

SUNIL HITECH ENGINEERS LIMITED

Notice of Annual General Meeting

Notice is hereby given that 14th Annual General Meeting of the Company SUNIL HITECH ENGINEERS LIMITED shall be held at Registered Office of the Company at Ratnadeep, Jaynagar, Parli – Vajinath Dist. Beed, Maharashtra, Pin – 431520, on Thursday, the 27th day of September, 2012 at 02.00 P.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended on 31st March, 2012 and the Audited Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To declare a dividend for the financial year ended on 31st March, 2012.
3. To appoint a Director in place of Mr. M. N. Mohanan who retires from office by rotation and being eligible offers him self for re-appointment.
4. To appoint a Director in place of, Mr. S. K. Kodandaramaiah, who retires from office by rotation and being eligible offers him self for re-appointment.
5. To appoint a Director in place of, Mr. Dilip Y. Ghanekar, who retires from office by rotation and being eligible offers him self for re-appointment.
6. To appoint Auditor M/s Kapoor & Parekh Associates, Chartered Accountants, having ICAI Firm Registration No. 104803W from the conclusion of this meeting to the conclusion of next annual general meeting and to fix their remuneration.

Special Business:

7. To Consider and if thought fit to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 149(2A) and all other applicable provisions of the Companies Act, 1956 or any other law applicable here

under, subject to such other approvals as may be required hereunder, consent of the Company be and is hereby accorded to the Board of Directors to undertake to carry out promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area or to incur expenditure for rural development etc as mentioned in Clause 34 under the heading ‘Other Objects’ of the Memorandum of Association of the Company, which reads as under;

‘To undertake, to carry out promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof other manner. Without prejudice to the generality of the foregoing programme of rural “development” shall also include any programme for promoting the social and economic welfare of or economic uplift of the public in any rural area likely to promote and assist rural development and that the words “rural area” shall include such areas as may be regarded as rural areas under section 35 cc of the Income Tax Act, 1961, or any other law relating to rural development for the time being in force as rural areas and development for the time being in force as rural areas and in other areas to implement any of the above-mentioned objects or purposes, transfer without consideration or at such fair or concessional value and subject to provisions of the Companies Act, divest the ownership of any property of the company to or in favor of any public or any public Institutions.’

RESOLVED further that for the purpose of giving effect to the above resolution, the Company ratifies all the acts of the Board of Directors and authorized the Board to do all such acts, deeds and things whatever is necessary hereunder for the purpose of or on behalf of the Company.”

8. To Consider and if thought fit to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 149(2A) and all other applicable provisions of the Companies Act, 1956 or any other law applicable here under, subject to such other approvals as may be required hereunder, consent of the Company be and is hereby accorded to the Board of Directors to commence the business of sole or general agents or general representative and sole or general stockiest or distributors, organizers or commission agents of goods, commodities etc. as mentioned in Clause 38 under the heading ‘Other Objects’ of the Memorandum of Association of the Company, which reads as under;

‘To carry on the business as sole or general agents or general representative and sole or general stockiest or distributors, organizers or commission agents of any industrial, commercial or agricultural enterprises.’

RESOLVED further that for the purpose of giving effect to the above resolution, the Company ratifies all the acts of the Board of Directors and authorized the Board to do all such acts, deeds and things whatever is necessary hereunder for the purpose of or on behalf of the Company.”

9. To Consider and if thought fit to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 149(2A) and all other applicable provisions of the Companies Act, 1956 or any other law applicable here under, subject to such other approvals as may be required hereunder, consent of the Company be and is hereby accorded to the Board of Directors to commence the business of hire purchase, or leasing of all durable, industrial and commercial properties, assets, goods etc. as mentioned in Clause 39 under the heading ‘Other Objects’ of the Memorandum of Association of the Company, which reads as under;

‘To carry on the business of hire purchase or leasing of all durable, industrial and commercial properties, assets, vehicles, machinery, equipment, tools and instruments of all descriptions, refrigerators, air conditioners, washing machines and household equipments, television and electronic devices.’

RESOLVED further that for the purpose of giving effect to the above resolution, the Company ratifies all the acts of the Board of Directors and authorized the Board to do all such acts, deeds and things whatever is necessary hereunder for the purpose of or on behalf of the Company.”

10. To Consider and if thought fit to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT on the recommendation of the Remuneration Committee, in accordance with respective provisions of the Articles of Association of the Company and pursuant to Section 198, 269, 309, 311 and 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act 1956 (the said Act) and all guidelines for managerial remuneration issued by the Central Government from time to time consent of the Company be and is hereby accorded to the reappointment of Mr. Vijay Ratnakar Gutte, as a Whole time Director (Finance) (in Executive Category) of the company for the period of five years from 29-05-2012 to 28-05-2017 on the remuneration of not exceeding Rs. 6,00,000/- (Rs. Six lacs only) as basic salary per month apart from other benefits, allowances and perquisites for which as he may be entitled hereunder or as may be decided by the Board from time to time.

Resolved further that pursuant to the provisions of Articles of Association, subject to provisions of the Companies Act, 1956 and supervision and control of the Board of Directors of the Company, The Executive Director be and is hereby authorized to manage the business and affairs of the Company, whose remuneration or salary shall be inclusive of the following

- I. **Salary:** Basic Salary at the rate of not exceeding Rs. 6,00,000/- (Rupees Six Lacs only) per month, as may be approved by the Board of Directors from time to time on the recommendation of the Remuneration Committee in accordance with Schedule XIII and all other applicable provisions of the Companies Act, 1956.
- II. **Commission:** Company may pay Commission not exceeding 1% of the net profits of the Company computed in the manner laid down under section 309, 349, 350 of the Companies Act, 1956. The amount of Commission and other part of remuneration shall be subject to the overall limits pertaining to the Managerial Remuneration laid down under Sections 198 and 309 of the Companies Act, 1956,

provided that the amount available as above for payment of commission will be divided among the Executive Director and other Managing Director & the Whole Time Directors but each of them shall however receive commission in aggregate not exceeding 1% of the net profit of the Company.

- III. **Allowances, Perquisites or Benefits:** Allowances, Perquisites or Benefits as listed below allowed in PART A, B & C, in addition to the salary, restricted to the annual salary as above or such higher limit as the Companies Act, 1956 may permit. The Salary, Allowances, Perquisites or Benefits as listed hereunder shall not exceed such percentage of the Net Profit as mentioned under section 198, 309 and computed in accordance with section 349 & 350 and all other applicable provisions of the Companies Act, 1956.

Part A:-

- i. City Compensatory Allowance: 80% of Basic Salary
- ii. Conveyance Allowance: 20% of Basic Salary
- iii. Housing Facility including gas, electricity, water, servant, telephone, broadband, internet and furnishings (non-interchangeable) in any part of India.
- iv. Medical Benefits: For self and family, reimbursement of medical expenses actually incurred.
- v. Leave Travel Concession: For self and family once a year in accordance with the rules of the Company.
- vi. Club Fees: Subject to a maximum of two clubs excluding life membership or admission fee.
- vii. Insurance Premium not exceeding Rupees 50,00,000/- (Rs. Fifty Lacs only) in a year.
- viii. Travel Facility for self & family in business class within India or Outside India.
- ix. Tour / Travel / other Expenditure Allowance: For Self and Family subject to maximum of Rs. 10,00,000/- lacs in a year within India & / or outside India.
- x. Conveyance Facility in India or abroad.
- xi. Credit / Debit Cards for use within India or Outside India.

Part B:-

- xii. Company’s contribution towards Provident Fund, Pension Fund, Superannuation/Annuity Fund, or any other fund and Gratuity Fund shall be as per the Rules of the Company. These items will not be considered or included for the computation of ceiling or perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Part C:-

- xiii. Provision of car for use on Company’s business and telephone, broadband, internet facility at residence will not be considered as perquisites.
- xiv. Earned / Privileged leave of full pay and allowances will be as per rules of the Company.

RESOLVED FURTHER THAT in accordance with Schedule XIII & other applicable provisions of the Companies Act, 1956 the Board of Directors be and is hereby authorised to pay the managerial remuneration to Mr. Vijay R. Gutte Executive Director of the Company during the tenure of his appointment in the absence or inadequacy of profits.

RESOLVED FURTHER THAT in accordance with Schedule XIII & other applicable provisions of the Companies Act, 1956 the Board of Directors be and is hereby authorised to revise the remuneration and other terms and conditions of the appointment or part of remuneration of Mr. Vijay R. Gutte from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as, in its absolute discretion, may be considered necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the above resolution or otherwise considered by the Board of Directors to be in the interest of the company.”

11. To Consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED that Mr. Siddharth Mehta, who was appointed as an Additional Director (Independent Non Executive Category) at the meeting of Board of Directors of the Company held on 14th August, 2012 and whose term expires at the ensuing Annual General Meeting of the Company and for appointment of whom the Company has received a notice under section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as a Director (Independent Non Executive Category) of the Company whose period of Office is liable to determination by retirement by rotation.”

By order of the Board

sd/-

Place : Nagpur

Date : 14.08.2012

(Sandeep K. Mishra)
Company Secretary

NOTES:

- i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. UNDER THE COMPANIES ACT, 1956, VOTING IS BY SHOW OF HANDS, UNLESS A POLL IS DEMANDED BY A MEMBER OR MEMBERS PRESENT IN PERSON, OR BY PROXY HOLDING AT LEAST ONE-TENTH OF THE TOTAL SHARES ENTITLED TO VOTE ON THE RESOLUTION OR BY THOSE HOLDING PAID-UP CAPITAL OF AT LEAST RS. 50,000/- only. A PROXY CAN NOT VOTE EXCEPT ON A POLL.
- ii) An Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting has been attached.
- iii) The Register of Members and the Share Transfer Books of the Company will remain close from Thursday 20th September, 2012 to Thursday 27th September, 2012 (both days inclusive).
- iv) Members holding the shares in dematerialized form are requested to notify all the changes with respect of their address e-mail id, ECS mandate and bank details to their depository participant.
- v) Members (those holding shares in the physical form only) are requested to notify/send the following to the Registrar/ Transfer Agent, M/s. Bigshare Services Private Limited, 2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072;
 - a. particulars of their bank account and e-mail id, in case the same have not been sent earlier;
 - b. any change in their address/e-mail id/ECS mandate/ bank details

- c. Share certificate(s), held in multiple accounts in identical name or joint names in the same order of names, for consolidation of such shareholding in one account.
- vi) For the convenience of the Members, an Attendance Slip is annexed with the Proxy Form. Photocopies of the slip will not be entertained for issuing gate pass for attending Annual General Meeting. However in case of non-receipt of notice of Annual General Meeting, members are requested to write to the Company at its Corporate Office for issuing of the duplicate of the same. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
- vii) As a measure of economy, Annual Reports shall not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.
- viii) A member desirous of getting any information on the account or operations of the Company is required to forward his/her queries to the Company at least ten days prior to the meeting so that the required information can be made available at the meeting.
- ix) As a matter of green initiative in the matter of corporate governance, as per last year, this year too, the Notice and annual report shall be sent to the shareholders by way of email id whose mail ids are available with our Registrar & Transfer Agent, M/s. Bigshare Services Private Limited, having office at 2/3 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072 and physical copy by post to those shareholders whose email ids are not available with us. Members are requested to provide their email ids to our RTA to facilitate us to send notices and all other documents electronically to them to save paper, cost and our environment.
- x) The Copy of Notice shall also be made available at our official web site 'www.sunilhitech.com'. In case if any shareholder could not receive the same, can also download it or go through the same through our web site.

Annexure to Items 3, 4, 5, 10 & 11 of the Notice

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	M. N. Mohanan	S. K. Kodandaramaiah	Dilip Y. Ghanekar
Date of Birth	23/05/1958	04/09/1949	19/09/1956
Date of Appointment on the Board	01/06/2003	05/02/2004	30/01/2007
Qualification	Diploma in Mechanical Engineering	Post Graduate in Mechanical Engineering	B. E. Mech and Diploma in Industrial Management from V. R. C. E. Nagpur

Name of the Director	M. N. Mohanan	S. K. Kodandaramaiah	Dilip Y. Ghanekar
Date of Birth	23/05/1958	04/09/1949	19/09/1956
Date of Appointment on the Board	01/06/2003	05/02/2004	30/01/2007
Qualification	Diploma in Mechanical Engineering	Post Graduate in Mechanical Engineering	B. E. Mech and Diploma in Industrial Management from V. R. C. E. Nagpur
Expertise in Specific Areas	Experience in fabrication and erection of heavy steel structures, erection of boilers and auxiliaries, erection of electrostatic precipitators, equipment, power cycle piping and LP piping	Experience in areas of project management, construction management, commercial, contracting and overseas marketing	Experience in Planning Construction, Operation and Maintenance of Power Stations having 500MW capacity.
List of other Companies in which Directorship held as on 31st March, 2012 (excluding Directorship in private, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.)	Nil	Nil	Nil

Name of the Director	Vijay Ratnakar Gutte	Siddharth Mehta
Date of Birth	19/03/1983	28/03/1957
Date of Appointment on the Board	29/05/2007	14/08/2012
Qualification	M. B. A. in Marketing & Finance	B.E. (Electrical), from Indian Institute of Science, Bangalore
Expertise in Specific Areas	Experience in Administration, Financial planning & control and corporate expansion.	Experience in areas of Strategy and Business Development, Project Coordination, Management & Execution; Corporate Governance; Business Expansion & Growth
List of other Companies in which Directorship held as on 31st March, 2012(excluding Directorship in private, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.)	SEAM Industries Limited	Essar Power Distribution Company Limited

EXPLANATORY STATEMENT AS REQUIRED U/S 173 (2) OF THE COMPANIES ACT, 1956:

For Item No. 7, 8 & 9

Currently your Company is one of leading BOP - EPC player of the Country. Now in the light of growing opportunities in different sectors, your Directors want to diversify the area of business activities. So your Directors recommended commencement of various business activities as mentioned in the notice as item no. 7, 8 & 9. These business activities have been incorporated under Clause no. 34, 38 & 39 under the heading 'Other Objects' of the Memorandum of Association of the Company.

Your Board of Directors wants to enter into new activities like to undertake some activity of rural development for economic and social welfare of public to fulfill its corporate social responsibility, business of general stockiest, distributors of general commodities, goods, business of hire purchase, leasing of goods, machinery etc. There are good opportunities in these sectors and the Directors want to grab this for the benefit of the Company. Since the above businesses are not germane to the existing business, the Directors can start these businesses only if consented by special resolution of shareholders for each such business.

Your approval is sought as special resolutions for commencement of businesses as mentioned under Clause no. 34, 38 & 39 under the heading 'Other Objects' of the Memorandum of Association of the Company and as item no. 7, 8 & 9 of this notice.

None of Directors of the Company is any way concerned or interested in this resolution.

For Item No. 10

The Board has appointed Mr. Vijay Ratnakar Gutte as Executive Director of the Company with effect from 29.05.2007 for a period of five years which has been approved by the shareholders at the annual general meeting held on 20.09.2007. The term of Mr. Vijay R. Gutte has expired on 28th May, 2012. The Board of Directors vide their meeting held on 11th February, 2012, has reappointed Mr. Vijay Ratnakar Gutte as a Whole Time Director of the Company with effect from 29th May, 2012.

Mr. Vijay R. Gutte is M. B. A. in finance from a reputed Institute. He has contributed a lot towards the development of the Company and played a significant role in strengthening the financial activities and diversifying the business activities of the Company in other sectors too like infrastructure, real estate. Since his induction in the company in 2007, he transformed Sunil Hitech's finance capability into a powerful strategic weapon.

On the recommendation of the Remuneration Committee, Your Board of Directors, subject to your approval by way of special resolution, reappointed him with effect from 29th May 2012

for five years at basic salary of not exceeding Rs. 6,00,000/- per month apart from other benefits, allowances and perquisites for which he may be entitled hereunder and / or as may be decided by your Board of Directors of the Company from time to time.

Through this notice we seek your approval by way of special resolution for reappointment of Mr. Vijay R. Gutte as Director Finance (Executive Category) with effect from 29th May, 2012 for five years at basic salary of not exceeding Rs. 6,00,000/- per month apart from other benefits, allowances and perquisites for which he may be entitled hereunder and / or as may be decided by your Board of Directors of the Company from time to time and authorization in favour of the Board to revise the terms and conditions of his re appointment from time to time.

This notice shall be treated as abstract of terms and condition of appointment & remuneration payable to Mr. Vijay Ratnakar Gutte as mentioned under section 302 & other applicable provisions of the Companies Act, 1956.

Except Mr. Vijay Ratnakar Gutte (Director Finance), none of the Directors of the Company is in any way concerned or interested in the said resolution.

Brief Profile of Mr. Vijay Ratnakar Gutte has been given above.

For Item No. 11

Mr. Siddharth Mehta has been appointed as an Additional Non-Executive Independent Director of the company in terms of Article 137 of the Articles of Association and Section 260 of the Companies Act, 1956 by the Board of Directors vide their meeting held on 14th August, 2012, who shall hold office of the director only upto the date of ensuing Annual General Meeting.

Mr. Siddharth Mehta is B. E. Electrical from Indian Institute of Science, Bangalore, having wide experience in the field of Business development, Project Coordination, Management and Execution.

Under sec. 257 of the Companies Act, 1956, notice has been received by the Company, proposing his appointment as a Director of the Company. Mr. Siddharth Mehta does not hold any shares of the Company.

The Board recommends the resolution to be passed as an ordinary resolution proposing his appointment as a Non-Executive Independent Director of the Company, liable to retire by rotation.

None of the Directors of the Company is interested in this resolution except Mr. Siddharth Mehta.

Brief Profile of Mr. Sidhharth Mehta has been given at the above.



SUNIL HITECH ENGINEERS LIMITED

Attendance Slip

ANNUAL GENERAL MEETING

Thursday, the 27th day of September' 2012 at 02.00 P. M.

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

I am a member/proxy for the member of the Company. I hereby record my presence at an Annual General Meeting of the members of the Company at Ratnadeep, Jaynagar, Parli, Vajjnath, Dist. Beed, Pin – 431520.

Signature of the Member / Proxy

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



SUNIL HITECH ENGINEERS LIMITED

Proxy Form

Regd. Folio No. _____ Client ID No. _____
No. of shares held _____ DP ID No. _____

I/We _____ of _____ in the district of _____ being the Member(s) of Sunil Hitech Engineers Limited hereby appoint Mr./Ms. _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at an Annual General Meeting of the Company to be held on 27-09-2012 at 02.00 P.M. at Ratnadeep, Jaynagar, Parli, Vajjnath, Dist. Beed, Pin – 431520 and at any adjournment thereof.

Signed this _____ 2012

Revenue
Stamp of
Rs.2/-

Signature of the Member(s)

- Notes:**
1. The proxy form to be effective should be duly completed in all respects and signed across the revenue stamp.
 2. The proxy form must be deposited at the Registered Office of the Company at Sunil Hitech Engineers Limited, Ratnadeep, Jaynagar, Parli, Vajjnath, Dist. Beed, Pin - 431520 not less than 48 hours before the time fixed for holding the aforesaid meeting.
 3. A proxy need not be a member of the Company.



SUNIL HITECH ENGINEERS LIMITED

Dividend – ECS Mandate Form

To,
M/s. Bigshare Services Private Limited,
2/3 Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (W) – 400 072

Dear Sirs,

Re.: Payment of Dividend of Sunil Hitech Engineers Ltd. under the Electronic Clearing System (ECS)

I hereby give my/our mandate to credit my/our Dividend on the Shares held by me/us under the Folio mentioned directly to my/our bank account through the Electronic Clearing System (ECS). The details of the Bank Account are given below:

Name of the Sole/First Shareholder (In Block Letters)	
Email id	
DP ID No.	
Folio No.	
No. of Shares held	
Name of the Bank in Full	
Branch Name and Address	
9 digit code No. of the Bank and branch as appearing on the MICR Cheque issued by the Bank*	
Type of the account with code (IFSC CODE)	
Account Number as appearing on the Cheque Book	
Bank Ledger No./Bank Ledger Folio No. (If any as appearing on the cheque book)	

(Please attach a photo copy of your cheque leaf which contains your bank account number and the nine digit MICR number. You can also send your dividend mandate through email to us.)

I hereby declare that the particulars given above are correct and complete. The present mandate will supercede my earlier mandate, if any, given. If the transaction is delayed or not effected at all because of incomplete or incorrect information, I would not hold the Company/the user institution responsible.

Place :

Dated :

Name & Signature of Sole/First Shareholder



CAPACITY
COMPETENCE
CAPABILITY

SUNIL HITECH ENGINEERS LIMITED | ANNUAL REPORT, 2011-12

FORWARD-LOOKING STATEMENT

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

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

INSIDE THE REPORT

Corporate identity	06
Chairman's statement	12
Our key performance indicators	14
Project showcase	16
Sunil Hitech Group	22
Answering shareholder questions	33
Managing risks	34
At the helm	38
Management discussion and analysis	42
Directors' report	49
Code of conduct	54
Report on Corporate Governance	56
Standalone financial statements	70
Consolidated financial statements	98

From a civil project executor to a comprehensive nation-builder.

From power engineering to sugar, cogeneration, distillery, ecological infrastructure, road construction, critical power plant product manufacture and education industries.

From a Rs 855.59 cr turnover in 2011-12 to a projected Rs 1,000 cr-plus turnover by 2012-13.

SIX IMPORTANT POINTS THAT ARE FAST-TRACKING OUR GROWTH TODAY

1

Order book of Rs. 1,723.36 cr (as on 31st March 2012) with reputed projects in power plant Balance-Of-Plant (BOP) & Engineering-Procurement-Construction (EPC) spaces

2

Integrated business presence through an ability to conceptualise, conceive, construct and commission power plant assets (50-800 MW)

3

Significant operational presence across 10 states of India.

4

Significant gross block of Rs 245.71 cr (as on 31st March 2012) with a return on gross block of 18.06 percent (2011-12)

5

EBIDTA margin of 14.19 percent in a challenging economy – among the highest margins in our peer group

6

One of the fastest-growing topline (CAGR growth of 22.81 percent over the last five financial years) and EBDITA growth levels (CAGR growth of 19.38 percent over the last five financial years)



INDIA SPELLS OPPORTUNITY FOR US – THE NEW HORIZON



INDIA STORY

5 times – The number by which India's GDP will have multiplied by 2030

704 units – India's per capita energy consumption, way below the global average

49,000 MW – The estimated power capacity addition during the Eleventh Plan, almost 62 percent of the envisaged capacity addition, which will spill over to the Twelfth Plan

52 bn units – India's projected power deficit in 2013-14 (projected 41 bn units in 2014-15)

110,000 MW – Projected power generation capacity to be added in India over FY10-15

2.5 bn sq m – of roads that will have to be paved

2,400 Rs bn – India's projected power T & D investments over the Twelfth Five-Year Plan period

OUR STORY

22.81 percent – Compounded annual growth of our turnover over the last five years ending 2011-12

1,723.36 Rs cr – Size of our order book backlog as on 31st March 2012


22,309 MW – Commissioned by the Company (till 31 March 2012)

855.59 Rs cr – our topline for 2011-12

2,000 Rs cr – our projected order book for 2012-13

121.44 Rs cr – our EBIDTA in 2011-12

1,000 Rs cr – our projected topline for 2012-13



A QUICK READ ON WHAT WE ARE, WHERE WE COME FROM AND WHERE WE INTEND TO GO

ABOUT SUNIL HITECH ENGINEERS LTD.

SUNIL HITECH is one of the leading project executors of India in the power and infrastructure sector, and involved in Balance-Of-Plant (BOP) & Engineering-Procurement-Construction (EPC) services for power plants. The Company possesses one of India's largest commissioned power plant portfolios of 22,309 MW (as on 31st March 2012).

WE OFFER engineered and fabricated boiler components through our group company SEAM Industries Limited. We supply sugar, distillery products and power through our group company Gangakhed Sugar and Energy Limited.

SINCE THE last financial year we are also offering construction services for roads and highways through latest global technologies and running a management institute (Infrastructure Construction and Operations Management Institute) to provide comprehensive technical and managerial training to engineering graduates.

WE INVEST in health, safety and sustainable development in the areas of our presence. We focus on the health, safety and well-being of our employees and enriching societies and communities near our operational sites.

OUR OBJECTIVE is to maximise shareholder value by strengthening the overall performance of the Company, by minimising costs and securing effective and efficient utilisation of all available resources.

