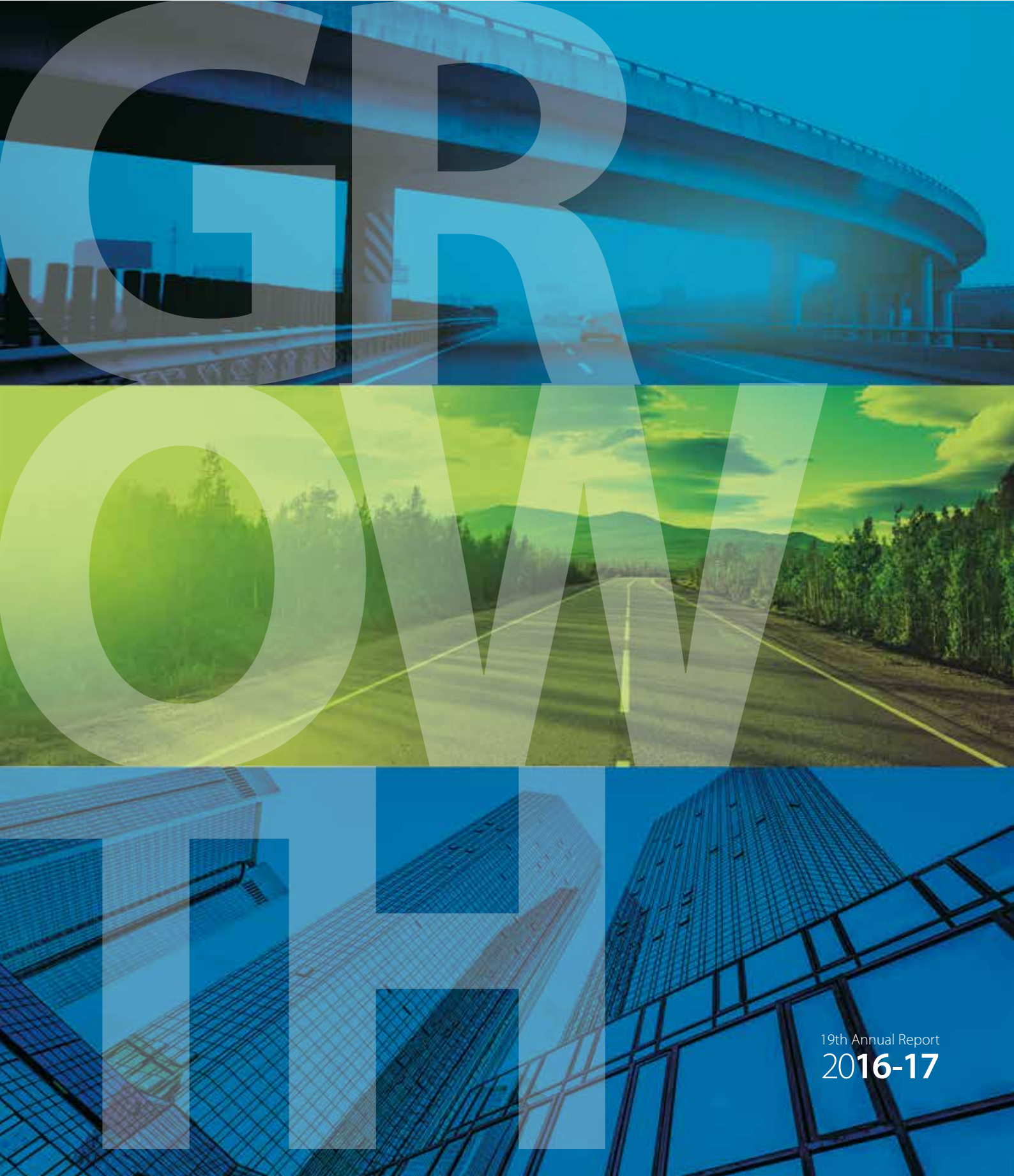
Tel. : +91-712-2562087/88,
6685200 (300 lines), Fax : 2562091
E-mail : info@sunilhitech.com;
sunilhitechngp@gmail.com;
investor@sunilhitech.com
www.sunilhitech.com

Regd. Office :

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

Sunilhitech

Building way to future growth




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

Corporate identity	2
Our identity in numbers	6
Our key accomplishments of 2016-17	10
Trophy projects	11
Financial highlights	12
Managing Director's review	14
Business insight	17
Divisional overview	18
Sectoral optimism	30
Management discussion and analysis	32
Risk Management	44
Statutory section	50
Financial statements	91



At Sunil Hitech Engineers Limited, the year 2016-17 represented a watershed in our existence.

During the last few years, we had indicated that we wished to increase our road building profile; during the year under review, we added ₹2078 crore to our road building order book, the highest in any single year in our existence.

During the last few years, we had indicated that we intended to strengthen revenue predictability; during the year under review, we bagged fresh orders worth ₹3850 crore, the largest in our existence.

During the last few years, we had indicated that we would maximize our presence in sectors generating the largest opportunities; the result is that our non-power order book increased from 20 per cent in 2012-13 to 80 per cent in 2016-17.

Building Way To Future
GROWTH

Sunil Hitech Engineers Limited.

Engaged in construction across some of the fastest growing infrastructure segments in India.

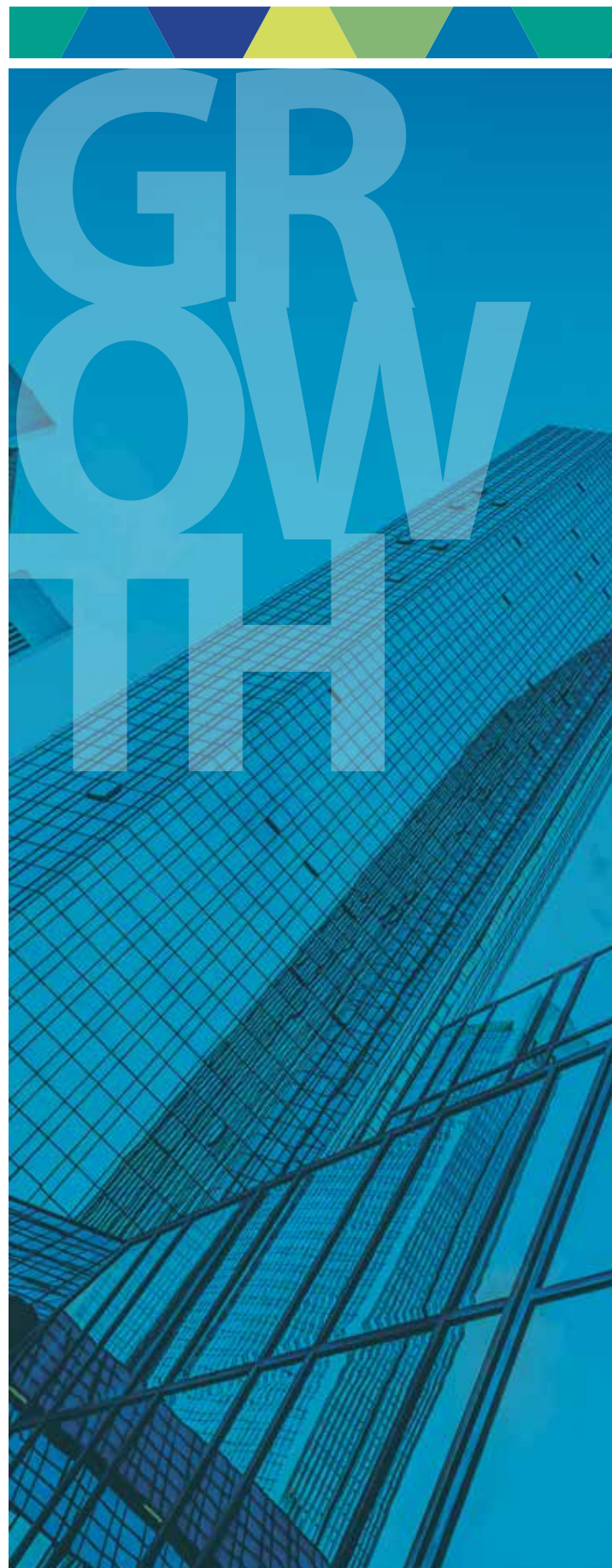
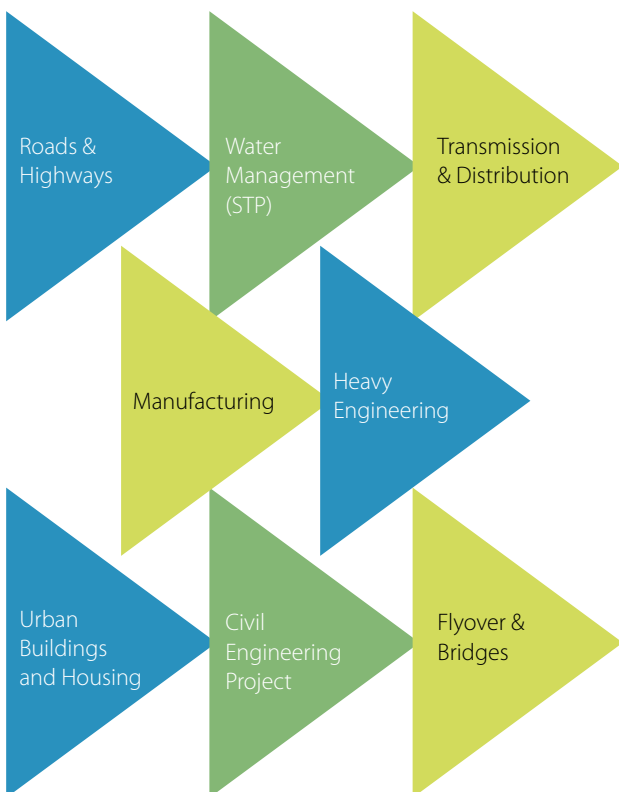
Extending from one-off project construction to construction cum multi-year maintenance contracts.

Extending from low margin projects to higher margin engagement, strengthening business sustainability.

A dynamic proxy of a vibrant sector in the world's fastest growing major economy.

Sectoral focus

Sunil Hitech (SHEL) is engaged in the following construction verticals:





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 a dynamic infrastructure construction company.
- ▶ the Company has emerged as one of the fastest growing road building companies in India coupled with its longstanding respect as one of India's leading solution providers in power plant BOP and EPC spaces.

- ▶ the Company's non-power civil engagements comprise roads and bridge construction as well as the civil-mechanical-electrical engineering spaces.

- ▶ Sunil Hitech had contributed to the commissioning of 46129 MW of power generating assets in India (as of 31 March 2017), positioning it among the largest such players in the country

- ▶ The Sunil Hitech Group offers engineered and fabricated boiler components through SEAM Industries Limited (88.61 percent subsidiary of Sunil Hitech Engineers Limited)

- ▶ The Group also provides services in the renewable energy sector through Sunilhitech Solar (Dhule) Pvt. Ltd. (100 percent subsidiary of Sunil Hitech Engineers Limited)

Background

- ▶ Sunil Engineering Works (commissioned 1984) was renamed Sunil Hitech Engineers Limited following acquisition by the present management in 1998.

The company has evolved into a diversified company with a widening presence in Engineering, Procurement and Construction across Power, Construction, and Infrastructure sector.

The Company is engaged in projects across the country.

The company has executed projects for marquee clients across the public and private sector comprising NTPC, BHEL, MORTH, NHAI, BSHB, MAHAGENCO, NHIDCL, L&T, JSW, Reliance Infrastructure etc.

- ▶ The Company provides design, fabrication, erection and commissioning-related BOP (balance-of-plant, excluding the boiler, turbine, generator) assignments for power plants with its expertise also spanning fabrication, erection, testing and the commissioning of bunkers, electrostatic precipitators, boilers and TG sets in power plants

- ▶ The Company has diversified into high growth sectors in civil engineering like road and bridge building, solar power project commissioning, construction of correctional homes, solid waste management etc.

Business mix

Road, Bridges and Flyovers

► From local roads to major motorways, SHEL's experienced civil engineers have been building the country's infrastructure, providing people with mobility infrastructure that they need.

► Across the country, SHEL is executing remarkable transportation projects which include Expressways, National Highways, State Highways etc. Timely delivery within budgeted targets, while adhering to international standards of safety & quality, represents is the core strength of this business vertical.

► Improvement in the quality of life and sustaining economic growth are the prime factors we keep in mind when we design our sustainable roads and structures as they are critical for the expansion and prosperity of our country and people.

► Qualified for road EPC projects from NHAI and MORTH for 2 lanes and 4 lanes projects up to ₹700 crores and BOT & Annuity projects up to ₹1200 crores.

SHEL is active in major works including:

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

Competencies

EPC/turnkey projects

► Balance of plant package up to 660 MW ► storage sheds ► CHP bunker belt extension ► Raw water/LP piping system ► Fuel oil system with tankers ► 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 hydropower plant ► Staff quarters, school building, rest house building ► Storage sheds ► Ash dyke package ► CW system ► Make-up water system

Water Management

► SHEL is among India's leading players in water purification technology for industrial and infrastructure markets with a focus on sea water desalination, water recycle and reuse & waste water treatment management.

► SHEL offers a number of tools to efficiently analyze, evaluate, and treat your entire wastewater operation from primary clarification to discharge.

► SHEL offers customized pre-engineered containerized water management solutions.

Waste/Sewerage Water Management includes:

- Construction, Operation & Maintenance of Sewerage System 5 MLD to 40 MLD Capacities
- Use of ASP/MBBR/SBR Technology
- Pipelines ranging from 150 mm to 1100 mm diameter; total length ranges from 150 Kms to 300 Kms.

Water Management includes:

- Raw water intake system
- Construction, Operation & Maintenance of water treatment plants - 10 MLD to 250 MLD
- Supply, Laying, Testing & Commissioning of water transmission pipelines ranging from 430 Kms to 500 Kms
- O&M of entire system including water distribution service delivery, meter reading, billing & collection system.

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 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 600 MW ► Pressure plants, milling system, rotating parts and ducting ► HP/LP piping works ► Renovation and modernisation and retrofitting of ESP ► Operations and maintenance of CHP and AHP

Manufacturing

Design and supply: 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

Clientele





People capital

Sunil Hitech (employee base of over 850 members) prides itself on being an equal opportunity employer.

Nearly 80% of its employees comprise graduates and diploma engineers, 20% 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 35.37 percent stake in its equity share capital

▶ The Company's market capitalisation (free float) stood at ₹446.04 crores on 31 March 2017

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

Location

▶ Sunil Hitech is headquartered in Mumbai with extensive operations in Nagpur and Noida

▶ The Company manages projects across more than 15 Indian States

Sunil Hitech Engineers Limited (flagship company)

- ▶ Primarily engaged in EPC business for the power sector, roads & bridges, buildings and urban infrastructure
- ▶ The Company is executing four World Bank-funded road projects and has strong portfolio of infrastructure projects worth ₹4,000 crore across eleven States
- ▶ The Company has expertise in the construction of mass housing institutional buildings
- ▶ The Company has a strong clientele including NHAI, MORTH, BHEL, NTPC, NHIDCL, State PWD, etc.



SEAM Industries Ltd. (88.61%)

- ▶ Manufactures boiler pressure parts and components, industrial boilers, steel pipes and pipe fittings, tanks & vessels, etc.
- ▶ Strong fabrication capabilities for ROB
- ▶ Complements SHEL's turnkey / EPC projects



VAG Buildtech Pvt Ltd. (78.01%)

- ▶ Focus on roads, renewable energy sectors
- ▶ Secured projects worth ₹600 crore

Our identity in **numbers**



Order book

Sunil Hitech's order book stood at ₹5189 crore as on 31 March 2017

New projects bagged in 2016-17 stood at ₹3850 crore, representing 90 per cent of the order book at the beginning of the year under report (1 April 2016)

Order book has grown at a 22.62 percent CAGR over the past five years (FY13-FY17)

Revenue

Sunil Hitech's revenues were the highest in its existence at ₹2,091.19 crore in 2016-17 on account of robust competent execution, completion and handover

Revenues grew a healthy 14.43 per cent during the year under review

Revenues grew at a 17.53 per cent CAGR over the past five years (FY13-FY17)



Operating profit

Sunil Hitech maintained its operational profit over the previous year

EBITDA margin has consistently been above 9 percent despite a discouraging national and global scenario.

EBIDTA has grown at a 9.87 percent CAGR over the past five years (FY13-FY17)

Cash profit

Sunil Hitech's cash profit grew 6.12 percent CAGR over the past five years (FY13-FY17)

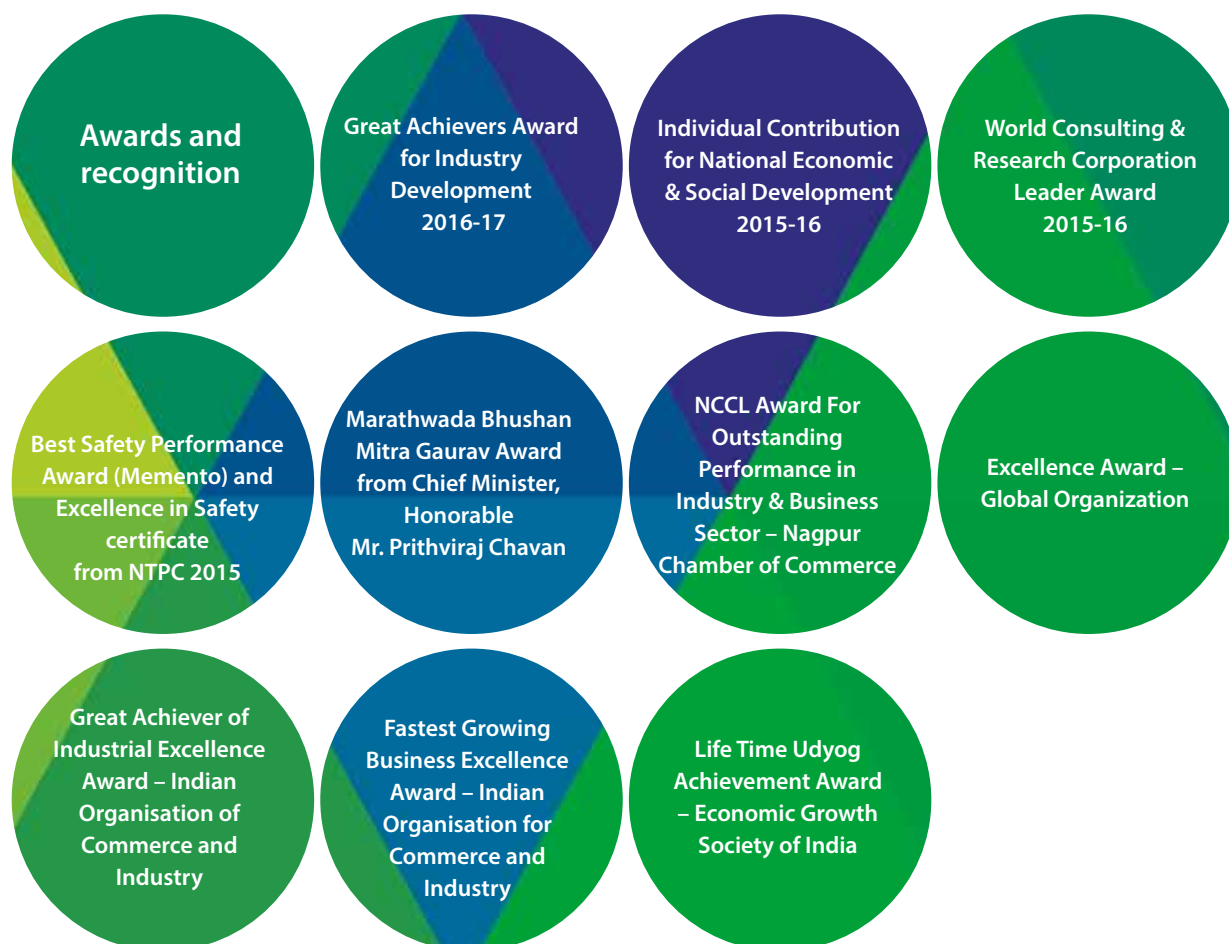
Net profit

Sunil Hitech's net profit grew 9.44 percent CAGR over the past five years (FY13-FY17)

Net profit margin stood at 1.92 percent during the year under review

2016-17 financial highlights





Sectoral credentials

Power projects: The Company possesses extensive experience, providing design, manufacturing, supply, erection, testing and commissioning of BOP & EPC assignments.

Road projects: the Company is qualified for Road EPC projects from NHAI and MORTH for 2 lane & 4 lane projects up to ₹700 crores and BOT & Annuity Projects up to ₹1200 crores.

Buildings construction: the Company provides Building Construction services for hospitals, national institutions, government housing projects, industrial, commercial buildings, hostels and industrial sheds etc

Service credentials

The company has forayed into EPC contracts for sectors like solar, water and sewage management.

The company is also engaged in Operation, Overhauling and Maintenance (renovation and modernization) of power plants and steel plants up to 600 MW.

SHEL also has a manufacturing arm of heavy engineering equipment for the Power, Infrastructure, Process and Chemical Industries.

Projects executed. FY16-17

Quarters, FY 16-17	(₹ in crore)
Q1	444
Q2	497
Q3	531
Q4	618
Total	2,090

Key milestones

Year	Milestone
1984	Sunil Hitech was formed by taking over a proprietorship concern M/s Sunil Engineering Works with Shri Ratnakar M. Gutte as proprietor
1994	Received the first major order from BHEL at Chandrapur of ₹2.4 crore
1996	Other major orders in MP and Rajasthan
1998	Sunil Hitech Engineers Pvt. Ltd. incorporated vide CIN L28920MH1998PLC115155 dated 29/05/1998
2003	ISO 9001-2008 Certification dated 28/03/2003
2004	Major work order for civil & structural work from NTPC of ₹34 crore
2006	Crossed revenue of ₹100 crore, listed on BSE & NSE with 9 times over-subscription of IPO
2007	Diversified into the T&D segment and manufacturing through SEAM Industries Ltd.
2008	QIP of ₹81 crore in January 2008; Commenced first EPC Project in ICPP for 6000 TCD sugar plant and 30 MW co-generation plant
2009	Major breakthrough of Civil, Structural & Arch. from BHEL-PSWR for 2x250 MW Main Plant at MPPGCL Sarni
2010	Breakthrough of 1x250 MW Balance of Plant (BOP) package on EPC basis at Parli, MSPGCL, worth ₹487 crore; civil & structural job of 660 MW & 600 MW from L&T and Avantha Power respectively worth ₹700 crore
2011	Commenced Civil & Architectural works of 2x600 MW, DB Power Project for BTG & BOP for worth ₹170 crore
2012	Completed casting of 6 TG Decks for plant capacity ranging from 250MW to 660MW; Bagged project for the erection of 800 MW supercritical boiler from Doosan for worth ₹75 crore
2013	Bagged first building job from Bhandal and Govindwal Jail PWD (Punjab) worth ₹350 crore
2014	Foray into EPC road business with World Bank-funded orders for Bengal, Bihar and Karnataka worth ₹900 crore
2015	Commissioned a pilot 5 MW solar power EPC project in a wholly-owned subsidiary for gaining EPC experience
2016	Strengthened the Buildings portfolio by bagging the largest housing sector project from Bihar with orders worth ₹415 crore and the UPRNML Firozabad Medical College order for ₹130 crore.
2017	Bagged more than ₹2,078 crore of road EPC contracts including HAM of ₹982 crore, its single largest project.

Our key accomplishments of 2016-17

Bagged ₹3,850 crore of new orders, taking the order book to ₹5189 crore as on March 2017

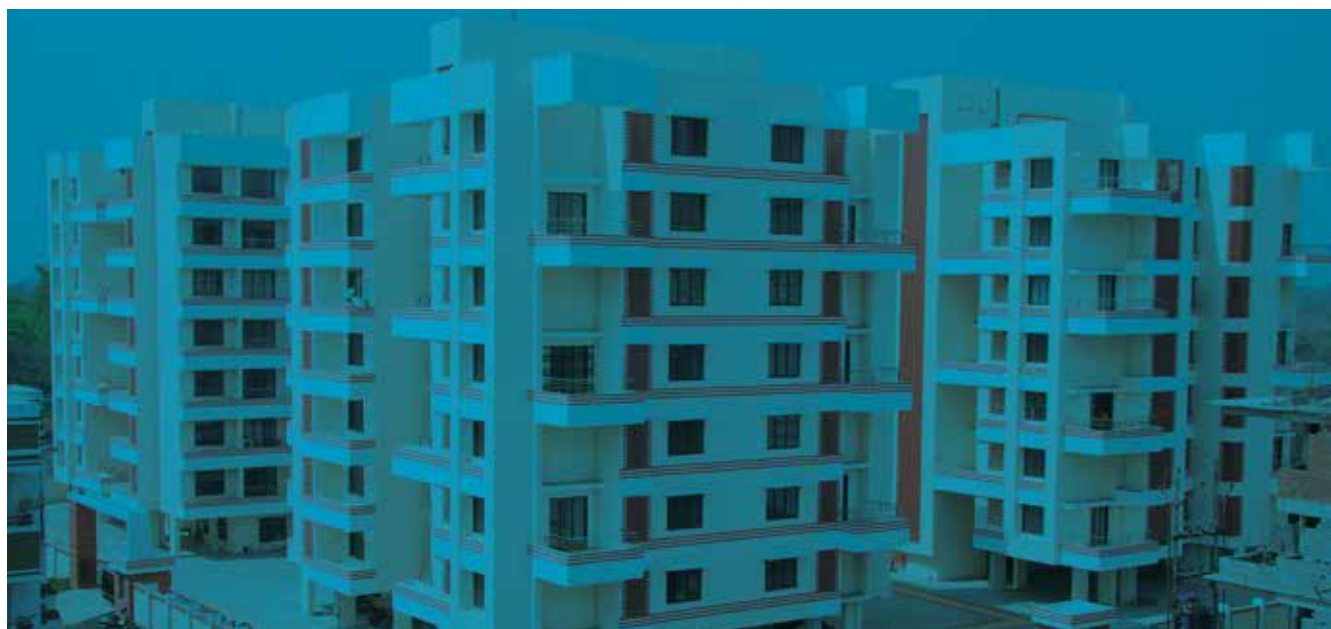
Emerging as NTPC's partner in executing three of its top five national projects

Bagged ₹200 crore worth of institutional projects in Uttar Pradesh

Participated in NHAI and MORTH road projects worth ₹3950 crore on EPC basis and awarded 6 EPC contracts of about ₹2,078 crore.

Recruited specialised talent for core managerial positions

Trophy projects



Maharashtra

- ▶ Residential Complex Buildings of Water Green in Jaitala, Nagpur 1
- ▶ 220/132/100/33/22 kV Sub Station at Magarpatta, Wathar and Bambawade in MSETCL 2
- ▶ 250 MW, U#8 Balance of Plant Pkg. Parli TPS 3
- ▶ **MORTH/PWD** - Ajanta-Buldhana of NH - 753E, two lanes with paved shoulders in EPC Mode
- ▶ **MORTH/MSRDC** - Mehkar to Ajisipur of NH - 548C, two lanes with paved shoulders in EPC Mode

Uttar Pradesh

- ▶ **UPRNN**, Construction of Medical College, Firozabad, U.P.

Bihar

- ▶ **Construction** of 1054 flats on 16.5 acre of land at Dalpatpur, Ara, Bihar

Madhya Pradesh

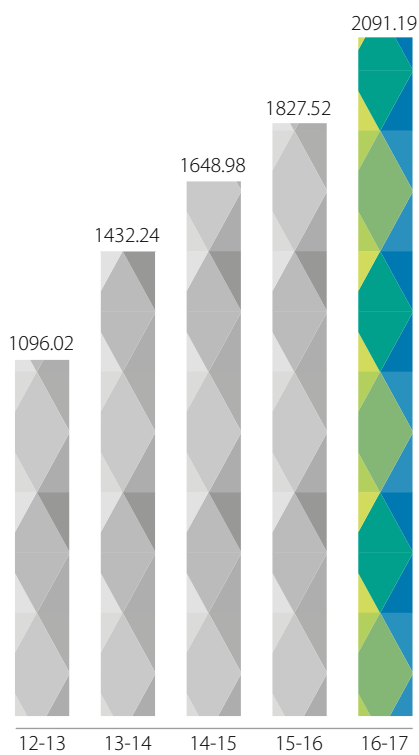
- ▶ 500 MW, Boiler, Auxiliaries and Turbine Generator at NTPC Vindhyachal TPP Stg-V

How we have **grown** over the years



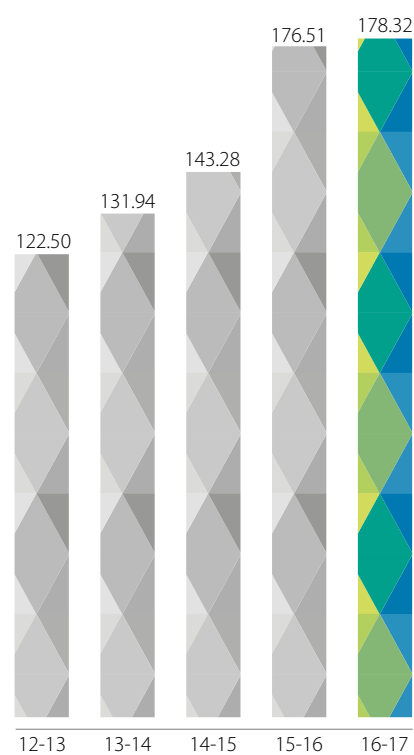
Current ratio

...improving Current Ratio...



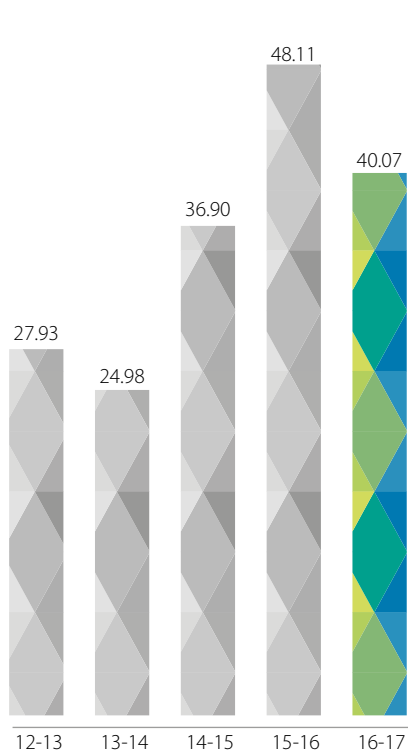
Turnover (gross) (₹ in Crore)

...consistent growth in topline...



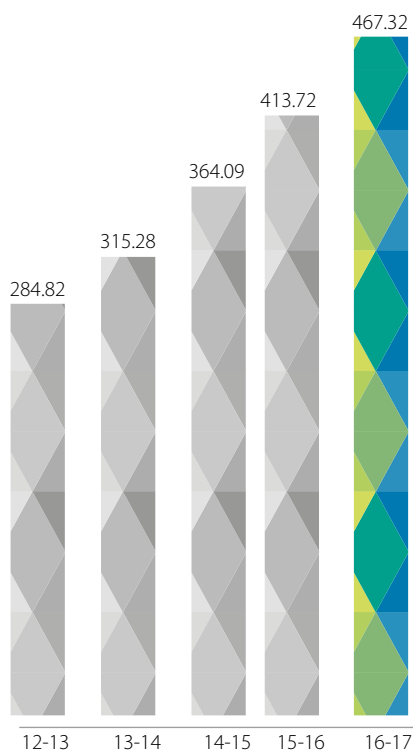
Operating profit (₹ in Crore)

... resulting from changing order mix, tighter cost control and value engineering



Post-tax profit (₹ in Crore)

...consistent growth in PAT with minor aberration...



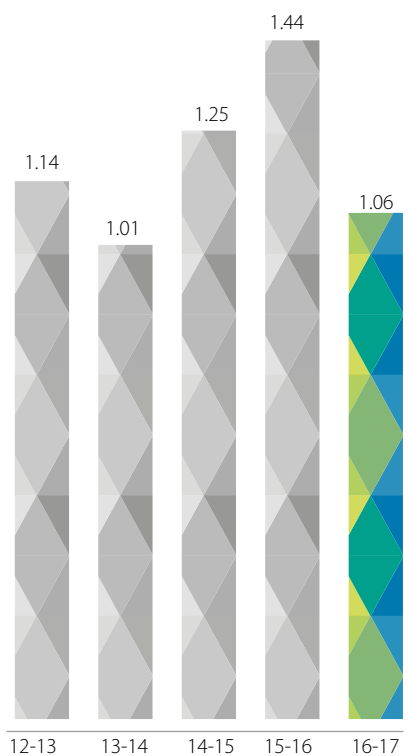
Net worth (₹ in Crore)

...registered consistent growth on the back of consistent profits...



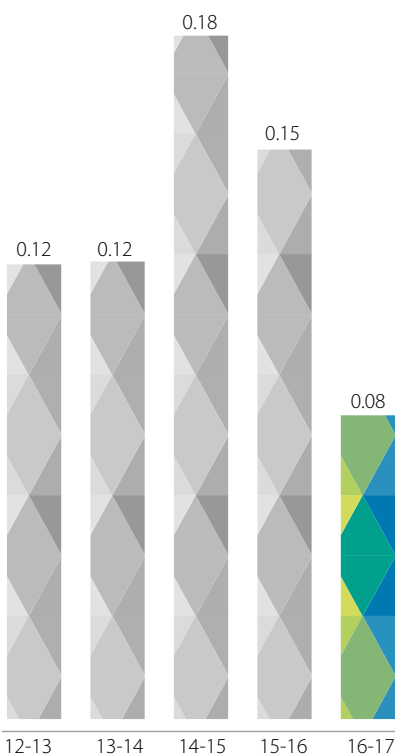
Book value per share

...enhancing shareholder's value...



Earnings per share

...strong earnings per share...



Dividend per share

...respectable pay out year after year





Prudence, Planning and Perseverance

Sunil Gutte, Managing Director, explains why 2016-17 proved to be a watershed in the Company's existence

Q: Were you pleased with the working of the Company during the year under review?

I was happy with the way Sunil Hitech addressed the challenges and realities of the year under review.

For one, let me recap what I had indicated in last year's report: that we would be happy growing our revenues at a steady 15 percent in line with the scope and scale of our Balance Sheet as opposed to engaging in reckless expansion that would threaten the integrity of our financial foundation. I am pleased to report that the Company reported a 14.43 per cent increase in

revenues in 2016-17, indicating that the Company is moving completely in line with the script.

The second point that I had indicated was that we would report profitable growth and I am happy that we continue to report profitable growth for the 19th successive year.