WHO WE ARE, WHAT WE DO

VISION

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

PHILOSOPHY

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

SPREAD

- Headquartered in Nagpur (Maharashtra), India
- Corporate office in Mumbai (Maharashtra), India
- Registered office in Parli, Vajjnath (Maharashtra), India

MISSION

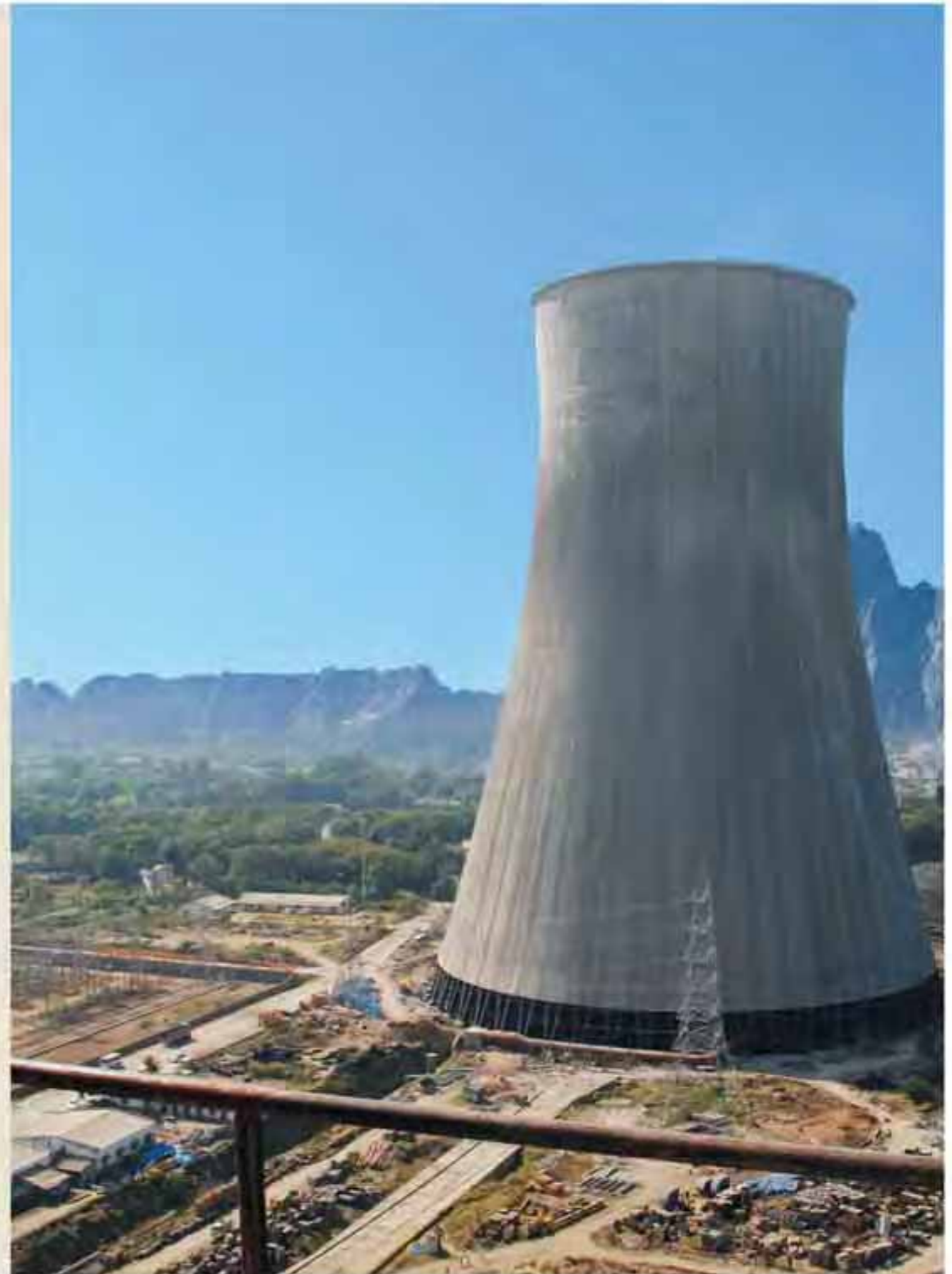
- To develop, implement and innovate construction and onsite implementation methods to meet the best industrial standards
- To continuously improve on cycle-time reduction, enhancement of construction methods applicable for the power, process and infrastructure industries and augment safety standards

PEOPLE

- An employee team of 2,224 (as on 31st March 2012)

CUSTOMERS

National Thermal Power Corporation Ltd | Bharat Heavy Electricals Ltd | Tamil Nadu Electricity Board | Madhya Pradesh Power Generating Co. Ltd | Shandong Electric Power Construction Corp., China | Skoda Exports Co. Ltd | Reliance Energy Ltd (Reliance Infrastructure Ltd) | Mahadiscom | Hindalco Industries Ltd | Maharashtra State Power Generation Co. Ltd | Jaypee Group | Maharashtra State Electricity Distribution Company Limited | Tata Projects Ltd | National Buildings Construction Corporation Ltd | Adani Power Ltd | Gas Authority India Ltd | KVK Energy | Chhattisgarh State Power Generation Co. Ltd | Rajasthan Rajya Vidyut Utpadan Nigam Ltd | Bharat Aluminium Co. Ltd | Maharashtra State Transmission Company Ltd | Dodson Lindblom International Inc. (USA) | Gujarat State Electricity Corporation Ltd | Jindal Steel and Power Ltd | Hindustan Steelwork Construction Ltd | Rashtriya Ispat Nigam Ltd | JSW Steel Ltd | L&T | Punj Lloyd Ltd | JSW Energy Ltd | Haryana Vidyut Prasaran Nigam Ltd | Bajaj Infrastructure Development Company | FLSmidth Group | NCC Ltd



KEY FINANCIALS, 2011-12

REVENUE GROWTH
17.19%

2010-11
Rs. 730.09 cr

2011-12
Rs. 855.59 cr

EBIDTA GROWTH
4.17%

2010-11
Rs. 116.58 cr

2011-12
Rs. 121.44 cr

TOTAL ASSET GROWTH
9.11%

2010-11
Rs. 833.43 cr

2011-12
Rs. 909.35 cr

NETWORTH GROWTH
9.61%

2010-11
Rs. 231.46 cr

2011-12
Rs. 253.71 cr





AT SUNIL HITECH ENGINEERS LIMITED, WE ARE DRIVEN BY THE PROSPECT OF A BROADENING ECONOMIC AND INDUSTRY HORIZON.

Ratnakar Manikrao Gutte,
Chairman and Managing Director

Dear Shareholders,

Welcome to the Sunil Hitech family:

We completed yet one more financial year together. This was a year of global economic slowdown and full of challenges.

The unprecedented prospects facing frontline companies like ours are reflected in the fact that India added over 14,000 MW of generation capacity in 2011-12 compared with only 9,585 MW in 2009-10. The private sector accounted for almost 55 percent of the total capacity incorporated during the year under review.

If you appraise this success considering the several challenges plaguing the country – land acquisition and right-of-way issues, political and corporate scams, rising inflation and tightening monetary policies – you will appreciate the enormity of this accomplishment.

India's capacity addition in the Tenth Plan (FY02-07) was 21.1 GW against a targeted 41.1 GW (50 percent realisation). The government set an ambitious target of 78,700 MW capacity addition in the Eleventh Plan period (FY07-12) and added 41,297 MW (53 percent) in the first four of the five years. This indicates that India is adding considerably larger capacities over the years, a trend that is likely to sustain.

To deliver a sustained GDP growth of 8 percent till FY 2031-32, India's generation capacity needs to grow to 962,210 MW, multiplying manifold the current generation capacity. This implies an 8.6 percent CAGR over 22 years and an average capacity addition of over 36,000 MW every year - almost four times the capacity addition rate in the current Five Year Plan.

At Sunil Hitech, we are rightly positioned to capitalise on this massive projection on account of our ability to provide integrated end-to-end services including power plant maintenance. We possess a brand-enriching base of 34-plus customers, a robust balance sheet and a reputation for integrity.

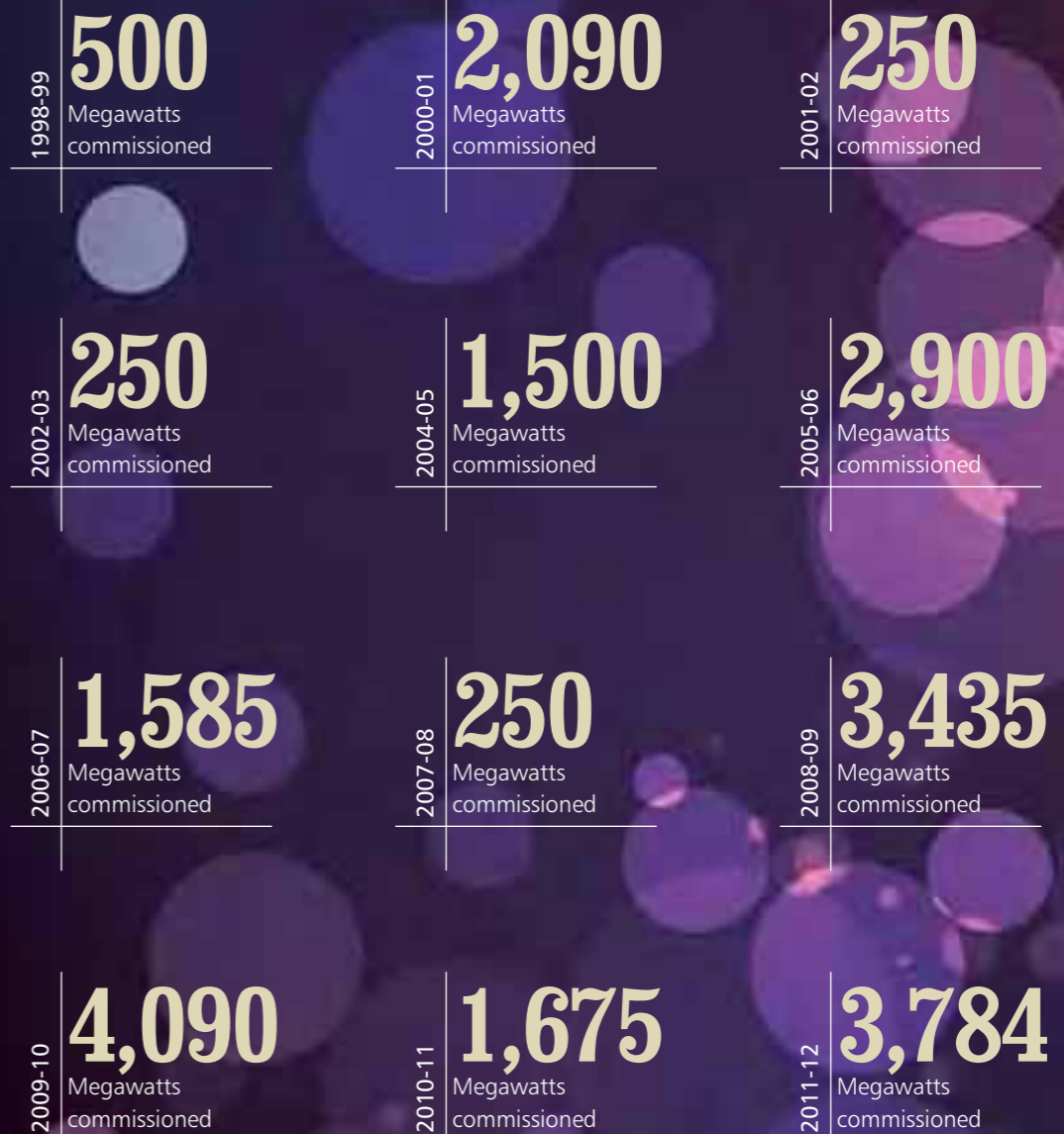
Besides, our subsidiary SEAM Industries Limited manufactures critical products that represent the backbone of power plants. Our group company Gangakhed Sugar and Energy Limited enjoys an entrenched presence in the manufacture of sugar, power and allied products. Our institute I-Com focuses on the development of power plant professionals. In view of growing opportunities in the real estate sector, we are in the process of forming a partnership with a company possessing rich expertise in the sector.

In recent times we were awarded with prestigious awards like 'Best Safety Performance' award from JSW Energy Ltd. for the Bellary Project on occasion of National Safety Day 2012, 'Best Safety Implementation Award' from MAHAGENCO for Khaperkheda Project. 'Best EHS Performance Award' from L&T Power for the Champa Project during April-September 2011 and 'Accident Free Safety Certificate' from Tata Projects Limited, which demonstrates our ability to leverage effective planning and control to achieve our goals.

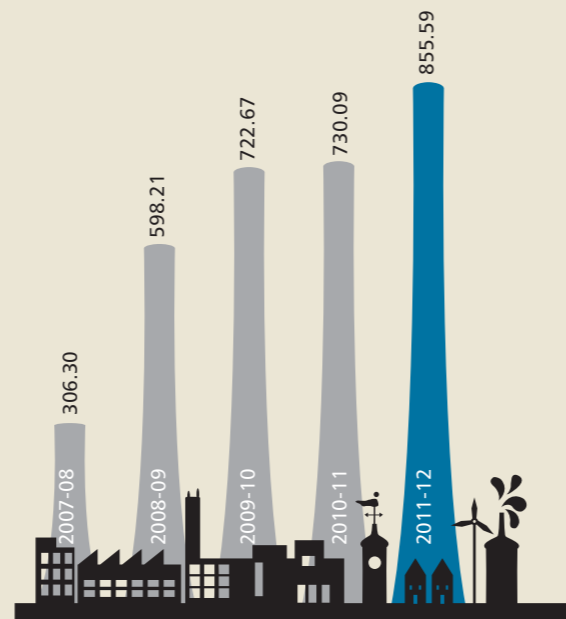
As we broaden our horizons to strategically diversify into other businesses, we invite you to be a part of one of India's attractive growth proxies.

Wishing all of you a very happy year ahead.

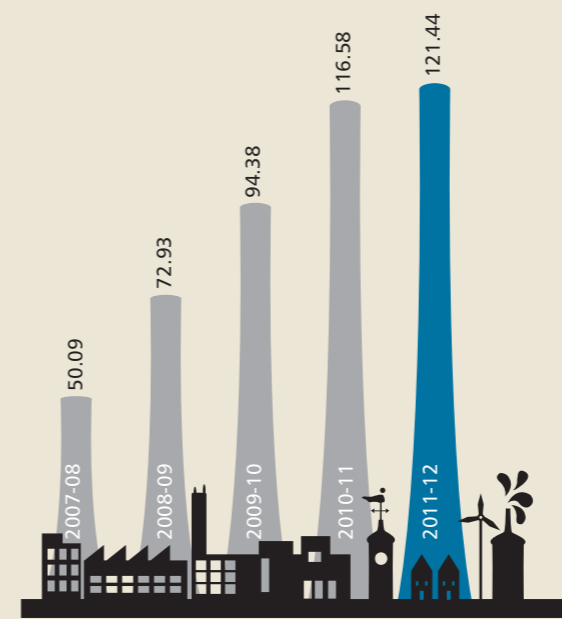
CONTINUING TO ADD MEGAWATTS – CAPACITIES COMMISSIONED YEAR-ON-YEAR



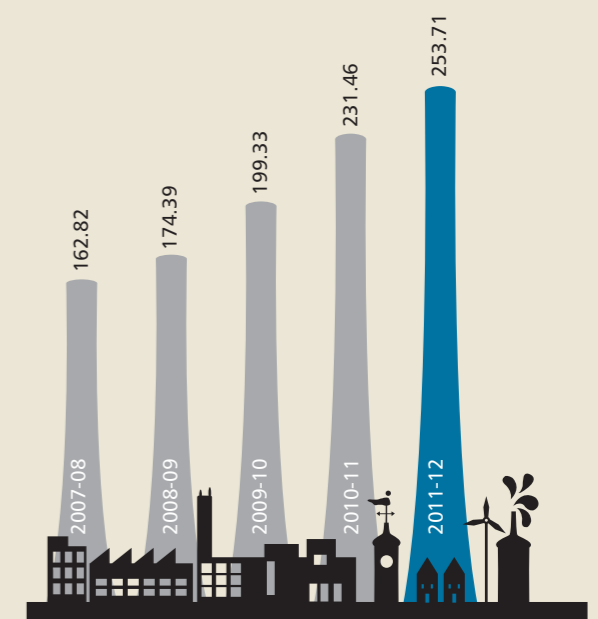
WORKING FOR TODAY, STRIVING FOR TOMORROW



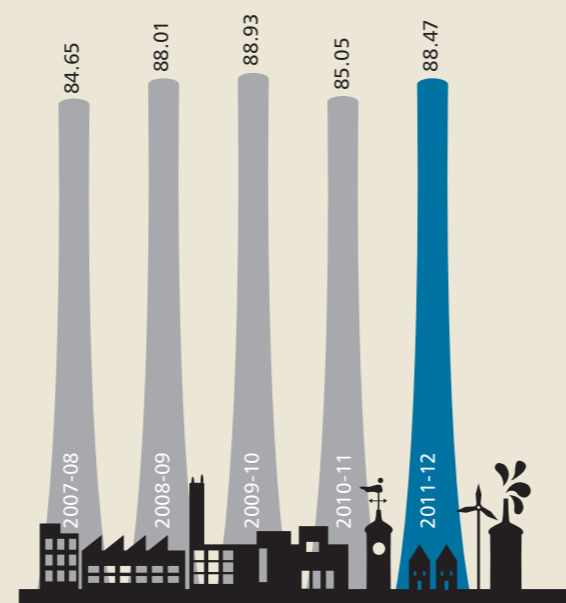
SUNIL HITECH'S SURGING TURNOVER (Rs cr)...



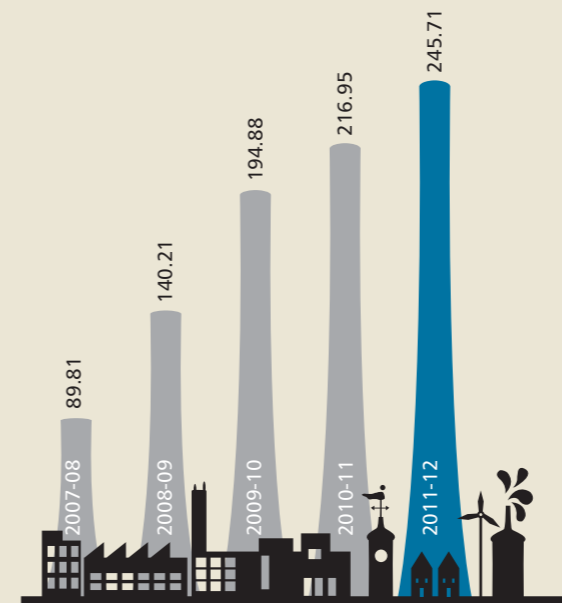
... LED TO A SURGE IN OPERATING PROFIT (Rs cr)...



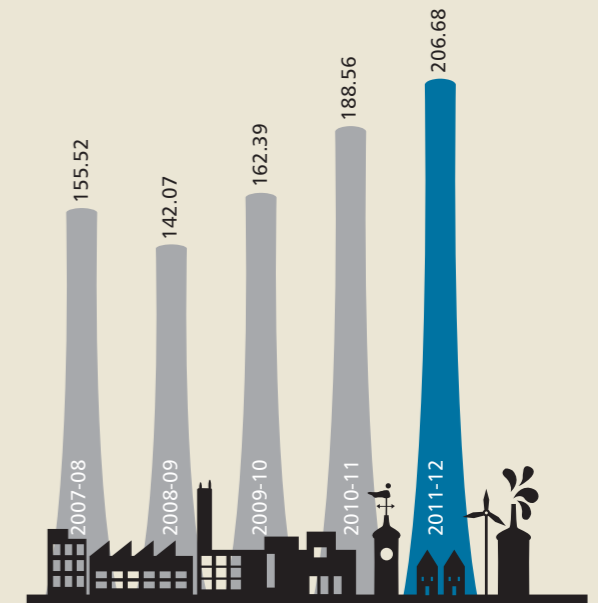
.... REPORTED ROBUST NET WORTH (Rs cr)...



... AND TIGHT CONTROL ON OPERATING COSTS (OPERATING COSTS AS A PERCENTAGE OF SALES)...



... AND HAS OPTIMISED GROSS BLOCK ADDITION (Rs cr)...



... WITH THE EFFECT OF GROWING BOOK VALUE PER SHARE (Rs)...

PROJECT SHOWCASE

MAHARASHTRA

- 500 MW, U#7 - TG Structure, Boiler and Auxiliaries, Chandrapur
- 2x210 MW, U#3 and 4 - Boiler and Main Plant Structure, Khaparkheda
- 250 MW, U#1 - SG and TG Structure, CHP and Boiler Auxiliaries, Parli
- 250 MW, U#1- SG and TG Structure and Fuel Oil Handling System, Paras
- 210 MW, U#5 - ESP Erection and Retrofitting, Koradi
- 22 kV Lines and Sub-Station of APDRP, MSEDCL, Kalyan
- Transmission, Distribution of Line and Sub-Station on Turnkey Basis of APDRP, for MSEDCL, Chandrapur
- 250 MW Main Plant Structure, Boiler and Auxiliaries, STG, Bunker Belt, LD Piping, MS Pipeline, Chimney Steel Flue and Staff Quarters MSPGCL Parli U-2
- 250 MW Main Plant Structure, Boiler and Auxiliaries, MS Pipeline and Chimney Steel Flue MSPGCL Paras U-2
- 500 MW, U#5 - Boiler and Auxiliaries, MSPGCL Khaperkheda
- 30 MW EPC, Co-Gen Plant, 60,000 TCD Sugar Plant and 60 KLPD Distillery Plant, Gangakhed
- 220/22k, Magarpatta, 220/33 kV, Wathar and 132/33 kV Bambawade Sub-Station for MSETCL Transmission, Distribution of Line and Sub-Station on Turnkey Basis for MSEDCL, Aurangabad
- 4X300 MW, Main Plant Structure, Material Handling U#1 and 3 BTG and its Auxiliaries. JSWREL, Ratnagiri,
- MSEDCL, Bhandup (Thane) (Design, Supply Construction Erection Testing of 22/11 kV and 22/22 kV Sub-Station under Urban Zone)
- MSEDCL, Aurangabad (Erection and Testing of Transmission line and Sub-Station of Single Phase DTC of under APDRP)
- 500 MW, U#1 – Boiler and Auxiliaries, Chumary Bldg. MSPGCL, Bhusawal

UTTAR PRADESH

- 2 x500 MW, U#4 Boilers Auxiliaries, U#5 Miscellaneous Structures and 250 mtr. RCC Chimney Steel Flues, Rihand

- 210 MW, U#5 - Boilers and Auxiliaries, Unchahar
- 2x80 MW, TPH- HRSG, Gail pata
- 2x210 MW, U#3 and 4 - Boilers, Auxiliaries, Main Plant structures, Parichha
- 2x490 MW, U#5 and 6 - ESP and Auxiliaries Erection NTPC, Dadri

MADHYA PRADESH

- 4x500 MW, Stg-II, U#7 and 8 and Stg-III, U#9 and 10 Main Plant Structure and CW Piping Work, NTPC, Vindhyachal
- 210 MW, U#5 - Main Plant Structure and CW Piping Work, MPPGCL, Amarkantak

HARYANA

- 125 TPH HRSG, 2x250 MW, U# 7 and 8 TG and Mill Bunker Structure, Boiler and Auxiliaries, Panipat
- 66 kV and 132 kV Sub-Station, Halluwas, Dahina and Gurgaon
- 2x300 MW, U#1 and 2 Main Plant Structure, Non-Pressure Parts and ESP, Yamunanagar
- 2x600 MW, U#1 and 2 Main Plant Structure, Hissar

TAMIL NADU

- 2x210 MW, TS-I, NLC, Structural works, Neyveli
- 2X60 MW, U#1 and 2 Renovation of Boiler Structure, Ennore
- 2X250 MW, TS-II, NLC, Structural Work, Neyveli

PUNJAB

- 2x250 MW, U#3 and 4 Bunker Structure, Bhatinda

RAJASTHAN

- 3x250 MW, U#2, Boiler and Auxiliaries, U#4 and 5 Main Plant Structure, Suratgarh
- 2x125 MW, U#1 and 2 Main Plant Structure, Giral
- 195 MW, U#7 Main Plant Structure, Kota
- 2x250 MW, U#1 and 2 Main Plant Structure, Chhabra
- 2x125 MW, U#1 and 2 Boiler, Piping, Auxiliaries and AHP, Barsingsar

- Rajwest, Barmer (8 x 135 MW, Earthwork in Excavation of Raw Water Reservoir)

ORISSA

- 4x500 MW, U#3 and 4 TG Structure and U#5 and 6 SG Area Civil and Structure Package and Ash Piping, NTPC, Talcher

GUJARAT

- Fabrication and Erection of Structure and IBR Piping work, Acid Plant-III and Bedding Plant-III Hindalco, Dahej
- 2x125 MW, U#3 and 4 Main Plant Structure, U#3 Boiler and Auxiliaries, CW Piping, and Lignite Storage Shed, GIPCL, Mangrol

CHHATTISGARH

- 1x275 TPH Boiler, 2x135 MW Boiler and Auxiliaries for BALCO at Korba
- 250 MW, U#1 Boiler and Auxiliaries, Bhilai
- 2x500 MW, Stg-II, U#1 and 2 SG and TG Area Civil Works Package, U#2 ESP NTPC, Sipat
- 4x250 MW, U#1 to 4 Main Plant Structure and U#4 ESP, JSPL, Raigarh

KARNATAKA

- JSW Steel Ltd, Bellary, Structure Steel Work for 7 MTPA Sinter Plant
- JSW Vijaynagar Energy Ltd, Bellary, 2x300 MW, U#1 and 2 General Structure Steel Work
- 1x300 MW, U#3 JSW Steel Ltd, Structural Steel Work, Bellary

ANDHRA PRADESH

- APGENCO, VV Reddynagar (210 MW, U#5 Boiler and TG Deck Civil Foundation Work)
- NTPC, Simhadri (500 MW, U#3 Rotating Equipment)

HIMACHAL PRADESH

- Sechi (4.5 MW Civil and Hydro Mechanical Works)



AT SUNIL HITECH, WE ARE FOCUSING ON SELECT VALUE DRIVERS...

1

THINKING NATIONAL, WORKING LOCAL

- Diversified geographic presence
- JV/Alliance partners

2

RESPONSIVE TO MARKET CHALLENGES

- Focused on quality
- Commitment to timely delivery
- Diverse project understanding (50-800 MW)

3

STRONG ENGINEERING CAPABILITIES

- Investments in gross block
- Detailed blueprint mapping and execution
- Ongoing investments in training people

4

ROBUST CUSTOMER INTEGRATION

- Accurate budgeting and cost management practices
- Investments in IT software and tools

5

SAFETY AND ENVIRONMENTAL FOCUS

- Onsite safety monitoring
- Environmental focus

6

CLIENT ACCOLADES

- Customer endorsements through certifications
- Client certification through repeat projects

7

EXPERIENCED RESOURCES, RICH INTELLECTUAL CAPITAL

- Regular on-the-job/classroom training
- Knowledge enhancement through regular learning programmes
- Visits to symposiums, fairs and conferences

... THAT WILL ENHANCE SHAREHOLDER VALUE

AT SUNIL HITECH, WE ARE IN BUSINESS TO ENHANCE VALUE FOR OUR SHAREHOLDERS, REFLECTED IN ATTRACTIVE RETURNS ON EMPLOYED CAPITAL. WE FARED REASONABLY WELL IN THIS REGARD AS MARKET CAPITALISATION AS ON 31ST MARCH 2012 WAS RS. 78.68 CR.

The Company possesses a diversified shareholder base of more than 17,000 investors. At the end of 2011-12, foreign investments (foreign investors and FIIs) was 10.46 percent of the Company's equity, while retail investors including domestic corporates held 36.34 percent. Around 53.20 percent of the equity capital was in the hands of the Company's promoters. Foreign investment of 10.46 percent in the Company's equity reflected a potential to attract global attention.

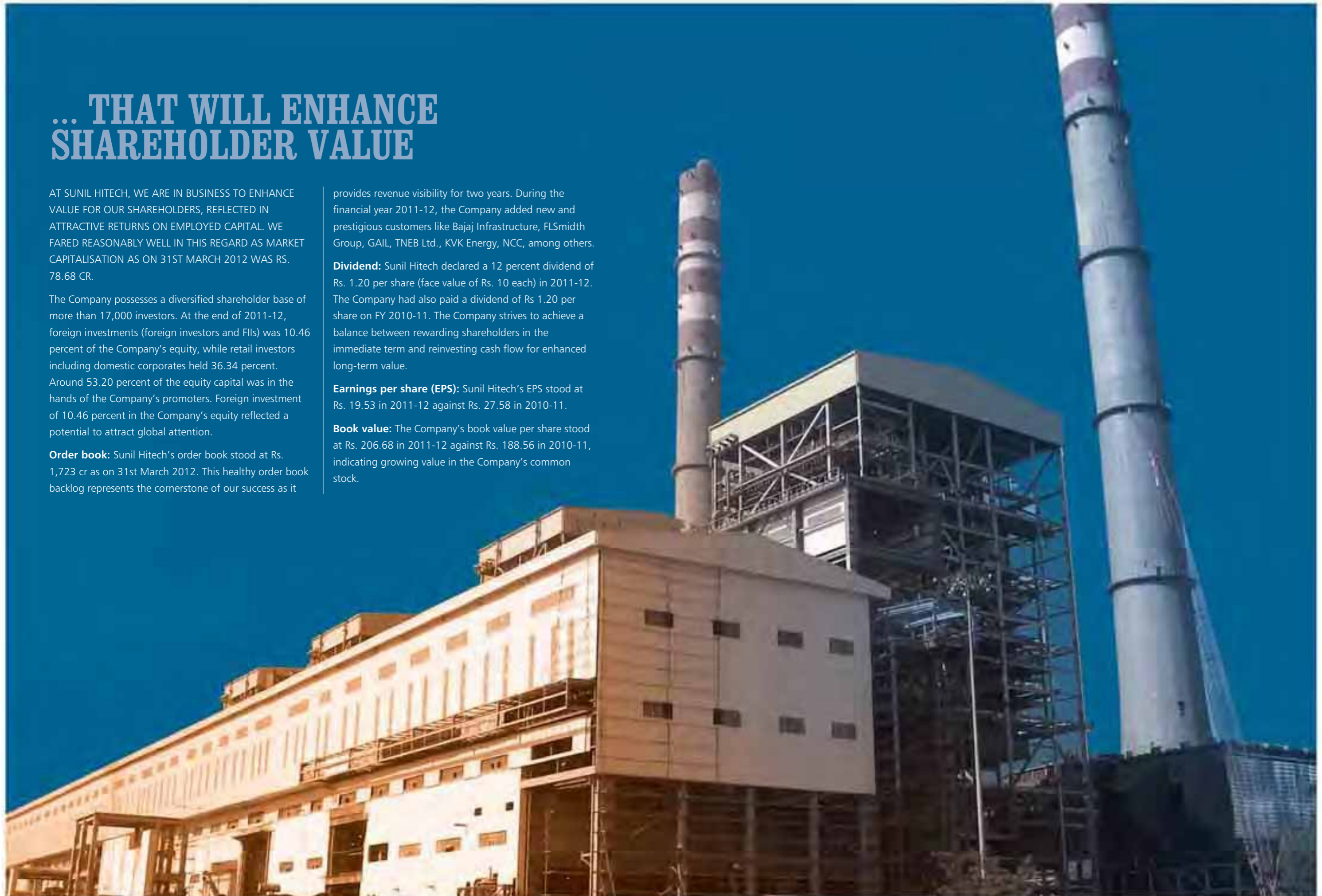
Order book: Sunil Hitech's order book stood at Rs. 1,723 cr as on 31st March 2012. This healthy order book backlog represents the cornerstone of our success as it

provides revenue visibility for two years. During the financial year 2011-12, the Company added new and prestigious customers like Bajaj Infrastructure, FLSmidth Group, GAIL, TNEB Ltd., KVK Energy, NCC, among others.

Dividend: Sunil Hitech declared a 12 percent dividend of Rs. 1.20 per share (face value of Rs. 10 each) in 2011-12. The Company had also paid a dividend of Rs 1.20 per share on FY 2010-11. The Company strives to achieve a balance between rewarding shareholders in the immediate term and reinvesting cash flow for enhanced long-term value.

Earnings per share (EPS): Sunil Hitech's EPS stood at Rs. 19.53 in 2011-12 against Rs. 27.58 in 2010-11.

Book value: The Company's book value per share stood at Rs. 206.68 in 2011-12 against Rs. 188.56 in 2010-11, indicating growing value in the Company's common stock.




SUNIL HITECH GROUP

SUNIL HITECH ENGINEERS LIMITED
(FLAGSHIP)

GANGAKHED SUGAR AND ENERGY LIMITED
(ASSOCIATE COMPANY)

SEAM INDUSTRIES LIMITED
(SUBSIDIARY)

INFRASTRUCTURE CONSTRUCTION AND
OPERATIONS MANAGEMENT INSTITUTE (I-COM)
(EDUCATION INSTITUTE)



Group Flagship

SUNIL HITECH ENGINEERS LIMITED.

ONE OF INDIA'S LEADING NICHE ENERGY
TECHNOLOGY PLAYERS.

PROVIDING INTEGRATED SOLUTIONS FOR POWER
PLANTS, BOP AND EPC SPACES.

- Sunil Hitech's engineering capital comprises over 27 years of industry experience across 2,224 individuals
- Our order backlog of Rs. 1,723 cr (as on 31st March 2012) provides dependable revenue visibility for two years; we bagged Rs 662 cr worth of projects during 2011-12 , a creditable achievement in a sluggish environment
- We swiftly completed all our deliverables for the prestigious Rs. 500-cr BOP order from MAHAGENCO for its 250 MW thermal power plant in Parali, Maharashtra; this assignment, bagged in March 2010, is to be completed over 18-24 months

- Generally, power plant boilers must be replaced or upgraded after 15 years of continuous operation; consequently, other than a fresh demand for generation equipment, there is a growing opportunity for O&M services
- Our knowledge capital is reflected in our service breadth and depth – complex engineering designs and robust quality services covering civil, mechanical and electrical engineering
- Our culture encourages performance-driven meritocracy comprising the balanced scorecard and key performance indicators (KPIs)

Group constituent

GANGAKHED SUGAR AND ENERGY LIMITED.

EXTENSIVELY INTEGRATED AND WITH ONE OF THE LARGEST REGIONAL SUGAR, DISTILLERY AND COGENERATED ENERGY CAPACITIES WITH RESPECT TO PER-TONNE-OF-CANE CRUSHED.

A typical sugarcane stick comprised nearly 11 percent sugar, 30 percent bagasse and water. A conventional sugar mill crushes sugarcane and markets sugar, molasses and bagasse and is generally unable to withstand sugar price fluctuations.

- At Gangakhed, our integrated cane processing project (ICPP) is engaged in co-generation and produces distillery products from molasses (by-product of sugar manufacture) or cane juice
- Our mill is located in the cane-surplus district of Parbhani (Maharashtra), which boasts of an aggregate sugarcane cultivation of over 8,280 hectares

- The strategic project location enables timely resource availability, leading to higher-than-industry yield levels (higher cane sucrose content)
- The Company works with over 10,000 farmers in the region.
- A near cash-and-carry sales model optimises working capital requirements, strengthening the Balance Sheet
- The Company expects to enhance turnover from Rs 358.14 cr (2011-12) to Rs 1,000 cr over the next three/four years



Group constituent

SEAM INDUSTRIES LIMITED.

SERVING AS THE BACKBONE OF THERMAL POWER PLANTS. POSITIONING ITSELF TO SUPPLY CRITICAL PRODUCTS AND SOLUTIONS THAT HELP COMMISSION PLANTS ON SCHEDULE AND MAXIMISE UPTIME. EMPOWERING CUSTOMER PROFITABILITY.

- SEAM's manufacturing facility is strategically located in the industrially-advanced MIDC Butibori, 35-km from Nagpur (corporate headquarters)
- The Company was established as a backward integration to help the flagship augment and consolidate the power plant EPC and maintenance expertise as a supplier and O&M partner
- Its key differentiator comprises a timely supply of major power plant pressure parts and high-pressure piping components needed for boiler rehabilitation, operations and maintenance with design-engineering-manufacturing and on-site installation capabilities

- It is also positioned as an original equipment and components manufacturer for new projects and for expanding existing units
- The manufacturing location is centrally located and proximate to a number of major power plant projects in the Western, Central and Eastern regions of India (nearly 25,000 MW is coming up in the region over the next 4 years)
- The Company achieved a turnover of Rs 118.53 cr for FY 2011-12 and has targeted a turnover of more than Rs. 500 cr in the next four years



INSTALLED CAPACITY

- Technological structure capacity of 24,000 MT per annum
- Pressure parts pipes, tubes and coils capacity of 4,000 MT per annum
- Piping, tanks and vessels capacity of 5,000 MT per annum



INFRASTRUCTURE CONSTRUCTION AND OPERATIONS MANAGEMENT INSTITUTE (I-COM).

LAUNCHING CAREERS.

- The Sunil Hitech Group established the Infrastructure Construction and Operations Management Institute (I-Com) in Nagpur in July 2011
- The state-of-the-art institute imparts world-class industrial power plant training in cutting-edge classrooms fully-equipped with modern amenities and facilities, a trendsetting conference room, an extensive library and a product laboratory
- The course spans nine months with three months of extensive theoretical training and the rest on an industrial facility leading to practical experience (a stipend is also paid during this term)
- The Institute provides a ready talent bench as students will not only be absorbed at Sunil Hitech but also among other engineering enterprises (public and private sector)
- The Institute reported 100 percent enrollment in the first batch itself, reflecting an urgent need for quality and career oriented education institute
- The Institute secured 100 percent internship for the first batch of students
- The vision is to strategically extend into other fields (Polytechnic, CBSE and ITI education)

SERVICES RANGE

EPC/ TURNKEY PROJECTS

- Balance of Plant Package for up to 660 MW • Sugar plant with cogeneration of 30 MW • Large Storage Sheds • CHP Bunker Belt Extension • Raw Water/LP Piping System • Fuel Oil System with Tanks • 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 Hydro Power Plant • Staff Quarters, School Building, Rest house Building • Storage Sheds • Chimney Flues

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

MECHANICAL

- Erection of Boilers and Auxiliaries up to 800 MW • Erection of HRSG • Erection of TG and Auxiliaries up to 660 MW • Complete Installation of Sinter Plant • Hydro-Mechanical works of Hydro Power Plants • Fabrication and Erection of Raw Water Piping System • Fabrication and Erection of Chimney Flues up to 600 MW • Erection of HP/LP Piping System of up to 600 MW

STRUCTURAL

- Fabrication and Erection of Heavy Structures up to 800 MW • Fabrication and Erection of Building and Technological Structures of various utilities for Steel Plants • Structural works of Sugar and Metal Industry • Structural works of Process and Heavy Industry

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 Parts, Milling System, Rotating Parts and Ducting • HP/LP Piping works • Operations and Maintenance of CHP and AHP

MANUFACTURING, DESIGN AND SUPPLY

- Super Heater and Re-heater Coils • Economiser 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 600 MW • Collection and Emitting Electrodes of ESP • Air Register Assemblies



Q&A session

LEVERAGING STRONG COMPETENCIES DEVELOPED OUT OF OUR CORE, WE ARE STRATEGICALLY EXTENDING OUR PRESENCE INTO NEW SYNERGISTIC VERTICALS.

Sunil Gutte, Joint Managing Director, Sunil Hitech Engineers Limited, reviews the Company's performance in 2011-12 and looks ahead

Q How would you rate 2011-12?

It was a year during which we not only worked hard at completing existing projects and bagging new ones, but also leveraged our competencies and forayed into new verticals.

Though fresh order accretion during the year under report slowed owing to the overall industry sluggishness, we reported incremental topline growth of 17.19 percent to Rs 855.59 cr. Effective cost management led to a profitability of Rs 23.97 cr during the period. Going forward, I believe that our focus on high-margin, larger and more complex projects (over 660 MW apiece) and swiftly liquidating our order book will grow our topline at least 20 percent in 2012-13.

Q What is the benefit of bagging ultra mega power plant projects?

Larger projects not only enable us to extract higher margins on account of a 'complexity premium' and better resource utilisation but also strengthen our network towards prequalification for larger ticket projects. We are in the process of working on over 660 MW projects and expect to enhance profitability. These projects will address newer opportunities in the power plant civil BOP and EPC space.

Q Why is customer-centricity increasingly important?

As a ballpark estimate, the cost per MW of thermal power stands at about Rs 5 cr, depending upon the land, equipment and statutory costs. At Sunil Hitech, we are focused on driving customer competency by deploying our captive gross block to work on projects and outsource only

non-core assignments to sub-contractors. Result: we are in a position to directly control costs and enhance quality. Additionally, our subsidiary (SEAM Industries Limited) is engaged in supplying critical fabricated power plant components, which optimises the overall cost structure for the benefit of our clients.

Q What was the rationale for entering into new verticals?

At Sunil Hitech, we have two-pronged focus: spinning off synergic businesses out of our core of power plant BOP and EPC services and diversifying our income streams. Through our group company Gangakhed Sugar and Energy Limited, we are focused on emerging as one of India's largest integrated cane enterprises (sugar, distillery and cogeneration operations). SEAM Industries Limited crossed Rs 100 cr of turnover in just four years and this momentum will sustain. Our ability to introduce patented enzyme technology to hasten road construction at a 20 percent lower cost is attracting the attention of state PWDs and other nodal agencies. I-Com, our educational institute, will create a pool of talent to take the country's power sector ahead.

Q How does the Company expect to strengthen shareholder value?

Our focus is on completing projects faster without compromising quality, which will not only free resources to be mobilised at other sites and locations but also strengthen cash inflows. Stringent cost management will strengthen margins. This performance will reflect in our dividend payout and market capitalisation.

MANAGING RISKS AT SUNIL HITECH

AT SUNIL HITECH, 'RISK' IS INTERPRETED AS EVENTS THAT MAY EXPLOIT WEAKNESSES IN OUR PROCESSES, PROCEDURES AND SYSTEMS, IMPACTING FINANCIALS. THOUGH INFORMAL IN NATURE, SUNIL HITECH FOLLOWS A PROCESS OF RISK ASSESSMENT COMPRISING RISK IDENTIFICATION AND ANALYSIS, FOLLOWED BY THE DESIGNING OF A SUITABLE CONTROL ENVIRONMENT COVERING ACTIVITIES/PROCEDURES.

The Company employs a series of governance and activity level controls to ensure that the financial statements are free from material misstatements. At the enterprise level, the risk identification and mitigation procedures employed include the following:

STRATEGY RISKS

A skewed business strategy may result in lost opportunities.

Risk mitigation measures

The long-term business strategy and the annual business plans are approved by the Board of Directors thorough discussion and analysis. Additionally, mid-term reviews of the business plans ensure that the Company initiates timely correction. The long-term business strategy comprises:

- Fortify the Company's presence in select verticals
- Focus on the quality of the Company's products
- Diversify presence in different sectors and in different businesses to reduce cyclical risk
- Increase focus on civil BOT and EPC projects

• Venture into new synergic verticals
These measures resulted in a topline growth of 22.81 percent year-on-year over the five years leading to 2011-12. Besides, Sunil Hitech also provides adequate training to its entire staff on operating procedures and policies while developing project management and operation skills.

INDUSTRY RISKS

A downturn can adversely affect the Company's business and earnings.

Risk mitigation measures

Buoyant macroeconomic conditions in India, that have been sustaining economic reform and investments in the infrastructure and

construction industries (which has been the second-largest contributor to GDP growth). Additionally, a targeted double-digit growth by the end of the Eleventh Plan period

(2007-2012) only suggests an increased spending by the government on infrastructure, auguring well for the Company.

GOVERNMENT POLICY RISKS

Uncertainties regarding government policies can significantly affect operations.

Risk mitigation measures

The government has been prioritising infrastructural

investments, limiting the inherent policy risk. The residual risk is managed by seeking opportunities

to control costs to hedge from adverse policy changes.

COMPETITION RISKS

Increasing competition from domestic and international construction companies affect the market share and profitability.

Risk mitigation measures

Sunil Hitech forges alliances with large domestic and international players while bidding for large

national and international projects to meet the increasing competition. The Company shifted its business strategy from bidding for small

projects with the risk of a larger reduction in price to larger ones, befitting the size and scale of Sunil Hitech.

OPERATIONAL RISKS

Staff attrition and non-availability of key personnel affect the Company's operations. Volatility in the prices of critical raw materials also impact project profitability.

Risk mitigation measures

The Company maintains a workforce based upon its current and anticipated workloads. Temporary disturbances at project sites are addressed by relocating the available workforce. Attrition is managed by adopting healthy employee practices that promote and encourage a good work culture. This is coupled with performance-based promotion and rewards, conflict-resolution mechanisms, sound pay and incentive structures benchmarked

with industry standards.

Sunil Hitech provides adequate training to its staff on operating procedures, policies and project management skills. Employees are encouraged to upgrade their skills through job rotation.

The Company implemented adequate procurement procedures that include long-term contracts to reduce price volatilities, regular augmentation of storage facilities to stock materials and a careful review and monitoring of the carrying cost

of raw materials.

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

Crisis management teams were established at all project sites. The project operating procedures institute the most effective accident-prevention measures across all stages of construction activity.

BUILT ON A FOUNDATION OF STRENGTH

1 EXPANDING PRESENCE ACROSS INFRASTRUCTURE SEGMENTS

Sunil Hitech is extensively engaged with EPC and BOP works for thermal power plants. On the back of opportunities in the sector, the Company's order book has grown constantly from mere Rs. 800 cr as on 31st March 2007 to Rs. 1,723 cr as on 31st March 2012, which is about twice 2011-12 revenues, providing robust visibility over the next two to three years. Our business target is to have a balanced business portfolio with revenue predictability, profitability and quality of contracts as the key determinants.

2 ROBUST CLIENTELE

We cater to the ever expanding needs of our rich and diversified customer portfolio comprising NTPC, Chhattisgarh State Power Generation, BHEL, BALCO, Reliance Energy, Jaypee Group, JSW Steel, Punj Lloyd, Tata Projects, Adani Power, L&T, RINL, Mahadiscom, Hindalco, Dodson-Lindblom, Maharashtra State Transmission, Tamil Nadu Electricity Board, Skoda Exports and Gujarat State Electricity Corporation, among others.

3 CONTINUOUS GROWTH IN OUR BID CAPACITY AND PRE-QUALIFICATION CAPABILITY

Our business and growth are dependent on our ability to bid for and secure larger and more varied projects. Bidding for power plant projects, especially the ultra mega power plants (UMPPs) of each unit of 660 MW, is dependent on various criteria, including, bid capacity and prequalification capability. We focused on increasing both these parameters and have continuously increased our bid capacity and the largest order that we can bid for.

4 CORE EXPERIENCE IN OPERATING IN DIFFICULT AND CHALLENGING TERRAINS AND CONDITIONS

We have successfully operated in difficult operating terrains and in adverse weather conditions. These conditions present challenges of trained personnel, timely supply of material, efficient functioning of machinery and security concerns. Our hands-on entrepreneurial management and enterprise of our team ensure that these challenges are met consistently to satisfy our customers.

5 ACUMEN IN SOURCING AND MAINTAINING A SUPPLY CHAIN FOR RAW MATERIALS AND ACHIEVING BENEFITS OF BACKWARD INTEGRATION

Our management places emphasis on the sourcing and logistics for raw materials such as steel, cement and sand, among others. Our ability to source key raw materials close to our operating sites resulted in reducing our transportation costs. We also set up mechanical lines for loading and unloading and used railway sidings at some of our sites to transport material.

6 OWNERSHIP OF HIGH-END EQUIPMENT

We own critical high-end and modern construction equipment such as crushers, excavators, cranes, batching plants, pavers, among others. Our asset base stands over Rs. 141.17 cr. Ownership of such high-end equipment enables quick mobilisation besides ensuring continuous availability of critical equipment. This model of owning equipment gives us a competitive edge.

7 HANDS-ON MANAGEMENT TEAM WITH SIGNIFICANT EXPERIENCE

We believe that a well-trained, motivated and satisfied employee base is fundamental to our competitive advantage. The repertoire of our employees gives us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake. We are committed to the development of the expertise and know-how of our employees through regular technical seminars and training sessions organised or sponsored by our Company. Our promoters have expertise and experience in the infrastructure sector and are actively involved in day-to-day operations. The experience gathered over the years by our management team enables quick decisions, ensuring that projects are executed within contracted timelines. This also enables us to meet required standards of quality and efficiency.

AT THE HELM IS A GROUP THAT CONSTITUTES THE RIGHT BLEND OF EXPERIENCE AND YOUTH.