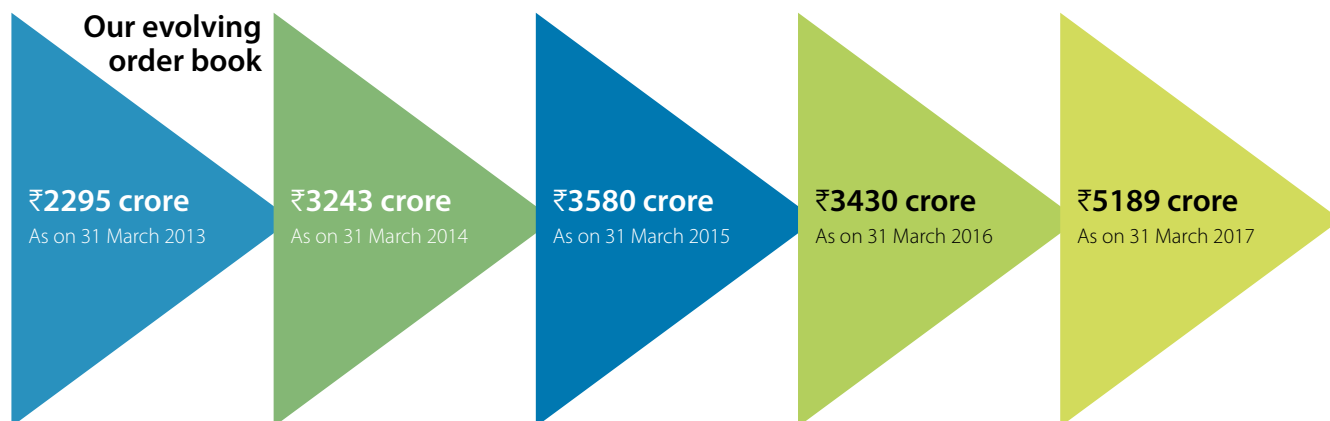
These two realities indicate that the Company's fundamentals were protected during the year under review and the Company is in a position to report business sustainability going forward.

These numbers were the result of a

deliberate strategic clarity: focus on select sectors, stronger qualification credentials, creation of Strategic Business Units headed by respected industry experts and bidding largely for projects marked by retention-free revenues and superior profitability.

Q: If you had to identify one highlight of the Company's working during the year under review, what would it be?

Clearly the fact that we reoriented our order book and the corporate direction decisively towards road building during the year under review. There was a time during the last few years when projects



related to the power sector accounted for 90 per cent of our order book. Sometime in 2013, the Sunil Hitech management took a conscious decision: since the power sector was affected by policy slowdown, fuel linkages, declining viability and increasing withholding of our contracted revenues on account of disputes with customers, we took a conscious decision to moderate our exposure to this sector. Even as this decision was taken at that point, there was a recognition that the reorientation would only play out progressively across the future. I am pleased to report that during the year under review, the Company's decision could be clearly showcased to shareholders: from a time in 2012-13 when the non-power segment accounted for only 20 per cent of our order book, we are pleased to state that this segment now accounted for 80 per cent of our order book as on 31 March 2017.

Q: What is the implication of this transformation?

The implications are robust and positive. One, there is ample reason to believe that the road building sector is possibly growing faster than most infrastructure sectors in the country. Two, the spreads available in the road building sector are higher than what are available in the other segments. Three, the road building sector provides opportunities to extend from EPC engagement to asset building without stretching the Balance Sheet. Four, there is a case for India's road assets to be treated like a standalone investible asset if we list the project on the international capital markets. Five, for companies like ours that seek a listing of road building assets there could be an attractive opportunity in deleveraging the Balance Sheet, strengthening business sustainability. Six, the Hybrid Annuity Model segment of the country's road building sector provides scope for attractive revenue increase and visibility.

5 ways in which we have strengthened our business in the last few years

Reduced proportion of power projects in the revenues

Moderated receivables from a peak 131 days of turnover equivalent to 96 days (2016-17)

Worked completely on government projects funded by global agencies; eliminating bad debts

Moderated working capital cost from banks by nearly 100 bps

Restructured the business; reduced BoP business manning by 400 people

Q: How does the Company intend to grow the road building business of the Company?

At Sunil Hitech, we believe that our growth is likely to be catalyzed through EPC road building on the one hand and HAM projects on the other. We intend to successfully bid for one HAM project a year; in four years, we believe that we could possess ₹2500 crore of road assets on our books that would not only provide us with road construction revenues, but generate steady cash flows and create attractive monetization opportunities without disproportionately increasing our debt. We are optimistic that a combination of these realities would enhance our corporate stability, strengthen ROCE and enhance corporate value.

Q: How does the Company intend to enhance stakeholder value?

I will repeat what I had stated in last year's report: the sustainability of our business will be derived from controlled growth: the sustainable ability to generate an annual topline growth of 15 per cent without straining the Balanced Sheet in any way. We believe that the annual topline growth will be generated from priority sectors; we intend to generate a 2x in order book of our annual revenues, which will keep us growing sustainably; we intend to leverage the strength of our Balance Sheet and mobilise debt at progressively moderated costs; we intend to seek infrastructure building opportunities where we can leverage our existing competencies that makes it possible to generate a superior return on knowledge, people and assets. In addition to road building, we perceive such opportunities in civil construction for the government (housing, offices, institutions and hospitals).

I will also state in a working capital-intensive business, we intend to make a better use of our financial resources. Our planned moderation in exposure to the

power sector will help in this regard: our significant Balance of Plant exposure in the past consumed excessive working capital and project delivery was often tied to deliverables by other companies. So even as we often completed our portion of the project on schedule, delays by other vendors would result in delays in our payments. The phased reduction in exposure to power projects will enhance our profitability and business sustainability, going forward.

Q: What are some of the sectoral realities that provide optimism?

There are three developments that one needs to indicate here.

One, the Road Ministry is sending out positive signals related to the quantum of road building projects being announced coupled with larger contract sizes.

Two, the focus of the Ministry has shifted from project announcement to projects completion, which indicates a subtle shift visibly reflected in an increased pace of road building across the country.

Three, the institution of a time-bound dispute resolution mechanism enhances the confidence of sectoral players who suffered for years even after project handover.

The sectors where we have a larger presence are relatively clean in that they do not usually attract disputes and where pending amounts are usually cleared, resulting in a faithful match between the reported numbers and nitty-gritty.

Q: There was an increase in interest costs during the year under review.

The company mobilized additional debt to address a larger quantum of contracts during the year under review. This translated in a 12.35 per cent increase in interest outflow during the year. However, I must assure shareholders that the increase in interest outflow has been reasonable:

This is how we have transformed our personality

The Company focused on aggressive revenue growth in the past

The Company is focused on responsible, controlled and sustainable growth today

The Company suffered low margins in the past

The Company has strengthened its profitability today

The Company was known by its power sector presence

The Company has moderated its order book from the power sector

The Company was centralized out of one location (Nagpur)

The Company has decentralized across Mumbai, NOIDA and Nagpur

The Company was present in overcrowded spaces

The Company is generating larger orders from non-cut throat competition spaces

The Company bid for large BoP projects in the power sector

The Company has extended to retention-friendly business segments

The Company was a project manager or sub-vendor

The Company has strengthened its brand and emerged as a standalone construction partner

interest as a proportion of revenues declined from 4.7 per cent in 2015-16 to 4.6 per cent in 2016-17, indicating slightly enhanced liquidity.

Q: What can shareholders expect of the Company's performance in 2017-18?

We expect that revenues will grow 15 per cent and profit growth will be higher in percentage terms. Not only is our order book growing but its quality is also evolving: we have arrived at a steady 10 per cent-plus EBITDA margin hurdle rate that should translate into superior value. Besides, we had anticipated that based on our projected turnover, we should have an order book of around ₹5000 crore in 2017-18 which we have already crossed with nine months of the financial year still to go. This provides me with the optimism that we have enough work on hand across the foreseeable future and can afford to be increasingly selective, strengthening our margins.

Q: What is the basis of your optimism?

The breadth and depth of our projects, marked by range and complexity that is enhancing our respect as a challenge-embracing solutions provider. We have strengthened our team through prudent recruitment (nearly 20% professionals as on 31 March 2017). We continue to deliver projects on schedule with the objective to strengthen our prequalification credentials and graduate to larger projects. We possess a robust Balance Sheet where our gearing (net of working capital) of only 0.2 indicates adequate financial leverage. The result is that we are attractively placed to strengthen Return on Equity and EBITDA margin without diluting equity capital, enhancing value for our shareholders.

How we intend to enhance value for our stakeholders

Sectoral landscape

Unprecedented opportunity

The Indian construction sector addresses an unprecedented opportunity in building infrastructure, marked by the largest Budgetary outlay

Shakeout

Even as the industry address this unprecedented opportunity, there is a sectoral shakeout transpiring with a number of large players being unable to put together adequate prequalification credentiality to be able to address attractive construction projects

Margins

The hurdle rate for margins is rising in the infrastructure construction space on account of relatively lower competition and increasing project sizes

Respect for modest growth

The shakeout in India's infrastructure building sector has generated a new respect for steady-growth construction companies on account of their business sustainability

Rising prequalification

The prequalification criteria for participating in larger projects is correspondingly increasing, raising the bar for intending entrants and benefiting those with experience and robust Balance Sheets

Tightening deadlines

India is graduating from a phase when it was acceptable for infrastructure projects to be delivered across a long tenure; there is an increasing need for urgency, marked by corresponding investments in project-accelerating equipment

Rising environment standards

There is a rising standard for environment compliance in project delivery, making it imperative for service providers to invest in people, processes and practices

Our responsiveness

Vision

Sunil Hitech's vision is to be a high ROE player focused on complex projects in fast-growing business verticals, protecting the Company from commodity margins.

Growth outlook

The company has structured its business to report sustainable year-on-year revenue growth of 15 per cent with enhanced profitability.

Project selection

The company is bottomline-driven and bidding only for profitable orders backed by international multi-lateral lending agencies in specific business segments that can be delivered on schedule.

Integrated

The company is positioned as a standalone EPC contractor specialising in adequate asset ownership leading to efficient resource mobilization; this has helped extend the Company's value chain.

Segment selection

The company is a volume-cum-value player bidding for sizable projects in spaces relatively protected from extensive competition, strengthening its bottomline focus.

Focus

The company continues to focus on some of the fastest growing verticals within the Indian economy – roads and civil construction over power sector (Balance of Plant projects). Within the roads segment, the Company has selected to position itself as an EPC contractor with a growing preference for HAM projects.

Client selection

The company is largely 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 has graduated to end-to-end solutions for customers as opposed to working as a project manager or as a sub-vendor to a larger company. the Company intends to independently address projects (without alliance partners).

Partnerships

The company selects to enter into alliances only when the partner possesses complementary capabilities (technical or financial) that could facilitate larger orders through stronger pre-qualification credentials.

Extension

The company extended from mechanical engineering projects from the Balance of Plant space in the country's power generation sector to opportunities in India's growing civil (power and non-power), roads, bridges, and civil-mechanical-electrical engineering industries.

Civil Engineering

EPC for civil works*

* CIVIL PROJECTS, ROAD &
BRIDGES CONSTRUCTION, SOLID
WASTE MANAGEMENT, ETC



Overview

The Company progressively leveraged the rich experience derived from Balance of Plant and EPC projects inside power plants to extend into spaces independent of the power sector (road construction, structural engineering, bridges, sewage management and other civil engineering projects).

Strengths

Non-power civil

The company bid for ₹3950 crore road projects and was awarded ₹2078 crore projects with a strike rate of 53 per cent by value.

The company attracted timely funding from commercial banks

The company focused on institutional buildings (IITs, IIMs, AIIMS, hospitals, colleges, hostels, administration buildings etc.)

Highlights, 2016-17

Non-power civil

Bagged the largest housing sector project in Bihar worth ₹415 crore and the UPRNNL Firozabad Medical College order worth ₹130 crore.

The company intends to grow its presence in this business on the back of a growing quantum of government contracts marked by secured receivables and mobilisation advances (strengthening cash flows).

ROADS



This business was one of the prominent successes in 2016-17, having been awarded 296 kms of road building projects (bidding strike rate of 51 per cent).

The business was backed by an equipment pool of ₹450 crore.

The retention-friendly business generated attractive margins.

The company showcased its focus on EPC projects from the State government, NHAI and MORTH, funded by multi-lateral funding agencies like ADB and World Bank.

The company strengthened its qualification credentials to bid for larger NHAI projects.

The company focused on projects where it

can work as a direct contractor or work as a vendor for a Grade A contractor.

The company appointed a business head with a rich record of timely road building implementation across 7000 kms.

Strategic: The Company is qualified for 2 & 4 lane road EPC projects from NHAI and MORTH up to ₹700 crores and BOT & annuity projects up to ₹1200 crores.

Awards: the Company was awarded 4 projects floated by MORTH backed by World Bank.

Portfolio: the Company's execution of projects comprised the construction of roads, expressways, national highways and state highways with paved shoulders. the Company also addressed major and minor bridges, rail overbridge and underbridge as well toll plazas.

Strengths: The Company's strengths comprised timely delivery, budgeted targets and adherence with international safety and quality standards.

Key roads projects

EPC Projects

HAM Project

Madhugiri-
Mulbagal,
Karnataka,
MORTH

Bankura - Purulia,
West Bengal,
MORTH

Sitamarhi-
Jaynagar-
Narahia, Bihar,
Lot I, MORTH

Sitamarhi-
Jaynagar-
Narahia, Bihar,
Lot II, MORTH

Hunli-Anini,
Arunachal
Pradesh, NHIDC

Bodhre-Dhule,
Maharashtra,
NHAI

Parli-Pimpla-
Dahiguda,
Maharashtra

Mehkar-Ajispur,
Maharashtra

Ajanta-Buldhana-
Khamgaon-
Shegaon-Deori,
Maharashtra

Nanded-Bhokar-
Himayatnagar-
Kinwat-Sarkhani-
Mahur-Arni,
Maharashtra

Kutchery Chowk-
Ranchi-Piska
More-Biju Para,
Jharkhand, NHAI

SOLAR PLANT



The company commissioned a 5 - MW project awarded by Solar Energy Corporation of India under JNNISM Phase-2 Batch-1 at Karajgi, Solapur

The Government pledged a quantum rise in renewable energy with a focus on solar energy. The Government intends to commission 100GW of solar energy capacity by 2022, which could make India one of the

fastest growing markets for solar energy in the world.

This should provide adequate opportunities for the Company to emerge as a significant EPC player in setting up solar power plants.

SOLID WASTE MANAGEMENT



Development of Regional (MSW) Municipal Solid Waste to Energy (Electricity) and Scientific Landfill Facility in Patna, Project of BIDCO

The Company is undertaking Solid Waste Management projects worth ₹220 crore at Patna (Bihar) and Kolhapur (Maharashtra).

Operational: Sunil Hitech views this segment as a high-growth business and possesses the requisite technical expertise to execute large and complex projects in the urban solid waste management space.

India can potentially produce 4.3 million tons of compost per year from municipal solid waste alone. The government is planning to adopt 33 cluster-based waste management projects in which 652 towns within a 50km periphery can use a common landfill site for dumping waste for years.

Between an India which produces 62 million tonnes of solid waste every year and a Swachh Bharat lies an untapped waste management industry that can be worth USD 13 billion by 2025. This is expected to provide opportunities for the Company to grow its solid waste management business.

EPC: BUILDINGS



Civil, Structural and Architectural Works for Main Plant Area of 3X660 MW BTG Package of Mahagenco for Coal Based Power Project at MSPGCL, Koradi Project, Project by L&T

The Company entered the buildings space for Public Works Department (PWD) and other Govt. departments, providing construction services for hospitals, national institutions, government housing projects, industrial, commercial buildings, hostels and industrial sheds etc.

The Company's focus is expected to increase on institutional buildings like IITs, IIMs, AIIMS and administration building etc.

Key projects of buildings

₹415 cr
BSHB, Bihar

₹130 cr
UPRNNL,
Firozabad

₹94 cr
SCCL, Singareni

₹89 cr
KDA, Kanpur

₹83 cr
JRDA, Dhanbad

Operation & Maintenance

Over the years, the Company has extended its business to operations, overhauling and maintenance (renovation and modernization) for power and steel plants. The Company comprises a strong team of technicians and engineers. the Company's service portfolio covers the entire spectrum of operations and maintenance - boilers, turbine generators and auxiliaries; repair, modification and rehabilitation for utility boilers up to 600 MW; pressure plants, milling system, rotating parts and ducting; high pressure/low pressure piping works; renovation, modernisation and retrofitting of ESP; coal and ash handling plants.

Manufacturing - Heavy Engineering

The Company's manufacturing segment comprises the 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 industries, tanks and vessels, piping, boiler pressure parts tubes up to 660 MW, collection and emitting electrodes of ESP, air register assemblies, railway overbridge and girders.

The Company's key projects related to Heavy Engineering have comprised the following:

- ▶ NTPC Mauda, Nagpur 660MW
- ▶ NTPC Meja, UP 660MW
- ▶ PATH India Ltd, ROB (Road over Bridge), NH7
- ▶ IL&FS Engineering, RUB (Road under Bridge) Solapur
- ▶ NTPC North Karanpura, Jharkhand 2x660MW

Some completed 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



'Royalty' Residential Complex at Nagpur

- ▶ 210 MW- ESP erection and retrofiting, 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 MtrRCC 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, Ratnagiri
- ▶ 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 4 Tower Buildings 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 KoradiExpn.
- ▶ 250 MW, U#8 Balance of Plant Pkg. Parli TPS

► Royalty-7 Bungalows on 7 floors Nagpur.

Uttar Pradesh

- Structural steel works at GCU Petrochemical plant at GAIL Pata
- 2x500 MW, boilers auxiliaries, Misc structures and 250 metres RCC chimney steel flues, Rihand
- 210 MW, Boilers and auxiliaries, Unchahar
- 2x80 MW, TPH- HRSG, Gailpata
- 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

Haryana

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

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

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

Telangana

- 1x600MW Singareni Switch yard Pkg & Cooling Tower (IDCT)
- 1x600 MW Singareni/SCCL/BHEL Main Plant BTG Civil and Structure work

Madhya Pradesh

- Civil, Structural & Arch works of 1x600MW Avantha Power Project at Jhabua.
- Main plant Civil works package of 2x250MW, MPPGCL, Satpura TPP.
- Boiler & Critical Piping erection package of 1x600MW at MPPGCL Malwa.
- 4x500 MW, Stg-II & III Main plant structure and CW piping work, Vindhyachal
- 210 MW, Structure and CW piping work, Amarkantak
- 2x250 MW, Main Plant & CHP Structure in Bina TPP
- 500 MW, Boiler and Auxiliaries at NTPC Vindhyachal TPP Stg-IV
- 500 MW, Boiler, Auxiliaries and Turbine Generator at NTPC Vindhyachal TPP Stg-V

Punjab

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

Gujarat

- Boiler erection package of 1x500MW GSECL, Ukai Project.
- Fabrication and erection of structure and piping work, Dahej.
- 2x125 MW, Main Plant Structure, Boiler auxiliaries, CW Piping and Storage Shed in GIPCL, Magrol

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

Orissa

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

Karnataka

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

Himachal Pradesh

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

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, Rajnadgaon
- 2x600 MW, Civil, Structural and Architectural in Main Plant of BTG & BOP Pkg. at DB Power, Champa

Bihar

- 1X250 MW Barauni/BSEB U #9: Structural Steel Work
- IOCL Barauni Coker-A Civil & Structural Works for Coke Chamber

CORPORATE SOCIAL RESPONSIBILITY (CSR)



"If they [companies] believe they are in business to serve people, to help solve problems, to use and employ the ingenuity of their workers to improve the lives of people around them by learning from the nature that gives us life, we have a chance."

– Paul Hawken

The CSR policy of Sunil Hitech Engineers Limited revolves around the words of Paul Hawken, emphasising good governance and corporate citizenship.

The Company is involved in numerous CSR activities including regularly interacting with the underprivileged members of society to understand their socioeconomic needs. We have also taken various steps to address

their educational, medical and agricultural requirements. We have also tried to increase employment opportunities of socially disadvantaged youth in the Marathwada region. Raising awareness among farmers with reference to the new farming methods is also a critical aspect of our CSR approach.

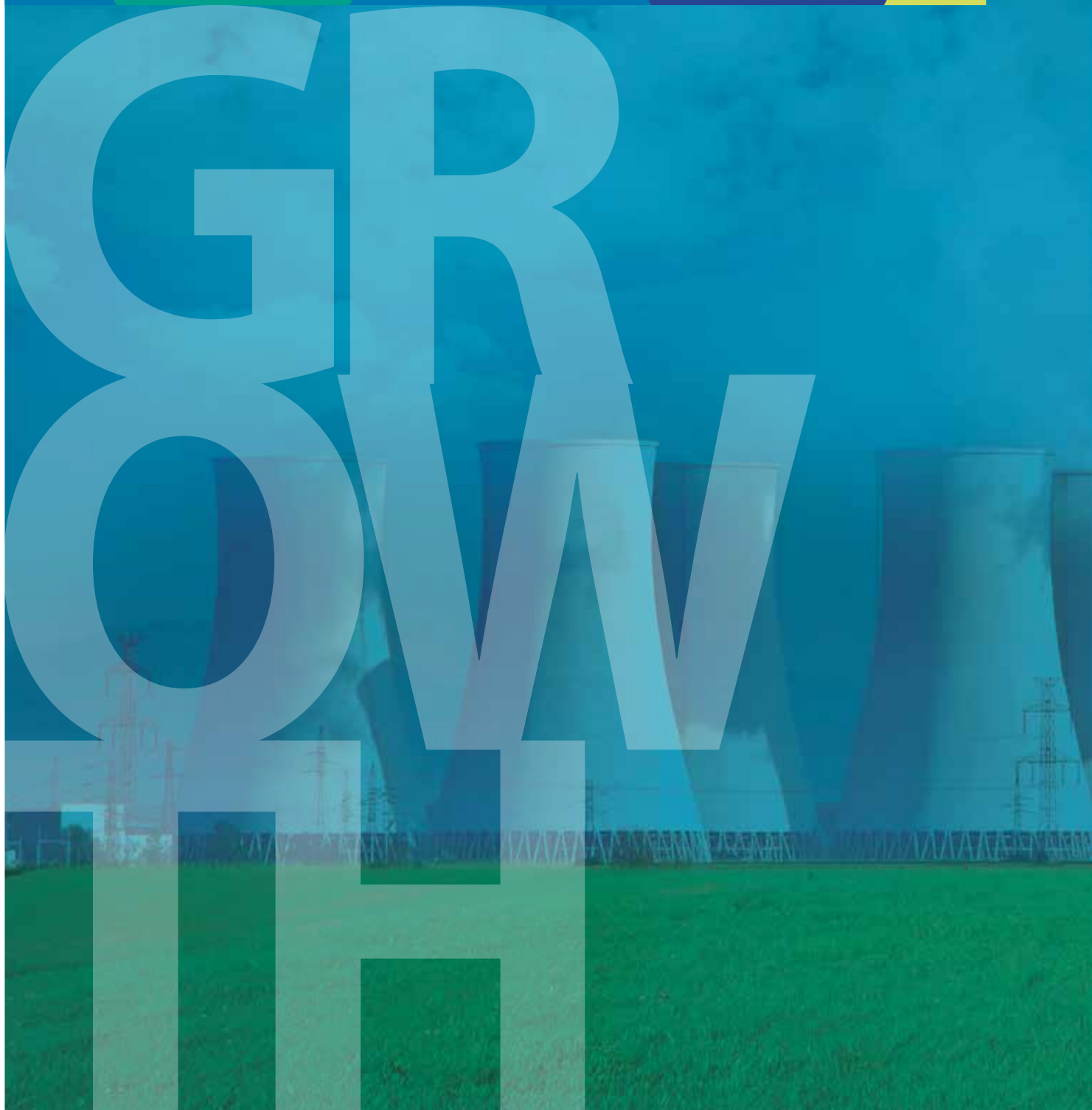
By integrating marginalised people into mainstream socioeconomic development, we can ensure their liberation from the vicious cycle of poverty and discrimination. Consequently, we have undertaken dedicated initiatives in the realms of education, healthcare and agriculture, among others, to help underprivileged communities across Maharashtra.

The Sudharatna Charitable Trust, a Group concern of Sunil Hitech has worked hard

to bring about a positive change in the lives of several farmers and underprivileged members of the society in the Parbhani district of Maharashtra. Moreover, Sunil Hitech has collaborated with the Ministry of Rural Development, Government of India, to organise welfare programmes which support the most marginalised members of the society.

Sunil Hitech set up SDI Centres under the flagship programme of the Ministry of Rural Development to hone skills of youth (between 18 to 35 years) hailing from below poverty line families to enhance employability. This pilot project was launched in the Mouda, Koradi, Gadchiroli and Tiroda districts of Maharashtra.

Power sector: EPC projects in the power sector and Balance of Plant implementation and commissioning





Overview

The Balance of Plant and Engineering, Procurement-Construction services for power plants accounts for the largest proportion of the Company's revenues for years. the Company entered this business vertical space in 1998 and was associated with the completion of 46129 MW power plants in India, the largest by any company. the Company specialises in EPC / turnkey projects up to 800MW, erection of boilers, TG and auxiliaries, BTG renovation and modernisation, T&D projects, overhauling, operation and maintenance of power plants upto 600 MW.

This extensive presence generated a rich experience in managing the BoP and EPC

segments that was leveraged to create standalone multiple businesses.

The company enjoys an attractive track record in this respect, having addressed the BoP and EPC needs of prominent power generating companies like L&T, BHEL, NTPC, MAHAGENCO, Adani, JSW, Reliance, etc.

Strengths

- ▶ Sunil Hitech is empaneled for EPC projects with all major power generating units in India.
- ▶ the Company possesses expertise comprising the fabrication, erection, testing and the commissioning of bunkers, electrostatic precipitators, boilers and TG sets in power plants

▶ the Company possesses in-house engineering and fabrication competence in boiler components (through 88.61% subsidiary SEAM Industries Limited).

▶ the Company's cumulative three-decade execution experience covers 46129 MW

▶ the Company enjoys existing relationships with all major power generation companies

▶ the Company's project management experience covers a multitude of locations

Outlook

India is targeting capacity addition of 50 GW of thermal energy in the next 10 years, representing an attractive opportunity.

EPC: POWER SECTOR (STRUCTURAL & CIVIL)



The company entered the power sector in 1984 and this business vertical has mainly carried out civil works, erection of heavy equipment and structures. the Company had completed projects up to 46129 MW by the close of FY17.

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.

For BoP & EPC assignments, SHEL provides the following services: designing and manufacturing, supply and erection, testing and commissioning.

The company specialises in setting up EPC / turnkey projects (up to 800 MW), which includes erecting boilers, turbine generators and auxiliaries, transmission & distribution projects etc.

This extensive presence has strengthened the reputation of the Company as a reliable player.

SHEL's strength lies in creating a synergy

with renewable and alternate sources of power resulting in leadership position in design, procurement, and construction of thermal and nuclear-fuelled power plants.

As a pilot, the company commissioned and owned a 5 megawatt EPC renewable energy project in Solapur (through a 100%-subsidiary) for establishing qualification in EPC solar sector.

Key projects of the power sector

- ▶ **NTPC Kudgi** – Construction of Ash Dyke for 3x800MW – CV ₹183.02 Crs
- ▶ **NTPC Meja** – CW system & Make up water system package of 2x660MW – CV ₹174.90 Crs
- ▶ **MAHAGENCO Parli** – Balance of Plant (BOP) Package on EPC Basis – CV ₹487 Crs
- ▶ **BHEL North Karanpura** – Main plant Civil works package of Unit-1 & 3, 3x660MW – CV ₹175 Crs
- ▶ **NTPC Lara** – CW system civil work package of 2x800MW – CV ₹56.23 Crs
- ▶ **NTPC Darlipali** – CW system civil work package of 2x800MW – CV ₹81.06 Crs
- ▶ **NTPC/Doosan Lara** – Erection, Testing and Comm. of Boiler Unit-II for 2x800 MW, – CV ₹74.76 Crs
- ▶ **NTPC/Doosan Kudgi** – Erection, Testing and Comm. of Boiler Unit-III for 3x800 MW, – CV ₹83.70 Crs
- ▶ **NTPC/BHEL Mouda** – Erection, Testing and Comm. of Boiler Unit-III for 2x660 MW, – CV ₹75.71 Crs
- ▶ **ACPL/ABIR Singhitari** – Erection, Testing and Commissioning of Boiler and their Auxiliaries and Bunker Shell & Bunker Mill Bay Structural for 2X600 MW – CV ₹130 Crs

Ongoing projects

MAHARASHTRA

- ▶ 2x500 MW NTPC Mauda STPP Civil work of Administrative & Residential Buildings.
- ▶ 1x660 MW NTPC Mauda STPP Boiler Erection & Bunker Erection
- ▶ CPWD/VNIT Nagpur: Construction of Classroom Complex.
- ▶ 2x660 MW NTPC Solapur U #1&2 STG Work
- ▶ RAPDRP Nagpur (Rural) & Nagpur (Urban) 33/11 KV Sub Stations, Other Allied Works,
- ▶ RAPDRP Kolhapur 33/22/11 KV Sub Station, Other allied works,
- ▶ Infrastructure Plan Part-II Phase - D-1 Project Morshi Division Amravati, 11kV/22kV/33kV Lines, New/

Aug. Distribution Transformers of Various Capacities, and Other Allied Works,

- ▶ Infrastructure Plan Part 132/33 KV Sub Station at Kavathe-Yamai, Tal. Shirur, Dist. Pune
- ▶ NHAI Four / Six Laning of Bodhre to Dhule NHDP-IV
- ▶ PWD Rehabilitation and Up-gradation of Parli - Pimpala Dahiguda Section of NH-548B
- ▶ MORTH Up- Gradation of Nanded Kinwat-Mahur-Arni Road Section from Sarsam Budruk to Kothari NH-161A
- ▶ MORTH Rehabilitation & Up-Gradation of Ajanta-Buldhana Section of NH - 753E
- ▶ MORTH Rehabilitation & Up-Gradation of Mehkar to Ajisapur NH-548C

Uttar Pradesh

- ▶ KDA Kanpur Construction of EWS Houses 22 Blocks(G+3)
- ▶ UPNN - Construction of Medical College Firozabad U.P.
- ▶ 2x660 MW, Meja/NTPC #1&2 CW System and Make up Water System

Jharkhand

- ▶ 3x660MW North Karanpura – Main Plant
- ▶ BTG Area & AHP Civil & Structural works of Unit-1 & 3
- ▶ JRDA- Construction of 2000 Units G+3 (Four Storey) Visthapit Awas at Mouza Lipania (Phase-B), Dhanbad.
- ▶ NHAI - Four Laning of Kutchery Chowk Ranchi - Piska More - Bijupara of NH-75 (Pkg-I)

Andhra Pradesh

- ▶ Construction on Administrative Building/Canopies at Toll Plaza (pkg 5&6) at Hyderabad
- ▶ 2x660 MW Bhawanpadu U #1&2: Boiler and its auxiliaries and Material Management

Telangana

- ▶ 2x600 MW SSCL, Singrani TPP Construction of Residential Buildings/Staff Quarter

Punjab

- ▶ Construction of Central Sudhar Ghar at Tarn Tarn

Gujarat

- ▶ 1X700 MWe Kakrapar Atomic Power Project, NPCL U #3, STG & Piping work

Odisha

- ▶ 2x800 MW, NTPC Dharlipali CW System civil work package

Karnataka

- ▶ MORTH Rehabilitation and Upgrading to 2 Lanes of Madhugiri to Mulbagal section
- ▶ Ash Dyke Package for Kudgi Super Thermal Power Project, Stage-I, 3x800 MW
- ▶ 1x800 MW NTPC Kudgi U #3: Boiler Erection and Material Management

Chhattisgarh

- ▶ 3X800MW NTPC LARA CW System civil work package
- ▶ 1X800 MW NTPC LARA U #2 Boiler Erection & Material Management
- ▶ 2X600 MW Singhitari U # 1&2: Boiler & its Auxiliaries and Bunker Structure

Bihar

- ▶ MORTH Rehabilitation and Upgrading to 2 Lanes of Sitamarhi-Jaynagar-Narahia Section Lot I & II NH 104
- ▶ BSHB - Construction of 1054 Flats on 16.5 Acres of Land at Dalpatpur, Ara, Bihar

West Bengal

- ▶ MORTH Rehabilitation and Upgrading to 2 Lanes of Bankura-Purulia Road Section of NH-60A

Arunachal Pradesh

- ▶ Two Laning of Existing Hunli-Anini Road on EPC Basis Pkg-II in Under SARDP-NE

Sectoral optimism

ROADS



India has the second largest road network in the world at 4.7 million km, transporting more than 60% of goods across the country and 85% of the total passenger traffic.

What's happened in the sector? (FY2016-17):

- ▶ Highway construction reached 8,142 km during FY 2016-17, with an all-time high average pace of 22.3 km per day.
- ▶ 133 km roads per day were constructed in 2016-17 compared to 73 km per day in 2011-14.
- ▶ The National Highways and Infrastructure

Development Corporation (NHIDCL) received a contract to build five all-weather access tunnels worth ₹23,000 crore (US\$ 3.57 billion) in Jammu and Kashmir by 2024.

What's on the cards? (FY2017-18):

- ▶ 2,000 kms of coastal roads identified for construction and development
- ▶ Allocation of ₹64,000 crore (US\$ 9.55 billion) to NHAI for roads and highways in

the Union Budget 2017-18

- ▶ Allocation of ₹27,000 crore (US\$ 4.03 billion) for Pradhan Mantri Gram Sadak Yojana in the Union Budget 2017-18.
- ▶ The NHAI plans to build 50,000 km of roads worth USD 250 billion by 2022 as part of a long-term goal of doubling the length of the national highway network to 200,000 km.

CIVIL ENGINEERING

The Indian engineering sector has witnessed a robust growth in the last few years, driven by increased investments in industrial production. This sector is associated with the manufacturing sector, which is of great importance to the nation's economy.



What's happened in the sector? (FY2016-17)

▶ As per the data from Engineering Export Promotion Council of India, engineering exports from India grew 11.33% year-on-year to reach a value of USD 65.23 billion in FY 2016-17.

▶ In the time period between April 2000 to

March 2017, the Foreign Direct Investment (FDI) stood at around USD 3.31 billion.

What's on the cards? (FY2017-18)

▶ The government of India is planning to integrate 6 engineering consulting Public Sector Units (PSUs) to create a mega consultancy firm to take up and complete projects across sectors.

▶ The spending engineering sector is projected increase to USD 1.1 trillion by 2020.

▶ The government's increased focus on attracting foreign investors in manufacturing and infrastructure is likely to boost FDI in the sector.