Mr. Ratnakar Manikrao Gutte

Chairman and Managing Director

Mr. Ratnakar Manikrao Gutte, Promoter, has enriched Sunil Hitech Engineers Limited with 30 years of experience in project execution, fabrication, erection, testing and commissioning of power plants and helped transform the Company into one of the few largest BOP players in India.

Ratnakar Manikrao Gutte, a man of mission, objective and planning has made the Company a brand name in the field of civil and power project execution within a very short span of time. Being a first generation entrepreneur, he possesses excellent on-the-job knowledge of engineering, the intricacies of civil construction, machinery installation, finance, banking, taxation, general management and commercial matters.

Under his supervision and control two other companies Gangakhed Sugar and Energy Limited, an integrated cane processing unit and SEAM Industries Limited are doing well. Gangakhed Sugar and Energy Limited has become one of the leading sugar manufacturers in the state of Maharashtra in very short

span of time. SEAM is also gradually augmenting its customer base and is in the path of success and growth.

In recent years he had awarded with various prestigious awards like 'Life Time Udyog Achievement Award 2004' and 'Great Achiever in Industrial Excellence Award 2004', NCCL Entrepreneur of the Year, 2007-08, Bharat Vibhushan Samman Puraskar – 2009 to name a few. During April 2011, He was honoured with the 'Marathwada Gaurav Award' by Shri Prithviraj Chavan the Hon'ble Chief Minister of Maharashtra in the presence of Hon'ble State and Central Ministers, for his significant contribution in the field of industry as well as social services.

Mr. Sunil Ratnakar Gutte, Joint Managing Director

Sunil R. Gutte, Joint Managing Director of the Company, has been serving the Company since the last seven years. He is a Mechanical Engineer from Pune and underwent rigorous training at BHEL's Welding Research Institute in Tiruchirapalli and a training programme in project management from IIM, Ahmedabad. He possesses sound technical, managerial, and interpersonal skill. He has imparted

the employees with zeal, eagerness to work for the organisation, a sense of belongingness among them and to contribute their best towards the development of the organisation as a whole and strengthen the Company to meet the future challenges and opportunities strategically.

He played a key role in broadening the Company's market. He pioneered paradigmatic changes in the management structure, reporting standards, structured decision making, HR policies and Corporate Governance practices. He played a key role in transforming the Company into among only a few BOP players in India among India's leading power project executors.

In addition to this, he is also managing the affairs of our subsidiary and group companies, which have registered phenomenal growth under his supervision and control.

In view of the boom in real estate and other sectors, he is taking initiatives to diversify the business of the Company in other growing sectors.

With his strategic leadership and governance qualities, analytical skill and team building he has solidified

his presence in the corporate sector.

Mrs. Sudhamati Ratnakar Gutte

Whole Time Director

Mrs. Sudhamati Ratnakar Gutte working in the capacity of Executive Director, having more than 16 years of hands-on experience in handling the Company's overall management and administration. She has been serving the Company from its inception when it did not have the status of Limited Company. She, with her foresight, efficient team-building and sound managerial skill developed the culture of timeliness and loyalty in the organisation. She is interactive with the employees and knows their weaknesses, problems they are facing in the organisation and suggests remedial measures for them and helps overcome them so that the employee can utilise himself optimally in the organisation.

In addition to the above, she regularly participates in social activities to fulfill the Company's Corporate Social Responsibility, contributing to large-scale societal development. She regularly interacts with the underprivileged and takes various initiatives for their welfare like providing them with

educational, medical and farming facilities.

Mr. Mattathil Narayanan Mohanan

Whole Time Director (Operations)

Mr. M. N. Mohanan is the 'Execution Man' for the Company. He has served the Company for the last 18 years. He possesses three decades of core experience in fabricating and erecting heavy steel structures, boilers and auxiliaries, electrostatic precipitators, equipment, power cycle piping and LP piping, among others. Mr. M. N. Mohanan possesses a rich experience in project execution and wide experience in power sector projects. He looks after the whole execution part of the Company and other operational activities, like appointment of senior technical / managerial people, day-to-day operations of sites.

Under his supervision and control, the Company has executed various prestigious projects on schedule and thereby registered significant growth in its turnover within a very short span of time.

He is instrumental in developing the Company as a brand name eliciting goodwill and trust in project execution throughout India. He played a key role in developing

the Company as one of the few BOP players in India. His forte is able administration and he helped the Company to become a leading power and civil project executor in India.

Mr. Vijay Ratnakar Gutte

Whole Time Director (Finance)

Mr. Vijay Ratnakar Gutte is an MBA specialising in marketing and finance. He has served the Company since the last five years, looking after its whole finance function. He has strengthened the financial capabilities of the Company and as on the date the Company has sound combination of debt and equity, a balanced debt equity ratio. He is monitoring the utilisation of funds to maintain good liquidity position at all times. Since joining the Company in 2007, he transformed Sunil Hitech's finance capability into a powerful strategic weapon. He continuously monitors end-to-end processes and transaction quality to analyse defects and identify remedies. He invested in web-enabled capabilities to connect with vendors, customers, employees and managers. He creates a sense of belongingness among employees. He believes in maintaining a timely schedule across each facet of life and is prompt in his commitments. His strengths comprise leadership,

dedication and maintaining a healthy professional environment in the Company.

Mr. S. K. Kodandaramaiah

Whole Time Director (Business Development) and CEO

Mr. S. K. Kodandaramaiah is a post-graduate in Mechanical Engineering with more than 35 years of experience in the power sector. He worked for 21 years in Bharat Heavy Electricals Ltd (BHEL) and also worked for five years as Executive Director (Commercial) in General Electric Power Services Ltd, (GE) Delhi. He was an advisor to Dhamwari Sunda Hydro Electric Co. in developing a 70-MW hydro power project in Himachal Pradesh.

He attended a training programme at Oslo University, Norway, in 'Energy Planning and Environment'. He was part of the marketing team for exports and helped BHEL western region to implement a 120-MW turnkey job in Malaysia. He was involved in executing 4,000 MW power plants with wide exposure at BHEL, working in the various areas of project management, construction management, commercial, contracting and overseas marketing.

He is serving the Company since last

eight years looking after the marketing, planning overall business development activities of the Company. He developed the ability of facing challenges among the employees and within a short span of time he created a high profile customer base for the Company. He is a man of dignity and his inherent qualities were acknowledged at a seminar on 'Global Participation in India's Economic Development' held on 4th December 2010, at New Delhi, at which he was honoured with 'Bharat Jyoti Award' by Dr. Bhisma Narain Singh, former Governor of Tamil Nadu and Assam for his 'Meritorious Services, Outstanding Performance and Remarkable Role', a matter of honour for the Company. He has presented the Company at various occasions in various seminars and made the Company a prestigious name in the corporate sector.

Mr. Devesh Nandan Garg,
Independent Director

Mr. Devesh N. Garg, who is a Graduate in Engineering and MBA (Finance) possesses over 20 years of experience in high technology industrial and financial sectors. He also invested in, advised and managed companies across all sizes and stages of development from

pre-revenue to worldwide operations.

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

Mr. Sajid Ali

Independent Director

Mr. Sajid Ali is a Graduate in Engineering with 40 years of experience in erecting and commissioning equipment in coke oven plants, piping, boiler erection, turnkey projects. He possesses vast knowledge in planning and executing various projects and handled large-volume projects. His forte is able administration. He was in-charge of the total construction management of the power sector for BHEL, Western Region, in 1994. He possesses rich experience in the field of boiler erection, piping and turnkey projects. As a part of governance body, he has been

rendering valuable advice to the Company related with project execution and management.

Mr. Dilip Y. Ghanekar,
Independent Director

Mr. Dilip Y. Ghanekar completed his graduation in 1967 from V.R.C.E., Nagpur. He retired as Technical Director, MSEB. He possesses 36 years of work experience in the Maharashtra State Electricity Board for the operation, maintenance, construction, procurement and planning (at power stations up to a size of 500 MW) of equipment, encouraging non-conventional energy development, contracts for power purchase, among others.

He underwent customer training at the works of boiler manufacturer M/s. Combustion Engineering USA and in Australia conducted by United Nations for Coal Technology Environment. He possesses rich experience in the field of operations, maintenance, construction and planning for big power stations. He is associated with the management since last 5 years and is rendering valuable suggestions to the Board related with technical, financial and secretarial aspects of the Company.

Mr. Parag A. Sakalika,
Independent Director

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

He established his own authorised automobile service station, (an ISO 9001:2000- certified company from TUV) for the entire range of Maruti vehicles. His company was awarded for good performance in Maharashtra from 2003-2007 including the entire western region (Maharashtra, Goa, Gujarat and Chhattisgarh) by Maruti Suzuki. He also set up an additional new Maruti authorised service station in Butibori MIDC with 'A' grade category. He possesses good financing, marketing and administration knowledge. He is also the Chairman of Audit Committee and Remuneration Committee of the Board.

Mr. Sonyabapu Shankar Waghmare

Mr. S. S. Waghmare has joined the Company as an Additional Director in August 2011. He has done his M.Sc. (Agriculture) from Mahatma

Phule Agricultural University, Rahuri. District. Ahmednagar in 1971, LL.B. from Pune University in 1976 and D.B.M. from Pune University in 1980. He worked as Assistant Professor of Agriculture Entomology in the College of Agriculture, Pune. Then he joined as a senior officer in UCO Bank. He has got 33 years of rich experience in banking sector. He retired as DGM from UCO Bank in the year 2006.

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

Mr. S. S. Waghmare has in-depth knowledge of banking and finance. His inclusion in the management of the Company shall benefit the organisation a lot in the long run.

Management discussion and analysis report

Global economy

The global recovery was threatened by intensifying strains in the euro area and fragilities elsewhere. Financial conditions deteriorated, growth prospects dimmed, and downside risks escalated.

The global economic environment, which was tenuous at best throughout the year, turned sharply adverse in September 2011 owing to the turmoil in the eurozone, and questions about the outlook on the US economy provoked by rating agencies.

The financial turmoil intensified with the deepened European fiscal crisis. It spread to developing and high-income countries. Capital flows to developing countries in 2011 declined by almost half as compared with the previous year. Europe seemed to have entered recession, while growth in several major developing countries (Brazil, India, and to a lesser extent Russia, South Africa and Turkey) slowed partly in reaction to domestic policy tightening. As a result, and despite relatively strong activity in the US and Japan, global economic growth and world trade slowed sharply.

The global GDP grew 3.8 percent growth in 2011, significantly lower than the 5.2 percent growth in 2010.

	(percent)			
	2010	2011	2012 (E)	2013(E)
World output	5.2	3.8	3.3	3.9
Advanced economies	3.2	1.6	1.2	1.9
Emerging and developing economies	7.3	6.2	5.4	5.9

Source: World Economic Outlook, 24 January, 2012

Industrial production

Global industrial production was impacted by consistent shocks and after-shocks which decelerated its growth. Growth in industrial output dampened in early 2011 when compared with the marginal growth in the second half of 2010 due to adverse weather conditions in Europe and the US. The shock to global supply chains from the Tohoku earthquake further depressed industrial sector activity at the beginning of the second quarter, affecting in particular the auto and electronics sector.

The confidence crisis engulfed high-income countries in the

wake of the U.S. debt ceiling debate and the surfacing of the Euro area fiscal crisis.

The heightened uncertainty related to the sovereign debt concerns in high-income countries shook investors and consumers' confidence, consumers delayed purchases of durable goods and businesses drew down stocks and disrupted some supply chains – this weighed on the industrial sector recovery

The only positive surprise emerged from the US, as consumers unexpectedly lowered their saving rates in favour of consumption and business fixed investment remained robust for a large part of 2011.

As a result, industrial output growth was impacted in varying degrees across regions and time.

Global trade

The global trade volume (merchandise and services) expanded 6.4 percent in 2011- 100 bps higher than the ten-year average. However, performance across the year was not uniform. In the first quarter, global trade growth expanded at the historical average; however, growth became extremely volatile due to the multiple shocks to the global economy. The slowdown in global trade volumes was more marked in high-income countries. High-income countries' contribution to global trade fell to 52 percent in Q3, 2011 from 60 percent in 2006; the contribution of developing countries' increased from 40 percent to 48 percent over the same period.

Indian economy

The Indian economy grew 6.5 percent in 2011-12 against 8.4 percent in 2010-11 largely due to weakening industrial growth.

The industrial sector was plagued by multiple issues, which persisted for most part of the year. Inflation was the key hurdle for industrial growth, which significantly eroded margins. The government's efforts to curb inflationary headwinds through frequent interest rate hikes dealt a blow to the sentiments of India Inc and nearly halted infrastructure sector growth. The sharp depreciation of the Indian rupee against the US dollar in the third quarter of 2011-12 severely eroded profitability for a majority of corporate India –

although it was a boon in disguise for exporters and the IT sector.

The Service sector continued to traverse its growth path. Its share in India's GDP climbed from 58 percent in 2010-11 to 59 percent in 2011-12 with a growth rate of 9.4 percent. The agriculture and allied sectors also grew 2.5 percent in 2011-12.

The global economic environment turned adverse in September 2011 owing to the eurozone turmoil and questions raised on the economic stability of others nations as well. This was also reflected in sharp rating downgrades of

sovereign debt in most major advanced countries.

As a result, despite India's low economic progress at 7.1 percent, it retained its position among the world's fastest-growing economies as all major countries, including the fast-growing emerging economies, witnessing signs of an imminent slowdown.

The Indian rupee is under great stress as overseas investors are paring their exposure to Asia's third-largest economy amid international uncertainty and mounting worries over the domestic economy.

Economic snapshot

	(percent)				
	2007-08	2008-09	2009-10	2010-11	2011-12 (E)
GDP at factor cost	9.3	6.7	8.4	8.4	7.1
Agriculture and allied activities	5.8	0.1	1.0	7.0	3.0
Manufacturing	10.3	4.3	9.7	7.6	3.9
Construction	10.8	5.3	7.0	8.0	6.2
Financing insurance, real estate and business services	12	12	9.4	10.4	9.1

Industry Structure and Developments

Indian power sector

Power or electricity is one of the most critical components of infrastructure affecting economic growth and well being of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. Infrastructure investment in India is on the rise, but growth may be constrained without further improvements.

The power sector provides one of the most important inputs for the development of a country and availability of reliable and inexpensive power is critical for its sustainable economic development. To sustain GDP growth rate of around 8-9 percent, it is imperative that the power sector also grows at the same rate.

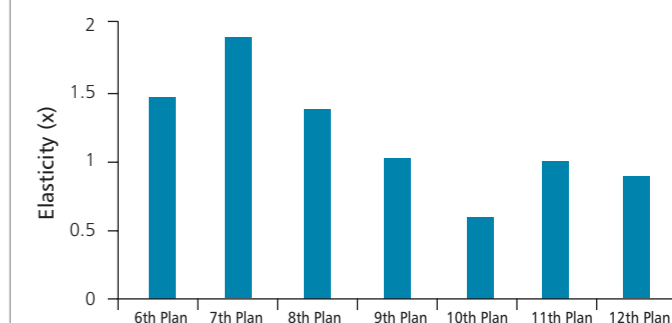
Even after the considerable growth in the power sector infrastructure and electricity supply, many parts of the country continue to face severe power shortages as consumption by commercial and industrial consumers has been increasing at a much faster rate than electricity supply.

Power is one infrastructure area where India lags far behind in comparison to other developing countries. The per capita annual electricity consumption in India is one of the worlds lowest at around 704 kwh.

Power demand

The elasticity of electricity demand to GDP growth has been declining from the Seventh Plan and hit a low of 0.7x in the Tenth Plan due to increased share of the service sector in GDP. However, we expect elasticity of electricity to rise from 0.7x in the Tenth Plan to 1.0x going ahead due to higher share of industrial and infrastructure sectors in GDP. Power demand is largely understated in India, as reflected in load shedding and peak deficit. In our opinion, rural electrification programme, higher outlay in manufacturing and infrastructure will drive the demand further.

Electricity demand vs. GDP growth



Source: Industry, Karvy Institutional Research

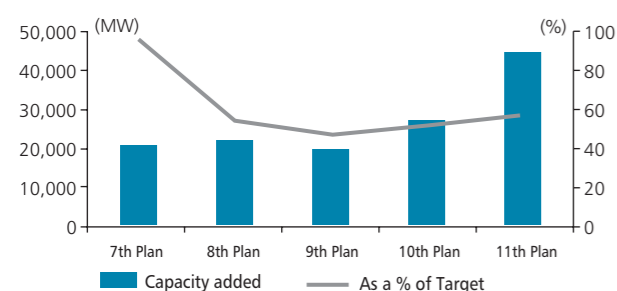
India's per capita power consumption of 704 units per annum is miniscule compared with the power consumption of many developed countries that indicates the sector's high growth potential. The National Electricity Policy envisages a rise in per capita consumption of power to 1,000 units by 2012, with rising affluence and a shift from traditional forms of energy. The expansion of the manufacturing sector in India will boost overall power demand. In order to increase the per capita power consumption, the government scaled up investment in the T&D segment. As per the Power Ministry, the earmarked investment for Eleventh and Twelfth Plan period is Rs. 1,400 bn and Rs. 2,400 bn respectively with a view to improve power availability.

Opportunities and Threats

Execution improvement in the Eleventh Plan

There has been a slippage in power capacity addition target in the last three Five-Year Plans. The situation has improved in the current plan (FY07-12), and it is expected that 62 percent (vs. 51.5 percent in Tenth Plan) of planned capacity to be achieved in the plan period. The total capacity addition during the current plan period is estimated at 49,000 MW. It is also expected that fundamental execution issues related to land acquisition, obtaining various clearances and fuel security to persist and expect substantial spill-over from the Eleventh Plan.

Capacity addition as Percentage of Target



Source: Industry, Karvy Institutional Research

Power supply

Currently, the central and state utilities have a dominant share in the country's overall generation capacity. Going ahead, we see a paradigm shift in the participation of private sector players in power generation. The fillip originated from the Electricity Act 2003 and National Tariff Policy 2006. The private sector, which contributed a mere 11 percent to installed capacity in FY10, is expected to account for 55 percent of the total capacity addition planned over FY10-15E.

Private sector participation has been increasing on attractive returns, increased flexibility and availability of funding options and high merchant power rates that has been the catalyst. Installed capacity is set to increase from 159,398 MW in FY10 to 270,929 MW in FY15E.

Power deficit

A Karvy report estimates that 110,000 MW of generation capacity will be added over FY10-15E and this will reflect higher power supply that will increase at a CAGR of 10.2 percent exceeding demand by a CAGR of 8 percent during the mentioned period. However, the power deficit will reduce from 10.1 percent in FY10 to 3.3 percent in FY15E.

Coal imports to surge due to domestic coal shortage

A major portion of domestic coal is sold at notified prices (not market driven) and is available at a high discount to imported coal even after adjusting the difference in quality. However, the coal-based power plants face the problem of inadequate domestic coal supply owing to delays in procuring coal linkages, obtaining environment clearances and other regulatory approvals to conduct mining operations (both Coal India and captive coal blocks), hurdles in expansion and logistical and infrastructural issues.

In FY10, the domestic coal supply fell short of demand by 35 MT. It is expected that the coal shortage will become acute going ahead, with demand set to outpace supply. Coal demand, which increased at a CAGR of 8 percent over FY03-09, is expected to spike and record a CAGR of 10.2 percent over FY10-15E. On the other hand, the domestic coal production is expected to rise at a CAGR of 7.2 percent during the mentioned period leading to higher deficit.

Against this background, it is estimated that India's coal imports will grow from 35 MMT in FY10 to 134 MMT in FY15E, registering a CAGR of 31.6 percent. New Castle Coal Index has gone up from USD 24 per tonne in FY03 to USD 192 per tonne in FY08. Hence, it is believed that the coal-based power generators with secure coal access (by way of long-term import contracts or captive coal mines abroad) are better placed than the rest. Indonesia and South Africa together account for more than 95 percent of India's thermal coal imports due to locational advantages. Indonesia accounts for a lion's share of India's coal imports at 80 percent.

Recent developments

Reforms – attract higher investments in the power sector

Prior to implementing the Electricity Act 2003, the two

India power deficit

Particulars	FY10	FY11(E)	FY14(E)	FY15(E)
Total capacity (MW)	159,398	175,799	247,417	270,929
Effective capacity (MW)	117,955	130,091	173,192	189,650
Eff. capacity/Total cap	0.74	0.74	0.7	0.7
PLF (%)	75	75	75	75
Total generation (bn units)	755	855	1,138	1,246
Growth (%)		10	12	10
Total availability (bn units)	746	812	1,081	1,184
Total demand (bn units)	830	897	1,133	1,224
GDP growth (%)	8.0	8.5	8.5	8.5
Power demand elasticity to GDP growth	0.9	0.95	0.95	0.95
Electricity demand growth (%)	7.2	8.1	8.1	8.1
Deficit (bn units)	84	85	52	41
Deficit (%)	10.1	9.5	4.6	3.3

Source: Karvy Institutional Research

impediments that prevented entry of private sector players into the power generation segment were the requirement of licenses to generate power and single buyer model for power generation companies. However, the Electricity Act 2003 eliminated both the need for licensing and the single buyer model, providing the necessary impetus to increase participation by private sector players. The Act also addresses the problem of payment security faced by private players, preventing them from putting up generation capacity.

National Tariff Policy – Additional fillip for private participation

As per the National Tariff Policy (NTP), it is essential to attract adequate investments in the power sector by providing appropriate RoI, as the budgetary resources of the central and state governments are incapable of providing the requisite funds. As per the NTP, it is also equally necessary to ensure availability of electricity to the different categories of consumers at reasonable rates to achieve the objectives of rapid economic development of the country. Balancing the requirement of attracting adequate investments to the sector and ensuring reasonable charges for the consumers is the critical challenge for the regulatory process.

Multiple revenue models

The Indian power companies enjoy the benefit of adopting multiple revenue models with each providing unique advantages. The companies can earn RoEs ranging from 15.5 percent to as high as 75 percent. Till recently, the power generation companies in India operated only under the fixed RoE-based business model.

Fixed RoE-based business model: The central public sector utilities continue to function as per this model for a major portion of their output. As per the current CERC Tariff Regulations, the RoE is fixed on pre-tax basis, for which the base rate of 15.5 percent will be grossed up through the applicable tax rate for the Company. The companies are also eligible for incentives in case they exceed the prescribed level of operational efficiencies with respect to the PLF. However, on the flip side, the companies are penalised if they do not meet certain operational criteria with regard to plant heat rate and auxiliary consumption. The companies can also pass through the fuel cost.

Open access in inter-state transmission

The CERC has notified regulations for medium-term (3-12 months) and long-term open access (12-25 years). Grid-

connected utilities can seek either medium-term or long-term access to systems. Any generating plant having an installed capacity of at least 250MW and any bulk consumer having at least a load of 100 MW can seek connectivity to interstate transmission system. This regulation benefited merchant players to bridge the demand-supply deficit and earn higher realisations.

Promotion of renewable energy

The CERC has notified tariff regulations to determine tariffs for projects being setup on renewable energy sources. The regulations has also specified that minimum renewable

purchase standards be set at 5 percent for total power purchases for FY10 and should be increased by 1 percent each year for ten years. CERC notified higher RoE for the project pre-tax 19 percent for first 10 years and pre-tax 24 percent from 11th year onwards, making sectors more attractive.

Required capacity additions foreseen during the Twelfth Plan

The requirement of installed capacity and capacity addition to meet the power generation requirement during the Twelfth Plan period is given in the table below.

Capacity addition required during Twelfth Plan (2012-17)

GDP growth	GDP/ Electricity elasticity	Electricity generation required (BU)	Peak demand (MW)	Installed capacity (MW)	Capacity addition required during the 12th Plan
8 percent	0.8	1415	215700	280300	70800
	0.9	1470	224600	291700	82200
9 percent	0.8	1470	224600	291700	82200
	0.9	1532	233300	303800	94300
10 percent	0.8	1525	232300	302300	92800
	0.9	1597	244000	317000	107500

Source: Working Group on Power, Eleventh Plan (2007-12)

Under various growth scenarios, the capacity addition required during Twelfth Plan will be in the range of 70,800–107,500 MW, based on normative parameters. The Eleventh Plan Working Group recommends a capacity addition of 82,200 MW for the Twelfth Plan based on the scenario of 9 percent GDP growth rate and an elasticity of 0.8 percent.