INFRASTRUCTURE

This sector is the biggest driver for the Indian economy. The government has initiated policies to ensure the creation of sophisticated infrastructure. Union Minister of Road Transport, Highways and Shipping, Nitin Gadkari has indicated that India's Infrastructure sector has the potential to boost GDP growth by 2-3%



What's happened in the sector? (FY2016-17)

▶ The Foreign Direct Investment (FDI) that was received in the construction development sector, which includes townships, housing, built up infrastructure and construction development projects, between April 2000 and March 2017, stood at USD 24.3 billion.

▶ Power, roads and renewable sector were leading in the 33 deals received in FY 2016-17 involving USD 3.49 billion as against

USD 2.98 billion raised across 31 deals in FY 2015-16.

▶ Affordable housing has been given Infrastructure status.

▶ Lock-in period for long-term capital gains on land and buildings has been reduced from three to two years.

What's on the cards? (FY2017-18)

▶ There was an increased Infrastructure outlay and Defense capital expenditure in the Union Budget 2017-18 by 10% and 20.6% respectively to ₹396,135 crore and

₹86,488 crore.

▶ Outlay for the railway sector increased by 8% to ₹131,000 crore. This will be used to lay down 3,500 km of railway lines in 2017-18.

▶ The government plans to invest Rs 11,421 crore to better the basic urban infrastructure in 61 cities and towns of Uttar Pradesh with a population of more than 100,000 each by 2019-20, under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme

Management discussion and analysis

INDIAN ECONOMY OVERVIEW

India's GDP growth has been 7.1% for 2016-17, down from 8% recorded in 2015-16. Although demonetisation affected GDP growth by an estimated 25-100 bps in the third and fourth quarters of 2016-17, the government's initiative of removing specified bank notes from circulation is expected to have long-term benefits.

On the domestic front, India remained the fastest growing major economy in the world, after surpassing China last year, Gross Domestic Product growth rate was 7.1% for FY 2016-17, supported by strong consumption growth and government spending. Inflation eased sharply led by a decline in food inflation amidst government's astute food management, facilitating a 50 basis points rate cut by the RBI in FY 2016-17 before it adopted a neutral stance. The growth rate of the industrial sector was estimated at 5.2% in FY 2016-17, down from 7.4% in FY 2015-16. The country's IIP registered a modest growth of 0.7% for the full year FY2016-17 and 2.5% in March 2017 with 2004-05 as base year. On the basis of the revised series with 2011-12 base year, the Index of Industrial Production (IIP) rose 5% in the financial year under review and 2.7% in March, according to Central Statistics Office (CSO).

Agricultural growth strengthened to 5.2 percent in the last quarter of FY2017 compared to 1.5 percent last year. With Rajasthan, Madhya Pradesh and Maharashtra receiving 20% more rain than usual till the end of August 2016, the agriculture and allied activities sector is expected to grow at 4.4 per cent for the financial year according to CSO. This should

lift the sagging rural demand and, by extension, the GDP growth rate. The major impetus is expected to come from the farms as non-agriculture growth is pegged to pick up by 10 bps over the previous fiscal to 8.6%.

The year 2016-17 was marked by two significant economic developments: the Government's demonetization to counter the shadow economy and promote cashless digital payments; the goods and services Tax (GST) was cleared and likely to be implemented from July 2017 with a projected impact on the taxation structure.

Outlook

The near-term growth outlook for India seems bright. India's GVA (gross value-added) growth is likely to remain at 6.6% as economic activity could take time to normalise. The imminent implementation of the Goods and Services Tax is expected to catalyse interstate trade through enhanced investments, reducing supply chain-related issues and moderating overheads (Sources: IMF, ICRA).

Government reform initiatives

Smart Cities: The Indian government launched the Smart Cities initiative in collaboration with States and Union

Territories. The mission intends to drive economic growth and improve living standards. The Smart Cities mission will drive city improvement (retrofitting) and city extension (greenfield development). This initiative will cover 100 cities with the Union government allocating ₹48,000 crore over five years.

Make in India: The 'Make in India' initiative was launched with the objective of making India a global manufacturing hub. The initiative is expected to boost entrepreneurship in manufacturing, services and infrastructure sectors. The Indian Government set up 'Invest India' as a national investment promotion and facilitation agency under the initiative.

Ease of doing business: The government sought to amend several laws in easing the process of starting and running a business: online application for industrial licenses, restriction of documents required for export and import to three, removal of requirements for minimum paid-up capital for companies, granting security clearances on an industrial license within 12 days and establishment of a facilitation cell under Invest India, among others.

Year-on-year change in % terms	FY17			
	Q1	Q2	Q3	Q4
GVA at basic prices	7.6	6.8	6.7	5.6
private consumption	8.4	7.9	11.0	7.3
Investment demand	7.4	3.0	1.7	-2.1
Agriculture	2.5	4.1	6.9	5.2
Industry	7.4	5.9	6.2	3.1
Services	9.0	7.8	6.9	7.2

GVA: Gross value added

Source: Central Statistics Office

Key numbers

7.1%	2.08%	369,954	7.4%	9.9%	7.1%
GDP growth in 2016-17	CPI in 2016-17	Foreign exchange reserves as on March 31, 2017 (US\$ million)	Growth in the manufacturing sector in 2016-17*	Growth in the services sector in 2016-17	Estimated GDP growth in 2016-17

*Expected

INDIA'S POWER SECTOR

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. India continued its upward trend in the EY's Renewable Energy Country Attractiveness index 2017 to second position with the Government's program to build 175GW in renewable energy generation by 2022 and to have renewable energy account for 40% of installed capacity by 2040.

India has made significant strides in the power sector over the past few years. It is the fourth largest country by generating capacity, achieving close to zero energy deficit in FY17. In distribution, the Government's ambitious UDAY programme has seen widespread adoption with 27 States and Union Territories signing up for financial restructuring. Similarly, the transmission sector has been energised with significant expansion.

The Government's program is to build 175GW in renewable energy generation by 2022, renewable energy accounting for 40% of installed capacity by 2040. The country added more than 10GW of solar capacity in three years starting from a low base of 2.6GW in 2014.

According to CEA's Load Generation Balance Report (LGBR), the current financial year will see a capacity addition of 13,405 MW, 11,366 MW of thermal, 1,539 MW of hydro and 500 MW of nuclear power.

The gross energy generation in the country has been assessed as 1,229.4

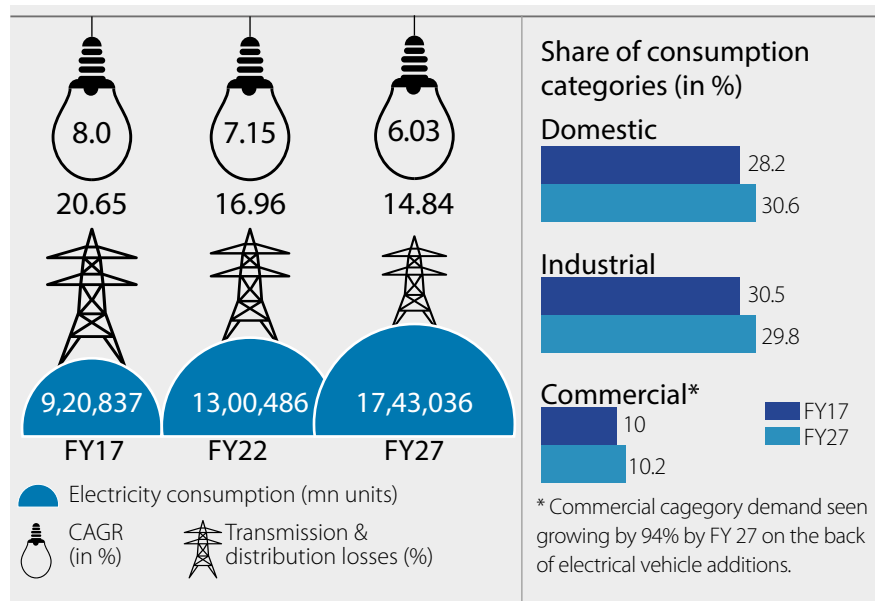
billion units from the conventional power plants in operation and those expected to be commissioned during the year in consultation with generating companies/ SEBs (State Electricity Boards) and taking into consideration the proposed maintenance schedule of the units during the year.

Surplus energy is estimated at 7.4 per cent, 13 per cent, 9.8 per cent and three per cent in the Southern, Western, Northern and North-Eastern regions respectively. The peaking surplus is likely to prevail in all the regions; Northern, Western, Southern, and Eastern regions to the tune of 6.7 per cent, 17.2 per cent, one per cent, 10 per cent and 2.7 per cent respectively. The report states during 2016-17, the total energy availability increased by 4.1 per cent over the previous year.

The energy requirement registered a growth of 2.6 per cent during the year against the projected growth of nine per cent and peak demand registered a growth of four per cent against the projected growth of 7.8 per cent.

Inter-regional capacity addition during the 13th Plan (2017-22) is estimated at 45,700 Mw, from the present 63,650 Mw by the plan end according to CEA.

Electrical energy requirement in the next 10 years is expected to grow by 79%. The country will need 1,743 billion units (BU) of energy by FY27. Energy requirement in FY17 was close to 1,142 BU. The CEA survey report noted that energy efficiency schemes and aggressive demand side management would lead to savings of 206 BU in FY22 and 273 BU in FY27.



[Source: <http://www.financialexpress.com/economy/electricity-consumption-in-india-power-demand-to-rise-7-cagr-in-5-year/716957/>]

Power generation

India ranks fifth in terms of largest installed power capacity in the world. At present, installed electricity generation capacity in India is about 330GW. About 17.5% (57.5GW) is through renewable generation (wind: 32.3GW, small hydro: 4.3GW, solar: 12.5GW and balance biomass generation: 8.1GW).

The overall generation (including generation from grid connected renewable sources) in the country been increased from 1173.458 BU during 2014-15 to 1173.603 BU during the year 2015-16 and 1242.010 BU during 2016-17. The performance of category-wise generation in 2016-17 was:

Category	Growth
Thermal	5.34%
Hydro	0.82%
Nuclear	1.34%
Bhutan Import	7.11%
Renewables	24.46%
Overall growth	5.83%

The country has set an ambitious target of adding 175GW of renewable generation capacity comprising 100GW solar, 60GW wind and 15GW bio mass, small hydro and others by 2022.

[Source: <http://www.financialexpress.com>]

According to CEA, renewable energy generation would be 20.3 per cent and 24.2

per cent of the total energy requirement in 2021-22 and 2026-27, respectively.

India added 5,525 MW solar power generation capacity last fiscal, taking the total from this clean source to 12,288 MW. Andhra Pradesh has been the highest contributor of solar capacity in 2016-17 with an annual generation of 1,294.26 MW. Karnataka stood second (882.38 MW), and was followed by Telangana (759.13 MW). The other states that were in the league were Rajasthan (543 MW), Tamil Nadu (630.01 MW), Punjab (388 MW), Uttar Pradesh (193.24 MW), and Uttarakhand (192.35 MW).

The solar capacity target includes setting up of 34 solar parks with around 20GW capacity. Recently, the government has decided to establish another 20GW under solar parks. The government has envisaged 4,800 MW from rooftop solar and 7,200 MW from large scale solar power projects in the country.

Solar power generation capacity:

FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
1,686 MW	2,632 MW	3,744 MW	6,763 MW	12,288 MW

Source: <http://economictimes.com>

By the end of 2018, India's Power Minister committed to a cumulative renewable target of 20,000 MW. This would mean adding 7,750 MW in 2017-18. The result: The Jawaharlal Nehru National Solar Mission (JNNSM) target would be addressed two years in advance.

Power transmission and distribution

An extensive network of transmission lines has been developed to evacuate power produced by different electricity generating stations and distribute across consumers. Depending on the quantum of power and the distance involved, lines of appropriate voltages have been installed. The nominal Extra High Voltage lines being used comprise ± 800 kV HVDC & 765kV, 400 kV, 230/220 kV, 110 kV and 66kV AC. These have been installed by all SEBs as well as generation, transmission and distribution utilities including those in Central sector.

During 2016-17, a total of 26,300 circuit-km (ckm) of transmission lines and 81,816 MVA transformation capacity was added in Central, State and Private Sector. This includes two numbers of 800kV HVDC line, 11 numbers of 765kV lines & 30 numbers of 400kV lines in Central Sector and 1 number of 765kV, 33 numbers of 400kV & 147 numbers of 220kV lines in State Sector. Further, 4 numbers of 765kV, 22 numbers of 400kV and 2 numbers of 220kV totaling 4,578 ckm of Transmission lines were added in the Private Sector during this period. With

the commissioning of these transmission lines, the inter-state and intra-state capability of power transfer in the country enhanced considerably.

[<http://www.financialexpress.com> and www.cea.nic.in]

Some 4,027 circuit kilometers (ckm) of transmission lines have been commissioned during 2017-18 (April-May 2017). This is 17.4% of the annual target of 23,086 ckm fixed for 2017-18. Similarly, 9,170 MVA of transformation capacity of substations has

been added during 2017-18 (April-May 2017) which constitutes 17% of the annual target of 53,978 MVA fixed for 2017-18.

The capacity of transmission system of 220 kV and above voltage levels in the country as of May 2017 was 3,71,878 ckm of transmission lines and 7,49,935 MVA of transformation capacity of substations.

As of May 2017, the total transmission capacity of the inter-regional links was 75,050 MW. [powermin.nic.in]

Indicating significant growth in the power transmission sector, the Central Electricity Authority (CEA) has estimated an investment of ₹2.6 lacs crore till 2022. The investment figure includes an estimate of ₹30,000 crore in transmission systems

below 220 kv. About ₹1.6 lacs crore would come from states and the other ₹1 lacs crore from Power Grid Corporation of India. The government is planning to increase the size of projects and scope of work in transmission. Inter-state lines with capacity of around 56,000 MW are being planned by the end of the 13th Plan. The estimate is that India would need 100,000 circuit km (ckm) of transmission lines and 2,00,000 MVA transformer capacity of substations at 220 kv and above voltage was expected to be added in the 13th Plan.

[http://smartinvestor.com]

Outlook

Under the Deen Dayal Upadhyay Gram JyotiYojana's rural electrification package,

measures were taken in mission mode starting August 2015 with a target to electrify the un-electrified villages of the country by May 2018 to fit into the grander plan of providing '24x7 Power for All' by 2019. As per GARV dashboard, of the 18,452 villages to be electrified, electrification has already been done for 11,434 villages. Electrification needs to be carried out in 6,320 villages and the remaining 698 villages are uninhabited. Other than the aforementioned policies, New Tariff Policy, Wind Re-powering policy and Wind Solar Hybrid Policy, among others, were announced in 2016 which are going to help the sector in the coming years. (Source: Economic Times)

Village electrification status



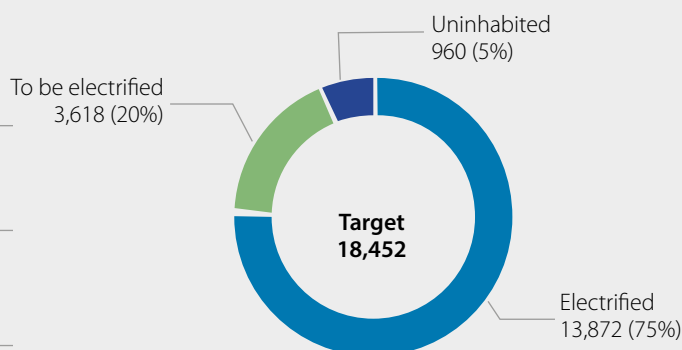
Electrified
13,872 (75%)



To be electrified
3,618 (20%)



Uninhabited
962 (5%)



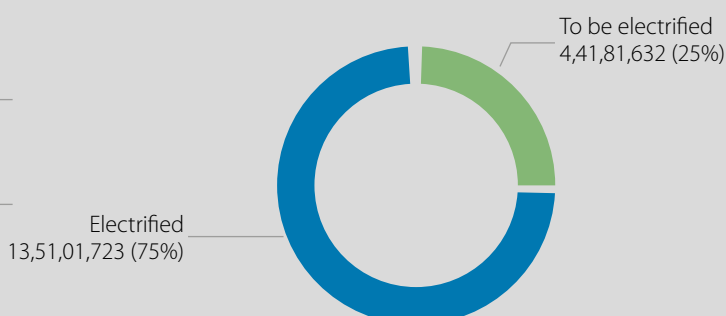
Village electrification status



Electrification progress
10,04,995



To be electrified
4,41,81,632 (25%)



[http://garv.gov.in/garv2/dashboard/garv]

GOVERNMENT PROGRAMMES

Ujwal DISCOM Assurance Yojana:

Ujwal DISCOM Assurance Yojana (UDAY) is aimed at the financial turnaround and revival package for electricity distribution companies of India (DISCOMs). The State government is taking over up to 75% of their respective discoms debt and issuing sovereign bonds to pay the lenders. Discoms are expected to issue bonds for the remaining 25 percent of their debt. UDAY envisages a permanent resolution of the past as well as potential future issues of the sector.

Integrated Power Development Scheme:

This scheme was approved on 20.11.2014 with a total outlay of ₹32,612 crore which includes a budgetary support of ₹25,354 crore from the Government of India. The objectives of the scheme:

- ▶ Strengthening of sub-transmission and distribution networks in the urban areas;
- ▶ Metering of distribution transformers / feeders / consumers in the urban area.
- ▶ IT-enablement of distribution sector and strengthening of distribution network

The component of IT-enablement of distribution sector and strengthening of distribution network approved in June, 2013 in the form of RAPDRP for 12th and 13th Plans got subsumed in this scheme and an approved scheme outlay of ₹44,011 crore, including a Budgetary support of ₹22,727 crore was carried over to the new scheme of IPDS.

Deendayal Upadhyaya Gram Jyoti

Yojana (DDUGJY): Scheme approved on 20.11.2014 with a total outlay of ₹44,033 crore, which includes a budgetary support of ₹33,453 crore from the Government of India. The objectives of the scheme are:

- ▶ Separation of agriculture and non-

agriculture feeders

- ▶ Strengthening of sub-transmission and distribution networks in the rural areas;
- ▶ Metering of distribution transformers / feeders / consumers in the rural area.
- ▶ Rural electrification

The component of Rural Electrification approved in August 2013 in the form of RGGVY for 12th and 13th Plans got subsumed in this scheme and an approved scheme cost of ₹39275 crore, including a budgetary support of ₹35447 crore, was carried over to the new scheme of DDUGJY.

UJALA: The energy efficiency drive saw distribution of nearly 23 crore LED bulbs by the Central Government along with 33 crore by the private companies, a move that resulted in savings of over ₹20,000 crore per year in electricity bills of consumers. The scheme will not only help consumers reduce their electricity bills but also contribute to the energy security of India. The scheme is being monitored in a transparent manner through a national dashboard (delp.in). (Source: Livemint)

Garv- II application: The government has launched GARV- II app to track Rural Household Electrification. This is the next step in Government of India's aim to provide access to electricity to all households in the country. GARV-II mobile app has incorporated village-wise and habitation-wise base line data on household electrification for all States. It also has mapped village-wise works sanctioned under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) to monitor the progress in each village. It also has a citizen engagement window 'SAMVAD' to enhance participation.

24x7 Power for All: 'Power for All' is a joint

initiative of the Centre in collaboration with State governments for the supply of quality and reliable 24 x 7 power to agricultural, industrial and domestic consumers. The scheme is aimed at addressing all the key aspects and activities to be undertaken across generation, transmission and distribution, including achieving 100% household electrification. The plan aims to provide each household access to electricity, 24x7 reliable power supply and adequate supply to agricultural consumers as per state policy by 2019. It also emphasizes on the development of transmission and sub transmission network which plays vital role in providing round the clock power supply.

DeendayalUpadhyaya Gram JyotiYojana (DUGJY)

:The project aims to provide 24x7 uninterrupted electricity supply to each rural household across the country by 2022. The major components of the scheme comprise:

- Strengthening sub-transmission and distribution network,
- Feeder separation,
- Metering at all levels including at input points, feeders and distribution transformers.

It also seeks to strengthen micro grid and the off-grid distribution network of rural electrification.

State government is taking over up to 75% of their respective discoms' debt and issuing sovereign bonds to pay back the lenders.

GROWTH DRIVERS

Digital revolution

With more manufacturing processes and service industries become dependent on digital services, the requirement for high security, quality, reliability, and availability of an electric power supply will only go up. Smart grids

can reduce energy consumption, increase efficiency of the electricity networks, and manage electricity generation from renewable technologies.

Smart grid

The National Smart Grid Mission (NSGM) under the Power Ministry is pioneering the Smart Grid programme. With a committed a total outlay of ₹980 crore with a budgetary support of around ₹338 crore in the 12th Plan period, the Ministry

has allocated more than 90% of the outlay in the development of smart grids in Smart Cities. Currently, NSGM has under its belt 14 Smart Grid pilot projects.

Rural electrification

There has been a significant increase in the speed of rural electrification under DDUGJY, covering 6,015 villages in FY17, compared to 1,197 in FY14. Now the government is planning to train its attention on providing electricity to individual households. It has now decided to

complete the 100% household electrification mission by May 2018. To that end, the government would provide standalone solar connections with 2 kilo-watt battery storage facilities to rural households in such places.

Increasing consumption

India's energy consumption is set to grow 4.2% a year by 2035, faster than that of all major economies in the world, according to *BP Energy Outlook*. India's per capita electricity consumption has been continuously increasing over the years. From 734 kWh in 2008-09, the

per capita consumption has reached 1075 kWh in 2015-16, an increase of 46% in eight years. The per capita consumption has been increasing at an average of 6% every year. [<https://factly.in>]

FDI reforms

The Central Government has allowed 100% FDI in the power sector. Around 293 global and domestic companies have committed to generate 266 gigawatts of solar, wind, mini-hydel and biomass-based power in India over

the next decade. The initiative would entail an investment of about USD 310–350 billion. Between April 2000 and December 2016, the industry attracted USD 11.4 billion in FDI. (Source: ibef)

New coal linkage policy

Allocation of linkages for power sector shall be based on auction of linkages or through Power Purchase Agreement (PPA) based on competitive bidding of tariffs except for the State and the Central Power Generating companies and the exceptions provided in

Tariff Policy, 2016. Coal drawal will be permitted against valid Long Term PPAs and to be concluded Medium Term PPAs. The plan for the coal linkages will be an aid through which projects will get assured supply of the fuel at a discounted price. (Source: Livemint)

Smart city

In January 2016, the Indian Government announced a list of 20 cities to be developed into Smart Cities in India. Today's era comprises everything that is smart – be it smartphones, smart people or the concept of Smart City. It has already been mandated that 10% of the Smart Cities' energy requirement will come

from solar energy and at least 80% buildings should be energy-efficient or green buildings. With a plan to develop approximately 100 such cities, the rate of renewable energy usage will go up in the country. (Source: <http://www.greenworldinvestor.com>)

CHALLENGES

While there has been tremendous progress in generation and transmission capacity addition in the country, energy and power demand have largely remained stagnant. The primary reason for the same can be attributed to the poor financial health of the DISCOMs.

Approximately 8,500 Mw of renewable generation capacity has been added in the country between January 2016 and

November 2016 which is highest for any calendar year and accounts for around 19 per cent of the total renewable power installed in the country. This indicates the focus shifting towards renewable energy, primarily solar. This is another cause of concern for the companies engaged in the conventional power generation.

The government has taken an initiative to install 100,000 MW of solar power by 2022,

but our domestic solar panel manufacturing industry is not competitive and the sector does not have adequate capacity to meet the demand of the sector. As a result, majority of the solar panels are imported from countries like China which is against 'Make in India' policy of the government. (<http://economictimes.com> and www.business-standard.com)

INDIA'S CONSTRUCTION SECTOR

The construction sector in India, which employs more than 35 million people, is the second largest employer, next only to agriculture. As per the government reports, the sector is valued at over \$126 billion. It also accounts for more than 60 per cent in total infrastructure investment. The industry's output value in real terms is expected to rise at a compound annual growth rate (CAGR) of 5.65% by 2020; up from 2.95% during the review period (2011–2015). [www.buildotechindia.com]

The construction sector has been consistently contributing around 10% to India's GVA (at 2011-12 prices) in the last

five years (FY12 to FY16). GVA from the construction sector at constant prices (at 2011-12 prices) increased to ₹10,166.6 billion in FY16 from ₹7,773 billion in FY12. Recognised as one of the largest employment generators after agriculture, the sector employs nearly 45 million people. Structurally, the construction sector comprises the real estate and infrastructure segments, out of which infrastructure holds a major share and is a key driver of the overall growth in the construction sector. Residential buildings, townships, commercial complexes and SEZ/IT parks all come under the real estate segment, while

heavy projects conducted on a massive scale involving roads, railways, ports, airports, and highways come under the infrastructure domain.

Currently, the sector is also open to 100% FDI in construction - development projects which include development of townships, construction of residential/commercial premises, road and bridges, hotels, resorts, hospitals, educational institutes, recreational facilities, city and regional level infrastructure.

(Source: Dun & Bradstreet)

INDIA'S ROAD AND TRANSPORT INFRASTRUCTURE

India has an extensive road network of around 33 lac kilometres, the second-largest in the world after the US. However, while the US has 21 kilometres of road per 1,000 persons, India has a mere 3.8 kilometres.

India ranks 74th (out of 140) and 61st (out of 140) in terms of overall infrastructure and quality of roads, respectively. Indian roads carry around 80% of passenger traffic and 65% of freight traffic. The Central Government is working on framing and

implementing policies to attract investor interest. The Indian Government plans to develop a total of 66,117 kilometres of roads under different programmes such as the National Highways Development Project, Special Accelerated Road Development Programme in North East and Left Wing Extremism. The Indian Government has identified the development of 2,000 kilometres of coastal roads to improve connectivity between ports and remote villages.

Indian Road Network

Expressways	200 kms
National highways	96,260.72 kms
State highways	1,31,899 kms
Major district roads	4,67,763 kms
Rural and other roads	26,50,000 kms
Total length	33 lacss Kms(Approx)

[<http://www.nhai.org/roadnetwork.htm>]

Quantitative density of road network

India	United States	China	Brazil
0.65	0.65	0.16	0.20

[www.ijsrp.org]

Under the Pradhan Mantri Gram Sadak Yojana, 133 kilometres of roads were constructed per day in 2016-17 compared to an average of 73 kilometres per day between 2011 and 2014. About 5,000 kilometres of highways were constructed between April and December 2016, at 18.5 kilometres a day on average. The value of roads and bridges infrastructure

in India is projected to grow at a CAGR of 17.4% to touch USD 19.2 billion by 2017. As of January 2017, India had completed and placed in use over 25,600 kilometres of recently built four or six-lane highways connecting many of its major manufacturing centres, commercial and cultural centres. [Source: WEF, IBEF]

- ▶ About 65% of freight and 80% passenger traffic is carried by the roads.
- ▶ National Highways constitute only about 1.7% of the road network but carry about 40% of the total road traffic.
- ▶ Number of vehicles has been growing at an average pace of 10.16% per annum over the last five years.

“Infrastructure projects will create 50 lacs jobs. If today we are building 14 km of road per day, by next March, we hope to take it up to 30 km. My own hope is we can take it to 100 km per day.”

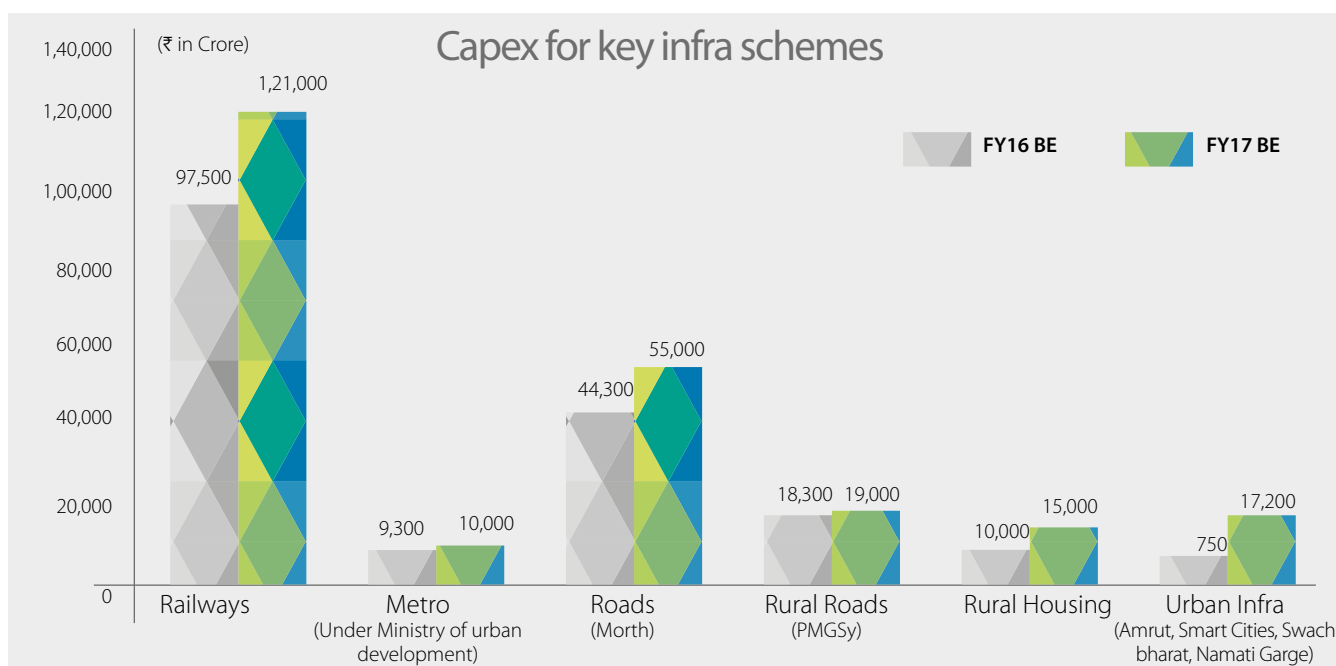
– Nitin Gadkari, Minister of Road Transport and Highways

UNION BUDGET, 2018

The Union Budget gave a substantial boost to infrastructure development by increasing allocation to a record ₹4 trillion and the largest-ever rail budget of ₹1.31 trillion, an 8.26% increase over the ₹1.21 trillion allocated to the national carrier in FY17. The

allocation to the national highways sector was also increased by 12% to ₹64,900 crore for FY18 as the sector has always been a priority sector for the government. As per the 12th Five Year Plan document, national highways constitute less than 2% of the

total road network but carry 40% traffic. The Budget has a significant focus on airport development, with the Finance Minister informing that a select few airports from Tier-II cities will be developed through the public-private partnership mode.



GOVERNMENT IMPETUS

Modified Industrial Infrastructure Upgradation Scheme (IIUS)

Department of Industrial Policy and Promotion (DIPP) has set up an online monitoring system for on-going projects under the Industrial Infrastructure Upgradation Scheme (IIUS). This Scheme was launched in 2003 and modified in July 2013 with the objective of enhancing industrial competitiveness of domestic industry by providing quality infrastructure through

public private partnership in selected functional clusters/locations which have potential to become globally competitive. Central assistance of ₹189.77 crore had been released to 22 projects as on 30th March, 2017 under IIUS. [<http://dipp.nic.in>]

Investment

The Cabinet Committee on Economic Affairs permitted 100% equity divestment by private developers after two years of construction completion for all BOT projects, irrespective of

the year of awarding of the project. The National Highways Authority of India plans to invest ~US\$ 250 billion in 240 road projects spanning 50,000 kilometres over the next five to six years.

Budget boost

The Central Government allocated a sum of ₹3,96,000 crore for catalysing infrastructural development in the country. The Central Government also brought in affordable housing under the infrastructure category. As part of the new integrated infrastructure planning paradigm comprising roads, railways, waterways and civil aviation, the Central Government

unveiled the largest-ever rail budget of ₹1.31 trillion, an 8.26% increase over the ₹1.21 trillion allocated to the national carrier in 2016-17. The Central Government hopes that the magnitude of investment will spur economic activities and create more jobs.

[Source: Union Budget 2017-18]

Debt restructuring

The central bank announced the Scheme for Sustainable Structuring of Stressed Assets (S4A) in June 2016. Under the scheme, banks can classify the existing debt of a company into sustainable and unsustainable portions, based on its cash flow. Banks are permitted to

continue loans for the sustainable portion of the debt, while the unsustainable portion can be converted into equity or a convertible security. The scheme, therefore, allows the incumbent management to continue as long as the default is not willful.

GROWTH DRIVERS

Public-private partnership (PPP)

During last 25 years, over 1000 projects worth at least USD1 trillion have been completed under PPP basis. PPP may help in maximizing the economic value of the project due to the dominant expertise of private party, increasing the efficiency of the project by way of a judicious allocation of risks and responsibilities and boosting the development of technology.

The increasing impact of PPPs can be estimated from the fact that in 11th Five Year Plan, 292 projects worth ₹2.4 lacs crore are being implemented and 404 projects worth ₹3.8 lacs crore are expected to be awarded mid-term as mentioned by the Indian Construction Sector on its website. [KPMG study report, livelaw.in]

FDI support

India has a liberalized policy of 100% FDI through the automatic route for urban infrastructure. India is the fastest growing economy in G-20 and there is huge demand for infrastructure investment in India. India needs

\$646 billion investment in the next five years to meet its infrastructure demand. India is seeking global investors to boost sectoral growth.

India's growth prospect

The World Economic Forum's (WEF) Global Competitiveness Report 2016-17 shows that India's global competitiveness ranking improved significantly in 2016-17. India's rank jumped 16 places higher vis-à-vis 2015-16, from 55th place to 39th place in 2016-17. The biggest contributors to this improvement were infrastructure, macroeconomic environment, education and the performance of institutions.

The positive sentiment of business communities and investors towards the government, which has positioned itself as a pro-business, pro-development, and anti-corruption government, is also a major driver. In terms of infrastructure, India's ranking improved dramatically in 2016-17 to 68 from 81 in 2015-16. [Source: World Economic Forum: Global Competitiveness Report 2016-17]

Increasing projects

A total of 6,604 km out of the 15,000 km of target set for national highways in 2016-17 had already been constructed by the end of February 2017, according to the Ministry of State for Road, Transport & Highways, Government

of India. India envisioned a plan of expanding rural connectivity and initiated a number of projects to increase rural access and bring about urbanization.

Smart Cities

The mission started with the target of creating 100 Smart Cities by 2022 with an initial government investment of ₹50,000 crore. The Plan has already impacted the lives of 72,

266, 232 urban population. This is expected to increase the roadways and highways connecting different cities.

Road traffic

The overall annual freight traffic in the country is estimated to reach ~13,000 billion tonne-kilometres by 2030 from ~2,000 billion tonne-kilometres in 2011-12. Overall annual passenger traffic is estimated to reach ~168,000 billion

passenger-kilometres by 2030 from about ~10,000 billion passenger-kilometres in 2011-12.

INDIA'S WASTE MANAGEMENT SECTOR

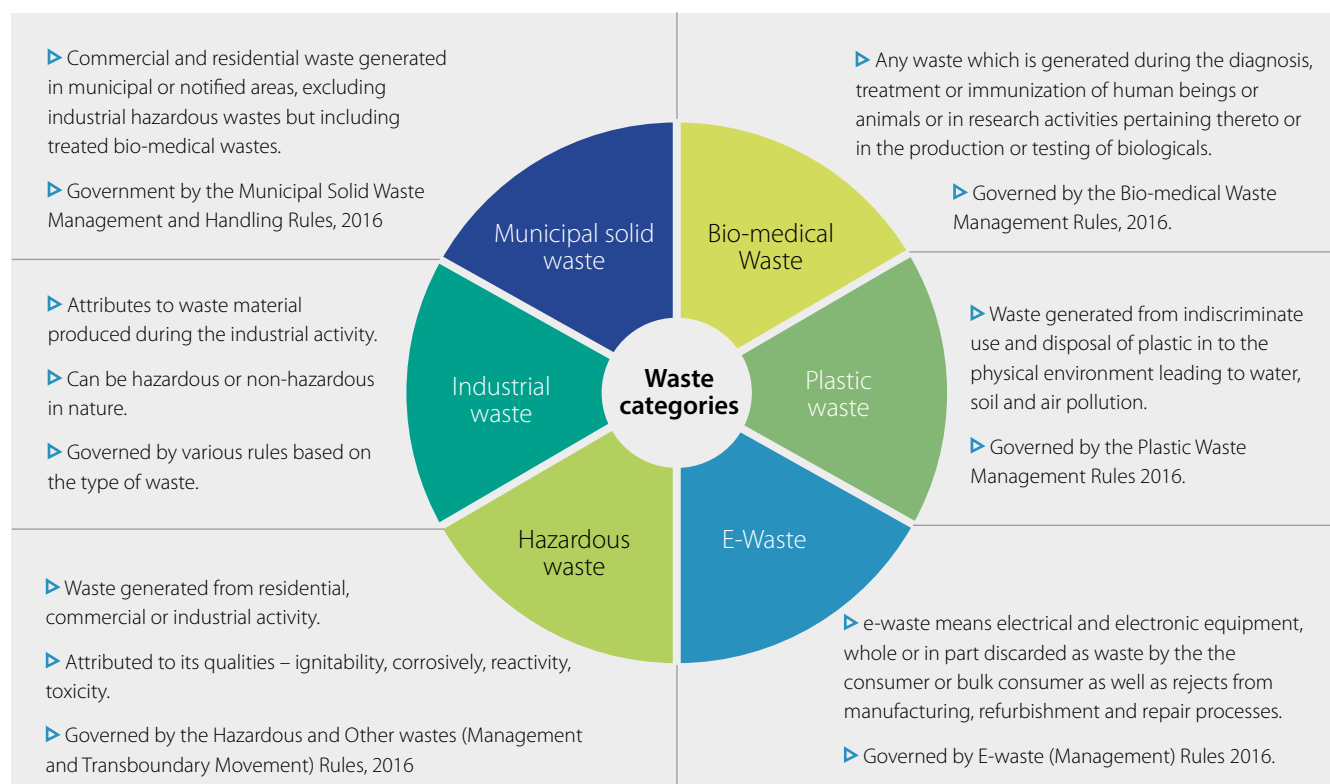
India, which is the second most populous nation in the world, comprises 17.86% of the world's population. It is projected to be the world's most populous country by 2022. About 32.8% of its population is urban and with the urban population increasing at 3-3.5% per annum, the per capita waste

generation is increasing by 1.3% per annum. In India, 0.34 kgs of municipal solid waste is generated per day per person. At the present rate, waste generation is projected to increase from 62 million tonnes per year to about 165 million tonnes in 2030.

According to the data from the Ministry of

Environment, Forest and Climate Change, the Government of

India (GoI), only about 75-80% of the municipal waste gets collected and only 22-28% of this waste is processed and treated.



According to a PwC report, the waste generation of Class I cities has been estimated to be around 80% of the total waste generation of the country. Having cited these figures, the Government of

India (GoI) has hence been receptive to the municipal solid waste management issue and has initiated several flagship programmes such as Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

in the past and Swachh Bharat Mission at present to strategise the implementation of waste management projects in India.

OPPORTUNITIES IN SOLID WASTE MANAGEMENT

Changing perspective

Waste management has been a social service; however, given the necessity of sector efficiencies, the sector has now picked pace with new ideas and smarter/comprehensive systems with adequate risk assessment and risk sharing between stakeholders with the private sector in particular. The recent policy changes

with openings to new technologies, as well GoI's approach to evaluate and validate newer technologies is a definite positive step to the waste management sector. Waste can be a liability, but it can also be wealth—the way it is looked upon is the difference that defines our approach towards waste management.

Market to serve

India forecasted an investment requirement of 1.2 trillion USD in the next 20 years, roughly 134 USD per capita per annum, out of which the portion on waste management sector

was estimated at 15 per capita USD. With the present population of 1.2 billion, the investment estimated by 2030 is almost 18 billion USD.

Plugging service gaps

Class IA cities contribute the highest (around 40%) to the total waste generation of the country, and initiatives have already been taken in terms of managing the waste. However, Class IB and Class IC cities together contribute

another 40% of the total waste generation, and the service gaps are quite stark in these cities in comparison to Class IA cities. PPP has been identified as the key to enhance service gaps in waste management.

New dimensions

The revised Manual for Waste Management CPHEEO-2016 and the Waste Management Toolkit under the JNNURM adopted under the Swachh Bharat Mission provide useful guidelines to the selection of technology based

on the quality of waste. The introduction and effective use of Information & Communication Technology (ICT) in the waste management sector is also emerging.

[Source: PWC and ASSOCHAM]

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Every successful company needs to have certain controls in place for function effectively. Sunil Hitech as well has sufficient internal controls in accordance with the nature and magnanimity of its business.

These have been designed to ensure that:

- ▶ Assets of the Company are acquired in an economical manner and safeguards are in place for their upkeep and to ensure their protection against any damage or

destruction.

- ▶ Controls relating to the financial and operational aspects of the business remain in place and are working satisfactorily to detect exceptions and raise alerts.

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

The internal auditors of the Company regularly carry out reviews of the internal

control system to detect deviations. The report of the internal auditors is submitted to the management on a monthly basis and is helpful in the prevention and detection of fraud and to report any discrepancies in the day-to-day activities of the Company. Further, internal control systems are periodically review by the Audit Committee and are kept updated and consistent with the requirements of the organisation.

Material developments in human resources/ industrial relations

Sunil Hitech has always been known for an employer that provides equal opportunities for their employees. The people that shine in their respective work are rewarded with adequate appraisals and further enhancement opportunities. Besides it ensures that employees are provided required feedback when necessary as

this drives productivity and enhances performance. These methods ensure that industrial relations with the staff remain affable.

The organization has branched into various business segments and successfully completed projects. This has only been

possible due to our vast pool of employee knowledge. The focus of the company has always been to employ people with in depth knowledge which can be used to further our operations in the years to come. the Company had 1197 employees as on 31st March, 2017.

Risk identification and management

Vision risk

Risk impact

A limited vision could affect growth by restricting opportunity access.

Mitigation measure: The Company has selected to focus on road building and civil construction projects while moderating exposure to Balance of Plant power projects. This will progressively increase the minimum hurdle rate as far as profitability is concerned, enable cost-effective project execution, timely receivables and a lower debt dependence. This has begun to strengthen the Company's overall

margins and business sustainability in the last three years.

Result: Road building order book increased from ₹10 crore in 2012-13 to ₹2,078 crore at the close of 2016-17.

Customer risk

Risk impact

The inability of customers to reimburse on schedule can affect cash flows and profitability.

Mitigation measures: The Company has consciously selected to work for public sector enterprises and government agencies on projects generally funded by international multi-lateral agencies like World Bank or Asian Development Bank. These projects are generally marked by large order sizes and milestone-based revenues.

Result: As a natural extension, the Company's debtors declined from a peak of 131 days of turnover equivalent to 96 days in 2016-17.

Liquidity risk

Risk impact

Inappropriate business mix could affect profitability and liquidity.

Mitigation measures: The Company focuses on EPC projects where it possesses an established competence marked by timely construction, completion and handover, as opposed to BOT projects characterised by uncertain income flows. Besides, the Company has selected to focus on the rapidly-growing road infrastructure sector where timely completion is independent of the working of other agencies and where

handover can translate into quicker receivables.

Result: The EBITDA margin has consistently been above 9% despite a discouraging national and global scenario.



Competence risk

Risk impact

Failure to execute challenging projects could affect the Company's respect and reputation.

Mitigation measures: The Company possesses an experienced engineering pool, marked by the prudent recruitment of professionals with engineering competencies and project evaluation capabilities. These capabilities comprise EPC strengths in Balance-of-Plant, road construction and civil infrastructure creation. The Company has recruited pool of engineers during the last three years to strengthen its

competence.

Result: The Company's revenue per employee increased from ₹1.59 crore in FY 2015-16 to ₹2.45 crore in 2016-17.

Control risk

Risk impact

In a growing company marked by concurrent working on diverse projects across different locations, weak operational control could lead to delayed project completion and declining profitability.

Mitigation measures: The Company responded to this challenge through standard operating procedures (SOP) coupled with timely investments in MIS-enhancing technology. The result has been an increase in informed-decision making, workflow simplification and faster project execution.

Result: The order book position of the Company increased by 51.28% in 2016-17.

Financial risk

Risk impact

Financial sustainability is critical to organisational growth.

Mitigation measures: The Company has demonstrated stable fiscal management reflected in bidding for profitable projects, timely receivables and a declining use of debt. The result is that the Company's financials have become progressively stronger:

Result: Net worth of the company strengthened from ₹413.72 crore FY2015-16 to ₹467.32 crore in FY 16-17.

*based on standalone figures

Director's profile



Mr. Sunil R. Gutte, Managing Director

Mr. Sunil Gutte is currently the Managing Director with Sunil Hitech Engineers Ltd. He has completed Mechanical Engineering from Pune University, while adding further to academic qualification with a degree in Family Business Management from the S.P. Jain Institute of Management, Mumbai and Project Management from IIM, Ahmadabad. He went through a training program of BHEL's Welding Research Institute in Tiruchirapalli, and another intensive training for Finance and Taxation. At Sunil Hitech, Mr. Sunil Gutte manages Project executions, administration and control. Under his prolific guidance, futuristic vision, and expertise, a successful IPO was done in 2006 followed by a QIP in 2008. Under his leadership, Sunil Hitech has become a renowned Engineering, Procurement & Construction (EPC) Company in India. Sunil Hitech Engineers Ltd was known as M/s. Sunil Engineering Works (SEW) in 1984, which was led by Mr. Ratnakar M.

Gutte as a proprietary company. In 1998, it was established as Sunil Hitech Engineers Pvt. Ltd, and has since then progressed in enabling India with innovative solutions for power, construction and infrastructure industries. The Company today has been able to explore several avenues because of Mr. Gutte's dedication and understanding about finance and business, and his ability to draft and implement supportive developmental policies. The Company has undergone many strategic revolutions due to perseverance of Mr. Sunil Gutte. Mr. Gutte has timely assisted Sunil Hitech in developing human resources. Along with technical expertise, he has ensured technological advancements for the Company to meet the growing demand of industries in India. He also initiated several changes in reporting standards, management structure, HR- policy and decision making for Sunil Hitech to pioneer success.



Sudhamti R. Gutte, Non-executive Director

Mrs. Sudhamti R. Gutte is associated with the Company since its inception. She has immensely contributed to the growth of the business by laying stress on team building and motivation. Mrs. Gutte manages the Administration and Back-office functions of the Company. With more than 14 years hands on experience in management and administration of the Company, Mrs. Gutte ensures smooth functioning of the processes. She believes in interacting with employees to ascertain grey areas in the overall working of departments and suggests remedial measures to help teams overcome them so that the employees can utilise their time and expertise to the optimal level in the organisation. In addition to the above, Mrs. Gutte regularly participates in social activities to fulfill the Company's Corporate Social Responsibility 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. She has set up offices for the procurement of Sugar Cane in the command area. Due to her immense social contacts and community service she enjoys excellent rapport with the villagers. She has been guiding the farming community to adopt scientific agricultural practices. More fertile land is being brought under sugarcane cultivation due to her motivational efforts. She is held in great respect by the industrialists, workers and farmers in the Marathwada region. Her association with Company facilitates harmonious relations with all the stakeholders.



Mr. Vijay R. Gutte, Executive Director

An MBA with specialization in Marketing and Finance, Mr. Vijay Gutte brings into the Company up-to-date knowledge in his areas of specialization. His competencies lie in his expert understanding 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 prestige of the Company.

Since his induction to the Company in 2007, he has transformed Sunil Hitech's Finance Vertical into a highly robust process. He continuously

monitors end-to-end transaction quality to analyze the defects and 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.



Mr. Venkataramana Codoor, Executive Director

MR. C. Venkataramana has over 36 years' of versatile experience in the Marketing and Infrastructure areas. He has served in very senior positions in reputed companies. He currently holds the position of Managing Director in VAG Buildtech Private Limited. 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.

Prestigious projects handled:

At GVK Group

- ▶ Mumbai airport (9000 cr)
- ▶ Jaipur Kishangarh, 6 lane road (700 cr)

- ▶ Peramballus SEZ (1500 cr)
- ▶ GVK one mall at Hyderabad of 7.5 lacs Sqft (250cr) and many more

At ESSEL Group

- 14 road projects (10000cr) of which, 9 were completed with 5 roads in NHAI and 9 roads of special state highways and state highways
- ▶ One Hydel project in Nepal – 82 MW (850 cr)
- ▶ 3 solar projects under NVVN and KREDL 30 MW (270cr)
- ▶ School project of 5 lacs sqft with MMRDA in BKC (260cr)
- ▶ Municipal solid waste to energy project of 3500 TPD per day (1000cr) including Deonar-Mumbai
- ▶ 24*7 water supply project at Aurangabad (1200cr)
- ▶ Signed Memorandum of Understanding with various State Governments for Infra Projects



Mr. Parag Sakalikar, Independent Director

Mr. Parag Sakalikar, a young entrepreneur, joined SHEL as Independent Director of the Company in 2007. He completed his Diploma in Mechanical Engineer from Bombay Technical Board in 1994 and B.E. in Mechanical Engineer from Nagpur in 1998. After graduation, he joined as trainee in TUV Asia Pvt. Ltd's Auditor Training Program and trained in ISO 9001-2000. Later he did his advanced training in Maruti Servicing Vehicle from Maruti Udyog Ltd. He started his career as Works Manager in Maruti's authorized workshop.

Mr. Sakalikar later, went on to set up his own authorized Automobile Service Station, (An ISO 9001 : 2000 certified company from TUV) for the entire range of Maruti vehicles. Mr. Sakalikar's company was awarded good performing mass not only in Maharashtra but also in the entire Western region of India (Maharashtra, Goa, Gujarat and Chhattisgarh) by Maruti Suzuki. He has also set up additional new Maruti authorized service station in Butibori MIDC with 'A' grade category.



Mr. Sajid Ali, Independent Director

Mr. Sajid Ali is a Graduate Engineer with 40 years of experience in erection and commissioning of equipment in Coke Oven Plants, Piping, Boiler Erection and Turnkey Projects. He has vast knowledge and experience in planning and execution of various projects and has handled large volume projects. His forte is able administration.

Mr. Ali was in-charge of total construction management of the Power Sector for BHEL, Western Region, in 1994.



Mr. Dilip Y. Ghanekar, Independent Director

Mr. Dilip Y. Ghanekar finished his graduation in the year 1967 from VRCE, Nagpur. He retired as Technical Director, MSEB. He has 36 years of working experience with Maharashtra State Electricity Board in the areas of operation, maintenance, construction and planning at power stations up to 500 mw unit size. Mr. Ghanekar is also adept at global procurement of equipment, encouraging non-conventional

energy development of contracts for power purchase, and other areas of operations.

Mr. Ghanekar has undergone training at the works of boiler manufacturer M/s. Combustion Engineering U.S.A. for 500 mw unit and training in Australia conducted by United Nations for Coal Technology Environment.



Mr. S.S. Waghmare, Independent Director

Mr. S.S. Waghmare, a versatile personality, has got 33 years of versatile experience in the banking sector. He retired as Deputy General Manager from UCO Bank in 2006. Mr. Waghmare has been trained in Project Planning and Management from the University of Bradford, England.

Mr. Waghmare has also handled the portfolio of Chairman, Thar Anchalik Gramin Bank, Jodhpur, Rajasthan - a Govt. of India Undertaking sponsored by UCO Bank.



Mr. Siddharth R. Mehta, Independent Director

A Bachelor of Engineering-Electrical from 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 & Execution and Good Corporate Governance.

Mr. Mehta is now an independent senior consultant in power sector with more than three decades of experience advising international clients on business opportunities in India. He was Senior Adviser (Power Distribution) for JSW Energy from March 2015 till May 2016. Previously, Mr. Mehta was the CEO of DPSC Ltd from April 2013 to March 2015. He was responsible for Generation, Distribution and renewable energy with annual turnover of ₹15000 Million. Prior to this, Mr. Mehta was the CEO of Essar Power Distribution Company as well as the Head and Vice President of Essar Power Limited from October 2010 to April 2013. He was responsible

for the development of new distribution and transmission business for the group for generation through power distribution. Prior to this, he was the Vice President of Torrent Power Ltd., Mumbai and was responsible for the entire operation including P&L of Bhiwandi Franchisee Circle of MSDDL with a consumer base of 2,40,000. Mr Mehta was also associated with Tata Power Ltd. in Business Development Group and was responsible for the strategic business unit head for captive generation projects and distribution business development for various states-franchisee, public-private partnership and management contracts. Mr Mehta was recently in April-May 2016 invited by US Dept of commerce as power expert from India for two weeks for a Special Business Internship Program covering Regulatory, Solar, Wind, Free market concept, Smart city and interactions with USAID, Dept of commerce and IFC officials for funding and projects in India. Recently associated as Senior Consultant with McKinsey India.



Mr. Anil Aurangabadkar, Independent Director

Mr. Anil Aurangabadkar is a Mechanical Engineer and has obtained his Master's Degree in Material Science. He has extended his excellence to one of the prominent companies engaged in the Power Sector, 'Bharat Heavy Electricals Limited' (BHEL) for 37 years. He oversees activities pertaining to Design, Manufacturing, Assembly and Erection of Rotating Heavy Electrical Equipment, Transformer, Capacitor, Bushing, Hydro and Thermal Project Management and Execution at BHEL.

Mr. Aurangabadkar has an excellent track record of executing over 45 Projects for BHEL Power

Sector Western Region. His expertise spans across functional sectors and the order ranges from small units to 600 MW conventional units, Frame-9FA advanced class Gas Turbines, largest CFBC Boilers to cater to 250 MW output.

After serving BHEL for over 30 years, in the year 2012, he founded his Consultancy Services. His firm provides services to the Power and Industry Sector. In a very short time, his firm has successfully established and equipped itself to handle large projects to the fullest satisfaction of clients.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

YOUR DIRECTORS ARE PLEASED TO PRESENT THE NINETEENTH ANNUAL REPORT OF THE COMPANY TOGETHER WITH THE AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017.

Financial Results

The Financial Performance of the Company for the financial year ended on 31st March, 2017 is summarized below:

(₹ in Lacs)

Particulars	2016-17	2015-16
Net Sales/ Income from Operations	2,09,118.54	1,82,752.13
Other Income	1,338.95	1,429.33
Total Income	2,10,457.49	1,84,181.46
Operating Profit	19,170.54	19,080.27
Interest & Financial Charges	9,638.45	8,576.63
Depreciation	3,287.82	3,188.32
Profit Before Tax	6,244.27	7,315.32
Taxation – Current	1,951.60	2,546.34
- Deferred Tax	53.79	(42.08)
- Income Tax for Prior Period	232.00	-
Profit after Taxation	4,006.88	4,811.06
Balance brought forward	22,919.14	18,420.86
Amount available for appropriations	26,926.02	23,231.92
Appropriations:		
Proposed Dividend on equity shares	-	259.88
Tax on Proposed Dividend	-	52.91
Amount transferred to Balance Sheet	26,926.02	22,919.14

Operational Review

Your Company has achieved net turnover of ₹2,09,118.54 lacs for the financial year ended 31st March, 2017 as against ₹182,752.13 lacs in the previous financial year, thereby registered a growth of 14.43% over the last year's turnover. The operating profit of your company for the financial year ended 31st March, 2017 is ₹19,170.54 lacs, whereas it was ₹19,080.27 lacs during the last financial year, thereby registered a growth of 0.5% 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, Transmission & Distribution and EPC contract, Roads and Bridges, Civil construction,

Solar Energy projects, Waste Management projects.

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

1. Rehabilitation & Upgradation of Parli-Pimpla-Dahiguda Road from existing Ch. km 0.000 to 18.495 (SH-64) (Design Ch. km 0.000 to km 18.440) to two/four lane with paved shoulder (length-18.44 km) in Maharashtra on EPC basis from Public Works Department (PWD), Maharashtra.
2. Rehabilitation & Augmentation of four laning of Kutchery Chowk- Ranchi-Piska More-Biju Para section from km 0.000 to 34.000 of NH-75 in the state of Jharkhand on EPC mode from National Highway Authority of India (NHAI).

3. Rehabilitation & Upgradation of Ajanta-Buldhana-Khamgaon-Shegaon-Deori Road (Ajanta to Buldhana section) length-49.13 km in Maharashtra on EPC basis from Public Works Department (PWD), Maharashtra
 4. Rehabilitation & Upgradation of Nanded-Bhokar-Himayatnagar-Kinwat-Sarkhani-Mahur-Arni-Road (Sarsam-Himayatnagar-Kothar Package-II) km 33.00 to km 90.00 to two-lanes with paved shoulders in Maharashtra on EPC basis from Public Works Department (PWD), Maharashtra.
 5. Construct and widen the existing 2-lane Bodhre to Dhule road section of NH-211 to four/six lane configuration in the State of Maharashtra on Hybrid annuity Model (HAM).
 6. Two laning of Existing Hunli-Anini Road on EPC Basis from Design KM 53.500 to KM 92.500 (Existing KM 56.320 to KM 97.650) in the State of Arunachal Pradesh Under SARDP-NE for National Highways & Infrastructure Development Corporation Limited. This project is in JV with PCL-Eagle Infra India Limited.
 7. Ash Dyke Package and Boiler erection package for Kudgi Super Thermal Power Project, Bijapur, Karnataka.
 8. Erection, Testing and Commissioning of Boiler Unit-2, 2X800 MW for NTPC, Lara Super Thermal Power Project, at Lara Dist. Raigarh, Chattisgarh.
 9. CW System and Make up Water System Civil Works Package for NTPC Lara Super Thermal Power Project, Stage-I 2x800 MW at Lara, District. Raigarh, Chattisgarh.
 10. CW System and Make up Water System Civil Works Package for Meja Thermal Power Project, 2x660 MW at Meja, P.O. Kohdar, Tehsil-Meja Dist. Allahabad, Uttar Pradesh.
 11. Construction of 490 Nos. M.C. Type of Quarters (35 blocks, each block of 14 units) Storied Buildings (G+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.
 12. CW System and Make up Water System Civil Works Package for Darlipali Super Thermal Power Project, Stage-I 2x800 MW at Darlipali, Dist. Sundargarh, Odisha.
 13. Development of Regional (MSW) Municipal Solid Waste to Energy (Electricity) and Scientific Landfill Facility in Patna on PPP.
 14. Design, Engineering, Manufacture, Assembly, Testing at Works, Supply of the Equipments, Mandatory Spares, Cement, Reinforcement Steel, Structural Steel for Civil Works as well as Structural Works, Architectural Works, Transportation & Delivery to Site of all the Equipments & Mandatory Spares including Special Tools & Tackles, if any, for the Balance of Plant Package for Parli TPS Project Unit8, 1X250 MW.
 15. Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Madhugiri Mulbagal Section (km 343.800 to km 483.151) of NH-234 in the State of Karnataka (Package No. NHIP-KA-234-10) for Lot-I km 343.800 to km 400.330 under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIP).
 16. 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 Interconnectivity Improvement Projects (NHIP).
 17. Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Sitamarhi-Jaynagar-Narahia Section (km 40 to km 219.945) of NH-104 in the State of Bihar for Lot-I km 40.00 to km 79.40, under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIP-BR-104-11).
 18. Rehabilitation and Upgrading to 2 lanes/2 lane with Paved Shoulders Configuration and Strengthening of Sitamarhi-Jaynagar-Narahia Section (km 40 to km 219.945) of NH-104 in the State of Bihar for Lot-II km 79.40 to km 156.50, under Phase-I of National Highways Inter-connectivity Improvement Projects (NHIP-BR-104-11).
 19. Construction of Medical College, Firozabad for UPRNNL.
 20. Package-A Civil, Structural and Architectural Works Etc of BTG Area for Unit#1 & 3 for 3x660MW NTPC North Karanpura STPP, Jharkhand.
- In addition to the above, your company is executing various prestigious projects related to Design, Supply, Test, Transport, Construction, Erection, Testing and Commissioning of Distribution Lines, Power Sub Stations etc. and also Overhauling & Maintenance of various systems for Power Stations like Koradi, Khaperkheda, Chandrapur, Bhusawal, Sarni, Korba, Parli, Talcher, Wanakbori etc.
- Furthermore your company is engaged in the prestigious Civil Construction projects like Design and Engineering, Supply, 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 JNNM Phase-2 Batch-1 at Karajgi, Solapur.

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

Future Prospects

Infrastructure

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. The Government has announced its target of ₹25 trillion (US\$ 376.53 billion) investment in infrastructure over a period of three years, which will include ₹8 trillion (US\$ 120.49 billion) for developing 27 industrial clusters and an additional ₹5 trillion (US\$ 75.30 billion) for road, railway and port connectivity projects. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries.

India's core sector growth rose 3.4 per cent in January 2017, on the back of robust natural gas and steel output, which recorded a year-on-year growth of 11.9 per cent and 11.4 per cent respectively, according to data from the Ministry of Commerce & Industry.

In the Union Budget 2017-18, the Government of India has taken the following measures for the development of infrastructure.

- Increased total infrastructure outlay and defence capital expenditure by 10 per cent and 20.6 per cent to ₹3,96,135 crore (US\$ 59.18 billion) and ₹86,488 crore (US\$ 13.1 billion) respectively, over FY17 revised estimate.
- Railway expenditure allocation has increased by 8 per cent to ₹1,31,000 crore (US\$ 19.58 billion) for laying down 3,500 km of railway lines in 2017-18.
- Affordable housing has been given infrastructure status.
- Lock-in period for long-term capital gains on land and buildings has been reduced from three to two years.

Power Sector

With a production of 1108 TW, India is the world's fifth largest producer and consumer of electricity with a total demand of 1905 TW expected by 2022. The power sector accounts for almost a quarter of the projected investments amongst all the infrastructure sectors between 2012-17. A Total Thermal Installed Capacity of 211.67 GW as of May, 2016.

The Government has set a generation capacity addition target of 88.5 GW during 2012-17. Against this, generation capacity addition of 101.64 GW is likely to be achieved during 2012-17. The generation capacity addition during 2017-22 is being worked out considering the likely generation capacity addition of 101.64 GW

during 2012-17. The revised tariff policy 2016 ensures adequate return on investment to companies engaged in power generation, transmission and distribution and ensures financial viability of the sector in order to attract investments by companies."

Government of India through Ministry of Power launched the initiative of Ultra Mega Power Projects (UMPPs) i.e. 4,000 MW super thermal power projects (both pit head and imported coal based) in November 2005 with the objective to develop large capacity power projects in India. Power Finance Corporation Ltd (PFC) has been appointed as the Nodal Agency to facilitate the development of these projects. Various inputs for the UMPPs are tied up by the Special Purpose Vehicle (SPV) with assistance of Ministry of Power & Central Electricity Authority (CEA). CEA is involved in selection of sites for these UMPPs.

Ministry of Power is finalizing the guidelines for determination of tariff through transparent process of bidding for procurement of power from UMPPs based on allocated domestic captive coal blocks and to be set up on Build, Own and Operate (BOO) basis" (the Guidelines). To carry out the bidding process expeditiously, the bid documentation shall be as per the Request for Qualification (RFQ), Request for Proposal (RFP) and the Power Purchase Agreement (PPA) (collectively the "Standard Bidding Documents" (SBDs)) issued by the Central Government in Terms of these Guidelines.

Road Sector

India has the second largest road network in the world, spanning a total of 4.87 million kilometres (kms). Roads in India transport over 60 per cent of all goods and 85 per cent of total passenger traffic. The roads and bridge infrastructure industry is expected to be worth USD 19.2 billion by FY17.

The National Highways account for 1.9 per cent of the total road network in India and are expected to reach 100,000 kms by the end of the 2017 from 97,135 kms in FY15. The Government of India has formulated a seven-phase programme, 'National Highway Development Project (NHDP)', vested with National Highways Authority of India (NHAI), for the development of National Highways in the country.

The private sector has emerged as a key player in the development of road infrastructure in India. Increased industrial activities, along with increasing number of two and four wheelers have supported the growth in the road transport infrastructure projects. The government's policy to increase private sector participation has proved to be a boon for the infrastructure industry with a large number of private players entering the business through the public-private partnership (PPP) model.

With the Government permitting 100 percent foreign direct

investment (FDI) in the road sector, several foreign companies have formed partnerships with Indian players to capitalise on the sector's growth.

The NHAI has invited bids for the preparation of detailed project reports for 44 freight corridors, inter-corridors and feeder routes to reduce the cost and time of the freight movement across the country, under the Ministry of Roads Logistic Efficiency Enhancement Programme (LEEP).

Three memorandum of understanding (MOUs) were signed between National Green Highways Mission (NGHM) and ITC Ltd, Yes Bank Ltd and Teri for setting up a Centre for Innovations in Green Pathways in order to enhance research and innovations in the field.

Renewable Energy Sector

India has the fifth largest power generation portfolio in the world and its current renewable energy contribution stands at 44.812 GW which includes 27.441 GW of Wind power and 8.062 GW of Solar power installed capacity in the country. (As on 31.07.2016).

India is fourth largest installed capacity of wind power and third largest installed capacity of concentrated solar power (CSP) Renewable energy contributes 14.7% of the total installed capacity in the country as on 31.07.2016. Ambitious target of 175 GW of renewable power by 2022 which will include 100 GW of Solar power, 60 GW from wind power, 10 GW from biomass power and 5 GW from small hydro power.

The target of National Solar Mission has been up scaled to 100 GW from 20 GW of grid connected solar power by 2022, which creates a positive environment among investors keen to tap into India's renewable energy potential. Government of India has a target of adding 175 GW of renewable power in the country by 2022, which will offer massive investment opportunities across the value chain.

1. India is the fourth largest importer of oil and the 15th largest importer of petroleum products and Liquefied Natural Gas (LNG) globally. The increased use of indigenous renewable resources is expected to reduce India's dependence on expensive imported fossil fuels.
2. The government of India through Ministry of New and Renewable Energy (MNRE) is playing a proactive role in promoting the adoption of renewable energy resources by offering various incentives such as generation based incentives (GBIs), capital and interest subsidies, viability gap funding (VGF), concessional finance, fiscal incentives etc.

The National Solar Mission aims to promote the development and use of solar energy for power generation and other uses, with the ultimate objective of making solar energy compete

with fossil based energy options.

The objective of the National Solar Mission is to reduce the cost of solar power generation in the country through long term policy, large scale deployment goals, aggressive R&D and the domestic production of critical raw materials, components and products.

The government has created a liberal environment for foreign investment in renewable energy projects. The establishment of a dedicated financial institution – the Indian Renewable Energy Development Agency (IREDA), makes for renewed impetus on the promotion, development and extension of financial assistance for renewable energy and energy efficiency/ conservation projects.

3. Renewable energy is becoming increasingly cost competitive as compared to fossil fuel based generation, like the prices of solar modules have declined by almost 80% since 2008.
4. Reserve Bank of India (RBI) has revised the guidelines for all scheduled commercial banks including renewable energy in the categories priority sector, in addition to existing categories making significant inroads for renewable energy in the priority sector lending, also bank loans for solar rooftop systems to be treated as a part of home loan/ home improvement loan with subsequent tax benefits.
5. Focus on skill development of workforce: "Suryamitra Scheme" launched in May 2015 to create 0.05 million trained personnel within a period of 5 years (2015/16 to 2019/20).

Dividend

Your Directors are pleased to recommend 7.5% dividend, i.e. Re. 0.075 per equity share of Re. 1/- each (previous year ₹1.50 per equity share of ₹10/- each) for the financial year ended 31st March, 2017. The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹3.40 crore, including dividend tax.

Public Deposits

During the year ended 31st March, 2017, your Company has not accepted any deposits from the public. There is no deposit remained unpaid/unclaimed at the end of the financial year.

Particulars of Loans, Guarantees or Investments

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

Management Discussion and Analysis Report

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

Corporate Governance Report

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

Consolidated Accounts

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

Sub-division of face value of the equity share

Pursuant to the ordinary resolution passed by the members of the Company at the 18th annual general meeting held on 22nd September, 2016, the face value of the equity shares of the Company is sub-divided from ₹10/- each to Re. 1/- each. 3rd December, 2016 was decided as a record date for the purpose of sub-division of the equity shares i.e. members holding equity shares of the Company as on record date were entitled for receipt of equity shares with new face value of Re. 1/- each in lieu of existing equity shares of ₹10/- each.

Allotment of Equity Shares

During the Financial year 2016-17, the Company allotted 50,50,000 warrants convertible into equity shares to the promoter group companies. Out of said 50,50,000, Warrants aggregating to 15,75,000 were converted into equity shares of ₹10/- each on 27th September, 2016.

During the Financial year 2016-17, the Company has issued and allotted 189001600 bonus equity shares of ₹1/- each to the members of the Company in the ratio 1:1. Members holding shares on record date 3rd December 2016 were entitled for receipt of bonus equity shares.

Directors and key managerial personnel

As per Article 150 read with Article 149 of Articles of Association of the Company and Section 152 (6) of the Companies Act, 2013 ('Act') Mr. Vijay R. Gutte (DIN-01179049) 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.

During the financial year 2016-17 there were following changes in the Board of Directors of the company:

- a. Mr. Ratnakar M. Gutte, Chairman has opted for retirement w.e.f. 25th January, 2017.
- b. Mr. Anupam Dhiman, Whole-time Director has resigned w.e.f. 16th January, 2017.
- c. Change in designation of Mrs. Sudhamati R. Gutte from Executive Director to Non-executive Director w.e.f. 25th January, 2017.
- d. Mr. Vijay R. Gutte re-appointed as Whole-time Director of the Company w.e.f. 29th May, 2017 for a period of five years by way of postal ballot.