The Ministry of Power has set a goal encompassed in Mission 2012: Power for All. Based on the 17th EPS estimates, the total energy requirement in India will increase to 968,659 GWh by fiscal year 2012, 1,392,066 GWh by fiscal year 2017 and to 1,914,508 GWh by fiscal year 2022. This will lead to an annual electric peak-load of 152,746 MW in fiscal year 2012, 218,209 MW in fiscal year 2017 and 298,253 MW in fiscal year 2022. The northern region is expected to contribute 30.1 percent and the western region 28.4 percent of the overall annual electric peak-load in fiscal year 2022. The government estimated the total investment potential of the sector at Rs. 9,000 billion for a specified period up to fiscal year 2011. This

represents a significant opportunity for capacity expansion and growth opportunity for power generation companies, both in the public and the private sector.

Segment wise or Product wise Performance

The Company is operating under three business segments namely: Project, Overhauling & Maintenance and Supply or Trading.

Project Segment: This segment is engaged in the business of Fabrication, Erection of Boilers (Power Plants), Erection Testing, Commission of ESP, Transmission & Distribution and EPC contract.

Overhauling & Maintenance: This segment is engaged in the Repair & Maintenance, Overhauling and Renovation of Boilers and Auxiliaries, Ash Handling Systems etc.

Supply or Trading Segment: This segment is engaged in supply of electrodes, Boiler Spare parts, Coal, Steel and other materials at various power plants.

The performance of each Segment of the Company was satisfactory for the financial year ended on 31.03.2012. The Project Segment registered more than 10% growth during this financial year in comparison to the performance of last year. The Overhauling & Management Segment registered more than 12% growth over its last years' performance and the Supply or Trading witnessed a remarkable performance by registering a significant growth (more than twice) over its last years' performance.

Outlook

India today is Asia's third-largest producer of power. The Indian power sector has grown significantly since 1947 and India today is the third-largest producer of power in Asia. The power generating capacity increased from 1,362 MW in 1947 to over 160,000 MW by mid-2010. Despite significant growth in electricity generation over the years, power shortage continues to exist primarily on account of growth in demand for power outstripping the growth in generation and capacity additions in power generation.

Historically, India has experienced shortages in energy and peak power requirements. The average energy deficit was 9.1 percent and the average peak power deficit was 12.8 percent between 2003 and 2010. The gap between demand and supply has not decreased in the last few years, leading to persistent power shortages.

The Company will regularly monitor the growing demand of opportunities in power sector and take all initiatives to materialise those for benefit of the organisation.

Risks and Concerns

Key sectoral risks

The power sector is a highly capital-intensive business with long gestation periods, before commencing revenue streams (construction period of 4-5 years) and an even longer operating period (over 25 years). Since most of the projects have such a long timeframe, there exist inherent risks in both the internal and external environment. We monitor the external environment and manage our internal environment to mitigate the concerns on a continuous basis.

Power sector optimism

Electricity is one of the most vital infrastructure inputs for economic development of a country. There is a strong demand for electricity in India and it is steadily growing with the country's economic progress and rising consumerism. The Indian electricity market today offers one of the highest

growth potential for private players. Government reforms comprising the Distribution Network Reforms Program will be the key factor driving the power sector. Reforms such as The Electricity Act and The National Electricity Policy will give impetus to the Indian power sector.

According to a research report on the Indian Power Sector Analysis, there exists massive demand for power in some Indian states due to rapid urbanisation and industrialisation. Besides, opportunities for private players are increasing with high energy shortages and government support in the form of incentives to set up power plants. The number of merchant power plants will increase in the years to come with state governments (Gujarat, Maharashtra and Andhra Pradesh, among others) inviting private players to invest in the power sector. Based on the study of the Indian power sector, it was discovered that the total installed capacity will add around 45,000 MW by 2013-14.

However, the demand is much higher than supply with deficit projected to be in the range of 12-15 percent during the course of the next two-three years. Renewable energy creates huge opportunities for power generators as the commitment to generate clean energy and environmental obligations have become top priority for most nations worldwide. The research report also revealed that unconventional energy sources such as nuclear, wind and solar will fulfill a large chunk of India's energy need in coming years. Many states are formulating exclusive policies for renewable energies in order to promote and develop these energy sources. However, coal-based power will continue to remain the dominant source for energy in India with the largest chunk of new energy addition being in the form of thermal energy.

Internal control systems and their adequacy

The Company has adequate internal control system commensurate with the nature and size of the business. The Operations of the Company properly regulated and administrated. Before execution, every work of the Company is properly checked and recommended by immediate senior and then authorised by the senior head of department having the control over the affairs of that department. Every job in the company either external like procuring orders or dealing with banks or internal like preparation of documents, execution of documents, making payments etc. has to pass at least three stages of operation before execution viz, preparation, recommendation, approval (approval also by Director or senior managerial person if required). At each stages of approval, the

competent authority properly checks the documents.

The Company also exercises effective control for use and protection of its assets and properties. The Company has separate department to look after the management of assets of the Company.

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

The system has been designed to ensure that

- All assets are acquired economically, used efficiently and protected against lost, destruction or unauthorized use.
- All resources viz human, materials, machines & money are used efficiently and effectively.
- Financial, Accounting and other Operational information are accurate, reliable and submitted timely to all concerned, and
- All applicable laws and internal policies are complied with in true spirit.

The Company has a separate Internal Audit Department headed by group of professionals, auditing all the operational aspects of the organisation and submitted its report to the management on monthly basis and thus helpful in mitigating or avoiding the fraud or any other discrepancies in the day to day operational activities of the Company.

Internal control systems are periodically reviewed by the Audit Committee to keep it updated and consistent with the requirement of the organization.

Discussion on financial performance with respect to operational performance

The Financial Year 2011-12 was the year of economic slowdown and financial crisis for the Indian economy. Despite

this fact your Company has registered a Net Turnover of Rs. 855.59 crores for the financial year ended on 31st March 2012, increase of 17.19% over the Net Turnover of previous year.

The Operating Profit of your Company for the financial year 2011-12 is Rs. 122.32 crores, whereas it was Rs. 117.03 crores during the previous financial year. In spite of global slowdown, your Company has maintained its profitability upto some extent. For the Financial year ended on 31st March 2012, your Board has recommended a dividend @ Rs. 1.20 per share (12%) for the equity shareholders of the Company in continuance of the last year.

Your Board is regularly taking initiative to improve its performance as a whole. It is trying to control cost at its day to day performance for the betterment of its profitability. The Senior Management also counsel, guide the employees / staffs to make best possible use of resources available and to contribute their best towards the development of the organization.

Material developments in human resources / industrial relations

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

Directors' Report

To,
The Members

Your Directors are pleased to present the Fourteenth Annual Report of the Company together with the Audited Financial Results for the year ended on 31st March, 2012.

Financial Results

The Financial Performance of the Company for the financial year ended on 31st March, 2012 is summarized below

(Rs in Lacs)

Particulars	2011-2012	2010-11
Net Sales / Income from Operations	85,559.27	73,008.94
Other Income	1,976.44	744.83
Total Income	87,535.71	73,753.77
Operating Profit	12,231.92	11,702.83
Interest & Financial Charges	4,708.07	3,419.23
Depreciation	3,084.18	2,617.96
Profit Before Tax	4,439.67	5,665.64
Taxation – Current	1,245.00	2,116.00
- Deferred Tax	82.36	(172.45)
- Income Tax for Prior Period	715.58	336.77
Profit after Taxation	2,396.73	3,385.31
Balance brought forward	8,820.66	5,944.62
Amount available for appropriations	11,217.38	9,329.93
Appropriations		
Proposed Dividend on equity shares	147.30	147.30
Tax on Proposed Dividend	23.90	23.90
Amount transferred to General Reserve	186.17	338.08
Amount transferred to Balance Sheet	10,860.02	8,820.66

Operational Review

Your Company has registered the net turnover of Rs. 85,559.27 lacs for the financial year 2011-12 as against Rs. 73,008.94 lacs in the previous year, thereby registered a growth of 17.19% over the last year's turnover. The operating profit of your Company for the financial year ended 31st March 2012 is Rs. 12,231.92 lacs, whereas it was Rs. 11,702.83 lacs during the last financial year.

Your Company has not any discontinued operation as on date.

Auditors Query and Management Reply

1. The Auditors raised a point in their Certificate on Corporate Governance that, the Company has not appointed an independent Director with in 31st March 2012 to meet the requirement of Clause 49 of the Listing Agreement to make balanced combination of Executive and Non Executive Independent Directors.

The Board replies that for want of suitable candidate, your Board could not appoint an Independent Director within 31st March 2012, but on 14.08.2012 Mr. Siddharth Mehta has been appointed by the Board as an Independent Director (Non executive) to meet the requirement of Clause 49 of the Listing Agreement.

Shifting of Registered Office

Your Board of Directors, vide their meeting held on 14.08.2012, subject to such other approvals, has recommended to shift the registered office of the Company from 'Ratnadeep Jaynagar, Parli Vajinath, Dist – Beed, Pin - 431520 Maharashtra to '602, 6TH Floor Trade Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra with in the state of Maharashtra under the jurisdiction of same Registrar of Companies, Ministry of Corporate Affairs, Mumbai.

Investment in Subsidiary Company – SEAM Industries Limited

Your Board of Directors, in view of the growth prospects of our subsidiary company 'SEAM Industries Limited' invested a sum of Rs. 4.20 crores in this Company and acquired 14,00,000 equity shares of Rs. 10/- each at premium of Rs. 20/- only.

Dividend

In the light of profitability of the Company, your Directors are pleased to recommend a dividend @12%, ie @ Rs. 1.20 per equity share of Rs. 10/- each (previous year Rs. 1.20 per equity share of Rs. 10/- each) for the financial year ended 31st March, 2012.

Future Prospects

India's Power Market is one of the largest in the world having high growth potential. The government aims to provide "power to all" by 2012. To achieve that promise, it will have to add as much as 1,00,000 MW of generation capacity. In the

12th Five year Plan Government of India has announced to invest more than Rs. 5,00,000 crores in construction segment of Power Projects as against Rs 2,63,000 crores in 11th Five year plan. In Infrastructure the proposed investment is Rs. 50 lacs crores under Public Private Partnership. These major initiatives of government to boost infrastructure shows the growth potential of construction business in India. Based on the above facts, the Construction business in India shall be very bright in coming years and your company being the leading Civil and Construction Company / EPC Player of India, shall be on top with other leading players of this sector.

In addition to the above, Your Board wants to commence, subject to such other approvals as may be required under the provisions of the Companies Act, 1956, to undertake the activity of rural development social welfare, the business of general trader of any industrial, commercial or agricultural goods, commodities and of the business of hire purchase or leasing of all durable, industrial and commercial properties, assets, vehicles, machinery, equipment etc. These objects have been mentioned under Clause no. 34, 38 & 39 under the heading 'Other Objects' of the Memorandum of Association.

Public Deposits

During the year ended 31st March, 2012, your Company has not accepted any deposits from the public.

Directors

As per Article 150 of Articles of Association of the Company, Mr. M. N. Mohanan and Mr. S. K. Kodandaramaiah Executive Directors and Mr. Dilip Y. Ghanekar Independent Director of the Company are liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Board of Directors recommends their reappointment subject to the approval of shareholders in the ensuing annual general meeting.

On the recommendation of the Board, The members at the annual general meeting held on 29.09.2011 have appointed Shri Sonyabapu Shankar Waghmare as a Director (Independent non executive) of the Company liable to retire by rotation.

The Board of Directors vide their meeting held on 11th February 2012, subject to such other approvals, reappointed Mr. Vijay Ratnakar Gutte, whose five year term was expiring on 28th May 2012, as a Whole time Director Finance with

effect from 29th May 2012 for tenure of five years.

The Board of Directors vide the meeting held on 14.08.2012, has appointed Mr. Siddharth Mehta as an additional director (independent non executive) of the Company, who shall cease to hold his office on the date of ensuing annual general meeting. The notice of candidature of Mr. Siddharth Mehta for the office of Director has been received by the Company along with a deposit of adequate sum. The Board, in view of knowledge and experience of Mr. Siddharth Mehta, recommends his appointment as a Director (independent non executive) of the Company, subject to the approval of members in the ensuing annual general meeting.

Directors Responsibility Statement

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

- In the preparation of Annual Accounts of the Company, the applicable Accounting Standards have been followed along with proper explanation to material departure from the same, if there any.
- They have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2012 and of the Profit of the Company for the year ended on that date.
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- They have prepared the annual accounts of the Company on a going concern basis.

Auditors

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

The Board recommends the reappointment of M/s Kapoor & Parekh Associates, Chartered Accountants, subject to the approval of shareholders in the ensuing annual general meeting.

Management Discussion and Analysis Report

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

Corporate Governance Report

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

Notes on Subsidiaries

For the financial year ended on 31st March, 2012, your Company has two subsidiaries namely 1) SEAM Industries Limited, & 2) SHEL Investments Consultancy Pvt. Ltd.

In accordance with the General Circular no. 2/2011 dated 8th February 2011, issued by the Ministry of Corporate Affairs, Government of India, Your Board of Directors consents that annual accounts of the subsidiary companies and the related detailed information shall be made available to Shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding Company and of the subsidiary companies concerned and also the complete annual accounts of the subsidiaries shall be posted on the web site of the Company www.sunilhitech.com. Details of Financial Statement of Subsidiary Companies form part of this Annual Report.

In continuation of the above, , the Balance sheet, Profit & Loss Account and other documents of subsidiary Companies are not being attached with the Balance Sheet of the Company. In addition to the above, Statement under section 212 of the Companies Act, 1956 has been attached with the Annual Report.

Consolidated Accounts

As required under Clause 32 of Listing Agreements with Stock Exchanges, Consolidated Financial Statement of the

Company and its subsidiaries as aforesaid have been attached with the annual accounts of the Company.

Insurance

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

Particulars of Employees

As required by the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 the names and other particulars of employees are set out in the annexure 1 to the Directors' Report and forms part of this report .

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

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with the

Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed in annexure 2 and forms part of this report.

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

Place: Nagpur, Maharashtra
Date: 14.08.2012

Ratnakar Manikrao Gutte
Chairman & Managing Director

Sunil Ratnakar Gutte
Joint Managing Director

Annexure 1 to the Directors Report

Statement of particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report of the year ended on 31st March, 2012 are as follows;

Sr. No.	Name	Designation	Date of Commencement of employment	Qualification	Age (Years)	Experience	Gross Remuneration	Previous Employment
1	Mr. Ratnakar M. Gutte	Chairman & Managing Director	08-06-1998	Under Graduate	54 Years	31 Years	99,87,113/-	N. A.
2	Mr. M. N. Mohanan	Executive Director	01-06-2003	Diploma-Mech. Eng	54 Years	30 Years	79,95,041/-	N. A.

Note:

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

Annexure 2 to the Directors Report

Energy Conservation, Technology Absorption And Foreign Exchange Earnings And Outgo

A) Conservation of Energy

Conservation of energy is very vital for the society and is a continuous process. 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 like CFL light fittings to save energy, capacitor bank / devices to maintain power factor and plant & equipment which are environment and power friendly. In offices we are using mostly star rated electrical equipments, energy efficient computers, IT equipments to save electricity and avoid unnecessary use of electricity by switching off lights, air conditioners during lunch breaks, while not on work. In sites too, we regularly monitor the use of cranes, machinery, vehicles to ensure their effective utilization to save fuel and power.

(B) Technology Absorption

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

(c) Foreign Exchange Earnings and Outgo

The Company has incurred the following expenses in foreign currency as per 'Notes on Accounts' during the financial year 2011-2012, the rupee equivalent of that amount has been given hereunder;

Particulars	Rs. in Lacs
CIF value of Imports	3,327.63
Other Expenditure	82.82

By the order of the Board

Place: Nagpur, Maharashtra
Date: 14.08.2012

Ratnakar Manikrao Gutte
Chairman & Managing Director

Sunil Ratnakar Gutte
Joint Managing Director

Code of Conduct

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

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

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

Community involvement:

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

Public Activities:

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

Innovation:

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

Competition:

The Company believes in vigorous yet fair competition and supports the development of appropriate Competition laws. The Company will conduct its operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity Fairness & Transparency:

The Directors and Senior Management Personnel discharge their duties and obligations in accordance with sound business policies and prudent commercial practices and in the interests of the Company and its stakeholders. They apply their best efforts and organize the resources towards the achievement of Company's mission, aspiration, & values. They are expected to act diligently, openly, honestly and in good faith. They must guide their subordinates to act diligently and collectively.

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

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

Conflicts of Interests:

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

Compliances Monitoring & Reporting:

Compliance with these principles is an essential element in our business success. The Board & Senior Management Personnel are responsible for ensuring that these principles are communicated to, and understood and observed by, all employees. Day to- day responsibility is delegated to the senior management of the company. They are responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs. Assurance of compliance is given and monitored each year. Compliance with

the code is subject to review by the Board supported by the audit committee of the Board. Any breaches of the code must be reported in accordance with the procedures specified by the Secretary. The Board will not criticize management for any loss of business resulting from adherence to these principles and other mandatory policies and instructions.

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

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

Compliance Officer

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

Amendment and Modification

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

Report on Corporate Governance

1. Company's Corporate Governance Policy

The term Corporate Governance refers to the set of processes, standards, rules, or laws designed to manage an organization in accordance with all applicable laws. Corporate Governance is about a stated commitment to values and ethical business conduct and maintaining an appropriate balance of accountability between key players – corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders, creditors and other outsiders. The Principle of Corporate governance based upon the principle of transparency in management decisions between board, managerial personnel, employees on one side and stakeholders, bankers, creditors and all other outsiders dealing with the Company on other side.

Your Company constantly maintains good corporate governance practices by ensuring timely disclosure of all material facts, events and information, securing compliance with all applicable laws to secure the interest of the stakeholders, bankers, creditors, employees and other persons dealing with the Company.

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

Board Composition

Size and composition of the Board

The Board has a combination of Executive and Independent Non-Executive Directors as provided in the Listing Agreement to ensure independency and transparency in managerial decision making in Board Meetings to secure the interests of the Company, its employees, its stakeholders and creditors. As on 31st March 2012, the Board comprises eleven Directors. The details of the composition of the Board of Directors & details of other directorships held by them, during the year are as per the below mentioned table;

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

Name of the Director	Category of Directorship	No. of Board Meeting Attended	Whether Last AGM Attended	No of other Directorships#	Committee position held in other public companies	
					Chairman	Member
Mr. Ratnakar M. Gutte	P&ED	2	Yes	2	0	0
Mrs. Sudhamati R. Gutte	P&ED	2	Yes	1	0	1
Mr. Sunil R. Gutte	P&ED	6	No	2	0	2
Mr. Vijay R. Gutte	P&ED	2	No	1	0	1
Mr. S. K. Kodandaramaiah	ED	3	No	0	0	0
Mr. M. N. Mohanan	ED	3	No	0	0	0
Mr. Dilip Y. Ghanekar	I&NED	1	No	0	0	0
Mr. S. S. Waghmare*	I&NED	2	No	0	0	0
Mr. Sajid Ali	I&NED	6	No	0	0	0
Mr. Parag Sakalakar	I&NED	6	Yes	1	1	0
Mr. Devesh Garg	I&NED	0	No	0	0	0
Mrs. Sarita Rathi**	I&NED	0	No	0	0	0
Mr. Kamlakar G. Holkar***	I&NED	0	No	0	0	0

excludes Private Limited Companies, Companies registered not for earning profit (Section 25 Companies) and Foreign Companies

P – Promoter, ED – Executive Director, I – Independent Director, NED – Non Executive Director

*Mr. S. S. Waghmare, has been appointed as an Additional Director (Independent – Non Executive) of the Company with effect from 30th August 2011.

**Mrs. Sarita rathi, who was the Independent Non executive Director of the Company has resigned from Directorship with effect from 3rd April 2011.

***Mr. Kamlakar G. Holkar, who was the Independent Non executive Director of the Company has resigned from Directorship with effect from 3rd August 2011.

There is no Nominee Director in the Company.

Board Meetings held and the dates on which held

During the financial year 2011-2012, six Board Meetings were held. The Board meets at least once every quarter inter-alia to review the performance of the Company; the gap between the two Board meetings does not exceed a period of four months.

Sr. No.	Date	No. of Directors Present
1	12th May, 2011	5
2	19th July, 2011	6
3	11th August, 2011	6
4	30th August, 2011	5
5	14th November, 2011	4
6	11th February, 2012	7

As per Article 150 of Articles of Association of the Company, Mr. M. N. Mohanan, Mr. S. K. Kodandaramaiah and Mr. Dilip Y. Ghanekar, Directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting and being eligible, offered themselves for reappointment. The

Board of Directors recommends their reappointment subject to the approval of shareholders in the ensuing Annual General Meeting.

On the Recommendation of the Remuneration Committee, the Board of Directors vide their meeting held on 11th August 2011, revised the salary structure of Mr. M. N. Mohanan and Mr. S. K. Kodandaramaiah, Executive Directors of the Company & also the sitting fee paid to Non executive directors.

The Board of Directors, on the recommendation of the Remuneration Committee, at their respective meetings held on 11th February 2012 has re appointed Shri Vijay R. Gutte as Whole time Director (Finance) of the Company with effect from 29th May 2012 for a period of five years.

The Board of Directors at their meeting held on 14th August 2012, has appointed Mr. Siddharth Mehta as additional director of the Company, who shall hold office only upto the date of ensuing annual general meeting.

Profiles of Retiring Directors in the Annual General Meeting and of Shri Vijay R. Gutte have been given hereunder;

Name of the Director	M. N. Mohanan	S. K. Kodandaramaiah	Dilip Y. Ghanekar
Date of Birth	23rd May, 1958	4th September, 1949	19th September, 1956
Date of Appointment on the Board	1st June, 2003	5th February, 2004	30th January, 2007
Qualification	Diploma in Mechanical Engineering	Post Graduate in Mechanical Engineering	B. E. (Mech.) and Diploma in Industrial Management from V. R. C. E. Nagpur
Expertise in Specific Areas	Experience in fabrication and erection of heavy steel structures, erection of boilers and auxiliaries, erection of electrostatic precipitators, equipment, power cycle piping and LP piping.	Experience in areas of project management, construction management, commercial, contracting and overseas marketing.	Experience in Planning Construction, Operation, and Maintenance of Power Stations having 500MW capacity.
List of other Companies in which Directorship held as on 31st March, 2012 (excluding Directorship in private, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.)	Nil	Nil	Nil

Name of Directors	Vijay Ratnakar Gutte
Date of Birth	19th March, 1983
Date of Appointment on the Board	29th May, 2007
Qualification	M. B. A. in Marketing & Finance
Expertise in Specific Areas	Experience in administration, Financial planning & control and corporate expansion.
List of other Companies in which Directorship held as on 31st March, 2012(excluding Directorship in private, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.)	SEAM Industries Limited

Board Committees

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

In addition to the above, the Board of Directors vide their meeting held on 11th Feb 2012, has formed a Committee to look after the banking activities of the Company under the membership of Mr. Sunil R. Gutte – Joint Managing Director, Mr. S. K. Kodandaramaiah & Mr. M. N. Mohanan, Executive Directors of the Company.

2. Audit Committee

The Board has constituted the Audit Committee to meet the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. The Audit Committee consists of five members and all members of the Audit Committee are financially literate. Two third members of the Committee consist of Independent Directors.

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

Details of the Audit Committee meetings held:-

During the financial year ended on 31st March, 2012, five meetings of the audit committee were held on 12th May, 2011; 11th August, 2011; 30th August, 2011; 14th November, 2011 and 11th February, 2012 the details of no. of

meeting attended by the members are as follows:

Name of Members	Category	Meetings Attended
Mr. Parag Sakalika	Chairman	5
Mr. Dilip Y. Ghanekar	Member	1
Mr. Vijay R. Gutte	Member	2
Mr. Ratnakar M. Gutte	Member	2
Mr. Sajid Ali	Member	5

3. Remuneration Committee

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

The Remuneration Committee while recommending revision in the remuneration, takes into account the profitability of the Company, applicable provisions of the Companies Act 1956, contribution of a particular Director towards the growth of the Company and other matters related therewith or incidental there to.

The Remuneration committee consists of three Independent Directors. During the financial year 2011-2012, two meetings of the Committee have been held on 11th August, 2011 & 11th February 2012 – the details of attendance at meeting are as follows:

Name of Members	Category	Meetings Attended
Mr. Parag Sakalika	Chairman	2
Mr. Dilip Y. Ghanekar	Member	1
Mr. Sajid Ali	Member	2
Mr. K. G. Holkar*	Member	0

*Resigned from Directorship with effect from 3rd August 2011.