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

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

Director's Responsibility Statement

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

- a) in the preparation of annual accounts for the financial year ended on 31st March, 2017, 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 2016-17, and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts of the Company on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and operating efficiently.

Company's Policy on Director's Appointment and Remuneration

Policy on Director's Appointment

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

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.
3. **Remuneration to Key Managerial Personnel and Senior Management:**
 - a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and may include incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
 - c. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

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

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

Sl. No.	Name	Designation	Remuneration paid F.Y.2016-17 (₹ in lacss)	% Increase in remuneration from previous year	Ratio/ Times per Median of employee remuneration
1	Ratnakar M. Gutte	Chairman	75.52	-	29
2	Sunil R. Gutte	Managing Director	60.81	-	23
3	Sudhamati R. Gutte	Non- Executive Director	48.00	-	19
4	Vijay R. Gutte	Executive Director & CFO	48.65	-	19
5	Venkataramana Condoor	Executive Director	95.29	-	37
6	Anupam Dhiman	Executive Director	52.43**	-	20
7	Shrikant C. Rikhe	Company Secretary	4.55	74%	2

*Remuneration of Mr. Ratnakar M. Gutte is mentioned up to date of cessation i.e. 25th January 2017.

**Remuneration of Mr. Anupam Dhiman is mentioned upto date of cessation i.e. 16th January 2017.

Note:

1. There is 7.42% increase in the median remuneration of employees in the financial year 2016-17.
2. There are 859 permanent employees on the rolls of company.
3. 8% average percentile increase was made in the salaries of employees other than managerial personnel in the last financial year as compared to 9% increase in overall managerial remuneration and PBT of the Company has increased by 31% in that financial year.
4. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Number of Board Meetings held

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

Board Evaluation

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

The board also carried out annual performance evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee on the basis of the criteria such

as the composition of committees, effectiveness of committee meetings, etc.

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

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

The Directors expressed their satisfaction with the evaluation process.

Development and Implementation of Risk Management Policy

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

It has set out risk factors which inter-alia includes External Factors such as Economic Environment and Market conditions, Political Environment, Competition, Revenue Concentration and liquidity aspects, Inflation and Cost structure, Technology Obsolescence, Legal, Fluctuations in Foreign Exchange, etc. and Internal Risk Factors such as Project Execution, Contractual Compliance, Operational Efficiency, Hurdles in optimum use of resources, Quality Assurance, Environmental Management, Human Resource Management, Culture and values, etc. detailed framework to deal with key areas of risks encompassing project execution risk, regulatory risk, inflation risk, risk specific to the company, etc.

All the Senior Executives under the guidance of Managing Director 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.

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 2016-17.

Corporate Social Responsibility (CSR)

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-A of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the

CSR Committee, please refer to the Corporate Governance Report, which forms part of this report. CSR policy of the Company is available on the website of the Company www.sunilhitech.com

Audit Observations

(i) Statutory Auditor's Observation:

The statutory auditor has not reported any observations in their report for the financial year 2016-17.

(ii) Secretarial Auditor's Observation:

The Company has delayed in allotment of bonus shares, filing e-forms with ROC; TDS, VAT, IT and Service Tax Returns with concerned authorities. Management's Reply:

The Company has delayed in allotment of bonus shares due to delay in obtaining listing approval for shares allotted upon conversion of warrants and filing various e-forms with ROC; TDS, VAT, IT and Service Tax returns due to administrative reasons.

Auditors

i) Statutory Auditors:

The Statutory Auditors of the Company M/s. V. Sankar Aiyar & Co., Chartered Accountants has expressed their unwillingness to continue as statutory auditors of the company from the conclusion of the ensuing annual general meeting of the Company.

The Board of Directors has recommended appointing M/s. K.K. Mankeshwar & 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 24th Annual General Meeting of the Company.

ii) Cost Auditors

The Board of Directors of the Company has appointed M/s. Ujwal P. Loya & Co., Cost Accountants as Cost Auditor of the Company for the financial year 2017-18. The Board seeks ratification by members for payment of remuneration of ₹1 lac plus service tax and reimbursement of out of pocket expenses at the forthcoming annual general meeting of the Company.

iii) 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 in Annexure-B.

Related Party Transactions

The company's related party transactions are entered with its group companies, firms and individuals. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of group companies and business efficiencies. All related party transactions are negotiated on an 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 Section 92(3) of the Act, the extract of the annual return in prescribed Form MGT-9, enclosed as a part of this report in Annexure-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

Sunil Ratnakar Gutte
Managing Director

Place: Mumbai
Date: 19th May, 2017

Vijay Ratnakar Gutte
Whole-time Director

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.

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 six most marginal districts across its project sites in Maharashtra and Chhattisgarh. The details of targeted districts are mentioned below.

Sl. No.	Name of the State	Targeted Districts
1	Maharashtra	Nagpur
		Gondia
		Gadchiroli
		Parli-Vajinath
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 indirectly 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 through SPSS.

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

- The Composition of the CSR Committee
The Company has a CSR Committee comprising of Mr. Sonyabapu Waghmare, Chairman of the Committee, Mr. Parag Sakalikar, Mr. Siddharth Mehta, Mr. Sunil R. Gutte and Mr. Venkataramana Condoor.
- Average net profit of the company for last three financial years: ₹59.40 crore
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹1.18 crore.
- Details of CSR spent during the financial year 2016-17
 - Total amount to be spent for the financial year 2016-17: ₹1.18 crore
 - Amount unspent, if any: ₹0.1 crore.
Some of the large programmes in the areas of education and promoting employability are multiyear projects.

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

Sl. 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 2016-17 (₹ 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 & Parli-Vajinath Chhattisgarh: Korba, & Surguja	1.18	1.08	1.08	Direct

Responsibility Statement

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

Sunil R. Gutte
Managing Director

S.S. Waghmare
Chairman CSR Committee

Annexure-B

Form No. MR-3

Secretarial Audit Report

For the financial year ended as on 31/03/2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter subject to certain qualifications which may be part of the reporting hereunder:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2017 according to the provisions of:
 - The Companies Act, 2013 (the Act) and the Rules made there under;

- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - a) The Securities and Exchange Board of India (Substantial Acquisitions of Shares And Takeovers) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2013;

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2011;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008;
- i) Other laws applicable as per the representation made by the management such as:

Income Tax Act, 1961 and Other Direct Tax Laws

Professional Tax

Value Added Tax

Service Tax

Central Sales Tax Laws

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Payment of Gratuity Act, 1972

Employees Provident Fund and Miscellaneous Provision Act, 1952

Employees State Insurance Act, 1948

Employees Compensation Act, 1923

The Payment of Bonus Act, 1965

The Apprentices Act, 1961

The Indian Stamp Act, 1999

Indian Contract Act, 1872

Negotiable Instrument Act, 1881

Bombay Shops and Establishment Act, 1948

The Contract Labour (Regulation and Abolition) Act, 1970

Competition Law, 2002

2. We have also examined compliance with the applicable clauses of the following:
 - i. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Regulations, etc. mentioned above subject to the following observations:
 - a) The Company has maintained all the statutory registers and documents and have made all the necessary entries therein.
 - b) The provisions with regard to closure of the Register of Members have been duly complied with.
 - c) The forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central

Government have been duly filed.

However there has been a delay in filing certain forms including forms for charge, annual return, resolutions, etc.

- d) The provisions with regard to service of documents by the Company on its Members, Auditors and the Registrar of Companies have been duly complied with.
- e) The notices of Board meetings and Committee meetings of Directors have been served appropriately.
- f) The Company has complied with the provisions related to the Board of Directors Meeting during the year. The Audit Committee Meetings, Stakeholders' Relationship Committee Meetings, Share Allotment Committee Meetings, Nomination and Remuneration Committee Meetings and Corporate Social Responsibility Committee Meetings have been duly held.
- g) The 18th Annual General Meeting of the Company was duly held on 22nd September, 2016 for the financial year ending 31/03/2016.
- h) The approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, have been taken, wherever required.
- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- j) The Company has complied with the provisions with regard to payment of remuneration to Directors including the Managing Director and Whole-time Directors.
- k) The Company has complied with the provisions with regard to appointment and remuneration of Statutory Auditors.
- l) The Company has complied with the provisions with regard to transfer and transmission of the shares and issue and dispatch of duplicate share certificates.
- m) The Company has complied with the provisions with regard to declaration and payment of dividends.
- n) The Company has established a Vigil Mechanism and provides to complainants, if any, unhindered access to the Chairman of the Audit Committee.
- o) The Company have uploaded the details of unpaid and unclaimed dividends on the websites of the Company and

the Ministry of Corporate Affairs.

- p) The Company has complied with the provisions with regard to borrowings and registration, modification and satisfaction of charges wherever applicable.
 - q) The Company has complied with the provisions with regard to investment of the Company's funds including investments and loans to others.
 - r) During the period under review, the Company has obtained necessary approvals under Section 188 of the Companies Act, 2013 for related party transactions.
 - s) The Company has complied with the provisions of the Act with regard to form of Balance Sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act.
 - t) The Company has complied with the provisions with regard to report of the Board of Directors for the financial year ended 31/03/2017.
 - u) The Company has complied with the provisions with regard to contracts, common seal, registered office and publication of name of the Company; and
 - v) Generally, the Company has complied with the provisions with regard to all other applicable provisions of the Act and the Rules made under the Act.
 - w) The Company has complied with provisions of section 135 of the Companies Act, 2013 and the rules framed there under, relating to Corporate Social Responsibility. However some of the amount allocated for CSR activities remained unspent during the year.
 - x) During the period under review the Company has delayed in allotment of bonus shares.
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 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 quarterly

returns of Tax Deducted at Source and Tax Collected at Source are delayed.

- 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 return for the 1st October, 2016 to 31st March, 2017 is yet to be filed by the Company. Litigations relating to service tax during the financial year 2016-17 are ongoing with the statutory authorities concerned.

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

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

10. We further report that:

The Company has complied with all the provisions of The

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

11. We further report that:

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

For MANISH PANDE & CO.

Place: Nagpur
Date: 19th May 2017

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

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

Annexure-I

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

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

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

For MANISH PANDE & CO.

Place: Nagpur
Date: 19th May, 2017

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, 2017

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

I. Registration and other Details:

i)	CIN:	L28920MH1998PLC115155
ii)	Registration Date:	29/05/1998
iii)	Name of the Company:	Sunil Hitech Engineers Limited
iv)	Category / Sub-Category of the Company:	Public Limited Company
v)	Address of the Registered office and contact details:	72, Floor-7, Plot-15A, Sagar Tarang CHS, Khan Abdul Gaffar Khan Marg, Worli Seaface, Worli Colony Mumbai-400030, Tel. 022-2491 9209, Email: info@sunilhitech.com
vi)	Whether listed company Yes / No :	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent:	Bigshare Services Private Limited, 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	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	Shares held	Applicable Section
4	Vag Buildtech Pvt. Ltd. (Formerly 'Sunilhitech India Infra Pvt. Ltd.') Reg. Off.: 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	Future Commodities and Investments Pte. Ltd. Reg. Off.: 30 Cecil Street #19-08, Prudential Towers, Singapore (049712)	N.A.	Subsidiary	100.00	2(87)(ii)
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)

Note: During the financial year 2016-17 the face value of equity shares is sub-divided from ₹10/- each to Re. 1/- each.

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	67,30,990	0	67,30,990	38.85	4,21,83,660	0	4,21,83,660	11.16	-27.69
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	30,00,000	0	30,00,000	17.32	9,15,00,000	0	9,15,00,000	24.21	6.89
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	97,30,990	0	97,30,990	56.17	13,36,83,660	0	13,36,83,660	35.37	-20.80
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00

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	
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	97,30,990	0	97,30,990	56.17	13,36,83,660	0	13,36,83,660	35.37	-20.80
B. Public Shareholding									
1. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	20,483	0	20,483	0.12	13,000	0	13,000	0.00	-0.11
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	30,000	0	30,000	0.17	0	0	0	0.00	-0.17
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	50,483	0	50,483	0.29	13,000	0	13,000	0.00	-0.29
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	33,33,904	0	33,33,904	19.24	6,09,89,681	0	6,09,89,681	16.13	-3.11
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lacs	29,78,841	54	29,78,895	17.19	11,81,06,553	5,870	11,81,12,423	31.25	14.05
ii) Individual shareholders holding nominal share capital in excess of ₹1 lacs	8,76,557	0	8,76,557	5.06	4,44,38,515	0	4,44,38,515	11.76	6.70
c) Others	1	1	1	1	1	1	1	1	1
i) Trusts	27,053	0	27,053	0.16	1,31,060	0	1,31,060	0.03	-0.12
ii) Clearing Member	1,30,166	0	1,30,166	0.75	1,24,82,515	0	1,24,82,515	3.30	2.55
iii) NRI	1,88,147	0	1,88,147	1.09	80,50,446	0	80,50,446	2.13	1.04
iv) Overseas Bodies Corporate	8,165	0	8,165	0.05	0		0	0.00	-0.05
v) Employees	0	800	800	0.00	0	16,000	16,000	0.00	-0.00
vi) NBFCs registered with RBI	0	0	0	0.00	85,900	0	85,900	0.02	0.02
Sub-total (B)(2):-	75,42,833	854	75,43,687	43.54	24,42,84,670	21,870	24,43,06,540	64.63	21.09
Total Public Shareholding (B)=(B)(1)+ (B)(2)	75,93,316	854	75,94,170	43.83	24,42,97,670	21,870	24,43,19,540	64.63	20.80
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	1,73,24,306	854	1,73,25,160	100.00	37,79,81,330	21,870	37,80,03,200	100.00	0.00

ii) Shareholding of Promoters

Sl. No.	Category of Shareholder	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	Ratnakar Manikrao Gutte	22,02,500	12.71	0.00	0.00	0.00	0.00	-12.71
2	Sudhamati Ratnakar Gutte	19,68,750	11.36	0.00	44,88,860	1.19	-	-10.18
3	Sunil Ratnakar Gutte	16,78,740	9.69	2.74	3,35,74,800	8.88	2.74	-0.81
4	VRG Digital Corporation Private Limited	15,00,000	8.66	0.00	4,35,00,000	11.51	0.00	2.85
5	Gutte Infra Private Limited	15,00,000	8.66	0.00	4,80,00,000	12.70	0.00	4.04
6	Vijay Ratnakar Gutte	6,75,000	3.90	0.00	-	-	0.00	-3.90
7	Swati Rajesh Phad	6,000	0.03	0.00	1,20,000	0.03	0.00	-0.00
8	Venkataramana Condoor	2,00,000	1.15	0.00	40,00,000	1.06	0.00	-0.10
	Total	97,30,990	56.17	2.74	13,36,83,660	35.37	2.74	-20.80

Note:

During the financial year 2016-17 the face value of equity shares is sub-divided from ₹10/- each to Re. 1/- each.

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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Ratnakar Manikrao Gutte	22,02,500	12.71	01.04.2016				
				07.09.2016	674934	Transfer	22,02,500	12.71
				08.09.2016	132597	Transfer	15,27,566	8.82
				09.09.2016	316640	Transfer	13,94,969	8.05
				12.09.2016	55000	Transfer	10,78,329	6.22
				14.09.2016	294178	Transfer	10,23,329	5.91
				15.09.2016	209727	Transfer	7,29,151	4.21
				16.09.2016	226026	Transfer	5,19,424	3.00
				20.09.2016	184120	Transfer	2,93,398	1.69
				21.09.2016	22084	Transfer	1,09,278	0.63
				22.09.2016	25432	Transfer	87,194	0.50
				23.09.2016	61762	Transfer	61,762	0.36
				31.03.2017			0	0.00
2	Sudhamati Ratnakar Gutte	19,68,750	11.36	01.04.2016			19,68,750	11.36
				30.09.2016	139630	Transfer	18,29,120	9.68
				03.10.2016	29962	Transfer	17,99,158	9.52
				04.10.2016	2239	Transfer	17,96,919	9.51
				05.10.2016	18327	Transfer	17,78,592	9.41
				06.10.2016	174506	Transfer	16,04,086	8.49
				07.10.2016	31133	Transfer	15,72,953	8.32
				14.10.2016	35000	Transfer	15,37,953	8.14
				17.10.2016	250000	Transfer	12,87,953	6.81
				18.10.2016	246000	Transfer	10,41,953	5.51
				20.10.2016	287431	Transfer	7,54,522	3.99
				21.10.2016	46726	Transfer	7,07,796	3.74
				24.10.2016	62906	Transfer	6,44,890	3.41
				25.10.2016	10000	Transfer	6,34,890	3.36
				26.10.2016	36891	Transfer	5,97,999	3.16

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
				30.10.2016	188556	Transfer	4,09,443	2.17
				02.11.2016	185000	Transfer	2,24,443	1.19
				03.12.2016		**Sub-division	22,44,430	1.19
				07.12.2016	2244430	***Bonus Shares	44,88,860	1.19
				31.03.2017			44,88,860	1.19
3	Sunil Ratnakar Gutte	16,78,740	9.69	01.04.2016			16,78,740	9.69
				03.12.2016		**Sub-division	1,67,87,400	8.88
				07.12.2016	1,67,87,400	***Bonus Shares	3,35,74,800	8.88
				31.03.2017			3,35,74,800	8.88
4	VRG Digital Corporation Private Limited	15,00,000	8.66	01.04.2016			15,00,000	8.66
				27.09.2016	6,75,000	Conversion of Warrants into Equity Shares	21,75,000	11.51
				03.12.2016		**Sub-division	2,17,50,000	11.51
				07.12.2016	2,17,50,000	***Bonus Shares	4,35,00,000	11.51
				31.03.2017			4,35,00,000	11.51
5	Gutte Infra Private Limited	15,00,000	8.66	01.04.2014	-		15,00,000	8.66
				27.09.2016	9,00,000	Conversion of Warrants into Equity Shares	24,00,000	12.70
				03.12.2016		**Sub-division	2,40,00,000	12.70
				07.12.2016	2,40,00,000	***Bonus shares	4,80,00,000	12.70
				31.03.2017			4,80,00,000	12.70
6	Vijay Ratnakar Gutte	6,75,000	3.90	01.04.2016			6,75,000	3.90
				23.09.2016	70000	Transfer	6,05,000	3.49
				26.09.2016	58400	Transfer	5,46,600	3.15
				27.09.2016	201332	Transfer	3,45,268	1.83
				28.09.2016	43180	Transfer	3,02,088	1.60
				29.09.2016	195292	Transfer	1,06,796	0.57
				30.09.2016	106796	Transfer	0	0.00
				31.03.2017			0	0.00
7	Swati Ratnakar Gutte	6,000	0.03	01.04.2016			6,000	0.03
				03.12.2016		**Sub-division	60,000	0.03
				07.12.2016		***Bonus Shares	1,20,000	0.03
				31.03.2017			1,20,000	0.03
8	Venkataramana Condoor	2,00,000	1.15	01.04.2016			2,00,000	1.15
				03.12.2016		**Sub-division	20,00,000	1.06
				07.12.2016		***Bonus Shares	40,00,000	1.06
				31.03.2017			40,00,000	1.06

Note:

*The Company has converted 1575000 Warrants into equal number of shares on 27th September, 2016.

**The face value of shares is sub-divided from ₹10/- each to Re. 1/- each; 3rd December, 2016 was the record date for sub-division of shares.

***The Company has allotted bonus shares in the ratio 1:1 on 7th December, 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	16000000	9.24	22.07.2016	344820	Transfer	16344820	4.32
				29.07.2016	-344820	Transfer	16000000	4.23
				14.10.2016	400000	Transfer	16400000	4.34
				11.11.2016	-200000	Transfer	16200000	4.29
				23.12.2016	17200000	Transfer	33400000	8.84
				30.12.2016	-1000000	Transfer	32400000	8.57
2	Rohit Agrawal	0	0	05.12.2016	3650000	Transfer	3650000	0.97
				23.12.2016	4400000	Transfer	8050000	2.13
3	Dipinder Sandhu	646520	0.37	17.06.2016	96130	Transfer	742650	0.20
				08.07.2016	-142650	Transfer	600000	0.16
				05.08.2016	-64000	Transfer	536000	0.14
				16.09.2016	-36000	Transfer	500000	0.13
				22.09.2016	50000	Transfer	550000	0.15
				30.09.2016	-50000	Transfer	500000	0.13
				21.10.2016	50000	Transfer	550000	0.15
				04.11.2016	-20000	Transfer	530000	0.14
				17.11.2016	600000	Transfer	1130000	0.30
				23.11.2016	50000	Transfer	1180000	0.31
				25.11.2016	50000	Transfer	1230000	0.33
				30.11.2016	1000000	Transfer	2230000	0.59
				16.12.2016	-200000	Transfer	2030000	0.54
				23.12.2016	2330000	Transfer	4360000	1.15
4	Disha Shrivastava	1000000	0.58	23.12.2016	1000000	Transfer	2000000	0.53
5	Silverstone Infraventures Private Limited	0	0	06.12.2016	924000	Transfer	924000	0.24
				23.12.2016	924000	Transfer	1848000	0.49
6	Ganesh Srinivasan	0	0	06.12.2016	900000	Transfer	900000	0.24
				23.12.2016	900000	Transfer	1800000	0.48
7	Sathyamoorthi Devarajulu	0	0	05.12.2016	863660	Transfer	863660	0.23
				23.12.2016	863660	Transfer	1727320	0.46
8	Anant Jain	0	0	06.12.2016	843088	Transfer	843088	0.22
				07.12.2016	556	Transfer	843644	0.22
				08.12.2016	956	Transfer	844600	0.22
				09.12.2016	480	Transfer	845080	0.22
				16.12.2016	5393	Transfer	850473	0.22
				23.12.2016	849537	Transfer	1700010	0.45
				06.01.2017	9990	Transfer	1710000	0.45

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
9	Ramakant Fatehpuria	0	0	06.12.2016	709980	Transfer	709980	0.19
				23.12.2016	709980	Transfer	1419960	0.38
10	Angel Fincap Private Limited	0	0	05.12.2016	750340	Transfer	750340	0.20
				06.12.2016	1800	Transfer	752140	0.20
				07.12.2016	-350	Transfer	751790	0.20
				08.12.2016	1100	Transfer	752890	0.20
				09.12.2016	-1050	Transfer	751840	0.20
				16.12.2016	-68300	Transfer	683540	0.18
				23.12.2016	782959	Transfer	1466499	0.39
				30.12.2016	31903	Transfer	1498402	0.40
				31.12.2016	5150	Transfer	1503552	0.40
				06.01.2017	-11468	Transfer	1492084	0.39
				13.01.2017	-33633	Transfer	1458451	0.39
				20.01.2017	-5922	Transfer	1452529	0.38
				27.01.2017	-7100	Transfer	1445429	0.38
				03.02.2017	8527	Transfer	1453956	0.38
				10.02.2017	-13066	Transfer	1440890	0.38
				17.02.2017	-12008	Transfer	1428882	0.38
				24.02.2017	20003	Transfer	1448885	0.38
				03.03.2017	6550	Transfer	1455435	0.39
				10.03.2017	8182	Transfer	1463617	0.39
				17.03.2017	-28612	Transfer	1435005	0.38
				24.03.2017	-20320	Transfer	1414685	0.37
				31.03.2017	656	Transfer	1415341	0.37

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Sudhamati Ratnakar Gutte Non-Executive Director	19,68,750	11.36	01.04.2016			19,68,750	11.36
				30.09.2016	139630	Transfer	18,29,120	9.68
				03.10.2016	29962	Transfer	17,99,158	9.52
				04.10.2016	2239	Transfer	17,96,919	9.51
				05.10.2016	18327	Transfer	17,78,592	9.41
				06.10.2016	174506	Transfer	16,04,086	8.49
				07.10.2016	31133	Transfer	15,72,953	8.32
				14.10.2016	35000	Transfer	15,37,953	8.14
				17.10.2016	250000	Transfer	12,87,953	6.81
				18.10.2016	246000	Transfer	10,41,953	5.51
				20.10.2016	287431	Transfer	7,54,522	3.99
				21.10.2016	46726	Transfer	7,07,796	3.74
				24.10.2016	62906	Transfer	6,44,890	3.41
				25.10.2016	10000	Transfer	6,34,890	3.36
				26.10.2016	36891	Transfer	5,97,999	3.16
				30.10.2016	188556	Transfer	4,09,443	2.17
				02.11.2016	185000	Transfer	2,24,443	1.19
				03.12.2016		**Sub-division	22,44,430	1.19
				07.12.2016	2244430	***Bonus Shares	44,88,860	1.19
				31.03.2017			44,88,860	1.19
2	Sunil Ratnakar Gutte Managing Director	16,78,740	9.69	01.04.2016			16,78,740	9.69
				03.12.2016		**Sub-division	1,67,87,400	8.88
				07.12.2016	1,67,87,400	***Bonus Shares	3,35,74,800	8.88
				31.03.2017			3,35,74,800	8.88
3	Vijay Ratnakar Gutte Executive Director	6,75,000	3.90	01.04.2016			6,75,000	3.90
				23.09.2016	70000	Transfer	6,05,000	3.49
				26.09.2016	58400	Transfer	5,46,600	3.15
				27.09.2016	201332	Transfer	3,45,268	1.83
				28.09.2016	43180	Transfer	3,02,088	1.60
				29.09.2016	195292	Transfer	1,06,796	0.57
				30.09.2016	106796	Transfer	0	0.00
				31.03.2017			0	0.00
4	Venkataramana Condoor Executive Director	2,00,000	1.15	01.04.2016			2,00,000	1.15
				03.12.2016		**Sub-division	20,00,000	1.06
				07.12.2016		***Bonus Shares	40,00,000	1.06
				31.03.2017			40,00,000	1.06
5	Dilip Yeshwant Ghanekar Independent Director	0	0.00	01.04.2016	0	Nil movement during the year	0	0
		0	0.00	31.03.2017				
6	Sonyabapu Shankar Waghmare Independent Director	0	0.00	01.04.2016	0	Nil movement during the year	0	0
		0	0.00	31.03.2017				

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	Parag Ashok Sakalikar Independent Director	110	0.00	01.04.2015	0		110	0.00
				03.12.2016		**Sub-division	1,100	0.00
				07.12.2016		***Bonus Shares	2,200	0.00
				31.03.2017			2,200	0.00
8	Sajid Imran Ali Independent Director	0	0.00	01.04.2016	0	Nil movement during the year	0	0.00
9	Siddharth Ratilal Mehta Independent Director	0	0.00	01.04.2016	0	Nil movement during the year	0	0.00
		0	0.00	31.03.2017				
10	Anil Ramchandra Aurangabadkar Independent Director	0	0.00	01.04.2016	0	Nil movement during the year	0	0.00
		0	0.00	31.03.2017				
11	Shrikant Chandrashekhar Rikhe Company Secretary	0	0.00	01.04.2016	0	Nil movement during the year	0	0.00
		0	0.00	31.03.2017				

Note:

*The Company has converted 1575000 Warrants into equal number of shares on 27th September, 2016.

**The face value of shares is sub-divided from ₹10/- each to Re. 1/- each; 3rd December, 2016 was the record date for sub-division of shares.

***The Company has allotted bonus shares in the ratio 1:1 on 7th December, 2016.

V. Indebtedness

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

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	43,803.15	-	-	43,803.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42.17	-	-	42.17
Total (i+ii+iii)	43,845.32	-	-	43,845.32
Change in Indebtedness during the financial year				
· Addition	8,705.48	-	-	8,705.48
· Reduction	4,744.51	-	-	4,744.51
Net Change	3,960.97	-	-	3,960.97
Indebtedness at the end of the financial year				
i) Principal Amount	47,781.49	-	-	47,781.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24.80	-	-	24.80
Total (i+ii+iii)	47,806.29	-	-	47,806.29

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WT/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	68.65	39.10	60.81	48.65	95.29	52.43	364.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.87	-	-	-	-	-	6.87
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-	-
	- others	-	-	-	-	-	-	-
5	Others	-	-	-	-	-	-	-
	Total (A)	75.52 *	39.10	60.81	48.65	95.29	52.43 **	371.80
	Ceiling as per the Act							642.47

*Remuneration of Mr. Ratnakar M. Gutte is mentioned upto date of cessation i.e. 25th January 2017

**Remuneration of Mr. Anupam Dhiman is mentioned upto date of cessation i.e. 16th January 2017

B. Remuneration to other Directors:

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Sudhamati R. Gutte (NED)	Dilip Y. Ghanekar (ID)	Sonyabapu S. Waghmare (ID)	Parag A. Sakalikar (ID)	Sajid Imran Ali (ID)	Siddharth R. Mehta (ID)	Anil R. Aurangabadkar (ID)	
1	Independent Directors								
	· Fee for attending board /committee meetings	N.A.	0.60	0.70	0.90	1.00	1.00	0.90	5.10
	·Commission	N.A.	-	-	-	-	-	-	-
	·Others	N.A.	-	-	-	-	-	-	-
	Total (1)	N.A.	0.60	0.70	0.90	1.00	1.00	0.90	5.10
2	Other Non-Executive Directors	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	· Fee for attending board /committee meetings	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	· Commission	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	· Remuneration	8.9	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (2)	8.9	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	8.90
	Total (B)=(1+2)	8.9	0.60	0.70	0.90	1.00	1.00	0.90	14.00
	Total Managerial Remuneration								385.80
	Overall Ceiling as per the Act								706.71

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

(₹ 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	-	4.55	-	4.55
	(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	-	4.55	-	4.55

Note:

*Salary of CEO is not applicable.

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

VII. Penalties / Punishment/ Compounding of Offences:

(₹ in lacs)

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Director					
Penalty			None		
Punishment					
Compounding					
C. Other officers in default					
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.
 - e. Expenditure incurred on Research and Development: N.A.

(C) Foreign Exchange Earnings and Outgo:

(₹ in lacs)		
Particulars	2016-17	2015-16
Foreign Exchange earnings	NIL	NIL
Foreign Exchange outgo	281.08	14.1

Corporate Governance Report

I. Company's Philosophy on Corporate Governance

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

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

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

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

II. Board of Directors

Size and Composition of the Board

The Board has an optimum combination of Executive and Non-Executive Independent Directors as provided in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to ensure independency and transparency in managerial decision making in Board & Committee Meetings, to secure the interests of the company, its employees, stakeholders and creditors. As on 31st March, 2017, the Board comprises of Ten Directors.

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

Name of the Director	Category	Attendance at meetings during 2016-17		Number of Directorships in other Companies as on 31-03-2017		Number of Committee positions held in other Companies as on 31-03-2017		No. of Shares held as on 31-03-2017
		Board	AGM	Chairman	Member	Chairman	Member	
*Mr. Ratnakar M. Gutte	P&ED	4	No	N.A.	N.A.	N.A.	N.A.	Nil
** Mrs. Sudhamati R. Gutte	P&NED	2	No	Nil	4	Nil	Nil	44,88,860
Mr. Sunil R. Gutte	P&ED	6	Yes	Nil	11	Nil	1	3,35,74,800
Mr. Vijay R. Gutte	P&ED	4	Yes	Nil	7	Nil	1	Nil
Mr. Venkataramana Condoor	P&ED	4	Yes	Nil	6	Nil	Nil	40,00,000
*** Mr. Anupam Dhiman	ED	Nil	No	N.A.	N.A.	N.A.	N.A.	Nil
Mr. Dilip Y. Ghanekar	I&NED	2	No	Nil	Nil	Nil	Nil	Nil
Mr. S. S. Waghmare	I&NED	4	Yes	Nil	2	Nil	Nil	Nil
Mr. Sajid Ali	I&NED	6	No	Nil	Nil	Nil	Nil	Nil
Mr. Parag Sakalikar	I&NED	5	No	Nil	4	1	-	2,200
Mr. Anil Aurangabadkar	I&NED	5	No	Nil	Nil	Nil	Nil	Nil
Mr. Siddharth R. Mehta	I&NED	6	No	Nil	Nil	Nil	Nil	Nil

Notes:

- P – Promoter, ED – Executive Director, I – Independent Director, NED – Non Executive Director.
- The Directorships, held by Directors as mentioned above, do not include directorships in foreign companies.
- Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Sunil Hitech Engineers Limited) have been considered.
- *Ceased to be Director of the Company w.e.f. 25th January, 2017.
- **Changed designation from Executive Director to Non-executive Director w.e.f. 25th January, 2017.
- ***Ceased to be Director of the Company w.e.f. 16th January, 2017.
- Six Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held:

Sr. No.	Date	No. of Directors Present
1	30th May, 2016	08
2	10th August, 2016	08
3	11th October, 2016	07
4	14th November, 2016	07
5	25th January, 2017	10
6	14th February, 2017	08

The necessary quorum was present for all the meetings.

- Relationships between Directors inter-se: Out of ten Directors three of the Directors i.e. 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. Venkatarmana Condoor belongs to promoters group. Rests of the directors have no inter-se relationship.
- Details of familiarization programmes imparted to the independent directors are available on the website of the company (http://sunilhitech.com/pdf/corporate_governance/FAMILIARISATION_PROGRAMMES_FOR_INDEPENDENT_DIRECTORS.pdf).

III. Audit Committee

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 Disclosure

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 2016-17, the meetings of Audit Committee were held on 30th May, 2016; 10th August, 2016; 11th October, 2016; 14th November, 2016; 25th January, 2017 and 14th February, 2017.

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	5
Mr. Dilip Y. Ghanekar	Member	2
Mr. Sajid Ali	Member	6
Mr. Vijay R. Gutte	Member	4

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.

- b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Review of information by Audit Committee**
1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
- 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 Disclosure Requirements) Regulations, 2015, your Board of Directors has constituted Nomination and Remuneration Committee consists of three members namely, Mr. Parag Sakalikar, Chairman, Mr. Sajid Ali and Mr. Dilip Y. Ghanekar, Members.
- b) Meetings and attendance during the year**
- During the financial year 2016-17, there were three meetings of the Committee held on 30th May, 2017; 25th January, 2017 and 14th February, 2017.
- The details of no. of meetings attended by the members are as follows:

Name of Members	Category	Meetings Attended
Mr. Parag Sakalikar	Chairman	3
Mr. Dilip Y. Ghanekar	Member	2
Mr. Sajid Ali	Member	3

c) Terms of reference

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors 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 Independent Directors do not have any pecuniary relationship or transactions with the company.

Details of sitting fees paid to the Independent Directors and remuneration to Non-executive Directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Sudhamati R. Gutte (NED)*	Dilip Y. Ghanekar (ID)	Sonyabapu S. Waghmare (ID)	Parag A. Sakalikar (ID)	Sajid Imran Ali (ID)	Siddharth R. Mehta (ID)	Anil R. Aurangab-adkar (ID)	
1	Independent Directors								
	· Fee for attending board /committee meetings	N.A.	0.60	0.70	0.90	1.00	1.00	0.90	5.10
	· Commission	N.A.	-	-	-	-	-	-	-
	· Others	N.A.	-	-	-	-	-	-	-
	Total (1)	N.A.	0.60	0.70	0.90	1.00	1.00	0.90	5.10
2	Other Non-Executive Directors	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	· Fee for attending board /committee meetings	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	· Commission	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	· Remuneration	8.9	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total (2)	8.9	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	8.90
	Total (B)=(1+2)	8.9	0.60	0.70	0.90	1.00	1.00	0.90	14.00

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

ID: Independent Director; NED: Non-executive Director

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

i) Details of salary paid to Executive Directors during the financial year 2016-17.

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							
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	68.65	39.10	60.81	48.65	95.29	52.43	364.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.87	-	-	-	-	-	6.87
	(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	75.52	39.10	60.81	48.65	95.29	52.43	371.80

*Ceased to be Director of the Company w.e.f. 25th January, 2017.

**Ceased to be Director of the Company w.e.f. 16th January, 2017.

ii) Service details:

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

Re-appointed for a period of five years from 29.05.2017.

VI. Stakeholders Relationship Committee

a) Composition

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

b) Meetings and attendance during the year

During the financial year 2016-17 meetings of the Committee were held on 30th May, 2016; 10th August, 2016; 14th November, 2016 and 14th February, 2017.

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	1
Mr. Sunil R. Gutte	Member	4

Name and Designation of Compliance Officer:

Mr. Shrikant Chandrashekhar Rikhe,
Company Secretary and Compliance Officer

c) Terms of reference

The Committee shall consider and resolve the grievances of the security holders of the company including complaints related to

transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Shareholder's Services

The Company has received 7 complaints during the year and all of them have been redressed /answered to the satisfactory of the Shareholders except a complaint regarding non-receipt of share certificate which shall be resolved in due course.

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

Sr. No.	Descriptions	No. of Complaints
1	Non-receipt of Dividend Warrant	2
2	SEBI/Stock Exchanges	4
3	Non-receipt of Share Certificate	1
	Total	7

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 Sakalikar Mr. Siddharth Mehta, Mr. Sunil R. Gutte and Mr. Venkataramana Condoor.

Meetings and attendance during the year

During the financial year 2016-17, there were two meetings of the Committee held on 30th May, 2016 and 14th February, 2017.

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

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 22nd September, 2016 (For F.Y. 2015-16), 23rd July, 2015 (for F.Y. 2014-15), 29th September, 2014 (For F.Y.2013-14). The Special Resolution(s) were passed at all three previous Annual General Meetings with requisite majority.

Sr. No.	Date	Venue	Time	Special Resolution
1	22.09.2016	Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai, Maharashtra 400050	11:00 A.M.	Yes
2	23.07.2015	'Ratnadeep', Jaynagar, Parli Vajinath, Dist – Beed 431520	2:00 P.M.	Yes
3	29.09.2014	'Ratnadeep', Jaynagar, Parli Vajinath, Dist – Beed 431520	2:00 P.M.	Yes

b) Postal Ballot

During the financial year 2016-17 following special resolutions were passed by postal ballot process:

a. Postal ballot held on 21st November, 2016.

1. Issue of Bonus Shares by way of Capitalisation of Reserves.

b. Postal ballot held on 16th March, 2017.

1. To Increase limits u/s 186 of the Companies Act, 2013 for Inter-Corporate Loans or Investments and to give Guarantees or to provide Security in connection with loan(s).

2. To approve re-appointment of Mr. Vijay R. Gutte (DIN: 01179049) as a Whole time Director of the Company
3. To change designation of Mrs. Sudhamati R. Gutte (DIN: 01174733) from Whole-time Director to Non-Executive Director of the Company.

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	%
Postal ballot held on 21st November, 2016					
1	Issue of Bonus Shares by way of Capitalisation of Reserves.	8121298	99.99	450	0.01
Postal ballot held on 16th March, 2017					
1	To Increase limits u/s 186 of the Companies Act, 2013 for Inter-Corporate Loans or Investments and to give Guarantees or to provide Security in connection with loan(s).	176686928	99.93	124516	0.07
2	To approve re-appointment of Mr. Vijay R. Gutte (DIN: 01179049) as a Whole time Director of the Company.	176760142	99.99	11942	0.01
3	To change designation of Mrs. Sudhamati R. Gutte (DIN: 01174733) from Whole-time Director to Non-Executive Director of the Company.	176754342	99.99	17742	0.01

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. Company's means of communication are transparent and timely. In addition to the financial results, Company publishes the other information too, as required to be published under the Companies Act, 2013 or the Listing Regulations or any other laws applicable or as may be required in the public interest.

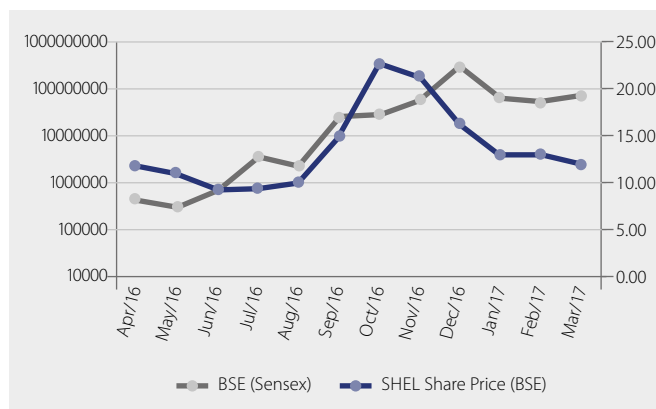
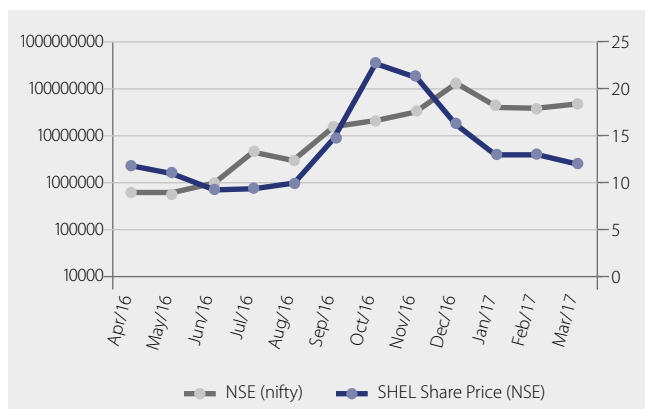
Apart from disclosing information in newspapers, Company provides and updates from time to time various information about it at its official website www.sunilhitech.com related with investors, customers, etc. and all other person dealing with your Company. In addition to this, Company also sends 'Investors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

X. General Shareholders Information

a)	Annual General Meeting Date, time and venue	29th August, 2017 at 11:00 a.m. at Hotel Rangsharda, Near Lilavati Hospital, KC Marg, Bandra Reclamation Flyover, Bandra West, Mumbai, Maharashtra 400050
b)	Financial Calendar for FY2017-18 (Tentative)	
	Results for Quarter ending 30th June, 2017	Upto 14th September, 2017
	30th September, 2017	Upto 14th December, 2017
	31st December, 2017	Upto 14th February, 2018
	31st March, 2018	Upto 30th May, 2018
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 (Symbol: SUNILHITEC) Annual listing fees of both exchanges for the Financial Year 2017-18 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-16	11.84	10.79	623063	11.95	10.81	219293
May-16	11.02	9.44	574570	10.99	9.46	153672
Jun-16	9.65	7.88	979456	9.66	7.87	299026
Jul-16	9.48	8.21	4424522	9.46	8.20	1194745
Aug-16	9.84	8.82	2897281	9.83	8.81	739673
Sep-16	14.67	8.97	13525211	14.65	8.96	5455514
Oct-16	22.64	14.51	20353988	22.60	14.53	5700608
Nov-16	21.38	8.35	32597052	21.33	8.32	10095341
Dec-16	16.25	10.65	134618933	16.35	10.60	39396877
Jan-17	12.95	11.75	40108328	12.95	11.76	11252502
Feb-17	13.1	11.65	35118855	13.09	11.64	9696022
Mar-17	12.05	10.4	45543874	12.01	10.41	12563188

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	33917	87.67	39933764	10.56
5001-10000	2371	6.13	18672385	4.94
10001-20000	1161	3.00	18253552	4.83
20001-30000	382	0.99	9684228	2.56
30001-40000	226	0.58	8254745	2.18
40001-50000	132	0.34	6187205	1.64
50001-100000	234	0.60	17077654	4.52
100001 & above	262	0.68	259939667	68.77
Total	38685	100.00	378003200	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, 2017 Shares held in CDSL, NSDL & in Physical form are as follows:

Particulars	No. of Shares	% of total Capital Issued
CDSL	104634144	27.68
NSDL	273347186	72.31
Physical	21870	0.01
Total	378003200	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, 2017 Company has no outstanding GDRs/ADRs. However company has 34,75,000 outstanding warrants convertible into 3,47,50,000 shares of ₹1 each/- Upon conversion of these warrants the paid-up capital of the Company shall increase to ₹41,27,53,200/- divided into 41,27,53,200 shares of ₹1 each/-
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 2016-17.
m)	Address for Correspondence:	
	Corporate 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:

No material related party transactions are entered during the financial year 2016-17. 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

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

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

XII. There were no instances of non-compliances with the any



requirements of corporate governance report.

XIII. The Company has 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 and consolidated financial statements of the Company is unqualified.
- b. The internal auditors of the Company if required may

report directly to the audit committee.

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

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

"It is hereby declared that the members of the Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management for the financial year ended 31st March, 2017."

Date: 19th May, 2017

Place: Mumbai

Sunil R. Gutte

Managing Director

Auditors' Certificate on Corporate Governance

To

The Members,

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, 2017 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
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 SEBI 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)

(ARVIN MOHAN)

PARTNER

(Membership No. 124082)

Mumbai, 19th May, 2017



Compliance Certificate

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

- A. We have reviewed financial statements for the financial year ended on 31st March, 2017 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: 19th May 2017
Place: Mumbai

Sunil R. Gutte
Managing Director

Vijay R. Gutte
Chief Financial Officer
& Whole-time Director

FINANCIAL SECTION

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, 2017, 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, further amended by Companies (Accounting Standards) Amendment Rules, 2016, 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, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (i) 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.
- (ii) 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, further amended by Companies (Accounting Standards) Amendment Rules, 2016, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.
- iv. The Company has provided requisite disclosures in the financial statements as to holding as well as

dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – (Refer Note no. 45 of financial statement).

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

Arvind Mohan
Partner

Place of signature: Mumbai
Date: 19th May, 2017

(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 the Standalone Financial Statements of the company and taking into consideration the information and explanations given to us and the books of account 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) 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 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 companies covered in the register maintained under section 189 of the Companies Act 2013. The maximum amount outstanding during the year is ₹ 611.54 Lacs and amount outstanding at the year end is ₹ 301.00 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, 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 except income tax. Undisputed dues outstanding as at 31st March 2017, 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	Tax Deducted at Source – Contractor, Rent, Interest & Salary	1,64,73,438	07-09-2016 & 07-07-2016	Unpaid
Income tax Act, 1961	Advance Tax – 1st instalment & 2nd instalment	1,75,64,553	15-06-2016 & 15-09-2016	Unpaid

(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 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)	1,078.63	2005-06 To 2013-14	Custom, Excise, Service Tax Appellate Tribunal
The Customs Act, 1962	Custom Duty	138.17	2007-08 2008-09	Commissioner of Customs(Import), Mumbai
The Income-Tax Act, 1961	Income Tax	283.81	2008-09, 2004-05	Income Tax Appellate Tribunal Mumbai
The Income-Tax Act, 1961	Income Tax	94.74	2008-09, 2009-10	CIT Appeals, Nagpur

(viii) 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)

Arvind Mohan
Place of signature: Mumbai
Date: 19th May, 2017

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 2017 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 2017, 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

Place of signature: Mumbai

Date: 19th May, 2017

Partner

(Membership No. 124082)

BALANCE SHEET as at 31st March 2017 (Standalone)

₹ Lacs

Particulars	Note	As at 31 March, 2017	As at 31 March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	3,780.03	1,732.52
Reserves and Surplus	4	42,524.58	39,693.38
Money Received Against Share Warrants	5	481.29	-
		46,785.90	41,425.89
Non-current Liabilities			
Long Term Borrowings	6	8,304.15	4,051.67
Other Long Term Liabilities	7	13,757.59	10,689.44
Long Term Provisions	8	111.44	142.02
		22,173.18	14,883.13
Current Liabilities			
Short Term Borrowings	9	39,751.01	36,423.48
Trade Payables	10		
Total outstanding dues of micro enterprises small enterprises		41.23	36.53
Total outstanding dues of creditors other than micro enterprises small enterprises		48,573.30	46,696.29
Other Current Liabilities	11	14,231.12	13,708.78
Short Term Provisions	12	127.19	425.73
		102,723.86	97,290.81
Total		171,682.93	153,599.83
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	16,363.54	15,442.35
Intangible Assets		41.96	100.21
Capital Work-in-Progress		-	1,356.51
Non Current Investments	14	4,411.82	5,116.57
Deferred Tax Assets	15	890.33	944.12
Long Term Loans and Advances	16	2,762.33	3,143.54
Other Non Current Assets	17	3,280.04	2,854.07
		27,750.02	28,957.38
Current Assets			
Inventories	18	25,552.44	20,814.55
Trade Receivables	19	58,247.51	49,509.04
Cash and Bank Balances	20	15,779.14	11,543.78
Short Term Loans and Advances	21	13,898.03	12,741.52
Other Current Assets	22	30,455.79	30,033.57
		143,932.91	124,642.46
Total		171,682.93	153,599.83

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, 19 May 2017

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer
and Whole-time Director

Sunil R. Gutte

Managing Director

STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2017 (Standalone)

₹ Lacs

Particulars	Note	Year ended 31 March, 2017	Year ended 31 March, 2016
REVENUE			
Revenue from Operations	23	209,118.54	182,752.13
Other Income	24	1,338.95	1,429.33
Total Revenue		210,457.49	184,181.46
EXPENSES			
Material Consumption and Project Supplies	25	116,608.73	104,018.83
Contract and Site Expenses	26	63,902.18	51,431.72
Employee Benefits Expense	27	4,525.04	5,903.08
Finance Costs	28	9,638.45	8,576.63
Depreciation and Amortisation Expense	29	3,287.82	3,188.32
Other Expenses	30	6,251.00	3,747.56
Total Expenses		204,213.22	176,866.14
Profit Before Tax		6,244.27	7,315.32
Tax Expenses			
-Current Tax			
Expenses for Current Year		1,951.60	2,546.34
Expenses Relates to Prior Years		232.00	-
-Deferred Tax		53.79	(42.08)
Profit for the year from Continuing Operations		4,006.88	4,811.06
There are no Exceptional, Extraordinary Items and Discontinuing operations.			
Earnings per share (Face Value ₹1/-)	31		
Before Extraordinary Items			
Basic (₹)		1.06	1.44
After Extraordinary Items			
Diluted (₹)		1.06	1.44

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, 19 May 2017

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer
and Whole-time Director

Sunil R. Gutte

Managing Director

STATEMENT OF CASH FLOW for the year ended 31st March 2017 (Standalone)

₹ Lacs

Particulars	31 March, 2017	31 March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	6,244.27	7,315.32
<i>Adjustment for :</i>		
Depreciation and Amortisation Expense	3,287.82	3,188.32
Exchange Differences	(17.38)	1.13
Bad Debts/ Advances Written off	1,949.63	-
Provision for Doubtful Debts/ Advances	25.74	-
Loss from Partnership Business	(3.74)	0.14
Amount Written Back	-	(142.73)
Loss (Profit) on Sale of Fixed Assets	(248.60)	(47.05)
Interest Expenses (Considered in Financing Activities)	9,638.45	8,576.63
Interest Incomes (Considered in Investing Activities)	(843.75)	(803.04)
Interest Income from Partnership Firm (Considered in Investing Activities)	-	(27.72)
Operating Profit before Working Capital Changes :	20,032.44	18,061.00
Decrease (Increase) in Inventories	(4,737.89)	(3,332.43)
Decrease (Increase) in Trade Receivables	(10,730.87)	(11,357.80)
Decrease (Increase) in Other Current Assets	(358.50)	(304.00)
Decrease (Increase) in Long Term Loans and Advances	300.21	(1,102.22)
Decrease (Increase) in Short Term Loans and Advances	(1,605.56)	5,784.29
Increase (Decrease) in Long Term Provisions	(30.58)	(95.36)
Increase (Decrease) in Short Term Provisions	(38.66)	(1.07)
Increase (Decrease) in Trade Payables	1,883.71	5,285.40
Increase (Decrease) in Other Non Current Liabilities	3,068.15	(754.63)
Increase (Decrease) in Other Current Liabilities	(443.79)	(677.52)
Cash Generated from Operations	7,338.66	11,505.67
Net Income Tax Paid	(2,921.75)	(2,039.85)
Net Cash Flow from (used in) Operating Activities (A)	4,416.91	9,465.82
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed assets including Capital Advances	(2,847.27)	(5,274.27)
Proceeds from sale of Fixed Assets	382.63	176.17
Investments in Subsidiaries	629.75	(92.00)
Investments in Mutual Funds	75.00	-
Share Application Money Given	450.00	209.01
Bank Balances not considered as Cash and Cash Equivalents (net)	(2,799.62)	(1,741.10)
Interest Received	777.69	710.98
Net Cash Flow from (Used in) Investing Activities (B)	(3,331.81)	(6,011.21)

STATEMENT OF CASH FLOW (contd.) for the year ended 31st March 2017 (Standalone)

₹ Lacs

Particulars	31 March, 2017	31 March, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	8,705.48	4,549.50
Repayment of Long Term Borrowings	(2,731.94)	(3,226.14)
Proceeds (Repayment) of Short Term Borrowings	3,344.91	2,793.81
Money received against Share Warrants	1,353.84	519.38
Dividend Paid	(259.29)	(361.82)
Interest Paid	(9,655.82)	(8,575.69)
Net Cash Flow from (Used in) Financing Activities (C)	757.20	(4,300.97)
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	1,842.31	(846.34)
Cash and Cash Equivalents as at the Beginning of the Year	1,414.38	2,260.72
Cash and Cash Equivalents as at the End of the Year	3,256.69	1,414.38
Components of Cash and Cash Equivalents		
Balances with Banks - in Current Accounts	2,604.51	1,359.48
Deposits with original maturity of upto three months	552.89	-
Cash on Hand	99.29	54.90
Total Cash and Cash Equivalents	3,256.69	1,414.38

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, 19 May 2017

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer
and Whole-time Director

Sunil R. Gutte

Managing Director

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

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 are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013, further amended by Companies Accounting Standards (Amendment) Rules 2016, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

The company separately depreciates each part of an item of Property, Plant and Equipment that has significant cost and a different useful life in relation to the total cost and useful life of the item.

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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

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.

2.9 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 2017

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 2017

3. SHARE CAPITAL

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Authorised :		
60,00,00,000 Equity shares of ₹ 1/- each (Pr. Yr. 2,50,00,000 Equity shares of ₹ 10/- each)	6,000.00	2,500.00
Issued, Subscribed and Fully Paid-up :		
37,80,03,200 Equity shares of ₹ 1/- each (Pr. Yr. 1,73,25,160 Equity shares of ₹ 10/- each) fully paid up	3,780.03	1,732.52
	3,780.03	1,732.52

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

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	No. of Shares	₹ Lacs	No. of Shares	₹ Lacs
Equity shares at the beginning of the year	17,325,160	1,732.52	15,275,160	1,527.52
Add: Allotment during the year against warrant	1,575,000	157.50	2,050,000	205.00
Add: Allotment during the year against Split Issue	170,101,440	-	-	-
Add: Allotment during the year against Bonus Issue	189,001,600	1,890.02	-	-
Equity shares outstanding at the end of the year	378,003,200	3,780.03	17,325,160	1,732.52

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 ₹ 1* 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.

* The Face value of share of the company is sub-divided from ₹ 10 each to ₹ 1 each from record date 3rd December, 2016.

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, 2017		As at 31 March, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Ratnakar Manikrao Gutte	-	-	2,202,500	12.71%
Mrs. Sudhamati Ratnakar Gutte	4,488,860	1.19%	1,968,750	11.36%
Mr. Sunil Ratnakar Gutte	33,574,800	8.88%	1,678,740	9.69%
Fatehpuria Business Associates Private Limited	32,400,000	8.57%	1,600,000	9.24%
Gutte Infra Private Limited	48,000,000	12.70%	1,500,000	8.66%
VRG Digital Corporation Private Limited	43,500,000	11.51%	1,500,000	8.66%

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 2017

4. RESERVES AND SURPLUS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Capital Reserve	825.60	825.60
Securities Premium Account		
Balance as per the last Financial Statements	13,970.84	13,040.14
Add: Premium on account of Issue of shares against conversion of Warrants	715.05	930.70
Less: Amount utilised towards issue of fully paid up Bonus shares	1,890.02	-
	12,795.88	13,970.84
Revaluation Reserve		
Balance as per the last financial statements	54.21	55.00
Less: Amount transferred to the Statement of Profit and Loss as reduction from depreciation	0.75	0.79
	53.47	54.21
General Reserve		
Balance as per the last Financial Statements	1,923.58	1,923.58
Surplus in the Statement of Profit and Loss		
Balance as per the last financial statements	22,919.14	18,420.86
Profit for the year	4,006.88	4,811.06
Less: Appropriations		
Proposed dividend on equity shares	-	259.88
Tax on proposed equity dividend	-	52.91
Total appropriations	-	312.79
Net Surplus in the Statement of Profit and Loss	26,926.02	22,919.14
	42,524.58	39,693.38

5. MONEY RECEIVED AGAINST SHARE WARRANTS

5.1 During the Financial Year 2016-17, Company has allotted 50,50,000 warrants to the Companies under promoter group at a price of ₹ 55.40 per warrant which entitles the allottees to subscribe 5,05,00,000 Equity shares of ₹ 1* each.

*The face value of share of the company is sub-divided from ₹ 10 each to ₹ 1 each during the year.

5.2 Out of 50,50,000 warrants allotted to companies under Promoter group, 15,75,000 warrants converted into 1,57,50,000 Equity shares of ₹ 1 each.

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

5.3 After conversion of 15,75,000 warrants mentioned at Note 5.2 above, 34,75,000 warrants remained outstanding at end of the Financial year 2016-17 which entitles its holders to subscribe for 3,47,50,000 shares of ₹ 1 each.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

6. LONG TERM BORROWINGS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Rupee Term Loans (Secured)		
From Banks	440.20	544.05
From Financial Institutions	2,541.21	3,507.62
Loans from Directors	5,322.74	-
	8,304.15	4,051.67

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

- ₹ 304.09 Lacs (Pr. Yr. ₹ 439.85 Lacs) are secured by first mortgage/ pari-passu charge on the respective buildings situated at Pune and Nagpur.
- ₹ 285.08 Lacs (Pr. Yr. ₹ 491.29 Lacs) secured by first hypothecation/ pari-passu charge on the respective plant and machineries including Hydra's at various sites.
- ₹ 148.19 Lacs (Pr. Yr. ₹ 92.22 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:

- ₹ 1,332.39 Lacs (Pr. Yr. ₹ 1,434.71) are secured by first mortgage/ pari-passu charge on the respective buildings situated at Nagpur and Mumbai.
- ₹ 4,493.31 Lacs (Pr. Yr. ₹ 2,271.61 Lacs) are secured by first hypothecation/ pari-passu charge on the respective plant and machineries including Hydra's situated at various sites.
- ₹ 1,500.00 Lacs (Pr. Yr. ₹ 2,650.00) 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.

For the Year Ended 31 March 2017

Sr. No.	Particulars	Range of Interest	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
		Rate *	2018-2019	2019-2020	2020-2021	2021-2022 onwards
1	Property loan	11.70%-13.00%	250.02 (146.12)	387.24 (158.41)	556.01 (178.85)	443.19 (1,164.65)
2	Vehicle	9.30%-13.23%	53.87 (27.26)	53.21 (13.55)	41.11 (13.19)	- (6.48)
3	Machinery	7.64%-14.85%	1,954.73 (1,133.51)	733.09 (59.67)	761.04 -	- -
4	Project Funding	12.75%	1,150.00 (1,150.00)	- -	- -	- -
	Total		3,408.62 (2,456.89)	1,173.54 (231.63)	1,358.16 (192.04)	443.19 (1,171.12)

* Above interest rates are Floating rates

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

7. OTHER LONG TERM LIABILITIES

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Security Deposit & Retention Money from Sub-Contractors	5,968.96	5,681.43
Advance from Customers	7,788.63	5,008.01
	13,757.59	10,689.44

8. LONG TERM PROVISIONS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Provision for Employee Benefits (Refer Note 38)		
Provision for Gratuity (Net)	6.11	40.89
Provision for Compensated Absences	105.33	101.13
	111.44	142.02

9. SHORT TERM BORROWINGS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Working Capital Rupee loans from Banks repayable on demand (Secured)	39,751.01	36,423.48
	39,751.01	36,423.48

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

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade Payables		
Payable to Micro Enterprises and Small Enterprises	41.23	36.53
Payable to Related Parties	979.53	4,012.21
Others	47,593.77	42,684.08
(Refer Note 46 for Micro, Small & Medium Enterprises disclosure)		
	48,614.53	46,732.82

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

Particulars	As at 31 March, 2017	As at 31 March, 2016
Principal amount due and remaining unpaid	41.23	36.53
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 2017

11. OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Current Maturities of Long-Term Debts (Refer Note 06)	5,049.07	3,328.00
Interest Accrued but Not Due	24.80	42.17
Unpaid Dividends (To be credited to Investor Education and Protection Fund when due)	5.33	4.74
Other Advance Received	390.39	265.96
Security Deposit & Retention Money from Sub-Contractors	2,593.71	3,116.02
Advance from Customers	1,803.10	2,135.91
Due to Customers (Project related activity)	510.64	275.15
Due to Employees	746.25	982.82
Income Tax Provisions (Net of Payments)	39.44	777.59
Other Payables *	3,068.39	2,780.42
	14,231.12	13,708.78

* Includes statutory dues and other expenses

12. SHORT TERM PROVISIONS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Provision for Employee Benefits (Refer Note 38)		
Provision for Compensated Absences	28.32	73.28
Provision for Gratuity (Net)	45.97	39.67
Other Provisions		
Proposed Dividend	-	259.88
Tax on Dividend	52.91	52.91
	127.19	425.73

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

13. FIXED ASSETS

13.1 Current Year

₹ in Lacs

Particulars	Gross Block			Depreciation/ Amortisation			Net Block	
	As At 01.04.2016	Additions	Deduction/ Adjustment	As At 31.03.2017	As At 01.04.2016	Additions	Deduction/ Adjustment	As At 31.03.2017
A TANGIBLE ASSETS :								
Freehold Land	399.31	-	-	399.31	-	-	-	399.31
Leasehold Land	40.37	-	-	40.37	2.85	0.41	-	37.11
Buildings	3,135.84	19.78	-	3,155.62	867.89	137.17	(0.75)	2,149.82
Plant & Equipment*	27,191.92	4,018.53	711.06	30,499.39	15,274.82	2,743.21	598.27	13,079.63
Computer and Printer	574.38	3.73	-	578.11	521.11	16.58	-	40.41
Furniture and Fixtures	817.82	1.00	-	818.81	620.87	64.75	-	133.19
Office Equipment	472.33	6.64	-	478.98	377.50	26.40	-	75.08
Vehicles	1,168.89	136.90	53.54	1,252.26	919.85	79.58	50.82	303.64
Temporary Office Construction	1,578.89	98.20	-	1,677.09	1,352.50	179.25	-	145.35
Total Tangible Assets	35,379.75	4,284.79	764.60	38,899.94	19,937.39	3,247.34	648.34	22,536.40
B INTANGIBLE ASSETS:								
Computer Softwares	771.28	-	526.67	244.61	671.07	40.48	508.90	41.96
Total Intangible Assets	771.28	-	526.67	244.61	671.07	40.48	508.90	41.96
C Capital Work-In-Progress								
Total Fixed Assets (A)+(B)+(C)	36,151.03	4,284.79	1,291.27	39,144.55	20,608.47	3,287.82	1,157.24	22,739.05
								16,405.50

13.2 Previous Year

₹ in Lacs

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
A TANGIBLE ASSETS :								
Freehold Land	155.62	243.69	-	399.31	-	-	-	399.31
Leasehold Land	40.37	-	-	40.37	2.44	0.41	-	37.52
Buildings	2,541.40	647.23	52.79	3,135.84	736.31	142.49	10.91	2,267.95
Plant & Equipment*	22,900.57	4,431.42	140.07	27,191.92	12,946.54	2,453.74	125.46	11,917.09
Computer and Printer	554.03	20.35	-	574.38	495.80	25.31	-	53.27
Furniture and Fixtures	795.19	22.63	-	817.82	529.42	91.45	-	196.95
Office Equipment	453.76	18.58	-	472.33	325.08	52.42	-	94.83
Vehicles	1,116.81	109.63	57.55	1,168.89	870.34	100.26	50.74	249.04
Temporary Office Construction	1,332.83	246.06	-	1,578.89	1,160.27	192.23	-	226.40
Total Tangible Assets	29,890.57	5,739.58	250.41	35,379.75	17,066.19	3,058.32	187.11	15,442.35
B INTANGIBLE ASSETS:								
Computer Softwares	762.62	8.66	-	771.28	541.07	130.00	-	100.21
Total Intangible Assets	762.62	8.66	-	771.28	541.07	130.00	-	100.21
C Capital Work-In-Progress								
Total Fixed Assets (A)+(B)+(C)	30,653.19	5,748.24	250.41	36,151.03	17,607.26	3,188.32	187.11	20,608.47
								16,899.07

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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

14. NON -CURRENT INVESTMENTS (LONG TERM INVESTMENT)

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
A Trade Investments - Unquoted		
In Subsidiary Companies		
SEAM Industries Limited		
49,00,000 (Pr. Yr. 49,00,000) Equity Shares of ₹ 10/- each fully paid up	770.00	770.00
VAG Buildtech Private Limited (Formerly Sunilhitech India Infra Private Limited)		
43,97,690 (Pr. Yr. 43,97,690) Equity Shares of ₹ 10/- each fully paid up	439.77	439.77
Sunilhitech Solar (Dhule) Private Limited		
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
Patna Green Energy Private Limited	90.90	90.90
9,09,000 (Pr. Yr. 9,09,000) Equity Shares of ₹ 10/- each fully paid up		
Future Commodities and Investments Pte Ltd		
35,000 (Pr. Yr. NIL) Ordinary Shares of SGD 1 each fully paid up	16.51	-
Investment in Partnership Firm *		
45% share in the partnership firm V. K. Realtors	343.75	340.01
[Includes accumulated share of Profit ₹ 3.74 Lacs (Pr. Yr. Loss ₹ 0.14 Lacs) and interest on capital ₹ NIL (Pr. Yr. ₹ 27.72 Lacs)]		
Investment in Joint Venture		
Contribution in the Joint Venture SHEL - Assignia JV	2.00	2.00
B Other Investments - Unquoted		
In Subsidiary Companies		
Sunil Hitech Energy Private Limited		
24,42,960 (Pr. Yr. 24,42,960) Equity Shares of ₹ 10/- each fully paid up	247.89	247.89
SHEL Investments Consultancy Private Limited		
9,999 (Pr. Yr. 9,999) Equity Shares of ₹ 10/- each fully paid up (Pledged to zero coupon secured optionally convertible debenture holders of SHEL Investments Consultancy Private Limited)	1.00	1.00
In Other Company		
Gangakhed Sugar and Energy Limited		
1,30,00,000 (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)	1,300.00	1,950.00
C Other Investments - Quoted		
Investments in Mutual Fund		
Canara Roebeco Protection Oriented Fund	20.00	20.00
1,99,990 (Pr. Yr. 1,99,990) units of ₹ 10/- each (Under Lien) [Aggregate Market value of quoted investments ₹ 24.33 lacs (Pr. Yr. ₹ 22.30 lacs)]		
Union KBC Capital Protection Oriented Fund - Growth Series 3 Regular Plan		
NIL (Pr. Yr. 7,50,000) units of ₹ 10/- each (Under Lien) [Aggregate Market value of quoted investments ₹ NIL (Pr. Yr. ₹ 89.64 lacs)]	-	75.00
	4,411.82	5,116.57
* Details of Investments in Partnership Firm		
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%
Total Fixed Capital of the firm (₹ in Lacs)	283.00	283.00

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

15. DEFERRED TAX ASSETS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Depreciation	522.87	564.43
Expenditure allowable on payment basis under IT Act	367.47	379.69
	890.33	944.12

16. LONG TERM LOANS AND ADVANCES (UNSECURED)

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Capital Advances (Considered Good)	-	81.00
Deposits (Considered Good)	1,665.75	1,921.16
Balances with Statutory/ Government Authorities	1,024.73	999.23
Prepaid Expenses	71.85	142.15
	2,762.33	3,143.54

17. OTHER NON CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Interest Accrued on Fixed Deposits	36.46	34.08
Fixed Deposits with Banks (Under Lien)	908.29	501.73
Long Term Trade Receivables - Unsecured Considered Good	2,335.28	2,318.26
	3,280.04	2,854.07

18. INVENTORIES

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
(As certified by the Management)		
Raw Material and Components	22,683.92	17,733.51
Raw Material and Components (Goods in Transit)	61.77	51.73
Stores, Spare Parts	472.53	609.51
Loose Tools	2,334.23	2,419.80
	25,552.44	20,814.55

19. TRADE RECEIVABLES (UNSECURED)

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Over Six Months from the date it become due for payment		
Considered Good	2,085.55	2,854.58
Considered Doubtful	596.17	589.82
	2,681.72	3,444.40
Others- Considered Good	54,311.17	44,799.29
Debt Due from Companies in Which Director is Director/ Member	1,850.79	1,855.17
	58,843.68	50,098.86
Less : Provision for Doubtful Debts	596.17	589.82
	58,247.51	49,509.04

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

20. CASH AND BANK BALANCES

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	2,604.51	1,359.48
Deposits with original maturity of upto three months	552.89	-
Cash on Hand	99.29	54.90
	3,256.69	1,414.38
Other Bank Balances		
Earmarked Balances with Banks		
- Unpaid Dividend	5.33	4.74
- Government Grants	1.48	1.65
Fixed Deposits with original maturity for more than 3 months and upto 12 months (Under Lien)	11,163.02	1,521.47
Fixed Deposits with original maturity for more than 12 months (Under Lien)	1,352.62	8,601.54
	12,522.45	10,129.40
	15,779.14	11,543.78

21. SHORT TERM LOANS AND ADVANCES (UNSECURED)

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Deposits		
Considered Good	1,543.47	1,417.94
Advances to Creditors		
Considered Good	6,371.71	6,208.57
Loans and Advances to Related Parties (Considered Good)	542.38	774.42
Share Application Money to Subsidiary Company	-	450.00
Balances with Statutory/ Government Authorities	4,457.25	2,304.30
Prepaid Expenses	562.87	556.45
Advances Recoverable in Cash or in Kind	420.35	1,029.84
	13,898.03	12,741.52

22. OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Interest Accrued on Fixed Deposits	473.55	409.87
Due from Customers (Project related activity)	29,982.24	29,623.74
	30,455.79	30,033.61

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

23. REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Revenue from Projects and Maintenance	180,933.70	155,622.68
Project Supply	28,033.49	27,010.76
Revenue from Contracts, Projects & Maintenance	208,967.19	182,633.44
Other Operating Revenues		
Income from Crane Leasing	114.92	96.36
Sale of Scrap	36.43	17.20
Metal (Boulder) and Other Sale	-	5.13
	151.35	118.69
(A+B)	209,118.54	182,752.13

24. OTHER INCOME

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Interest Income		
Bank Deposits	843.75	803.04
Capital in Partnership Business	-	27.72
Others	84.50	100.15
Grant received from NIRD (SGSY Scheme)	-	77.09
Rent Income	105.86	214.69
Profit from Partnership Business	3.74	-
Profit on Sale/ Discard of Fixed Assets (Net)	251.03	54.42
Dividend from Investments and Mutual Funds	18.80	-
Exchange Rate Difference (Net)	17.38	-
Amount Written Back (Net)	-	142.73
Miscellaneous Incomes	13.89	9.49
	1,338.95	1,429.33

25. MATERIAL CONSUMPTION AND PROJECT SUPPLIES

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Material Consumption for Projects	89,304.60	77,542.88
Project Supply	27,304.13	26,475.95
	116,608.73	104,018.83

26. CONTRACT AND SITE EXPENSES

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Civil Construction and Fabrication	59,720.41	47,925.48
Lease and Hire Charges	1,223.49	1,527.89
Transportation Expenses	522.83	237.98
Stores and Spares	216.03	163.48
Other Site Expenses	2,219.42	1,576.89
	63,902.18	51,431.72

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

27. EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Salary, Wages and Allowances	3,998.57	5,032.36
Contribution to Provident, Superannuation and Other Funds	256.80	365.86
Staff and Labour Welfare Expenses	269.68	504.86
	4,525.04	5,903.08

28. FINANCE COSTS

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Interest Paid to Bank	5,820.93	5,489.45
Other Borrowings Cost	3,163.46	2,360.16
Interest Paid to Customers	654.06	727.02
	9,638.45	8,576.63

29. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Depreciation and Amortisation (Refer Note 13)	3,288.56	3,189.11
Less: Recoupment from Revaluation Reserve	0.75	0.79
	3,287.82	3,188.32

30. OTHER EXPENSES

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Power and Fuel	169.51	229.41
Rent	546.17	688.94
Repairs to Machinery	96.26	128.32
Repairs to Building	53.75	84.32
Repairs - Others	172.47	207.00
VAT, Entry Tax and Service Tax	643.29	679.16
Insurance	140.57	188.51
Rates and Taxes	129.59	84.51
Legal and Professional Fees	1,034.80	255.77
Travelling and Conveyance	604.30	655.31
Communication	101.52	120.25
Printing and Stationery	41.62	60.94
Exchange Rate Difference (Net)	-	1.13
Provision for Doubtful Debts	25.74	-
Bad Debts Written Off (Net)	1,949.63	-
Loss from Partnership Business	-	0.14
Loss on Sale/ Discard of Fixed Assets (Net)	2.43	7.37
Remuneration to Auditors		
Statutory Audit Fees	20.00	20.00
Certification & Other Matters	5.45	3.85
CSR Expenses	108.16	100.26
Miscellaneous Expenses	405.73	232.37
	6,251.00	3,747.56

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

31. EARNINGS PER SHARE (EPS)

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

Particulars		31 March, 2017	31 March, 2016
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity Shareholders considered for Basic EPS (₹ in Lacs)	(A)	4,006.88	4,811.06
Add: Dilutive effect on profit (₹ in Lacs)	(B)	Nil	Nil
Profit attributable to Equity Shareholders for computing Diluted EPS (₹ in Lacs)	(C=A+B)	4,006.88	4,811.06
Weighted average number of Equity Shares outstanding considered for Basic EPS	(D)	378,003,200	333,292,241
Add: Dilutive effect of Options outstanding - Number of equity shares	(E)	-	-
Weighted average number of Equity Shares considered for computing Diluted EPS	(F=D+E)	378,003,200	333,292,241
Nominal Value of Equity Shares (₹)		1.00	1.00
Basic Earnings Per Share (₹)		1.06	1.44
Diluted Earnings Per Share (₹)		1.06	1.44

There are no 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 ₹ Nil (Pr. Yr. 6.99 Lacs)
- Other Commitments - Non cancellable operating Leases (Refer Note 40)

33. CONTINGENT LIABILITIES

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
a) Service Tax demand disputed, contested in appeal	1,083.52	1,067.34
b) Customs Duty disputed	138.17	138.17
c) Income Tax disputed, contested in appeal *	378.55	420.92
d) Guarantee given to Customers and Financial Institutions -	71,192.42	59,367.93
e) Guarantee given to Banks and Financial Institutions on behalf of -		
i) A subsidiary company	8,938.37	8,938.37
- Loans/ LC/ BG outstanding at the year end	6,607.12	7,606.00
ii) An Associate Company	14,142.65	9,439.37
- Loans outstanding at the year end	-	-
iii) Others	2,170.30	-
f) Claims against the Company not acknowledged as debts	152.38	139.78

* During the Financial Year 2015-16 the 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.

34. REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX)

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
Statutory Audit Fees	20.00	20.00
Tax Audit Fees	3.60	3.00
For Certification and Other Matters	1.85	0.85

35. CIF VALUE OF IMPORTS

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
Raw Materials	650.39	-

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

36. EXPENDITURE IN FOREIGN CURRENCY

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
Interest	-	0.09
Professional Services	281.08	5.49
Other Expenses	-	8.52

37. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
Year to which the dividend relates	2015-16	2014-15
Number of non-resident shareholders	242	3
Number of shares held by them	117,087	855
Amount of dividend	1.76	0.02

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, 2017	31 March, 2016
Provident Fund, Employees' Pension Scheme and Labour Welfare Fund	205.37	289.41
Employees' State Insurance	6.47	11.16
TOTAL	211.84	300.57

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 ₹ 133.65 Lacs (Pr. Yr. ₹ 174.41 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:

- 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.
- On the death in service:
As per the provisions of The Payment of Gratuity Act, 1972 without any vesting period.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

38. EMPLOYEE BENEFITS (contd...)

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31 March 2017:

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
i) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	304.62	319.78
Current service cost	66.83	79.67
Interest cost	18.53	21.93
Actuarial loss/ (gain)	(1.61)	(41.62)
Benefits (paid)	(115.13)	(75.13)
Closing defined benefit obligation	273.24	304.62
ii) Changes in Fair Value of Assets		
Opening fair value of plan assets	224.06	270.19
Expected return on plan assets	17.46	22.89
Actuarial gain/ (loss)	3.90	(22.89)
Contributions of employer	90.87	29.00
Benefits (paid)	(115.13)	(75.13)
Closing fair value of plan assets	221.16	224.06
iii) Amount recognised in the Balance Sheet		
Present value of the obligations as at year end (Funded + Non Funded)	273.24	304.62
Fair value of the plan assets as at year end	(221.16)	(224.06)
Net (asset)/ liability recognised as at the year end	52.08	80.56
iv) Expenses recognised in the Statement of Profit and Loss		
Current service cost	66.83	79.67
Interest on defined benefit obligation	18.53	21.93
Expected return on plan assets	(17.46)	(22.89)
Net actuarial loss/ (gain) recognised in the current year	(5.51)	(18.73)
Total expenses	62.39	59.97
v) Asset information (% Allocation)		
Government of India Securities	Nil	Nil
Corporate Bonds	Nil	Nil
Special Deposit Scheme	Nil	Nil
Insurer Managed Funds	100%	100%
Others	Nil	Nil
vi) Principal actuarial assumptions used		
Discount Rate (p.a.)	7.36%	7.50%
Expected Rate of Return on Plan Assets (p.a.)	8.25%	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, 2017	31 March, 2016
Contract revenue recognised for the year	196,013.47	136,353.36
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	259,099.86	295,292.65
Amount of customer advances received and outstanding for contracts in progress	10,244.02	7,579.10
Retention amount due from customers for contract in progress	14,092.93	12,956.40
Gross amount due from customers as at year end	29,982.24	29,623.74
Gross amount due to customers as at year end	510.64	275.15

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

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 ₹ 628.61 Lacs (Pr. Yr. ₹ 1082.19 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, 2017	31 March, 2016
Not later than one year	1,647.64	1,273.88
Later than one year but not later than five years	601.29	672.21
Later than five years	485.10	485.10

- 41 In terms of the requirements of the Accounting Standard-28 on "Impairment of Assets", the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

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 2017	31 March 2016	31 March 2017	31 March 2016	
Amount Payable	341.51	-	5.27	-	USD

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

Category I : Subsidiaries :	SEAM Industries Limited VAG Buildtech Private Limited (Formerly - 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 Future Commodities and Investments Pte Ltd
Category II : Associates :	V. K. Realtors (Partnership Firm)
Category III : Joint Venture :	SHEL - ASSIGNIA - JV SHEL - RCM - JV
Category IV : Directors, Key Management Personnel and their Relatives :	Mr. Ratnakar Manikrao Gutte (Till 25th January 2017) Mrs. Sodhamati Ratnakar Gutte Mr. Sunil Ratnakar Gutte Mr. Vijay Ratnakar Gutte Mr. Venkataramana Condoor Mr. Anupam Gianchand Dhiman (Till 16th January 2017) CS Shrikant Rikhe

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

Category V: Enterprise where control exist :	Gutte Infra Private Limited
	Gangakhed Sugar and Energy Limited
	VRG Digital Corporation Private Limited
	RSV & Associates
	Gangakhed Solar Power Private Limited
	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	V	
1	Investments made	16.51	-	-	-	-	16.51
		(90.00)	-	(2.00)	-	-	(92.00)
2	Share Application Money Given	138.50	-	-	-	-	138.50
		(450.00)	-	-	-	-	(450.00)
3	Share Application Money Received Back	450.00	-	-	-	-	450.00
		(650.51)	-	-	-	-	(650.51)
4	Sale of Investments	-	-	-	-	650.00	650.00
		-	-	-	-	-	-
5	Loans Given	-	-	-	-	-	-
		(24.32)	-	-	-	-	(24.32)
6	Repayments of Loans Given	310.54	-	-	-	-	310.54
		-	-	-	-	-	-
7	Advances Given for Contracts and Projects	-	-	-	-	-	-
		-	(69.26)	-	-	(25.61)	(43.65)
8	Security Deposit Received	11.77	-	-	-	-	11.77
		(158.42)	-	-	-	-	(158.42)
9	Advances Given Received Back	52.03	-	-	-	-	52.03
		(1,494.79)	-	-	-	-	(1,494.79)
10	Purchases of Goods and Services	2,348.07	-	-	-	26.02	2,374.10
		(16,588.69)	-	-	-	(36.30)	(16,624.98)
11	Sales of Goods/ Contract Revenue & Services	199.27	-	-	-	275.65	474.92
		(54.26)	(66.71)	-	-	(270.85)	(391.82)
12	Purchases of Fixed Asset	-	-	-	-	-	-
		-	-	-	-	(421.34)	(421.34)
13	Sale of Investments to	-	-	-	650.00	-	650.00
		-	-	-	-	-	-
14	Remuneration to Directors (Including Perquisites)	-	-	-	397.35	-	397.35
		-	-	-	(576.14)	-	(576.14)
15	Dividend Paid	-	-	-	72.63	-	72.63
		-	-	-	(117.45)	-	(117.45)
16	Rent Paid	-	-	-	123.78	-	123.78
		-	-	-	(133.08)	-	(133.08)
17	Rent Income	-	-	-	-	105.70	105.70
		(9.09)	-	-	-	(196.88)	(205.97)
18	Interest Income	51.76	3.74	-	-	-	55.51
		(73.57)	(27.72)	-	-	-	(101.29)
19	Expenses reimbursement to	-	-	321.17	-	16.00	337.17
		(634.99)	-	-	-	(24.15)	(659.13)
20	Expenses reimbursement from	69.82	-	-	-	-	69.82
		(9.44)	(4.28)	-	-	-	(13.73)
21	Share Warrant Application Money Received	-	-	-	-	1,353.84	1,353.84
		-	-	-	-	-	-
22	Share Allotment against warrant	-	-	-	-	872.55	872.55
		-	-	-	(110.80)	-	(110.80)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

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 2017	31 March 2016
1	Investments made			
	Future Commodities and Investments Pte.Ltd.	I	16.51	-
	Patna Green Energy Private Limited	I	-	90.00
2	Share Application Money Given			
	VAG Buildtech Private Limited	I	-	450.00
	Patna Green Energy Private Limited	I	138.50	-
3	Share Application Money Received Back			
	VAG Buildtech Private Limited	I	450.00	650.51
4	Sale of Investments			
	Gangakhed Sugar and Energy Limited	V	650.00	-
5	Loans Given			
	Sunilhitech Solar (Dhule) Private Limited	I	-	24.32
6	Repayment of Loans Given			
	VAG Buildtech Private Limited	I	310.54	-
7	Advances Given for Contracts and Projects			
	V. K. Realtors	II	-	69.26
	Gutte Infra Private Limited	V	-	25.61
8	Security Deposit Received			
	VAG Buildtech Private Limited	I	11.77	158.42
9	Advances Given Received Back			
	VAG Buildtech Private Limited	I	52.03	1,494.79
10	Purchases of Goods and Services			
	VAG Buildtech Private Limited	I	637.14	12,232.80
	SEAM Industries Limited	I	1,710.93	4,355.89
11	Sales of Goods/ Contract Revenue & Services			
	SEAM Industries Limited	I	174.30	54.26
	V. K. Realtors	II	-	66.71
	RSV & Associates	V	275.65	270.85
12	Purchases of Fixed Asset			
	RSV & Associates	V	-	421.34
13	Sale of Investments to			
	Mr. Ratnakar Manikrao Gutte	IV	250.00	-
	Mrs. Sudhamati Ratnakar Gutte	IV	400.00	-
14	Remuneration to Directors (Incl Perquisites)			
	Mr. Ratnakar Manikrao Gutte	IV	92.17	92.40
	Mrs. Sudhamati Ratnakar Gutte	IV	48.00	48.00
	Mr. Sunil Ratnakar Gutte	IV	60.81	60.47
	Mr. Vijay Ratnakar Gutte	IV	48.65	48.38
	Mr. Venkataramana Condoor	IV	95.29	245.29
	Mr. Anupam Gianchand Dhiman	IV	52.43	81.60
15	Dividend Paid			
	Mr. Ratnakar Manikrao Gutte	IV	7.79	39.65
	Mrs. Sudhamati Ratnakar Gutte	IV	29.53	35.44
	Mr. Sunil Ratnakar Gutte	IV	25.18	30.22
	Mr. Vijay Ratnakar Gutte	IV	10.13	12.15

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

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 2017	31 March 2016
16	Rent Paid			
	Mr. Ratnakar Manikrao Gutte	IV	48.99	53.19
	Mrs. Sudhamati Ratnakar Gutte	IV	61.11	66.21
17	Rent Income			
	VRG Digital Corporation Private Limited	V	105.70	196.88
18	Interest Income			
	VAG Buildtech Private Limited	I	18.76	40.48
	SEAM Industries Limited	I	33.00	33.09
	V. K. Realtors	II	-	27.72
19	Expenses reimbursement to			
	VAG Buildtech Private Limited	I	-	626.31
	SHEL RCM JV	III	321.17	-
	RSV & Associates	V	-	12.83
20	Expenses reimbursement from			
	SEAM Industries Limited	I	26.91	8.39
	VAG Buildtech Private Limited	I	42.91	-
	Gangakhed Sugar and Energy Limited	V	-	4.28
21	Share Warrant Application Money Received			
	Gutte Infra Private Limited	V	616.33	-
	VRG Digital Corporation Private Limited	V	522.84	-
	Gangakhed Solar Power Private Limited	V	214.68	-
22	Share Allotment against warrant			
	Mr. Venkataramana Condoor	IV	-	110.80
	Gutte Infra Private Limited	V	498.60	-
	VRG Digital Corporation Private Limited	V	373.95	-

C. Balances Due From/ To the Related Parties as at 31st March 2017*

(₹ In Lacs)

Sr. No.	Particulars	CATEGORY					TOTAL
		I	II	III	IV	V	
1	Investments	2,746.08 (2,729.56)	343.74 (2,290.00)	2.00 (2.00)	-	1,300.00 -	4,391.81 (5,021.56)
2	Trade Receivables	-	463.98 (676.05)	36.86 (45.69)	-	1,349.95 (1,092.35)	1,850.79 (1,814.09)
3	Interest Receivables	- (44.04)	-	-	-	-	- (44.04)
4	Other Receivables	1,587.95 (404.57)	-	111.35	-	3.14 (105.49)	1,702.43 (510.06)
5	Loans Given	403.88 (774.42)	-	-	-	-	403.88 (774.42)
6	Advances Given	444.78 (496.81)	-	-	-	-	444.78 (496.81)
7	Trade Payables	828.51 (2,886.77)	-	-	-	151.02 (12.95)	979.53 (2,899.72)
8	Security Deposit Received	170.19 (158.42)	-	-	-	-	170.19 (158.42)
9	Share Warrant Application Money	-	-	-	-	481.29	481.29
10	Share Application Money Given	138.50 (450.00)	-	-	-	-	138.50 (450.00)

*Figures in brackets indicate previous year figures.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

45 DISCLOSURE ON SPECIFIED BANK NOTES

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308€, dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2017, the denomination wise SBNs and other notes as per the notification are as follows:

₹ in Lacs

Particulars	SBNs *	Other denomination notes	Total
Closing Cash in the hand as on November 8, 2016	355,500	11,603,510	11,959,010
Add : Withdrawals from the banks	-	7,861,758	7,861,758
Add : Permitted receipts	-	860,972	860,972
Less : Permitted payments	-	10,435,092	10,435,092
Less : Amount deposited in Banks	355,500	-	355,500
Closing Cash in the hand as on December 30, 2016	-	9,891,148	9,891,148

* For the purpose of this clause, the term Specified Bank Notes (SBNs) shall have the same meaning provided in the notification of the Government of India, In the Ministry of Finance, Department of Economic Affairs number S.O. 3407€, dated November 8, 2016.

46 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, 2017	31 March, 2016	2016-17	2015-16
Sunil Hitech Energy Private Limited	1.00	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, 2017	31 March, 2016	2016-17	2015-16
SEAM Industries Limited	300.00	300.00	300.00	300.00
VAG Buildtech Private Limited	-	310.54	310.54	310.54

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.

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 2017 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 41.23 Lacs (Pr. Yr. ₹ 36.53 Lacs) and interest payable thereon ₹ Nil (Pr. Yr. ₹ Nil) and interest paid during the year ₹ Nil (Pr. Yr. ₹ Nil).

48 The Board of Directors of the Company have proposed a final dividend of ₹0.075 per share in respect of the year ending 31st March 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹341.22 Lacs inclusive of Dividend Distribution Tax of ₹57.72 Lacs.

49 During the year the Company has divested 10% of its stake in GSEL of ₹650 Lacs pursuant to a share transfer agreement as a result of which it ceases to be an Associate.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March 2017

50 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The Company has incurred total expenditure of ₹108.16 Lacs (Pr. Yr. ₹100.26 Lacs), which is being debited to profit and loss account for the year ended 31 March 2017.

		₹ in Lacs	
Nature of Expenses	Schedule in Financial Statements	31 March, 2017	31 March, 2016
Education and Employment enhancing vocation training	Other Expenses (Note No 30)	108.16	100.26
Construction of Asset	Other Expenses (Note No 30)	-	-
Total		108.16	100.26

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.

		₹ in Lacs	
Particulars		31 March, 2017	31 March, 2016
Education and Employment enhancing vocation training		102.95	92.17
Construction of Asset		-	-
Salary and Administrative Expenses		5.21	8.09
		108.16	100.26

- 51 Balance of some of the Trade Receivables and Trade Payables are subject to confirmation/ reconciliation and adjustments, if any.
- 52 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, 19 May 2017

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer
and Whole-time Director

Sunil R. Gutte

Managing Director

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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, 2017, 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, further amended by Companies (Accounting Standards) Amendment Rules, 2016 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 Group'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. 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.

Emphasis of matter

We draw your attention regarding ongoing negotiations towards recoverability of INR 4916.74 lakhs 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, 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, 2017, and their consolidated profit and loss and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of 6 subsidiaries and 3 Jointly Controlled Entities whose financial statements reflect total assets of INR 43,520.06 lakhs as at 31st March 2017, total revenue of INR 60,292.16 Lakhs and net cash inflow of INR 12.93 lakhs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates

to the amounts and disclosures included in respect of these subsidiaries, associates, and jointly controlled entities 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, associates and jointly controlled entities, is based solely on the reports of those other auditors.

- b) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of INR 16.51 lakhs as at 31st March 2017, total revenue of Nil Lakhs and net cash inflow of INR 16.51 Lakhs for the year then 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 subsidiary, 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.

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.

Report on Other Legal and Regulatory Requirements

1. 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, further amended by Companies (Accounting Standards) Amendment Rules, 2016, 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, 2017 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, 2017 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 Company has disclosed the impact of pending litigations on its financial position in its financial statement – refer Note no. 36 to the financial statements;
 - 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.
 - iv. The Company has provided requisite disclosures in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures, relying on the management representation and other auditors' reports that have been furnished to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – (Refer Note no.48 of financial statement)

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

Arvind Mohan
Partner

Place of signature: Mumbai
Date: 19th May, 2017

(Membership No. 124082)

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"), its subsidiaries and jointly controlled entities as of 31 March 2017 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, its subsidiaries and jointly controlled entities 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 2017, 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

Place of signature: Mumbai

Date: 19th May, 2017

Partner
(Membership No. 124082)

CONSOLIDATED BALANCE SHEET as at 31st March 2017

₹ Lacs

Particulars	Note	As at 31 March, 2017	As at 31 March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	3,780.03	1,732.52
Reserves and Surplus	4	47,704.85	44,934.47
Money Received Against Share Warrants	5	481.29	-
		51,966.17	46,666.99
Minority Interest		1,868.54	1,750.67
Non-current Liabilities			
Long Term Borrowings	6	14,477.43	10,358.91
Deferred Tax Liabilities	7	95.70	105.55
Other Long Term Liabilities	8	12,879.92	11,065.41
Long Term Provisions	9	148.46	194.05
		27,601.51	21,723.92
Current Liabilities			
Short Term Borrowings	10	45,979.33	42,421.70
Trade Payables	11		
Total outstanding dues of micro enterprises small enterprises		107.08	121.39
Total outstanding dues of creditors other than micro enterprises small enterprises		49,883.76	47,692.25
Other Current Liabilities	12	26,908.09	24,333.33
Short Term Provisions	13	174.91	433.12
		123,053.17	115,001.79
Total		204,489.39	185,143.37
ASSETS			
Non-current Assets			
Fixed Assets	14		
Tangible Assets		19,210.79	18,471.50
Intangible Assets		45.71	106.39
Capital Work-in-Progress		8,169.25	9,456.44
Non Current Investments	15	3,081.06	4,474.12
Deferred Tax Assets	16	890.33	944.12
Long Term Loans and Advances	17	2,944.24	3,327.93
Other Non Current Assets	18	3,280.04	2,854.07
		37,621.42	39,634.57
Current Assets			
Inventories	19	30,284.57	25,408.64
Trade Receivables	20	63,188.69	54,548.98
Cash and Bank Balances	21	16,689.42	12,415.17
Short Term Loans and Advances	22	25,138.81	20,502.19
Other Current Assets	23	31,566.48	32,633.82
		166,867.97	145,508.80
Total		204,489.39	185,143.37

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, 19 May 2017

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer
and Whole-time Director

Sunil R. Gutte

Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2017

₹ Lacs

Particulars	Note	Year ended 31 March, 2017	Year ended 31 March, 2016
REVENUE			
Revenue from Operations	24	255,961.00	202,129.55
Other Income	25	1,332.31	1,416.25
Total Revenue		257,293.31	203,545.81
EXPENSES			
Material Consumption and Project Supplies	26	129,180.85	112,703.00
Changes in Inventories of Work in Progress	27	(88.75)	(450.14)
Contract and Site Expenses	28	93,029.13	57,357.50
Employee Benefits Expense	29	5,404.69	7,068.50
Finance Costs	30	11,092.38	9,835.27
Depreciation and Amortisation Expense	31	3,819.33	3,675.83
Other Expenses	32	8,201.09	4,857.40
Total Expenses		250,638.72	195,047.36
Profit Before Tax		6,654.59	8,498.45
Tax Expenses			
-Current Tax			
Expenses for Current Year		2,321.35	2,952.79
Expenses Relates to Prior Years		232.00	-
-Deferred Tax		37.80	(38.92)
Profit for the year from Continuing Operations		4,063.44	5,584.57
Less: Minority Interest		117.87	244.34
Profit for the year		3,945.57	5,340.23
There are no Exceptional, Extraordinary Items and Discontinuing operations.			
Earnings per share (Face Value ₹ 1/-)	33		
Basic (₹)		1.04	1.61
Diluted (₹)		1.04	1.60

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, 19 May 2017

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer
and Whole-time Director

Sunil R. Gutte

Managing Director

STATEMENT OF CASH FLOW for the year ended 31st March 2017 (Consolidated)

₹ Lacs

Particulars	31 March, 2017	31 March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	7,298.54	8,498.44
Adjustment for :		
Depreciation and Amortisation Expense	3,819.33	3,675.83
Exchange Differences	(17.38)	1.13
Bad Debts/ Advances Written off	1,949.63	-
Provision for Doubtful Debts/ Advances	25.74	-
Loss on Sale of Non-Current Investments	(3.74)	-
Loss of Inventory by Fire	-	0.14
Loss from Partnership Business	-	(142.73)
Loss (Profit) on Sale of Fixed Assets	(248.60)	(47.05)
Interest Expenses (Considered in Financing Activities)	10,983.13	9,414.84
Interest Incomes (Considered in Investing Activities)	(812.95)	(760.81)
Interest Income from Partnership Firm (Considered in Investing Activities)	-	(27.72)
Operating Profit before Working Capital Changes :	22,993.70	20,612.07
Decrease (Increase) in Inventories	(4,875.93)	(3,632.85)
Decrease (Increase) in Trade Receivables	(6,079.43)	(7,343.84)
Decrease (Increase) in Other Current Assets	1,119.44	(328.83)
Decrease (Increase) in Long Term Loans and Advances	386.94	(4,256.91)
Decrease (Increase) in Short Term Loans and Advances	(7,233.46)	3,757.05
Increase (Decrease) in Long Term Provisions	(28.08)	(87.68)
Increase (Decrease) in Short Term Provisions	(174.04)	(264.69)
Increase (Decrease) in Trade Payables	(1,820.51)	(365.54)
Increase (Decrease) in Other Non Current Liabilities	3,068.15	(752.77)
Increase (Decrease) in Other Current Liabilities	2,165.10	4,298.54
Cash Generated from Operations	9,521.86	11,634.52
Net Income Tax Paid	(3,106.45)	(2,263.39)
Net Cash Flow from (used in) Operating Activities (A)	6,415.42	9,371.13
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed assets including Capital Advances	(3,263.50)	(5,557.20)
Decrease (Increase) in Incidental Expenditure Pending Allocation	-	(617.54)
Proceeds from sale of Fixed Assets	382.63	176.17
Investments in Associates	629.75	3,848.30
Investments in Mutual Funds	75.00	-
Share Application Money Given	450.00	209.01
Bank Balances not considered as Cash and Cash Equivalent	(2,802.83)	(1,560.92)
Interest Received	721.42	628.32
Net Cash Flow from (Used in) Investing Activities (B)	(3,807.53)	(2,873.86)

STATEMENT OF CASH FLOW (contd.) for the year ended 31st March 2017 (Consolidated)

₹ Lacs

Particulars	31 March, 2017	31 March, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	8,414.13	4,090.26
Repayment of Long Term Borrowings	(2,798.14)	(3,006.48)
Proceeds (Repayment) of Short Term Borrowings	3,909.08	4,976.42
Proceeds from Issue of Equity Shares	16.51	(3,725.55)
Share Application Money Received	(450.00)	(209.01)
Money received against Share Warrants	1,353.84	519.38
Proceeds from Other Long Term Liabilities	77.97	(215.89)
Dividend Paid	(259.29)	(361.82)
Interest Paid	(11,000.50)	(9,413.90)
Net Cash Flow from (Used in) Financing Activities (C)	(736.39)	(7,346.59)
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	1,871.50	(849.27)
Cash and Cash Equivalents as at the Beginning of the Year	1,980.17	2,829.44
Cash and Cash Equivalents as at the End of the Year	3,851.66	1,980.17
Components of Cash and Cash Equivalents		
Balances with Banks - in Current Accounts	3,165.12	1,878.15
Deposits with original maturity of upto three months	552.89	-
Cash on Hand	133.65	102.02
Total Cash and Cash Equivalents	3,851.66	1,980.17

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, 19 May 2017

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer
and Whole-time Director

Sunil R. Gutte

Managing Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

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 2017.

2.1.2 The financial statements of the Company are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013, further amended by Companies Accounting Standards (Amendment) Rules 2016, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

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.

The company separately depreciates each part of an item of Property, Plant and Equipment that has significant cost and a different useful life in relation to the total cost and useful life of the item.

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

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 2017

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 2017

3. SHARE CAPITAL

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Authorised :		
60,00,00,000 Equity shares of ₹ 1/- each (Pr. Yr. 2,50,00,000 Equity shares of ₹ 10/- each)	6,000.00	2,500.00
Issued, Subscribed and Fully Paid-up :		
37,80,03,200 Equity shares of ₹ 1/- each (Pr. Yr. 1,73,25,160 Equity shares of ₹ 10/- each) fully paid up	3,780.03	1,732.52
	3,780.03	1,732.52

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

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	No. of Shares	₹ Lacs	No. of Shares	₹ Lacs
Equity shares at the beginning of the year	17,325,160	1,732.52	15,275,160	1,527.52
Add: Allotment during the year against warrant	1,575,000	157.50	2,050,000	205.00
Add: Allotment during the year against Split Issue	170,101,440	-	-	-
Add: Allotment during the year against Bonus Issue	189,001,600	1,890.02	-	-
Equity shares outstanding at the end of the year	378,003,200	3,780.03	17,325,160	1,732.52

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 ₹ 1* 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.

* The Face value of share of the company is sub-divided from ₹ 10 each to ₹ 1 each from record date 3rd December, 2016.

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, 2017		As at 31 March, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Ratnakar Manikrao Gutte	-	-	2,202,500	12.71%
Mrs. Sudhamati Ratnakar Gutte	4,488,860	1.19%	1,968,750	11.36%
Mr. Sunil Ratnakar Gutte	33,574,800	8.88%	1,678,740	9.69%
Fatehpuria Business Associates Private Limited	32,400,000	8.57%	1,600,000	9.24%
Gutte Infra Private Limited	48,000,000	12.70%	1,500,000	8.66%
VRG Digital Corporation Pvt Ltd	43,500,000	11.51%	1,500,000	8.66%

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 2017

4. RESERVES AND SURPLUS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Capital Reserve	863.26	863.26
Securities Premium Account		
Balance as per the last Financial Statements	15,132.51	14,201.81
Add: Premium on account of Issue of shares against conversion of Warrants	715.05	930.70
Less: Amount utilised towards issue of fully paid up Bonus shares	1,890.02	-
	13,957.54	15,132.51
Revaluation Reserve		
Balance as per the last Financial Statements	54.21	55.00
Less: Amount transferred to the Statement of Profit and Loss as reduction from depreciation	0.74	0.79
	53.47	54.21
General Reserve		
Balance as per the last Financial Statements	2,056.43	2,056.43
Surplus in the Statement of Profit and Loss		
Balance as per last Financial Statements	26,824.71	21,797.26
Add: Profit for the year	3,945.57	5,340.23
Less: Appropriations		
Proposed dividend on equity shares	-	259.88
Tax on proposed equity dividend	-	52.91
Total appropriations	-	312.79
Net Surplus in the Statement of Profit and Loss	30,770.27	26,824.71
	47,704.85	44,934.47

5. MONEY RECEIVED AGAINST SHARE WARRANTS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Money Received against Share Warrants		
From Related Parties	481.29	-
	481.29	-

5.1 During the Financial Year 2016-17, Company has allotted 50,50,000 warrants to the Companies under promoter group at a price of ₹ 55.40 per warrant which entitles the allottees to subscribe 5,05,00,000 Equity shares of ₹ 1* each.

*The face value of share of the company is sub-divided from ₹ 10 each to ₹ 1 each during the year.

5.2 Out of 50,50,000 warrants allotted to companies under Promoter group, 15,75,000 warrants converted into 1,57,50,000 Equity shares of ₹ 1 each.

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

5.3 After conversion of 15,75,000 warrants mentioned at Note 5.2 above, 34,75,000 warrants remained outstanding at end of the Financial year 2016-17 which entitles its holders to subscribe for 3,47,50,000 shares of ₹ 1 each.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

6. LONG TERM BORROWINGS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Rupee Term Loans (Secured)		
From Banks	637.58	888.16
From Financial Institutions	4,969.17	6,459.04
Loans from related parties	6,833.32	1,311.72
Loans from Others	837.36	500.00
(1,200 Secured Optionally Fully Convertible Debentures of ₹ 1.00 Lac each)	1,200.00	1,200.00
	14,477.43	10,358.91

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

- ₹ 304.09 Lacs (Pr. Yr. ₹ 439.85 Lacs) are secured by first mortgage/ pari-passu charge on the respective buildings situated at Pune and Nagpur.
- ₹ 285.08 Lacs (Pr. Yr. ₹ 491.29 Lacs) are secured by first hypothecation/ pari-passu charge on the respective plant and machineries including Hydra's at various sites.
- ₹ 148.19 Lacs (Pr. Yr. ₹ 92.22 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:

- ₹ 1,332.39 Lacs (Pr. Yr. ₹ 1,434.71) are secured by first mortgage/ pari-passu charge on the respective buildings situated at Nagpur and Mumbai.
- ₹ 4,493.31 Lacs (Pr. Yr. ₹ 2,271.61 Lacs) are secured by first hypothecation/ pari-passu charge on the respective plant and machineries including Hydra's situated at various sites.
- ₹ 1,500.00 Lacs (Pr. Yr. ₹ 2,650.00 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.

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
			2018-2019	2019-2020	2020-2021	2021-2022 onwards
1	Property loan	11.70%-13.00%	250.02 (146.12)	387.24 (158.41)	556.01 (178.85)	443.19 (1,164.65)
2	Vehicle	9.30%-13.23%	53.87 (27.26)	53.21 (13.55)	41.11 (13.19)	- (6.48)
3	Machinery	7.64%-14.85%	1,954.73 (1,133.51)	733.09 (59.67)	761.04 -	- -
4	Project Funding	12.75%	1,150.00 (1,150.00)	- -	- -	- -
	Total		3,408.62 (2,456.89)	1,173.54 (231.63)	1,358.16 (192.04)	443.19 (1,171.13)

* Above interest rates are Floating rates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

7. DEFERRED TAX LIABILITIES

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
(Net Deferred Tax Liability in respect of Subsidiary Company)		
Deferred Tax Liability		
Depreciation	111.27	95.05
Disallowances under Income Tax Act to be allowed in future years	-	24.08
A	111.27	119.13
Deferred Tax Asset		
Expenditure Disallowed under Income Tax Act	15.57	13.58
A-B	95.70	105.55

8. OTHER LONG TERM LIABILITIES

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Security Deposit & Retention Money from Sub-Contractors	5,822.46	5,932.72
Advance from Customers	7,024.45	5,008.01
Other Payables **	33.01	124.68
	12,879.92	11,065.41

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

9. LONG TERM PROVISIONS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Provision for Employee Benefits (Refer Note 40)		
Provision for Gratuity (Net)	25.37	66.48
Provision for Compensated Absences	123.09	127.57
	148.46	194.05

10. SHORT TERM BORROWINGS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Working Capital Rupee loans from Banks repayable on demand (Secured)	45,979.33	42,421.70
	45,979.33	42,421.70

10.1 Working Capital Loans are secured by hypothecation of present and future stock of raw materials, stores and spares, book debts and other receivables and have second charge on Fixed Assets of the Company and personal guarantee of some of the Directors.

11. TRADE PAYABLES

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade Payables		
Payable to Micro Enterprises and Small Enterprises	107.08	121.39
Others	49,883.76	47,692.25
(Refer Note 47 for Micro, Small and Medium Enterprises disclosure)		
	49,990.84	47,813.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

11. TRADE PAYABLES (contd...)

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, 2017	As at 31 March, 2016
Principal amount due and remaining unpaid	107.08	125.77
Interest due on above and the unpaid interest	4.32	4.38
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

Particulars	₹ in Lacs	
	As at 31 March, 2017	As at 31 March, 2016
Current Maturities of Long-Term Debt	5,419.04	3,579.06
Interest Accrued but Not Due	114.52	131.90
Unpaid Dividends	5.33	4.73
(To be credited to Investor Education and Protection Fund when due)		
Other Advance Received	390.39	265.96
Security Deposit & Retention Money from Sub-Contractors	2,769.05	2,957.60
Advance from Other Related Party	-	2,496.20
Advance from Customers	10,288.84	7,088.52
Due to Customers (Project related activity)	510.64	275.15
Due to Employees	746.25	1,004.42
Income Tax Provisions (Net of Payments)	139.24	1,088.97
Sweat Money Payable to MSMC	1,841.00	1,841.00
Other Payables **	4,683.79	3,599.83
	26,908.09	24,333.33

** Includes statutory dues and other expenses.

13. SHORT TERM PROVISIONS

Particulars	₹ in Lacs	
	As at 31 March, 2017	As at 31 March, 2016
Provision for Employee Benefits (Refer Note 40)		
Provision for Compensated Absences	32.47	79.18
Provision for Gratuity (Net)	48.73	41.16
Other Provisions	24.39	-
Proposed Dividend	-	259.88
Tax on Dividend	52.90	52.90
Provision for Income Tax	16.41	-
	174.91	433.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

14. FIXED ASSETS

14.1 Current Year

Particulars	Gross Block			Depreciation/ Amortisation			Net Block	
	As At 01.04.2016	Additions	Deduction/ Adjustment	As At 31.03.2017	As At 01.04.2016	Additions	As At 31.03.2017	As At 31.03.2017
A TANGIBLE ASSETS :								
Freehold Land	399.31	-	-	399.31	-	-	-	399.31
Leasehold Land	246.45	-	-	246.45	13.36	0.41	13.77	232.69
Buildings	5,543.80	19.78	-	5,563.58	1,657.82	386.12	1,931.25	3,632.33
Plant and Equipments	29,074.60	4,026.84	711.06	32,390.38	16,226.31	2,914.43	18,542.47	13,847.91
Computer and Printer	622.22	5.67	-	627.89	553.18	25.12	578.42	49.48
Furniture and Fixtures	915.96	1.00	-	916.95	655.47	73.99	729.45	187.50
Office Equipment	687.44	15.64	-	703.09	481.60	49.20	530.79	172.29
Vehicles	1,394.17	304.79	53.54	1,645.42	1,047.66	100.83	1,098.69	546.73
Temporary Office Construction	1,578.89	98.20	-	1,677.09	1,352.50	179.26	1,531.75	145.35
Total Tangible Assets	40,462.84	4,471.93	764.59	44,170.17	21,987.88	3,729.36	24,956.58	19,210.79
B INTANGIBLE ASSETS:								
Computer Softwares	803.28	-	526.67	276.61	696.88	42.91	230.90	45.71
Total Intangible Assets	803.28	-	526.67	276.61	696.88	42.91	230.90	45.71
C Capital Work-In-Progress								
Incidental expenses pending allocation (Refer Note 14.3)								
Total Fixed Assets (A)+(B)+(C)+(D)	41,266.13	4,471.93	1,291.27	44,446.79	22,684.77	3,772.27	25,187.48	27,428.57

14.2 Previous 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	As At 31.03.2016	As At 31.03.2016
A TANGIBLE ASSETS :								
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	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	16,226.30	12,848.29
Computer and Printer	587.60	35.01	-	622.60	522.01	31.16	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	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
Total Tangible Assets	34,760.55	5,950.12	250.40	40,460.25	18,749.85	3,516.06	21,989.00	18,471.50
B Intangible Assets :								
Computer Softwares	794.62	8.66	-	803.28	562.71	134.18	696.89	106.39
Total Intangible Assets	794.62	8.66	-	803.28	562.71	134.18	696.89	106.39
C Capital Work-In-Progress								
Incidental expenses pending allocation (Refer Note 14.3)								
Total Fixed Assets (A)+(B)+(C)+(D)	35,555.17	5,958.78	250.40	41,263.54	19,312.56	3,650.24	22,685.89	28,034.10

Note for 14.1 & 14.2

a) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

15. NON -CURRENT INVESTMENTS (LONG TERM INVESTMENT)

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
A Trade Investments - Unquoted		
In Associate Company		
Kolhapur Green Energy Private Limited 4900 (Pr. Yr. 4900) Equity Shares of ₹ 10/- each	39.17	39.17
Investment in Joint Venture		
Contribution in the Joint Venture SHEL - Assignia JV	2.00	2.00
Investment in Partnership Firm*		
45% share in the partnership firm V. K. Realtors (includes accumulated share of profit ₹ 3.74 Lacs (Pr.Yr loss ₹ 0.14 Lacs) and interest on capital ₹ Nil (Pr. Yr. ₹ 27.72 Lacs))	343.74	340.00
B Other Investments - Unquoted		
In Other Companies		
Gangakhed Sugar & Energy Limited 1,30,00,000 (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)	2,676.15	3,997.95
Other Investments - Quoted		
Investments in Mutual Fund		
Canara Roebeco Protection Oriented Fund 1,99,990 (Pr. Yr. 1,99,990) units of ₹ 10/- each (Under Lien) [Aggregate Market value of quoted investments ₹ 24.33 lacs (Pr. Yr. ₹ 22.30 lacs)]	20.00	20.00
Union KBC Capital Protection Oriented Fund - Growth Series 3 Regular Plan Nil (Pr. Yr. 7,50,000) units of ₹ 10/- each (Under Lien) [Aggregate Market value of quoted investments ₹ Nil (Pr. Yr. ₹ 89.64 lacs)]	-	75.00
	3,081.06	4,474.12
* Details of Investments in partnership firm		
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%
Total Fixed Capital of the firm (₹ in Lacs)	283.00	283.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

16. DEFERRED TAX ASSETS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
(Net Deferred Tax Asset in respect of Parent Company)		
Depreciation	522.87	564.43
Expenditure allowable on payment basis under IT Act	367.46	379.69
	890.33	944.12

17. LONG TERM LOANS AND ADVANCES (UNSECURED)

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Capital Advances (Considered Good)	16.07	99.54
Deposits		
Considered Good	1,691.25	1,921.16
Loan and Advances to Related Parties (Considered Good)	165.84	165.85
Balances with Statutory/ Government Authorities	999.23	999.23
Prepaid Expenses	71.85	142.15
	2,944.24	3,327.93

18. OTHER NON CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Interest Accrued on Fixed Deposits	53.48	34.08
Fixed Deposits with Banks (Under Lien)	908.30	501.73
Long Term Trade Receivables - Considered Good	2,318.26	2,318.26
	3,280.04	2,854.07

19. INVENTORIES

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
(As certified by the Management)		
Raw Material and Components	24,452.59	19,648.63
Raw Material and Components (Goods in Transit)	61.77	51.73
Work in Progress	2,230.70	2,151.41
Finished Goods	348.56	339.10
Stores, Spare Parts	856.72	797.97
Loose Tools	2,334.23	2,419.80
	30,284.57	25,408.64

20. TRADE RECEIVABLES (UNSECURED)

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Over Six Months from the date it become due for payment		
Considered Good	3,376.30	3,962.40
Considered Doubtful	596.17	589.82
	3,972.47	4,552.22
Others- Considered Good	58,446.65	49,064.44
Debt Due from Companies in Which Director is Director/ Member	1,365.74	1,522.14
	63,784.86	55,138.80
Less : Provision for doubtful debts	596.17	589.82
	63,188.69	54,548.98

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

21. CASH AND BANK BALANCES

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	3,165.12	1,878.15
Deposits with original maturity of upto three months	552.89	-
Cash on Hand	133.65	102.02
	3,851.66	1,980.17
Other Bank Balances		
Earmarked Balances with Banks		
- Unpaid Dividend	5.33	4.74
- Government Grants	1.48	1.65
Fixed Deposits with original maturity for more than 3 months and upto 12 months (Under Lien)	11,163.02	1,521.47
Fixed Deposits with original maturity for more than 12 months (Under Lien)	1,667.93	8,907.14
	12,837.76	10,435.00
	16,689.42	12,415.17

22. SHORT TERM LOANS AND ADVANCES (UNSECURED)

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Deposits		
Considered Good	1,823.58	1,573.16
Advances to Creditors		
Considered Good	10,332.33	5,040.42
Loan and Advances to Related Parties (Considered Good)	-	2,552.89
Loan to Others	4,013.98	5,221.75
Share Application Money to Related Parties	180.61	150.32
Balances with Statutory/ Government Authorities	7,798.50	4,327.25
Prepaid Expenses	577.04	582.44
Advances Recoverable in Cash or in Kind	412.77	1,053.96
	25,138.81	20,502.19

23. OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March, 2017	As at 31 March, 2016
Interest Accrued on Fixed Deposits	524.33	444.43
Due from Customers (Project related activity)	29,982.24	31,132.25
Other Receivables	1,059.91	1,057.14
	31,566.48	32,633.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

24. REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Revenue from Projects and Maintenance	221,305.12	172,999.98
Project Supply	34,626.20	29,163.73
Revenue from Contracts, Projects & Maintenance	255,931.32	202,163.71
Other Operating Revenues		
Income from Crane Leasing	114.92	96.36
Sale of Scrap	53.87	31.45
Metal (Boulder) and Other Sale	-	5.14
Job Work Receipt	-	4.35
	168.79	137.30
	256,100.11	202,301.01
Less: Excise Duty	139.11	171.46
	255,961.00	202,129.55

25. OTHER INCOME

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Interest Income		
Bank Deposits	879.67	844.39
Capital in Partnership Business	-	27.72
Others	51.38	43.00
Grant received from NIRD (SGSY Scheme)	-	77.09
Rent Income	81.85	206.00
Profit from Partnership Business	3.74	0.03
Profit on Sale/ Discard of Fixed Assets (Net)	251.03	54.42
Dividend from Investments & Mutual Funds	18.80	-
Exchange Rate Difference	17.38	-
Amount Written Back (Net)	-	142.73
Miscellaneous Income	28.46	20.87
	1,332.31	1,416.25

26. MATERIAL CONSUMPTION AND PROJECT SUPPLIES

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Material Consumption for Projects	95,905.27	83,539.27
Project Supply	33,275.58	29,163.73
	129,180.85	112,703.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Inventories at the beginning of the year		
Finished Goods	339.10	299.57
Work-in Progress	2,151.41	1,740.80
(A)	2,490.51	2,040.37
Inventories at the end of the year		
Finished Goods	348.56	339.10
Work-in Progress	2,230.70	2,151.41
(B)	2,579.26	2,490.51
Net (Increase)/Decrease Inventories of Work in Progress (A+B)	(88.75)	(450.14)

28. CONTRACT AND SITE EXPENSES

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Civil Construction and Fabrication	88,082.35	52,614.60
Lease and Hire Charges	1,513.39	1,822.75
Transportation Expenses	565.16	465.02
Job Work Charges	267.98	433.28
Stores and Spares	216.03	163.48
Other Site Expenses	2,384.22	1,858.36
	93,029.13	57,357.50

29. EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Salary, Wages and Allowances	4,830.92	6,095.98
Contribution to Provident, Superannuation and Other Funds	296.38	411.82
Staff and Labour Welfare Expenses	277.39	560.70
	5,404.69	7,068.50

30. FINANCE COSTS

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Interest Paid to Bank	6,996.77	6,396.47
Interest Paid to Others	19.19	121.34
Other Borrowing Cost	3,422.36	2,586.06
Interest Paid to Customers	654.06	731.40
	11,092.38	9,835.27

31. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Depreciation and Amortisation (Refer Note 14)	3,820.08	3,676.61
Less: Recoupment from Revaluation Reserve	0.75	0.78
	3,819.33	3,675.83

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

32. OTHER EXPENSES

₹ in Lacs

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Power and Fuel	256.32	348.33
Rent	675.77	832.96
Repairs to Machinery	106.92	132.70
Repairs to Building	53.77	98.99
Repairs - Others	238.60	250.06
VAT, Entry Tax, Service Tax and Excise Duty	643.29	666.29
Insurance	171.77	201.99
Rates and Taxes	140.21	93.58
Legal and Professional Fees	1,710.51	658.07
Travelling and Conveyance	733.14	798.87
Communication	101.52	129.53
Printing and Stationery	48.55	68.56
Exchange Rate Difference (Net)	-	1.13
Provision for Doubtful Debts	25.74	-
Bad debts/Advances Written Off	1,949.63	-
Loss from Partnership Business	-	0.14
Loss on Sale of Shares	671.81	-
Loss on Sale/ Discard of Fixed Assets (Net)	2.43	7.37
Remuneration to Auditors		
Statutory Audit Fees	26.85	25.60
Certification & Other Matters	6.50	4.60
CSR Expenses	108.16	100.26
Miscellaneous Expenses	529.60	438.37
	8,201.09	4,857.40

33. EARNINGS PER SHARE (EPS)

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

Particulars		31 March, 2017	31 March, 2016
Basic and Diluted Earnings Per Share:			
Profit attributable to Equity Shareholders considered for Basic EPS (₹ in Lacs)	(A)	3,945.57	5,340.23
Add: Dilutive effect on profit (₹ in Lacs)	(B)	Nil	Nil
Profit attributable to Equity Shareholders for computing Diluted EPS (₹ in Lacs)	(C=A+B)	3,945.57	5,340.23
Weighted average number of Equity Shares outstanding considered for Basic EPS	(D)	378,003,200	333,292,241
Add: Dilutive effect of Options outstanding - Number of equity shares	(E)	-	-
Weighted average number of Equity Shares considered for computing Diluted EPS	(F=D+E)	378,003,200	333,292,241
Nominal Value of Equity Shares (₹)		1.00	1.00
Basic Earnings Per Share (₹)		1.04	1.61
Diluted Earnings Per Share (₹)		1.04	1.60

There are no extraordinary items and discontinuing operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

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, 2017	31 March, 2016
SEAM Industries Limited	India	88.61%	88.61%
VAG Buildtech Private Limited (Formerly - Sunilhitech India Infra Private Limited)	India	78.01%	78.01%
Sunil Hitech Energy Private Limited*	India	51.00%	51.00%
(Including 37.95 % of shares are held by SHEL Investment Consultancy Private Limited)			
SHEL Investment Consultancy Private Limited	India	99.99%	99.99%
Sunilhitech Solar (Dhule) Private Limited	India	100.00%	100.00%
(Including 1 share held with Nominee)			
Patna Green Energy Private Limited	India	90.00%	90.00%
Future Commodities and Investments Pte Ltd	Singapore	100.00%	N.A.

34.1.1 Accounts of the aforesaid Subsidiary Companies are for the period from 01 April 2016 to 31 March 2017 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, 2017	31 March, 2016
Gangakhed Sugar & Energy Limited	India	Ownership & Voting	N.A.	28.08%
(Including 0.05 % of shares are held by SEAM Industries Limited)				

34.2.1 During the year the Holding Company has divested 10% of its stake in GSEL of ₹ 650 lacs pursuant to a share purchase agreement as a result of which it ceases to be an Associates.

34.3 Name of the Joint Ventures

Name of the Joint Ventures	Country of residence	31 March, 2017	31 March, 2016
Jointly Controlled Entities (JCE)			
SHEL - ASSIGNIA - JV	India	51.00%	51.00%
SHEL - RCM - JV	India	51.00%	N.A.
MSMC Adkoli Natural Resources Limited	India	24.99%	24.99%

35. COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances ₹ Nil (Pr. Yr. 6.99 Lacs)
- Other Commitments - Non cancellable operating Leases (Refer Note 43)

36. CONTINGENT LIABILITIES

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
a) Service Tax demand disputed, contested in appeal	1,083.52	1,067.34
b) Customs Duty disputed	138.17	138.17
c) Income Tax disputed, contested in appeal	378.55	420.92
d) Guarantee given to Customers and Financial Institutions -	71,192.42	59,367.93
e) Guarantee given to Banks and Financial Institutions on behalf of -		
i) Jointly Controlled Entity	4,475.19	1,306.80
- Loans outstanding at the year end	-	-
ii) Others	2,170.30	1,406.16
f) Claims against the Company not acknowledged as debts	160.51	147.90

* During the Financial Year 2015-16 the Income Tax Authorities had conducted search in the premises of the Group Companies. Proceedings have not yet commenced and no demand has been raised on any of the Group Companies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

37. REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX)

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
Statutory Audit Fees	26.85	25.60
Tax Audit Fees	4.60	3.75
For Certification and Other Matters	1.85	0.85

38. CIF VALUE OF IMPORTS

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
Raw Materials	650.39	-

39. EXPENDITURE IN FOREIGN CURRENCY

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
Interest	-	0.09
Professional Services	281.08	5.49
Other Expenses	-	8.52

40. 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, 2017	31 March, 2015
Provident Fund, Employees' Pension Scheme and Labour Welfare Fund	240.85	327.49
Employees' State Insurance	10.19	16.03
TOTAL	251.04	343.52

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 ₹ 144.21 Lacs (Pr. Yr. ₹ 206.74 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:

- 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.
- On the death in service:
As per the provisions of The Payment of Gratuity Act, 1972 without any vesting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

40. EMPLOYEE BENEFITS (contd...)

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31 March 2017:

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
i) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	331.71	344.99
Current service cost	77.04	84.77
Interest cost	20.56	24.21
Actuarial loss/ (gain)	(18.92)	(56.14)
Benefits (paid)	(115.13)	(75.13)
Closing defined benefit obligation	295.26	322.71
ii) Changes in Fair Value of Assets		
Opening fair value of plan assets	224.06	270.19
Expected return on plan assets	17.46	22.89
Actuarial gain/ (loss)	3.90	(22.89)
Contributions of employer	90.87	29.00
Benefits (paid)	(115.13)	(75.13)
Closing fair value of plan assets	221.16	224.06
iii) Amount recognised in the Balance Sheet		
Present value of the obligations as at year end (Funded + Non Funded)	295.26	331.71
Fair value of the plan assets as at year end	(221.16)	(224.06)
Net (asset)/ liability recognised as at the year end	74.10	107.65
iv) Expenses recognised in the Statement of Profit and Loss		
Current service cost	77.04	89.61
Interest on defined benefit obligation	20.56	24.21
Expected return on plan assets	(17.46)	(22.89)
Net actuarial loss/ (gain) recognised in the current year	(22.81)	(33.25)
Total expenses	57.32	57.67
v) Asset information (% Allocation)		
Government of India Securities	Nil	Nil
Corporate Bonds	Nil	Nil
Special Deposit Scheme	Nil	Nil
Insurer Managed Funds	100%	100%
Others	Nil	Nil
vi) Principal actuarial assumptions used		
Discount Rate (p.a.)	7.36%	7.50%
Expected Rate of Return on Plan Assets (p.a.)	8.25%	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

41. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-7 "CONSTRUCTION CONTRACT" (REVISED)

₹ in Lacs

Particulars	31 March, 2017	31 March, 2016
Contract revenue recognised for the year	214,755.98	153,828.85
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	277,112.55	312,039.84
Amount of customer advances received and outstanding for contracts in progress	13,071.02	11,913.19
Retention amount due from customers for contract in progress	14,513.87	13,064.58
Gross amount due from customers as at year end	29,982.24	31,132.18
Gross amount due to customers as at year end	510.64	275.15

42 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue										
External Sales	205,829.35	156,913.53	14,912.96	15,700.22	592.49	352.07	34,626.20	29,163.73	255,961.00	202,129.55
Inter segmental	-	-	-	-	-	-	-	-	-	-
Total Revenue	205,829.35	156,913.53	14,912.96	15,700.22	592.49	352.07	34,626.20	29,163.73	255,961.00	202,129.55

Information about business segments

₹ in Lacs

Particulars	- Project		- Manufacturing		- Power		- Project Supply		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Segment Result										
Operating profit before interest and tax	15,816.55	14,660.65	1,241.36	1,174.98	212.97	166.86	1,093.41	914.97	18,364.29	16,917.46
Interest Expense	9,632.55	8,517.29	883.60	824.64	219.14	168.71	357.09	324.63	11,092.38	9,835.27
Interest & Other Income	1,229.54	1,316.79	26.44	40.83	23.15	10.28	53.19	48.35	1,332.31	1,416.25
Profit before tax	7,413.54	7,460.15	384.20	391.17	16.98	8.43	789.50	638.69	8,604.22	8,498.44
Other Information										
Segment assets										
Total Assets	179,648.48	161,359.04	14,184.32	14,176.12	4,678.88	4,368.23	5,188.28	4,314.63	203,699.96	184,218.02
Unallocated Assets									789.43	925.35
Segment Liabilities										
Total liabilities	132,470.89	119,268.86	9,817.83	10,072.60	3,374.02	3,179.80	4,864.38	4,098.90	150,527.12	136,620.16
Unallocated Liabilities									127.56	105.55
Depreciation										
Unallocated Depreciation	3,199.40	3,072.11	338.96	355.24	160.49	116.49	-	-	3,698.85	3,543.84
									120.48	131.99

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 2017

43. 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 ₹ 768.94 Lacs (Pr. Yr. ₹ 1213.06 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, 2017	31 March, 2016
Not later than one year	1,730.02	1,407.63
Later than one year but not later than five years	724.69	868.00
Later than five years	485.10	485.10

44. In terms of the requirements of the Accounting Standard-28 on "Impairment of Assets", the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

45. 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 2017	31 March 2016	31 March 2017	31 March 2016	
Amount Payable	341.51	-	5.27	-	USD

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

Category I : Associates :	V. K. Realtors (Partnership Firm)
Category II : Directors, Key Management Personnel and their Relatives :	Mr. Ratnakar Manikrao Gutte (Till 25th January 2017) Mrs. Sodhamati Ratnakar Gutte Mr. Sunil Ratnakar Gutte Mr. Vijay Ratnakar Gutte Mr. Venkataramana Condoor Mr. Anupam Gianchand Dhiman (Till 16th January 2017) Mrs. Swati Rajesh Phad CS Shrikant Rikhe
Category III : Enterprise where control exist :	Gutte Infra Private Limited Gangakhed Sugar and Energy Limited VRG Digital Corporation Private Limited RSV & Associates Gangakhed Solar Power Private Limited Kolhapur Green Energy Private Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

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

(₹ In Lacs)

Sr. No.	Particulars	CATEGORY			TOTAL
		I	II	III	
1	Sale of Investments	-	-	650.00	650.00
		-	-	-	-
2	Loans Given	-	-	12.00	12.00
		-	-	(137.32)	(137.32)
3	Advances Given for Contracts and Projects	-	-	-	-
		(69.26)	-	(25.61)	(94.87)
4	Purchases of Goods and Services	-	-	26.02	26.02
		-	-	(36.30)	(36.30)
5	Sales of Goods/ Contract Revenue & Services	-	-	417.40	417.40
		(66.71)	-	(270.85)	(337.56)
6	Purchases of Fixed Asset	-	-	-	-
		-	-	(421.34)	(421.34)
7	Sale of Investments to	-	650.00	-	650.00
		-	-	-	-
8	Remuneration to Directors (Including Perquisites)	-	492.04	-	492.04
		-	(688.83)	-	(688.83)
9	Dividend Paid	-	72.63	-	72.63
		-	(117.45)	-	(117.45)
10	Rent Paid	-	123.78	-	123.78
		-	(143.22)	-	(143.22)
11	Rent Income	-	-	105.70	105.70
		-	-	(196.88)	(196.88)
12	Interest Income	3.74	-	18.28	22.03
		(27.72)	-	(14.45)	(42.17)
13	Expenses reimbursement to	-	-	16.00	16.00
		-	-	(24.15)	(24.15)
14	Expenses reimbursement from	-	-	-	-
		(4.28)	-	-	(4.28)
15	Share Warrant Application Money Received	-	-	1,353.84	1,353.84
		-	-	-	-
16	Share Allotment against warrant	-	-	872.55	872.55
		-	(110.80)	-	(110.80)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

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 2017	31 March 2016
1	Sale of Investments			
	Gangakhed Sugar and Energy Limited	III	650.00	-
2	Loans Given			
	Kolhapur Green Energy Private Limited	III	-	137.32
3	Advances Given for Contracts and Projects			
	V. K. Realtors	I	-	69.26
	Gutte Infra Private Limited	III	-	25.61
4	Sales of Goods/ Contract Revenue & Services			
	V. K. Realtors	I	-	66.71
	RSV & Associates	III	275.65	270.85
5	Purchases of Fixed Asset			
	RSV & Associates	III	-	421.34
6	Sale of Investments to			
	Mr. Ratnakar Manikrao Gutte	II	250.00	-
	Mrs. Sudhamati Ratnakar Gutte	II	400.00	-
7	Remuneration to Directors (Incl Perquisites)			
	Mr. Ratnakar Manikrao Gutte	II	92.17	92.40
	Mrs. Sudhamati Ratnakar Gutte	II	48.00	48.00
	Mr. Sunil Ratnakar Gutte	II	60.81	60.47
	Mr. Vijay Ratnakar Gutte	II	48.65	48.38
	Mr. Venkataramana Condoor	II	95.29	339.98
	Mr. Anupam Gianchand Dhiman	II	52.43	81.60
8	Dividend Paid			
	Mr. Ratnakar Manikrao Gutte	II	7.79	39.65
	Mrs. Sudhamati Ratnakar Gutte	II	29.53	35.44
	Mr. Sunil Ratnakar Gutte	II	25.18	30.22
	Mr. Vijay Ratnakar Gutte	II	10.13	12.15
9	Rent Paid			
	Mr. Ratnakar Manikrao Gutte	II	48.99	53.19
	Mrs. Sudhamati Ratnakar Gutte	II	61.11	66.21
10	Rent Income			
	VRG Digital Corporation Private Limited	III	105.70	196.88
11	Interest Income			
	V. K. Realtors	I	-	27.72
	Kolhapur Green Energy Private Limited	III	18.28	14.45
12	Expenses reimbursement to			
	RSV & Associates	III	-	12.83
13	Expenses reimbursement from			
	Gangakhed Sugar and Energy Limited	III	-	4.28
14	Share Warrant Application Money Received			
	Gutte Infra Private Limited	III	616.33	-
	VRG Digital Corporation Private Limited	III	522.84	-
	Gangakhed Solar Power Private Limited	III	214.68	-
15	Share Allotment against warrant			
	Mr. Venkataramana Condoor	II	-	110.80
	Gutte Infra Private Limited	III	498.60	-
	VRG Digital Corporation Private Limited	III	373.95	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2017

C. Balances Due From/ To the Related Parties as at 31st March 2017*

(₹ In Lacs)

Sr. No.	Particulars	CATEGORY			TOTAL
		I	II	III	
1	Investments	343.74 (2,290.00)	-	1,339.17 (39.17)	1,682.91 (2,329.17)
2	Trade Receivables	463.98 (676.05)	-	1,500.21 (1,092.35)	1,964.18 (1,768.40)
3	Other Receivables	-	-	3.14 (105.49)	3.14 (105.49)
4	Loans Given	-	-	180.61 (150.32)	180.61 (150.32)
5	Trade Payables	-	-	151.02 (12.95)	151.02 (12.95)
6	Share Warrant Application Money	-	-	481.29	481.29
		-	-	-	-

*Figures in brackets indicate previous year figures.

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 2017 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 107.08 Lacs (Pr. Yr. ₹ 125.77 Lacs) and interest payable thereon ₹ 4.33 Lacs (Pr. Yr. ₹ 4.38 Lacs) and interest paid during the year ₹ Nil (Pr. Yr. ₹ Nil).

48 DISCLOSURE ON SPECIFIED BANK NOTES

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308€, dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2017, the denomination wise SBNs and other notes as per the notification are as follows:

(₹ in Lacs)

Particulars	SBNs *	Other denomination notes	Total
Closing Cash in the hand as on November 8, 2016	3,294,500	12,756,421	16,050,921
Add : Withdrawals from the banks	-	9,283,758	9,283,758
Add : Permitted receipts	-	860,972	860,972
Less : Permitted payments	-	11,851,128	11,851,128
Less : Amount deposited in Banks	3,294,500	-	3,294,500
Closing Cash in the hand as on December 30, 2016	-	11,050,023	11,050,023

* For the purpos of this clause, the term Specified Bank Notes (SBNs) shall have the same meaning provided in the notification of the Government of India, In the Ministry of Finance, Department of Economic Affairs number S.O. 3407€, dated November 8, 2016.

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, 19 May 2017

Shrikant C. Rikhe

Company Secretary

Vijay R. Gutte

Chief Financial Officer

and Whole-time Director

Sunil R. Gutte

Managing Director

AOC 1

Statement containing salient features of Financial Statement of Subsidiary Companies

PART A : SUBSIDIARIES

Name of the Subsidiary	Seam Industries Limited	VAG Buildtech Private Limited	Sunilhitech (Solar) Dhule Private Limited	Patna Green Energy Private Limited	Sunil Hitech Energy Private Limited	SHEL Investments Consultancy Private Limited	Future Commodities and Investments Pte Ltd
Period	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17
Reporting Currency	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(₹ in Lacs)	(SGD in Lacs)
Share Capital	553.00	563.75	1,180.00	101.00	1,872.00	1.00	0.35
Reserve and Surplus	3,813.48	1,448.27	20.70	3.16	1.71	(2.51)	-
Total Assets	14,184.32	9,136.90	4,216.12	462.76	5,105.44	1,211.24	0.35
Total Liabilities	14,184.32	9,136.90	4,216.12	462.76	5,105.44	1,211.24	0.35
Investments	16.00	39.17	-	-	-	1,210.74	-
Turnover	14,912.96	18,592.51	450.20	142.29	-	-	-
Profit Before Tax	384.20	601.94	12.27	4.71	(0.87)	(0.26)	-
Profit After Tax	262.97	400.24	10.00	3.16	(0.87)	(0.26)	-
Proposed Dividend	-	-	-	-	-	-	-
% shareholding	88.61	78.01	100.00	90.00	51.00	99.99	100.00

PART B : JOINT VENTURES

Name of Associates/ Joint Venture	MSMC Adkoli Natural Resources Limited	SHEL-ASSIGNIA-JV	SHEL-RCM-JV
Latest Audited Balance sheet Date	31 March 2017	31 March 2017	31 March 2017
Shares of Associates/ JV held by the Company on the financial year ended as on 31st March, 2017			
- Numbers	2,499	NA	NA
- Amount of Investment in Joint Ventures (₹ in lacs)	0.51	2.00	-
- Extent of Holding %	24.99%	100.00%	100.00%
Description of how there is significant influence			
Reason why the associate/ joint ventures is not consolidated	Not Applicable	Not Applicable	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in lacs)	0.25	78.71	0.70
Profit/ Loss for the year (₹ in lacs)	-	52.19	0.70
Considered in consolidation (₹ in lacs)	-	52.19	0.70
Not considered in consolidation	-	-	-

For and on behalf of Board of Directors

Shrikant C. Rikhe
Company Secretary

Vijay R. Gutte
Chief Financial Officer
and Whole-time Director

Sunil R. Gutte
Managing Director

Mumbai, 19 May 2017

Corporate Information

Board of Directors

Mr. Sunil Ratnakar Gutte - *Managing Director*
Mrs. Sudhamati Ratnakar Gutte - *Non-Executive Director*
Mr. Vijay Ratnakar Gutte - *Whole Time Director*
Mr. Venkataramana Condoor - *Whole Time Director*
Mr. Dilip Yeshwant Ghanekar - *Independent Director*
Mr. Sajid Ali - *Independent Director*
Mr. Parag Ashok Sakalikar - *Independent Director*
Mr. S.S. Waghmare - *Independent Director*
Mr. 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 India
Canara Bank
Lakshmi Vilas Bank
Bank of Maharashtra
Kotak Mahindra Bank

Registered office

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

Corporate office

6th Floor, "C" Wing, MET Educational Complex, Gen. A.K.
Vaidya Marg, Bandra Reclamation,
Bandra (W), Mumbai-400050

Phone: +91 22 61872400/97 Fax: 61872455
Email: info@sunilhitech.com, cs@sunilhitech.com
Website: www.sunilhitech.com

Regional office (Central)

97, East High Court Road, Ramdaspath,
Nagpur - 440 010 Maharashtra
Phone: + 91 712 2562087 / 88 / 6685200 Fax: 2562091

Regional office (Northern)

A-279, 2nd Floor, Shivalik, Malviya Nagar,
New Delhi - 110 017



6th Floor, "C" Wing, MET Educational Complex,
Gen. A.K. Vaidya Marg,
Bandra Reclamation,
Bandra (W), Mumbai-400050
CIN: L28920MH1998PLC115155
Website: www.sunilhitech.com