Details of remuneration of the Directors:

The aggregate value of salary and perquisites paid to the Chairman and Managing Director subject to the provisions of Schedule XIII of the Act, for the financial year ended 31st March, 2012 was as follows:

Name	Salary(₹)	Perquisites & Allowances (₹)	Total (₹)
Mr. Ratnakar M. Gutte, (Chairman & Managing Director)	84,00,000/-	15,87,113/-	99,87,113/-
Mrs. Sudhamati R. Gutte	48,00,000/-	2,88,623/-	50,88,623/-
Mr. Sunil R. Gutte	48,00,000/-	2,88,000/-	50,88,000/-
Mr. M. N. Mohanan	51,00,000/-	28,95,041/-	79,95,041/-
Mr. S.K. Kodandaramaiah	40,20,000/-	-	40,20,000/-
Mr. Vijay R. Gutte	48,00,000/-	2,88,000/-	50,88,000/-

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

The sitting fees paid to Non-Executive Directors for the financial year ended on 31st March 2012, are as follows:

Name of Non-Executive Directors	Sitting Fees (in ₹)
Mr. Dilip Y. Ghanekar	10,000/-
Mr. Sajid Ali	45,000/-
Mr. Parag A. Sakalika	45,000/-
Mr. S. S. Waghmare	20,000/-
Mr. Devesh Garg	Nil
Mrs. Sarita Rathi	Nil
Mr. Kamlakar G. Holkar	Nil

The equity shareholding of the Directors as on 31st March, 2012 is as follows:

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

4. Shareholders / Investors' Grievance Committee

The Shareholders / Investors' Grievance Committee comprised of three Directors and two of them are Independent Directors. The Committee has been constituted to resolve the complaints and grievances of the investors. The meeting of this Committee has been held at 29th April, 2011; 11th August, 2011; 14th November, 2011 and 11th February, 2012 during the financial year 2011-12. Presently the Company Secretary looks after the Shareholders' Grievances. The name of the members of the Investors' Grievance Committee & the number of meetings attended by them 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

The Company Secretary acts as a Secretary to the Committee and also as the Compliance Officer. The Company has received 9 complaints during the year and all of them have been redressed /answered to the satisfactory of the Shareholders. No investor grievance remained unattended /pending for more than 30 days.

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

Sr. No.	Descriptions	No. of Complaints
1	Non Receipt of Annual Report	4
2	Non Receipt of Dividend Warrant	5

Name, Designation & address of the Compliance Officer has been mentioned at the end of this document.

5. General Body Meetings

A. Location and time of the last three AGMs:

Year	Location	Date & Time	Whether any special resolution passed
2008-2009	Ratnadeep, Jaynagar, Parli – Vaijnath, Dist – Beed (Maharashtra), Pin – 431520.	17th September 2009 at 11.00 A. M.	No
2009-2010	Ratnadeep, Jaynagar, Parli – Vaijnath, Dist – Beed (Maharashtra), Pin – 431520.	30th September 2010 at 3.00 P.M	Yes
2010-2011	Ratnadeep, Jaynagar, Parli – Vaijnath, Dist – Beed (Maharashtra), Pin – 431520.	29th September 2011 at 2.00 P.M	Yes

The following are the special resolutions passed at the Annual General Meeting held on 29th September 2011:

- Alteration of Articles to provide for service of notice of general meetings along with all attachments and enclosures through electronic mode to all concerned
- Alteration of Articles to provide for conduct of general meetings through video conferencing / teleconferencing
- Alteration of Articles to provide for service of notice of board / committees meetings along with all attachments and enclosures through electronic mode to all concerned
- Alteration of Articles to provide for conduct of board / committees meetings through video conferencing / teleconferencing

B. Resolution passed through postal ballot process:

None of the business proposed to be conducted through postal ballot process as special resolution in the ensuing annual general meeting.

The Board of Directors at their meeting held on 14th February 2011, has recommended certain businesses to be passed as

Special Resolutions related with alteration of Object Clause, Commencement of New Businesses, Investments/Loans/ Guarantee/ security in other bodies corporate in excess of permissible limit under section 372A of the Companies Act, 1956 and Revision in Managerial Remuneration, through postal ballot and these resolutions were passed as special resolutions through postal ballot, the result of which had been declared at the Extra Ordinary General meeting held on 4th April 2011. The Procedure for conducting postal ballot process was as prescribed in the Companies Act, 1956 read with the Companies (Passing of Resolution through Postal Ballot Process) Rules, 2001 viz sending of notices with postal ballot forms, appointment of Scrutinizer, Submission of report by Scrutinizer to the Board and declaration of result. The Board of Directors at their meeting held on 14th February, 2011 has appointed M/s Manish Pande & Co., Company Secretaries as scrutiner to conduct the postal ballot process. The Result of the postal ballot has been declared at the extra ordinary general meeting held on 4th April 2011 at the Registered Office of the Company.

Items of the Notice	Particulars	Type of Resolution	No. of Votes Cast in favour of the Resolution	No. of Votes Cast Against the Resolution	No. of votes not participated	Remarks / Report
1.	Commencement of new business as mentioned under Clause 36 under Object Clause of MOA	Special	6571853	10976	1257	Passed as Special Resolution
2.	Alteration of object clause by insertion of following clause after clause 39					
2. a.	Clause No. 40 entitling the company to set up and establish all kinds of power plant / projects in India or abroad and to generate and distribute power.	Special	6572615	10776	695	Passed as Special Resolution

Items of the Notice	Particulars	Type of Resolution	No. of Votes Cast in favour of the Resolution	No. of Votes Cast Against the Resolution	No. of votes not participated	Remarks / Report
2. b.	Clause No. 41 to acquire and develop Coal Block, to purchase, sells and distributes coal either in India or abroad.	Special	6572445	10976	665	Passed as Special Resolution
2. c.	Clause No. 42 entitling the Company to set up and establish all kinds of water projects, water treatment plant in India or abroad and to produce and distribute water.	Special	6572345	11076	665	Passed as Special Resolution
2. d.	Clause No. 43 entitling the company to set up, establish and run all kinds of schools, colleges, institutions, hospitals, universities etc	Special	6571943	11361	782	Passed as Special Resolution
2. e.	Clause No. 44 entitling the company to act as consultant for all kinds of power projects or establishment and commissioning of any plant, machinery of any description.	Special	6572425	10996	665	Passed as Special Resolution
2. f.	Clause No. 45 entitling the company to establish iron and steel plant, heavy engineering plant, and to manufacture, purchase, sell and distribute and to act as commission agent for all kinds of iron and steel products, heavy engineering goods, railway goods, wheels, bogies, automobile parts, heavy vehicle parts etc.	Special	6572495	10876	715	Passed as Special Resolution
2. g.	Clause No. 46 entitling the company to build, construct roads, bridges, dam to carry on various infrastructural activities.	Special	6572328	11093	665	Passed as Special Resolution
3.	Commencement of new business as mentioned in Clause No. 40 to 46, the details of which are mentioned above in point no. 2.a to 2. G					
3. a.	Clause No. 40	Special	6572945	10776	365	Passed as Special Resolution
3. b.	Clause No. 41	Special	6572428	11046	612	Passed as Special Resolution
3. c.	Clause No. 42	Special	6572328	11029	729	Passed as Special Resolution

Items of the Notice	Particulars	Type of Resolution	No. of Votes Cast in favour of the Resolution	No. of Votes Cast Against the Resolution	No. of votes not participated	Remarks / Report
3. d.	Clause No. 43	Special	6571532	11869	685	Passed as Special Resolution
3. e.	Clause No. 44	Special	6572288	11133	665	Passed as Special Resolution
3. f.	Clause No. 45	Special	6572318	11103	665	Passed as Special Resolution
3. g.	Clause No. 46	Special	6572191	11230	665	Passed as Special Resolution
4.	Authorization for Inter Corporate Loans and Investments, Guarantee, & Security to the tune of Rs. Three hundred crores.	Special	6571937	11284	865	Passed as Special Resolution
5.	Approval for payment of remuneration to management personnel	Special	6566858	16363	865	Passed as Special Resolution

6. Disclosures

- i) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have the potential conflict with the interest of the Company at large:
None of the transactions with any of the related parties was in conflict with the interests of the Company. The transactions with the related parties are disclosed in Note 41 of 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 Exchange or SEBI or any statutory authority.
- iii) The Company has not established a 'Whistle Blower Policy' so far. No person has been denied access to the audit committee.
- iv) The Company has complied with the mandatory requirements of this Clause and submits on quarterly basis the quarterly compliance report to the stock exchanges concerned.
- v) All Directors and senior management personnel have affirmed compliance with the Code of Conduct and a declaration to that effect is attached with this report.

7. Means of Communication

Your Company publishes its quarterly / half yearly / annual financial results in the leading English daily and the leading local newspapers. The Annual Audited Financial Statements on standalone as well as on consolidated basis are also published in the leading English & local newspapers. These financial results are also posted in our official Website www.sunilhitech.com. Our means of communication is transparent and timely. In addition to the financial results, we publish the other information too, as required to be published under the Companies Act, 1956 or the Listing Agreement or any other laws applicable or as may be required in the public interest. At the time of disclosing the material facts, we take care of interests of the person to whom the information is addressed so that each and every material fact should be disclosed to the extent possible.

Apart from disclosing information in Newspapers, we provide and update from time to time various information about our Company in our official web site www.sunilhitech.com related with investors, customers, etc. and all other person dealing with your Company. In addition to this, we also send 'Investors Presentation' on quarterly basis to research analysts and financial institutions like IDBI Capital Market Services Limited, Tata Capital Limited, Avendus India Equity Research etc.

8. General Shareholder Information

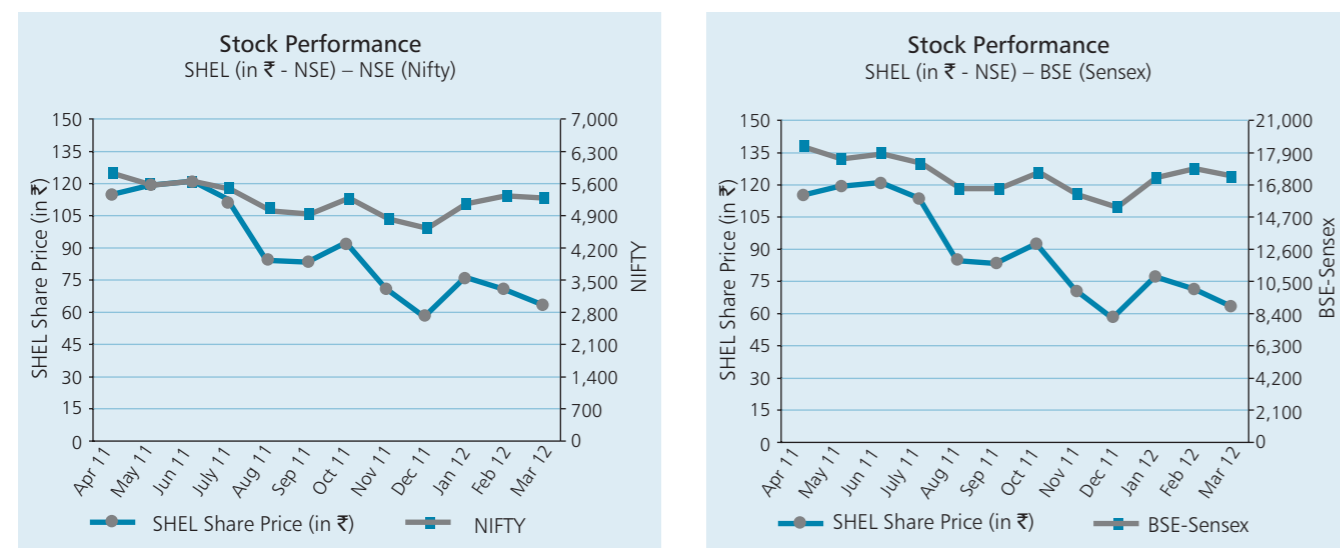
i Annual General Meeting	Date, time and venue	: 27th September, 2012 Ratnadeep, Jaynagar, Parli, Vajinath, Dist. Beed, Maharashtra, Pin - 431520
ii Financial Calendar (Tentative)	Results for the Quarter ending:	30th June 2012 : Upto 14th August 2012 30th September 2012 : Upto 14th November 2012 31st December 2012 : Upto 14th February 2013 31st March 2013 : Upto 14th May 2013
iii Dates of Book Closure		: 20th September 2012 to 27th September 2012 (both days inclusive)
iv Dividend Payment Date		: 04th October 2012
v Listing on Stock Exchanges		: Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Code: 532711) National Stock Exchange of India Ltd. "Exchange Plaza" Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 (Code : SUNILHITEC)
vi ISIN Number for NSDL and CSDL		: NE305H01010

vii Stock Market Data:

Monthly high & low quotes of Shares traded in NSE and BSE

Period	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-11	139.95	107.00	8,20,438	139.50	107.10	3,94,467
May-11	129.00	108.25	6,32,242	130.00	108.25	3,84,752
Jun-11	132.10	111.15	7,98,988	132.30	111.20	3,71,838
Jul-11	124.40	112.00	4,22,980	124.00	112.10	2,62,608
Aug-11	115.35	75.55	5,68,589	115.00	76.00	3,82,584
Sep-11	98.50	81.50	3,27,718	98.50	81.75	2,44,565
Oct-11	94.60	78.00	1,84,935	100.00	78.50	98,401
Nov-11	97.65	66.00	2,69,489	97.80	66.00	1,86,987
Dec-11	74.00	53.75	1,17,161	73.75	56.10	76,983
Jan-12	81.00	57.05	10,31,458	81.00	57.05	5,96,134
Feb-12	85.80	68.55	6,78,792	85.95	68.50	5,19,288
Mar-12	74.90	60.60	2,24,250	72.80	61.05	1,32,452

Performance



- viii **Registrar and Transfer Agents** : Bigshare Services Private Limited,
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072
Tel : 022-40430200
Email : info@bigshareonline.com
- ix **Share Transfer System** : Share Transfers in physical form can be lodged with Bigshare Services Private Limited at the above mentioned address. The transfers are generally processed within 10 days from the date of receipt, if the documents are complete in all respects and thereafter informed to the concerned person.
- x **Shareholding Pattern and Distribution of Equity Shareholding as on 31st March, 2012.**

a) Shareholding Pattern :

Sr. No.	Category	No. of Shares	Shareholding (%)
1.	Promoter Holding		
	Indian Promoter	65,30,990	53.21
	Foreign Promoter	Nil	Nil
2.	Mutual Funds	14,140	0.12
3.	Financial Institutions & Banks	1087	0.01
4.	Corporate Bodies	6,30,357	5.13
5.	NRI, Foreign National, OBCs & FIIS	12,83,447	10.46
6.	Individual Shareholders Holding Nominal Capital up to ₹ 1 Lac	31,76,546	25.88
	Individual Shareholders Holding Nominal Capital in excess of ₹ 1 Lac	6,22,252	5.06
7.	Clearing Member	16,288	0.13
8.	Trust	53	0.00
	Total	1,22,75,160	100

b) Distribution of Shareholding

No. of Shares held	Shareholders		Shares	
	No.	%	No.	%
Upto 5000	16,030	92.19	17,20,320	14.02
5001-10000	736	4.23	5,97,172	4.86
10001-20000	359	2.06	5,40,994	4.41
20001-30000	89	0.51	2,22,592	1.81
30001-40000	49	0.28	1,80,999	1.47
40001-50000	43	0.25	2,06,130	1.68
50001-100000	46	0.26	3,10,281	2.53
100001 & above	36	0.21	84,96,672	69.22
Total	17,388	100.00	1,22,75,160	100.00

xi De-materialisation of shares and liquidity

The shares are compulsorily traded in de-materialised form and available for trading system at both National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shares of the Company are widely traded on the Stock Exchange and have good volume & liquidity.

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

As on 31st March, 2012 Shares held in CDSL, NSDL & in Physical form are as follows:-

Particulars	No. of Shares	% of total Capital Issued
CDSL	13,16,301	10.72
NSDL	1,09,53,905	89.24
PHYSICAL	4954	0.04
TOTAL	1,22,75,160	100.00

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

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

xiv Investor Correspondence Address:

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

Details of Compliance Officer:

Shri Sandeep Kr. Mishra
(Company Secretary & Compliance Officer)
Sunil Hitech Engineers Ltd
97, East High Court Road, Ramdaspath, Nagpur – 440 010
Email: cs@sunilhitech.com / investor@sunilhitech.com

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

Bigshare Services Private Limited,
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072
Tel.: 022-40430200 • Email: info@bigshareonline.com

By the order of the Board

Place: Nagpur, Maharashtra
Date: 14.08.2012

Ratnakar Manikrao Gutte
Chairman & Managing Director

Sunil Ratnakar Gutte
Joint Managing Director

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

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2011-12."

Sunil R. Gutte
Joint Managing Director

CEO/CFO certification for 2011-12

SHEL/LA/2012-13/

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

CEO / CFO certification for Preparation of Financial Statements on Standalone & Consolidated Basis

We, Sunil Ratnakar Gutte – Joint Managing Director and Vijay R. Gutte – Director (Finance) hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement prepared on standalone and consolidated basis for the financial year ended on 31st March' 2012 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
- (i) Minor changes in internal control over financial reporting during the year;
 - (ii) There is no changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There are no instances of significant fraud in the company's internal control system over financial reporting.

Date: 14.08.2012
Place: Nagpur

(Sunil Ratnakar Gutte)
Joint Managing Director

(Vijay Ratnakar Gutte)
Director (Finance)

Statement Pursuant to Section 212 of the Companies Act, 1956, Relating to Companies' Interest in Subsidiaries for the Financial Year 2011-12

Sl.No.	Particulars	SEAM Industries Limited	SHEL Investments Consultancy Pvt. Ltd.
1	Date from which the became subsidiaries	28th May, 2005	15th March, 2010
2	The financial year of the subsidiary company ended on	31.03.2012	31.03.2012
3	Number of shares in the subsidiary company held by Sunil Hitech Engineers Limited at the above date	49,00,000 Shares of Rs. 10/- Each	9,999 Shares of Rs. 10/- Each
4	Extent of holding at the end of the financial year of The subsidiary company	88.61%	99.99%
5	The net aggregate amounts of the subsidiary companies profit / (loss) so far as it concerns the members of holding company		
A. Not Dealt With Holding Co. Accounts (Rs. in Lacs):			
I.	For the financial year ended 31st March, 2012	481.84	0.62
II.	For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries	702.13	(1.50)
B. Dealt With In Holding Company's Accounts (Rs. in Lacs):			
I.	For the financial year ended 31st March, 2012	Nil	Nil
II.	For the previous financial years of the subsidiary companies since they became the holding company's subsidiaries	Nil	Nil

Date: 14th August 2012
Place: Nagpur

Ratnakar M. Gutte
Chairman & Managing Director

Sunil R. Gutte
Joint Managing Director

Details of Subsidiary Companies As on 31st March, 2012

Sl. No.	Particulars	Name of Subsidiary Company	
		SEAM Industries Limited	SHEL Investments Consultancy Pvt. Ltd.
1	Capital	553.00	1.00
2	Reserves	1,685.79	(0.89)
3	Liabilities	3,948.29	1,211.64
4	Total Assets	10,544.41	1,211.88
5	Total Liabilities	10,544.41	1,211.88
6	Investments	16.00	1,210.74
7	Turnover	11,853.13	-
8	Profit Before Taxation	880.36	0.62
9	Provision For Taxation	336.58	-
10	Profit After Taxation	543.78	0.62
11	Proposed Dividend	Nil	Nil

Date: 14th August 2012
Place: Nagpur

Ratnakar M. Gutte
Chairman & Managing Director

Sunil R. Gutte
Joint Managing Director

Auditors' Certificate on Corporate Governance

To the Members of
Sunil Hitech Engineers Limited

1. We have examined the compliance of conditions of Corporate Governance by **SUNIL HITECH ENGINEERS LIMITED** ("the Company") for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examinations has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. One of the independent directors resigned on 3rd August, 2011. Consequently, requirement of having minimum independent directors in Board of Directors remains unfulfilled till the year end.
4. Subject to paragraph 3 above, 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 Clause 49 of the above-mentioned Listing Agreements.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Kapoor & Parekh Associates**
Chartered Accountants
[ICAI FRN 104803W]

N.M. Parekh
Partner
Membership No. 33528

Nagpur, 14th August, 2012

Auditors' Report

To
The Members of
SUNIL HITECH ENGINEERS LIMITED

Standalone financial statements

1. We have audited the attached Balance Sheet of SUNIL HITECH ENGINEERS LIMITED ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
 - a) We have 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 and proper returns adequate for the purposes of our audit have been received from the locations not visited by us;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give, a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 and proper returns adequate for the purposes of our audit have been received from the locations not visited by us;

For Kapoor & Parekh Associates
Chartered Accountants
(ICAI FRN 104803W)

N.M. Parekh
Partner

Nagpur, 14th August, 2012

Membership No. 33528

Annexure to Auditors' Report

(Referred to in the paragraph 4 of our report of even date to the Members of SUNIL HITECH ENGINEERS LIMITED on the accounts for the year ended 31st March, 2012)

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except location wise details of some of the movable assets shifted / transferred amongst various sites.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year as per the phased programme which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and going concern status of the Company is not affected.
2. In respect of inventories:
 - a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
3. In our opinion and according to the information and explanations given to us, the Company had granted unsecured loans to three companies covered in the register maintained under Section 301 of the Companies Act, 1956. Total amount outstanding at the year end is ₹ 301.00 Lacs and maximum amount outstanding during the year is ₹ 600.92 Lacs. In our opinion the rate of interest, wherever charged, and the other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.

The loans granted are re-payable on demand. The parties have repaid the principal amount on demand and have also been regular in the payment of interest to the Company.

The Company has not granted any loan, secured or unsecured, to the firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.

The Company has not taken any loan from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, hence the provision of clause 4(iii)(e), 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there exist an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. However internal control as regards to documentation of receipt and issues of raw materials and stores at project sites needs to be strengthened. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section and such transactions exceeding ₹ 5.00 Lacs in respect of each party have been made at prices which are prima facie, reasonable having regard to the prevailing market prices at the relevant time where such prices are available.
6. The Company has not accepted any deposit from public. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records of the Company in respect of relevant activities pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
9. According to the information and explanations given to us in respect of statutory and other dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the year except in some cases there has been delays.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable except for VAT pertaining to Tamil Nadu aggregating to ₹ 14.69 Lacs.

- c) On the basis of our examination of the documents and records of the Company and the information and explanations given to us, there are no dues of Income Tax, Sales tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of a dispute, except as enumerated herein below which are pending before respective authorities as mentioned there against:

Name of the Statute	Nature of the Dues	Amount* (₹ in Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Service Tax under Finance Act, 1994 & The Central Excise Act, 1944	Service Tax (Basic & Penalty)	864.85	2005-06 to 2007-08	Custom, Excise, Service Tax Appellate Tribunal

*Net of amounts paid under protest or otherwise.

10. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
11. Based on our audit procedures, information and explanations given to us, in our opinion the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any outstanding debentures during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the cash flow statement and other records examined by us and on the basis of the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
19. According to the information and explanations given to us, the Company has neither outstanding debentures at the beginning of the year nor has issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kapoor & Parekh Associates
Chartered Accountants
[ICAI FRN 104803W]

N. M. Parekh
Partner

Nagpur, 14th August, 2012

Membership No. 33528

Balance Sheet as at March 31, 2012

(₹ in Lacs)

PARTICULARS	Note No.	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,227.52	1,227.52
Reserves and Surplus	4	24,143.38	21,918.82
		25,370.90	23,146.34
Non-Current Liabilities			
Long-Term Borrowings	5	2,085.93	1,958.90
Long-Term Provisions	6	204.80	144.85
		2,290.73	2,103.75
Current liabilities			
Short-Term Borrowings	7	28,894.52	22,765.89
Trade Payables	8	14,639.19	12,753.56
Other Current Liabilities	9	19,516.55	22,362.24
Short-Term Provisions	10	223.28	210.91
		63,273.54	58,092.60
Total		90,935.17	83,342.69
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11A	13,040.70	13,053.30
Intangible Assets	11B	534.32	56.85
Capital Work-in-Progress		542.44	1,357.55
Non-Current Investments	12	2,968.90	3,499.69
Deferred Tax Assets	13	450.02	532.38
Long-Term Loans and Advances	14	2,325.91	2,494.75
Other Non-Current Assets	19	1,331.93	2,545.43
		21,194.22	23,539.95
Current Assets			
Current Investments	15	-	700.00
Inventories	16	11,334.67	4,212.68
Trade Receivables	17	20,911.17	26,041.04
Cash and Bank Balances	18	3,818.41	2,166.49
Short-Term Loans and Advances	14	23,421.33	18,927.66
Other Current Assets	19	10,255.37	7,754.87
		69,740.95	59,802.74
Total		90,935.17	83,342.69
Significant Accounting Policies	2		

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

As per our report of even date attached

For Kapoor & Parekh Associates
Chartered Accountants

For Sunil Hitech Engineers Limited

N. M. Parekh
PartnerRatnakar M. Gutte
Chairman and Managing DirectorSunil R. Gutte
Joint Managing DirectorSandeep Mishra
Company Secretary

Nagpur, 14 August 2012

Nagpur, 14 August 2012

Statement of Profit and Loss for the year ended March 31, 2012

(₹ in Lacs)

PARTICULARS	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
INCOME			
Revenue from Operations	20	85,559.27	73,008.94
Other Income	21	1,976.44	744.83
TOTAL REVENUE		87,535.71	73,753.77
EXPENSES			
Cost of Material Consumed	22	24,757.00	21,233.55
Changes in Inventories of Work-in-Process	23	(300.94)	-
Purchase of Traded Goods	24	9,726.72	4,531.60
Contract and Site Expenses	25	27,403.53	25,455.00
Employee Benefit Expenses	26	6,462.55	4,927.18
Finance Cost	27	4,708.07	3,419.23
Depreciation and Amortisation	28	3,084.18	2,617.96
Other Expenses	29	7,348.45	5,953.62
TOTAL EXPENSES		83,189.56	68,138.14
Profit Before Exceptional and Extraordinary Items and Tax		4,346.15	5,615.63
Add / (Less): Exceptional Items [Income / (Expense)]		-	-
Profit Before Extraordinary Items and Tax		4,346.15	5,615.63
Add / (Less): Extraordinary Items [Income / (Expense)]		93.52	50.00
Profit Before Tax		4,439.67	5,665.63
Provision for Taxation			
- Current Tax		1,245.00	2,116.00
- Deferred Tax		82.36	(172.45)
- Income Tax for Earlier years		715.58	336.77
Profit for the year from Continuing Operations		2,396.73	3,385.31
There are no discontinuing operations.			
Earnings Per Share (Face Value ₹ 10/-)	30		
Before Extraordinary Items			
Basic and Fully Diluted (₹)		19.01	27.31
After Extraordinary Items			
Basic and Fully Diluted (₹)		19.53	27.58
Significant Accounting Policies	2		

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

As per our report of even date attached

For Kapoor & Parekh Associates
Chartered Accountants

For Sunil Hitech Engineers Limited

N. M. Parekh
PartnerRatnakar M. Gutte
Chairman and Managing DirectorSunil R. Gutte
Joint Managing DirectorSandeep Mishra
Company Secretary

Nagpur, 14 August 2012

Nagpur, 14 August 2012

Statement of Cash Flow for the year ended March 31, 2012

(₹ in Lacs)

PARTICULARS	Year ended March 31, 2012	Year ended March 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax and Extraordinary Items	4,346.15	5,615.63
Add Back:		
Depreciation and Amortisation	3,084.18	2,617.96
Exchange Differences	368.19	(97.34)
Bad Debts / Advances Written off	119.57	92.37
Provision for Doubtful Debts / Advances	108.10	382.17
Loss on Sale of Non Current Investments	20.00	7.57
Wealth Tax (Included in Other Expenses)	5.78	5.57
Loss on Assets Discarded	-	10.13
Miscellaneous Expenditure Written off	-	66.90
Amount Written Back	(167.68)	(209.95)
Profit on Sale of Non-Current Investment - Non Trade - Net	(569.21)	-
Profit on Sale of Fixed Asset	(603.05)	(24.29)
Profit on Sale of Current Investment	-	(1.82)
Interest Expenses (Considered in Financing Activities)	4,708.07	3,419.23
Interest Income (Considered in Investing Activities)	(428.55)	(238.13)
Dividend Income (Considered in Investing Activities)	(2.39)	-
Operating Profit Before Movements / Adjustments :	10,989.16	11,646.00
Movements / Adjustments for:		
Decrease (Increase) in Inventories	(7,121.99)	(178.45)
Decrease (Increase) in Trade Receivables	4,983.08	(10,356.48)
Decrease (Increase) in Other Current Assets	(2,230.39)	(2,082.92)
Decrease (Increase) in Long Term Loans and Advances	152.02	(198.86)
Decrease (Increase) in Short Term Loans and Advances	(4,502.61)	(7,867.19)
Increase (Decrease) in Long Term Provisions	59.95	63.04
Increase (Decrease) in Short Term Provisions	17.61	28.97
Increase (Decrease) in Trade Payables	2,032.96	5,127.49
Increase (Decrease) in Other Current Liabilities	(2,836.58)	9,706.76
Cash Generated from Operations	1,543.21	5,888.36
Direct Taxes Paid (Net of Refunds)	(1,962.66)	(3,214.81)
Cash Flow Before Extraordinary Items	(419.45)	2,673.55
Extraordinary Income / (Expense)	93.52	50.00
Net Cash Generated from (Used in) Operating Activities (A)	(325.93)	2,723.55
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets - Including Intangible Assets and CWIP	(4,043.41)	(3,094.08)
Sale of Fixed Assets	1,799.03	83.31
Purchase of Non Current Investments	(420.00)	-
Sale of Non Current Investments	1,520.00	2.43
Purchase of Current Investments	-	(700.00)
Sale of Current Investments	700.00	2,501.82
Decrease (Increase) in Fixed Deposits - Net (Bank Fixed Deposits having Maturity of more than three months)	(869.87)	182.92
Interest Received	183.32	443.76
Dividend Received	2.39	-
Net Cash Generated from (Used in) Investing Activities (B)	(1,128.54)	(579.84)

Statement of Cash Flow for the year ended March 31, 2012

(₹ in Lacs)

PARTICULARS	Year ended March 31, 2012	Year ended March 31, 2011
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Long Term Borrowings - Net	116.90	(984.28)
Increase (Decrease) in Short Term Borrowings - Net	5,760.49	1,255.85
Dividend Paid	(147.30)	(0.46)
Dividend Distribution Tax Paid	(23.90)	-
Interest Paid	(4,707.95)	(3,418.08)
Net Cash Generated from (Used in) Financing Activities (C)	998.24	(3,146.97)
Net Increase (Decrease) in Cash & Cash Equivalent (A+B+C)	(456.23)	(1,003.26)
Cash and Cash Equivalent as at the beginning of the year	695.25	1,698.51
Cash and Cash Equivalent as at the end of the year	239.02	695.25
Components of Cash and Cash Equivalents		
Balances with Banks - in Current Accounts	143.65	612.47
Cheques / Drafts on hand	13.03	-
Cash on hand	82.34	82.78
Total Cash and Cash Equivalents	239.02	695.25

Notes :

- 1) The Cash flow Statement has been prepared under the "Indirect Method" set out in the Accounting Standard -3 on cash flow prescribed in the Companies (Accounting Standards) Rules, 2006.
- 2) Previous year figures are regrouped / recasted where ever required.
- 3) Figures in brackets indicates outflow.

As per our report of even date attached

For Kapoor & Parekh Associates
Chartered Accountants

For Sunil Hitech Engineers Limited

N. M. Parekh
Partner

Ratnakar M. Gutte
Chairman and Managing Director

Sunil R. Gutte
Joint Managing Director

Sandeep Mishra
Company Secretary

Nagpur, 14 August 2012

Nagpur, 14 August 2012

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

1 GENERAL INFORMATION:

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

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Accounting:

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

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.2 Use of Estimates:

Preparation of financial statements in conformity with generally accepted accounting principles, 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 reported year. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the year in which results are known / materialised.

2.3 Fixed Assets:

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

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment loss, if any.

2.4 Depreciation / Amortisation:

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

Fixed assets, excluding buildings and computers, individually costing upto ₹ 0.05 Lacs are fully written off in the year of purchase.

Premium on the leasehold land is amortised over the period of lease.

Computer Software is amortised equally over a period of five years, from the year of Purchase.

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

2.5 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.

2.6 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.

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.

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

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

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

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

Interest income is recognised on time proportion basis.

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

2.7 Investments:

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

2.8 Inventories:

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

2.9 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 contract are recognised as expenses or income over the life of the contract.

2.10 Employee Benefits:

Short-term Benefits

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

Post Retirement Benefits

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

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

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

2.11 Taxes on Income:

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

Deferred tax resulting from timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

2.12 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.

2.13 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.

2.14 Custom Duties:

Custom duty payable on goods lying in custom bonded warehouse/under clearance are provided for and included in valuation of inventories.

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

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 revenue.

2.16 Provisions, Contingent Liabilities and Contingent Assets:

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

3. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Authorised :		
2,50,00,000 Equity shares of ₹ 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up :		
1,22,75,160 Equity shares of ₹ 10/- each fully paid up	1,227.52	1,227.52
	1,227.52	1,227.52

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

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Equity shares at the beginning of the year	1,22,75,160	1,227.52	1,22,75,160	1,227.52
Movement during the year	-	-	-	-
Equity shares outstanding at the end of the year	1,22,75,160	1,227.52	1,22,75,160	1,227.52

3.2 Terms/Rights attached to equity shares

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

During the year ended 31 March, 2012, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 1.20 (Pr. Yr. ₹ 1.20).

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

3.3 The Company does not have any holding company.

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

Particulars	As at March 31, 2012		As at March 31, 2011	
	No.	% holding	No.	% holding
Mr. Ratnakar Manikrao Gutte	22,02,500	17.94%	22,02,500	17.94%
Mrs. Sudhamati Ratankar Gutte	19,68,750	16.04%	19,68,750	16.04%
Mr. Sunil Ratnakar Gutte	16,78,740	13.68%	16,78,740	13.68%
Bessemer Venture Partners Trust	11,00,000	8.96%	11,00,000	8.96%
Mr. Vijay Ratnakar Gutte	6,75,000	5.50%	6,75,000	5.50%

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

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

4. RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Capital Reserve		
Balance as per the last financial statements	825.60	825.60
Securities Premium Reserve		
Balance as per the last financial statements	11,150.14	11,150.14
Revaluation Reserve		
Balance as per the last financial statements	58.59	59.61
Less: Amount transferred to the statement of profit and loss as reduction from depreciation	0.97	1.02
	57.62	58.59
General Reserve		
Balance as per the last financial statements	1,063.84	725.76
Add: Transferred from Statement of Profit and Loss	186.16	338.08
	1,250.00	1,063.84
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	8,820.65	5,944.62
Profit for the year	2,396.73	3,385.31
Less: Appropriations		
Proposed dividend on equity shares	147.30	147.30
Tax on proposed equity dividend	23.90	23.90
Transfer to general reserve	186.16	338.08
Total appropriations	357.36	509.28
Net Surplus in the Statement of Profit and Loss	10,860.02	8,820.65
	24,143.38	21,918.82

5. LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Rupee Term loans (Secured)				
From Banks	977.25	1,949.39	1,727.92	2,335.32
From Financial Institutions	1,108.68	9.51	618.26	20.99
	2,085.93	1,958.90	2,346.18	2,356.31
Amount disclosed under the head Other Current Liabilities as Current Maturities of Long-Term Debt (Refer Note No.09)	-	-	2,346.18	2,356.31
	2,085.93	1,958.90	-	-

5.1 Term loan from bank referred above to the extent of:

- ₹ 341.51 Lacs (Pr.Yr. ₹ 379.15 Lacs) are secured by first mortgage/pari-passu charge on the respective immovable properties situated at Pune and Nagpur.
- ₹ 2,199.85 Lacs (Pr. Yr. ₹ 3,728.08 Lacs) are secured by first mortgage/pari-passu charge on the respective Plant and Machineries including Hydra's at various sites.
- ₹ 163.80 Lacs (Pr. Yr. ₹ 177.48 Lacs) are secured by first mortgage/pari-passu charge on the respective Vehicles at various sites.

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

- ₹ 1,717.43 Lacs (Pr. Yr. ₹ 8.54 Lacs) are secured by first mortgage/pari-passu charge on the respective Plant and Machinery including Hydra's situated at various sites.
- ₹ 9.51 Lacs (Pr. Yr. ₹ 21.96 Lacs) are secured by first mortgage/pari-passu charge on the respective Vehicles at various sites.

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

5. LONG TERM BORROWINGS (Contd...)

5.3 Maturity profile and Rate of Interest on Secured Loans are as set out below

For the year ended 31 March 2012

(₹ in Lacs)

Sl. No	Particulars	Range of Interest Rate	1-2 years	2-3 years	3-4 years	Beyond Four Years
			2013-2014	2014-2015	2015-2016	Beyond 2016
1	Property loan	8.75%-11.00%	30.67	35.61	39.82	191.99
2	Vehicle	5.75%-12.08%	76.13	4.44	-	-
3	Machinery	5.12%-14.85%	1,152.87	284.69	269.71	-
	Total		1,259.67	324.74	309.53	191.99

For the Year Ended 31 March 2011

(₹ in Lacs)

Sl. No	Particulars	Range of Interest Rate	1-2 years	2-3 years	3-4 years	Beyond Four Years
			2012-2013	2013-2014	2014-2015	Beyond 2015
1	Property loan	8.75%-11.00%	43.43	30.67	35.61	231.81
2	Vehicle	5.75%-10.89%	75.51	48.57	-	-
3	Machinery	5.12%-12.90%	1,032.09	461.21	-	-
	Total		1,151.03	540.45	35.61	231.81

6. LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for Employee Benefit (Net) (Refer Note No.34)		
Provision for Gratuity (Net)	0.21	3.28
Provision for Compensated Absences (Net)	204.59	141.57
	204.80	144.85

7. SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Working Capital Rupee Loans from Banks repayable on demand (Secured)	25,797.06	18,725.71
Short Term Loans from Banks (Secured)	-	4,040.18
Foreign Currency Buyers Credit Arrangement from Banks (Unsecured)	3,097.46	-
	28,894.52	22,765.89

7.1 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.

7.2 Short Term Loans from Banks are secured by Second Charge on Fixed Assets of the Company and personal guarantee of some of the Directors.

8. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Payables	14,639.19	12,753.56
(Refer Note no. 43 for Micro, Small & Medium Enterprises disclosure)		
	14,639.19	12,753.56

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

9. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Current Maturities of Long-Term Debts	2,346.18	2,356.31
Interest Accrued but Not due on Borrowings	14.13	14.01
Unpaid Dividends	5.44	4.54
[To be credited to Investor Education and Protection Fund when due.]		
Other Advance Received	123.14	1,082.88
Security Deposit from Sub-Contractors	1,127.94	885.12
Retention Money from Sub-Contractors	2,350.76	1,078.20
Advance from Customers	7,474.62	8,201.89
Due to Customers	4,265.04	6,822.71
[Billing is in excess of Contract Revenue as per AS-7]		
Other Payables*	1,809.30	1,916.58
	19,516.55	22,362.24

*Includes statutory dues and payable against other contractual obligations.

10. SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for Employee Benefits (Net)		
Provision for Compensated Absence (Net) (Refer Note No.34)	46.58	28.97
Other Provisions		
Proposed Dividend	147.30	147.30
Tax on Dividend	23.90	23.90
Provision for Wealth Tax	5.50	10.74
	223.28	210.91

11. FIXED ASSETS

A. TANGIBLE ASSETS :

(₹ in Lacs)

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Freehold Land	466.55	57.23	356.88	166.90	-	-	-	-	166.90	466.55
Leasehold Land	134.59	7.68	101.91	40.36	5.00	0.92	4.70	1.22	39.14	129.59
Buildings*	2,473.56	128.19	77.65	2,524.10	382.69	107.86	9.43	481.12	2,042.98	2,090.87
Plant and Machinery*	16,221.30	2,800.32	1,362.68	17,658.94	7,113.83	2,178.58	645.62	8,646.79	9,012.15	9,107.47
Computer and Printer	275.32	264.79	0.87	539.24	137.27	111.19	0.78	247.68	291.56	138.05
Furniture and Fixtures	360.09	351.48	0.11	711.46	149.63	60.84	0.07	210.40	501.06	210.46
Office Equipment	256.46	82.66	0.22	338.90	86.14	41.18	0.13	127.19	211.71	170.32
Vehicles	1,075.61	160.09	18.92	1,216.78	563.21	164.83	13.76	714.28	502.50	512.41
Temporary Office Construction	309.17	374.20	-	683.37	81.59	329.08	-	410.67	272.70	227.58
Total	21,572.65	4,226.64	1,919.24	23,880.05	8,519.36	2,994.48	674.49	10,839.35	13,040.70	13,053.30
Previous Year	19,082.96	2,677.66	187.97	21,572.65	6,042.60	2,595.57	118.81	8,519.36		

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

B. INTANGIBLE ASSETS:

(₹ in Lacs)

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Computer Softwares	122.52	568.14	-	690.66	65.67	90.66	-	156.34	534.32	56.85
Total	122.52	568.14	-	690.66	65.67	90.66	-	156.34	534.32	56.85
Previous Year	104.92	17.60	-	122.52	42.27	23.41	-	65.67		

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

12. NON -CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
A Trade Investments - Unquoted		
In Subsidiary Company		
SEAM Industries Limited		
49,00,000 (Pr.Yr. 35,00,000) Equity Shares of ₹ 10/- each fully paid up	770.00	350.00
B Other Investments- Unquoted		
In Subsidiary Companies		
Sunil Hitech Energy Private Limited		
24,42,960 (Pr.Yr. 1,16,15,760) Equity Shares of ₹ 10/- each fully paid up	247.89	1,178.68
SHEL Investments Consultancy Private Limited		
9,999 Equity Shares of ₹ 10/- each fully paid up	1.00	1.00
[Pledged to zero coupon secured optionally convertible debenture holders of SHEL Investments Consultancy Private Limited.]		
In Associate Company		
Gangakhed Sugar & Energy Limited		
1,95,00,000 Equity Shares of ₹ 10/- each fully paid up	1,950.00	1,950.00
[Pledged with banks against term loans to Gangakhed Sugar & Energy Limited and can not be sold / transferred till the aforesaid loans are outstanding.]		
In Other Companies		
Sudama Mahavir Power Private Limited		
100 Equity Shares of ₹ 10/- each fully paid up	0.01	0.01
Pannageshwar Sugar Mills Limited		
Nil (Pr. Yr. 4,00,000) Equity Shares of ₹ 10/- each fully paid up	-	40.00
Less : Provision for diminution in value of Long Term Investment	-	20.00
	-	20.00
	2,968.90	3,499.69

13. DEFERRED TAX ASSET

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Depreciation	112.09	240.48
Provision for Doubtful Debts / Deposits / Advances	256.37	225.23
Disallowances under Income Tax Act	81.56	66.67
	450.02	532.38

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

14. LOANS AND ADVANCES (UNSECURED)

(₹ in Lacs)

Particulars	Non-Current (Long Term)		Current (Short Term)	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances (Considered Good)	360.78	297.05	-	-
Deposits				
Considered Good	1,679.72	1,855.20	17,341.84	11,471.00
Considered Doubtful	251.86	192.27	189.40	168.10
	1,931.58	2,047.47	17,531.24	11,639.10
Less: Provision for Doubtful Deposits	251.86	192.27	189.40	168.10
	1,679.72	1,855.20	17,341.84	11,471.00
Advances to Creditors				
Considered Good	-	-	2,124.15	2,211.90
Considered Doubtful	-	-	4.20	16.35
	-	-	2,128.35	2,228.25
Less: Provision for Doubtful Advances	-	-	4.20	16.35
	-	-	2,124.15	2,211.90
Loans and Advances to Related Parties (Considered Good)	-	-	548.00	1,847.02
Income Tax Paid (Net of Provision)	-	-	429.36	438.31
Balances with Statutory / Government Authorities				
Balance with Excise Authorities	-	-	423.59	641.72
VAT Receivable	-	-	1,510.81	1,297.40
Prepaid Expenses	285.41	342.50	511.06	726.98
Advances Recoverable in Cash or in Kind	-	-	532.52	293.33
	2,325.91	2,494.75	23,421.33	18,927.66

15. CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
(Other Investments- Quoted)		
In Mutual Fund -		
Reliance Medium Term Fund	-	700.00
Nil (Pr. Yr. 40,94,549) units of ₹ 10/- Each fully paid up	-	700.00
	-	700.00
Market Value of Quoted Investments	-	700.00

16. INVENTORIES

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Raw Material and Components	3,667.37	2,492.96
Raw Material and Components (Goods in Transit)	1,655.70	-
Steel and T&D Material	3,257.94	529.20
Stores, Spare Parts and Loose Tools	2,451.66	1,190.52
Stores, Spare Parts and Loose Tools (Goods in Transit)	1.06	-
Land - Work in Process	300.94	-
	11,334.67	4,212.68

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

17. TRADE RECEIVABLES (Unsecured)

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Over Six Months from the date they become due for payment		
Considered Good	1,320.76	2,216.71
Considered Doubtful	344.69	317.48
	1,665.45	2,534.19
Others- Considered Good	19,590.41	23,824.33
	21,255.86	26,358.52
Less : Provision for Doubtful Debts	344.69	317.48
	20,911.17	26,041.04

18. CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Cash and Cash Equivalents				
Balances with Banks in Current Accounts	–	–	143.65	612.47
Cheques / Drafts on Hand	–	–	13.03	–
Cash on Hand	–	–	82.34	82.78
	–	–	239.02	695.25
Other Bank balances				
Earmarked Balances with Banks -Unpaid Dividend	–	–	5.43	4.54
Fixed Deposits with original maturity for more than 3 months but less than 12 months (Under Lien)	–	–	346.28	963.70
Fixed Deposits with original maturity for more than 12 months (Under Lien)	1,265.89	2,503.28	3,227.68	503.00
	1,265.89	2,503.28	3,579.39	1,471.24
Amount disclosed under Other Non-Current Assets (Refer Note No. 19)	1,265.89	2,503.28	–	–
	–	–	3,818.41	2,166.49

19. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Interest Accrued on Fixed Deposits	66.04	42.15	231.55	10.21
Fixed Deposits with Banks (Under Lien) (Refer Note No. 18)	1,265.89	2,503.28	–	–
Contract Revenue in excess of Billing revenue as per AS-7	–	–	9,975.05	7,744.66
Fixed Assets-Land Held for Sale	–	–	48.77	–
	1,331.93	2,545.43	10,255.37	7,754.87

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

20. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Revenue from Projects and Maintenance	75,319.57	67,951.81
Sales-Trading		
Steel	5,989.63	–
Coal	2,717.70	3,997.49
Others	1,142.12	781.01
	9,849.45	4,778.50
	(A)	85,169.02
Other Operating Revenues		
Handling Charges	–	251.17
Commission Received	13.15	8.82
Income from Crane Hire	229.07	18.03
Sale of Scrap	32.19	0.61
Metal (Boulder) Sale	115.84	–
	(B)	390.25
	(A+B)	85,559.27
		73,008.94

21. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Interest on Bank deposits	428.55	238.13
Interest from Others	39.94	53.46
Dividend from Current Investments - Non Trade	2.39	–
Profit on Sale of Current Investments - Non Trade (Net)	–	1.82
Profit on Sale of Non Current Investments - Non Trade (Net)	569.21	–
Profit on Sale of Fixed Assets	603.05	24.29
Exchange Rate Difference	–	97.34
Amount Written Back	167.68	209.95
Miscellaneous Income	165.62	119.84
	1,976.44	744.83

22. COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Steel Consumed	6,960.40	12,065.29
Other Material Consumed	17,796.60	9,168.26
	24,757.00	21,233.55

23. CHANGES IN INVENTORIES OF WORK IN PROCESS

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Inventories at the beginning of the year		
Work-in-Process (A)	–	–
Inventories at the end of the year		
Work-in Process (B)	300.94	–
Net (Increase) Decrease Inventories of Work-in-Process (A-B)	(300.94)	–

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

24. PURCHASE OF TRADED GOODS

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Purchase of Traded Goods		
Steel	6,002.76	–
Coal	2,649.08	3,884.13
Others	1,074.88	647.47
	9,726.72	4,531.60

25. CONTRACT AND SITE EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Construction, Erection, Fabrication and Maintenance	24,186.70	22,688.27
Excavation, Disposal and Leveling	448.41	786.82
Hire Charges	1,466.86	764.83
Transportation Expenses	369.83	240.66
Royalty Fees	64.99	104.47
Other Site Expenses	866.74	869.95
	27,403.53	25,455.00

26. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Salary, Wages and Allowances	5,657.60	4,213.19
Contribution to Provident, Superannuation and Other Funds	320.69	306.84
Staff and Labour Welfare Expenses	484.26	407.15
	6,462.55	4,927.18

27. FINANCE COST

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Paid to Bank	3,622.65	2,795.18
Other Borrowings Cost	888.44	620.90
Interest on Service Tax	162.05	2.69
Interest Paid to Customer (Against Advance)	34.01	0.46
Applicable Net Loss on Foreign Currency Transaction and Translation	0.92	–
	4,708.07	3,419.23

28. DEPRECIATION AND AMORTISATION COST

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Depreciation (Refer Note No 11)	3,085.15	2,618.98
Less : Recoupment from Revaluation Reserve	0.97	1.02
	3,084.18	2,617.96

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

29. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Consumption of Stores and Spares	2,163.41	2,010.71
VAT / Entry Tax / Service Tax	991.77	766.12
Rent	714.31	449.89
Travelling and Conveyance	554.28	409.14
Legal and Professional Fees	426.11	364.04
Provision for Doubtful Debt	27.21	280.51
Provision for Doubtful With-held and Retention Money	80.89	101.66
Bad debts / Advances written off	119.57	92.37
Repairs to Machinery	250.92	235.91
Repairs to Building	49.57	80.79
Repairs - Others	213.91	183.87
Insurance	223.70	213.66
Power and Fuel	213.61	104.14
Communication	185.72	153.62
Rates and Taxes	92.86	81.06
Printing & Stationery	91.43	84.44
Loss on Sale of Non Current Investments (Non Trade) (Net)	20.00	7.57
Exchange Rate Difference (Net)	368.19	–
Miscellaneous Expenditure written off	–	66.90
Loss on Assets Discarded	–	10.13
Miscellaneous Expenses	560.99	257.09
	7,348.45	5,953.62

30. EARNING PER SHARE (EPS)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Net Profit after tax before Extraordinary items (₹ in Lacs)	2,303.20	3,335.31
Net Profit after tax after Extraordinary items (₹ in Lacs)	2,396.73	3,385.31
Weighted Average Number of Equity Shares Outstanding during the year	1,22,75,160	1,22,75,160
Nominal Value of Equity Share (₹)	10.00	10.00
Basic and Diluted EPS before Extraordinary items for the year (₹)	19.01	27.31
Basic and Diluted EPS after Extraordinary items for the year (₹)	19.53	27.58

31. CONTINGENT LIABILITIES:

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
a) Counter Guarantees given to Bank against Guarantees given by them	39,273.84	37,484.01
b) Bank Letter of Credit outstanding at the year end	1,063.64	3,746.66
c) Service Tax demand disputed, contested in appeal	864.85	181.18
d) Corporate Guarantee given on behalf of :-		
i) SEAM Industries Limited, a subsidiary company	5,242.00	3,842.00
Loans/ LC/ BG outstanding at the year end	4,467.52	2,596.54
ii) Others	–	5,000.00
Loans outstanding at the year end	–	4,999.75
e) Estimated Amount of Contracts remaining to be executed on capital commitments and other commitments net of advances.	–	619.17
f) Claims against the Company not acknowledged as debts	11.53	11.53

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

32. REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX)

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Statutory Audit Fees	18.50	17.00
Certification and other matters	6.50	4.00
	25.00	21.00

33. a) CIF VALUE OF IMPORTS: (₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Raw Materials / Traded Goods	1,139.41	1,685.23
[Including High seas purchases of ₹ Nil (Pr. Yr. ₹ 1,447.37 Lacs)]		
Capital Goods	2,188.22	Nil

B) EXPENDITURE IN FOREIGN CURRENCY: (₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Interest	43.22	Nil
Travelling and Conveyance	10.74	20.62
Business Promotion	Nil	7.39
Others	28.86	1.80

C) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND: (₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Year to which the dividend relates	2010-11	2009-10
Number of non-resident shareholders	304	Nil
Number of shares held by them	12,76,217	Nil
Amount of dividend (₹ in Lacs)	15.31	Nil

The Company has paid dividend in respect of share 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 cannot be ascertained.

34. EMPLOYEE BENEFITS:

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

Defined Contribution Plans:

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers eligible workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the PF and the ESI Scheme, contributions into the EPS is made only by the Company. The contributions are normally based on a certain portion of the employee's salary.

During the year, the Company has recognised the following amounts in the Accounts: (₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Provident Fund, Employee's Pension Scheme and MLWF	302.55	216.95
Employees State Insurance	18.14	15.74
Total	320.69	232.69

Defined Benefit Plans:

Leave Encashment:

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

The liability of compensated absences has been provided based on report of independent actuary, using the "Projected Accrued Benefit Method", which is same as the "Projected Unit Credit Method" in respect of past services. Accordingly ₹ 251.17 Lacs (Pr.Yr. ₹ 170.54 Lacs) being the liability as at the year end for compensated absences have been provided in the accounts.

Gratuity:

The Employees' Gratuity Fund Scheme is a defined benefits plan. The present value of obligation is determined based on actuarial valuation, using the Projected Unit Credit Method, which recognises each period of services as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

34. EMPLOYEE BENEFITS: (Contd...)

The Company makes annual contributions to the Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for employees. The scheme provides for payment to employees as under:

i) On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31st March, 2012: (₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
i) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	189.74	115.98
Current service cost	51.67	34.75
Interest cost	19.43	11.78
Actuarial loss / (gain)	(20.81)	10.41
Past Service Cost	Nil	21.60
Benefit (paid)	(10.10)	(4.77)
Closing defined benefit obligation	229.93	189.75
ii) Changes in Fair Value of Assets		
Opening fair value of plan assets	186.46	59.18
Expected return on plan assets	15.53	6.06
Actuarial gain / (loss)	(4.88)	2.75
Contributions of employer	42.72	123.25
Assets distributed on sale of business	Nil	Nil
Benefits (paid)	(10.10)	(4.77)
Closing fair value of plan assets	229.72	186.47
iii) Amount recognised in the Balance Sheet		
Present value of the obligations as at year end (Funded+ Non Funded)	229.93	189.75
Fair value of the plan assets as at year end	(229.72)	(186.47)
Amount not recognised as an asset	Nil	Nil
Net (asset) / liability recognised as at the year end	0.21	3.28
iv) Expenses recognised in the Statement of Profit and Loss		
Current service cost	51.67	34.75
Interest on defined benefit obligation	19.43	11.78
Expected return on plan assets	(15.53)	(6.06)
Net actuarial loss / (gain) recognised in the current year	(15.93)	7.66
Past Service Cost	Nil	21.58
Effect of the limit in Para 59(b) of the revised AS-15	Nil	Nil
Total expenses	39.64	69.71
v) Asset information (% Allocation)		
Government of India Securities	Nil	Nil
Corporate Bonds	Nil	Nil
Special Deposit Scheme	Nil	Nil
Insurer Managed Funds	102%	100%
Others	-2%	Nil
vi) Principle actuarial assumptions used		
Discount Rate (p.a.)	8.65%	8.20%
Expected Rate of Return on Plan Assets (p.a.)	7.50%	7.50%
Annual Increase in Salary Cost (p.a.)	6.00%	6.00%

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

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

35. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-7 "CONSTRUCTION CONTRACT" (REVISED):

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Contract revenue recognised for the year.	72,218.27	65,138.54
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.	1,73,096.21	1,53,824.39
Amount of customer advances received and outstanding for contracts in progress.	7,471.03	8,138.26
Retention amount due from customers for contract in progress.	12,900.21	8,528.93
Gross amount due from Customers as at year end.	9,975.05	7,744.65
Gross amount due to Customers as at year end.	4,265.05	6,822.71

36. DISCLOSURE FOR OPERATING LEASES UNDER ACCOUNTING STANDARD-19 "LEASES":

The Company has taken various residential /office premises (including furniture and fittings, therein as applicable), under operating lease or leave and license agreements. These are generally cancellable and ranges from 5 months to 15 years under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of ₹ 656.25 Lacs (Pr. Yr. ₹ 271.50 Lacs) are recognised in the Statement of Profit and Loss.

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Not later than one year	736.24	318.03
Later than one year but not later than five years	2,388.76	1,162.97
Later than five years	1,012.14	664.53

37. DISCLOSURES REQUIRED BY ACCOUNTING STANDARD-29 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS":

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Balance at the beginning of the year	131.70	172.23
Additional provision during the year	686.18	Nil
Provision used/reversed during the year	Nil	40.53
Balance at the end of the year	817.88	131.70

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

39. SEGMENT REPORTING:

I. Business Segments:

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:

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

Project Segment: This segment is engaged in the business of Fabrication, Erection and Commissioning of Boilers (Power Plants) ESP, Rotating Machineries, Sugar plants, Transmission and Distribution and EPC Contract and Balance of Plant (BOP).

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

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

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

39. SEGMENT REPORTING: (Contd...)

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.

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2012	March 31, 2011
1	Segment Revenue		
	(Net Sales / Income from each segment)		
	a. Project	72,223.91	65,196.86
	b. Overhauling and Maintenance	3,095.66	2,754.64
	c. Supply	9,849.44	4,778.81
	Total	85,169.01	72,730.31
	Less: Intersegment Revenue	-	-
	Net Sales / Income from Operations	85,169.01	72,730.31
2	Segment Results		
	(Profit before tax and finance cost)		
	a. Project	11,741.45	11,238.84
	b. Overhauling and Maintenance	1,199.22	1,009.50
	c. Supply	(93.86)	164.93
	Total	12,846.81	12,413.27
	Less:		
	i) Finance Cost	4,708.07	3,419.23
	ii) Other un-allocable expenditure net off un-allocable income	3,699.06	3,328.41
	Profit Before Tax	4,439.68	5,665.63
3	Capital Employed		
	(Segment Assets – Segment Liabilities)		
	(Based on reasonable estimate)		
	a. Project	32,086.30	25,885.60
	b. Overhauling and Maintenance	1,854.12	1,599.45
	c. Supply	2,309.40	1,933.37
	Total	36,249.82	29,418.42
	d. Unallocated	(10,936.54)	(6,330.66)
	Total Capital Employed	25,313.28	23,087.76

II. Geographical Segments:

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

40. NOTE ON HEDGE AND UNHEDGED FOREIGN CURRENCY ASSETS AND LIABILITIES:

The Company has entered into forward exchange contract, being derivative instruments for hedge purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. Forward Exchange Contracts to buy foreign currency Nil (Pr. Yr. USD 28.95 Lacs) are outstanding as at the year end. The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are as below.

Particulars	₹ in Lacs	₹ in Lacs	Foreign Currency	Foreign Currency	Foreign
	March 31, 2012	March 31, 2011	Amt. in Lacs	Amt. in Lacs	Currency
			March 31, 2012	March 31, 2011	
Amount Receivable	17.34	Nil	0.34	Nil	USD
Amount Payable	2,883.32	Nil	56.36	Nil	USD
	212.12	Nil	3.10	Nil	EURO

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

41. RELATED PARTY DISCLOSURE FOR THE YEAR AS REQUIRED BY ACCOUNTING STANDARD 18 ARE GIVEN BELOW:

Category I: Subsidiary Company:	SEAM Industries Ltd. Sunil Hitech Energy Pvt. Ltd. SHEL Investments Consultancy Pvt. Ltd.
Category II: Associate Company:	Gangakhed Sugar & Energy Limited
Category III: Directors, Key Management Personnel and their Relatives:	Mr. Ratnakar M. Gutte Mrs. Sudhamati R. Gutte Mr. Sunil R. Gutte Mr. Vijay R. Gutte Mr. M. N. Mohanan Mr. S. K. K. Ramaiah

A. Transactions with related parties during the year are as under* (₹ in Lacs)

Sl. No.	Particulars	I	II	III	Total
1	Sale of Asset	1,237.17	-	-	1,237.17
		-	-	-	-
2	Purchase of Investments	420.00	-	-	420.00
		-	-	-	-
3	Application Money Received Back	38.38	-	-	38.38
		(5.00)	-	-	(5.00)
4	Sale of Investments	-	-	20.00	20.00
		(1.00)	-	(2.43)	(3.43)
5	Loans Given	-	-	-	-
		(687.67)	-	-	(687.67)
6	Repayment of Loans Given	286.67	-	-	286.67
		(100.00)	-	-	(100.00)
7	Capital Advances Given	-	-	195.00	195.00
		-	-	-	-
8	Advances Received	-	-	-	-
		(582.88)	-	-	(582.88)
9	Advances Given Received Back	1,207.72	-	-	1,207.72
		-	-	-	-
10	Contract Revenue	213.72	3,202.01	-	3,415.73
		-	(8,772.22)	-	(8,772.22)
11	Purchases (Net)	1,433.89	-	-	1,433.89
		(189.62)	(106.17)	-	(295.79)
12	Services Received	36.74	-	-	36.74
		(74.88)	-	-	(74.88)
13	Remuneration to Directors	-	-	372.67	372.67
		-	-	(382.63)	(382.63)
14	Rent Paid	-	-	164.82	164.82
		-	-	(171.42)	(171.42)
15	Commission Income	13.15	-	-	13.15
		(6.24)	-	-	(6.24)
16	Interest Income	33.08	-	-	33.08
		(49.38)	-	-	(49.38)
17	Reimbursement of Expenses From Suppliers	0.35	-	-	0.35
		(1.33)	(0.02)	-	(1.35)

*Figures in brackets indicate previous year figures.

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

41. RELATED PARTY DISCLOSURE (Contd...)

B. Out of the above items, transactions in excess of 10% of the total related party transactions are as under: (₹ in Lacs)

Sl. No.	Particulars	March 31, 2012	March 31, 2011
1	Sale of Asset		
	SEAM Industries Ltd.	1,237.17	-
2	Purchase of Investments		
	SEAM Industries Ltd.	420.00	-
3	Application Money Received Back		
	Sunil Hitech Energy Pvt. Ltd.	38.38	5.00
4	Sale of Investments		
	Sunil Hitech Energy Pvt. Ltd.	-	1.00
	Mr. Ratnakar M. Gutte	20.00	2.43
5	Loans Given		
	Sunil Hitech Energy Pvt. Ltd.	-	277.67
	SEAM Industries Ltd.	-	400.00
6	Repayment of Loans		
	Sunil Hitech Energy Pvt. Ltd.	276.67	-
	SEAM Industries Ltd.	-	100.00
7	Capital Advances Given		
	Mr. Ratnakar M. Gutte	48.75	-
	Mrs. Sudhamati R. Gutte	48.75	-
	Mr. Sunil R. Gutte	48.75	-
	Mr. Vijay R. Gutte	48.75	-
8	Advances Received		
	SEAM Industries Ltd.	-	582.88
9	Advances Given Received Back		
	SHEL Investment Consultancy Pvt. Ltd.	1,207.72	-
10	Contract Revenue		
	Gangakhed Sugar & Energy Ltd.	3,202.01	8,772.22
11	Purchases (Net)		
	SEAM Industries Ltd.	1,433.89	189.62
	Gangakhed Sugar & Energy Ltd.	-	106.17
12	Services Received		
	SEAM Industries Ltd.	36.74	74.88
13	Remuneration to Directors		
	Mr. Ratnakar M. Gutte	99.87	120.81
	Mrs. Sudhamati R. Gutte	50.89	51.77
	Mr. Sunil R. Gutte	50.88	75.40
	Mr. Vijay R. Gutte	50.88	60.88
	Mr. M. N. Mohanan	79.95	43.76
	Mr. S. K. K. Ramaiah	40.20	-
14	Rent Paid		
	Mr. Ratnakar M. Gutte	64.23	80.82
	Mrs. Sudhamati R. Gutte	66.21	56.22
	Mr. Sunil R. Gutte	17.94	17.94
15	Commission Income		
	SEAM Industries Ltd.	13.15	6.24
16	Interest Income		
	Sunil Hitech Energy Pvt. Ltd.	-	13.87
	SEAM Industries Ltd.	33.08	34.66
17	Reimbursement of Expenses from Suppliers		
	SEAM Industries Ltd.	0.35	1.33

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

41. RELATED PARTY DISCLOSURE (Contd...)

C. Balances Due From / To the Related Parties as at 31 March 2012*

(₹ in Lacs)

Sl. No.	Particulars	I	II	III	Total
1	Investment	1,018.89 (1,529.68)	1,950.00 (1,950.00)	– –	2,968.89 (3,479.68)
2	Sundry Debtors	– –	5,028.10 (6,452.75)	– –	5,028.10 (6,452.75)
3	Loans Given	301.00 (600.92)	– –	– –	301.00 (600.92)
4	Advances Given	247.00 (1,246.10)	– –	– –	247.00 (1,246.10)
5	Capital Advances Given	– –	– –	195.00 –	195.00 –
6	Advances Received	– (582.88)	– –	– –	– (582.88)
7	Sundry Creditors	406.08 (24.87)	– (102.61)	6.71 (5.66)	412.79 (133.14)
8	Financial Guarantees	5,242.00 (3,842.00)	– (5,000.00)	– –	5,242.00 (8,842.00)

*Figures in brackets indicate previous year figures.

42. 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 : Nil

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

(₹ in Lacs)

Particulars	Outstanding as at the year end		Maximum amount outstanding during the year	
	March 31, 2012	March 31, 2011	2011-12	2010-11
Sunil Hitech Energy Pvt Ltd	1.00	290.16	290.16	290.16
SEAM Industries Ltd.	300.00	300.00	300.00	400.00
SHEL Investments Consultancy Pvt. Ltd.	–	10.76	10.77	10.77

Notes:

i) Above Loans and Advances are repayable on demand.

ii) Loans and Advances to employees / customers and investments by such employees / customers in the shares of the Company if any are excluded from the above disclosure.

A. Investment of loanee in the shares of:

(₹ in Lacs)

Particulars	No. of Shares	Amount
- its Subsidiary Company	71,04,240 (71,04,240)	1,210.74 (1,210.74)

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

Notes to the Financial Statements for the year ended March 31, 2012

NOTES

43. Disclosure of Sundry Creditors 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 2012 to Micro, Small and Medium Enterprises on account of principle amount aggregate to ₹ 28.32 Lacs (Pr. Yr. ₹ 78.12 Lacs) and interest payable thereon ₹ Nil (Pr. Yr. ₹ Nil) and interest paid during the year ₹ Nil (Pr. Yr. ₹ Nil).

44. Unamortised issue expenses amounting to ₹ 66.91 Lacs had been charged to the revenue in the previous year ended on 31 March 2011.

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

46. Due to natural calamity occurred at SECHI Site, the Company had incurred loss of ₹ 147.50 Lacs in FY 2009-10 and same had been provided as extraordinary loss in the books of accounts for the year ended 31 March 2010. The site and the assets thereon were sufficiently insured and claim of ₹ 93.52 Lacs received in current year (Pr. Yr. ₹ 50.00 Lacs) has been accounted as extraordinary income.

As per our report of even date attached

For Kapoor & Parekh Associates
Chartered Accountants

For Sunil Hitech Engineers Limited

N. M. Parekh
Partner

Ratnakar M. Gutte
Chairman and Managing Director

Sunil R. Gutte
Joint Managing Director

Sandeep Mishra
Company Secretary

Nagpur, 14 August 2012

Nagpur, 14 August 2012

Consolidated financial statements

Auditors' Report on Consolidated Financial Statements

To,
The Board of Directors
SUNIL HITECH ENGINEERS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **SUNIL HITECH ENGINEERS LIMITED** ("the Company") and its subsidiaries and associate company (collectively referred to as "the Group"), as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. The Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of the subsidiaries, whose financial statements reflect total assets of ₹ 16,096.35 Lacs as at 31st March, 2012, total revenue of ₹ 11,888.51 Lacs and net cash inflows of ₹ 123.66 Lacs for the year ended on that date. We have also not audited accounts of the associate company whose financial statements include the Group's share of profit of ₹ 119.38 Lacs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance

with the requirements of Accounting Standard 21 (AS-21) "Consolidated Financial Statements" and Accounting Standard 23 (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements", notified by Companies (Accounting Standards) Rules, 2006.

5. Without qualifying our opinion, we invite attention to note 43.3 of the consolidated financial statements regarding non-disclosure of information as required under Micro, Small and Medium Enterprises Development Act, 2006 in respect of SEAM Industries Limited, a subsidiary company.
6. Based on our audit as aforesaid and on consideration of the separate audit reports on the individual financial statements of the Company, its aforesaid subsidiaries and associate, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements, read together with note 32.3 and other notes of the consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012 ;
 - ii) in the case of the Consolidated Statement of Profit and Loss, of profit of the Group for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Kapoor & Parekh Associates
Chartered Accountants
[ICAI FRN 104803W]

N. M. Parekh
Partner

Nagpur, 14th August, 2012

Membership No. 33528

Consolidated Balance Sheet as at March 31, 2012

(₹ in Lacs)

PARTICULARS	Note No.	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,227.52	1,227.52
Reserves and Surplus	4	26,016.87	22,290.00
		27,244.39	23,517.52
Share Application Money Pending Allotment		-	3.00
Minority Interest		1,172.23	193.69
Non-Current Liabilities			
Long-Term Borrowings	5	3,758.59	2,432.42
Deferred Tax Liabilities	6	47.78	-
Long-Term Provisions	7	215.08	152.44
		4,021.45	2,584.86
Current Liabilities			
Short-Term Borrowings	8	32,412.73	24,309.44
Trade Payables	9	17,998.81	15,913.43
Other Current Liabilities	10	22,267.05	21,923.48
Short-Term Provisions	11	290.25	215.82
		72,968.84	62,362.17
Total		1,05,406.91	88,661.24
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12A	15,557.44	13,739.68
Intangible Assets	12B	554.30	56.85
Capital Work-in-Progress		4,485.09	3,460.36
Incidental expenses pending allocation		527.68	281.27
Goodwill on Consolidation		-	45.06
Non-Current Investments	13	3,143.81	2,121.03
Deferred Tax Assets	14	450.02	558.62
Long-Term Loans and Advances	15	2,448.87	3,164.33
Other Non-Current Assets	20	1,331.93	2,545.43
		28,499.14	25,972.63
Current Assets			
Current Investments	16	-	700.00
Inventories	17	12,386.73	4,627.50
Trade Receivables	18	27,112.38	30,688.99
Cash and Bank Balances	19	4,087.33	2,259.17
Short-Term Loans and Advances	15	23,065.96	16,658.08
Other Current Assets	20	10,255.37	7,754.87
		76,907.77	62,688.61
Total		1,05,406.91	88,661.24
Significant Accounting Policies	2		

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

As per our report of even date attached

For Kapoor & Parekh Associates
Chartered AccountantsN. M. Parekh
Partner

Nagpur, 14 August 2012

For Sunil Hitech Engineers Limited

Ratnakar M. Gutte
Chairman and Managing DirectorSandeep Mishra
Company Secretary

Nagpur, 14 August 2012

Sunil R. Gutte
Joint Managing Director**Consolidated Statement of Profit and Loss** for the year ended March 31, 2012

(₹ in Lacs)

PARTICULARS	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
INCOME			
Revenue from Operations	21	95,781.63	80,835.21
Other Income	22	1,939.68	697.97
TOTAL REVENUE		97,721.31	81,533.18
EXPENSES			
Cost of Material Consumed	23	31,824.43	26,693.32
Changes in Inventories of Work in Process	24	(482.95)	438.76
Purchase of Traded Goods	25	9,726.72	4,406.83
Contract and Site Expenses	26	28,378.83	26,167.12
Employee Benefit Expenses	27	6,867.80	5,143.36
Finance Cost	28	5,148.04	3,597.35
Depreciation and Amortisation cost	29	3,257.94	2,714.14
Other Expenses	30	7,785.51	6,219.22
TOTAL EXPENSES		92,506.32	75,380.10
Profit Before Exceptional and Extraordinary Items and Tax		5,214.99	6,153.08
Add / (Less): Exceptional Items [Income / (Expense)]		-	-
Profit Before Extraordinary Items and Tax		5,214.99	6,153.08
Add / (Less): Extraordinary Items [Income / (Expense)]		93.53	50.00
Profit Before Tax		5,308.52	6,203.08
Provision for Taxation			
- Current Tax		1,498.29	2,295.73
- Deferred Tax		156.38	(177.84)
- Income Tax for Earlier years		724.86	336.77
Profit / (Loss) for the year from Continuing Operations		2,928.99	3,748.40
Add / (Less): Share in profit / (loss) of Associate Company		119.38	(63.30)
Less: Minority Interest		35.34	55.48
Profit for the period		3,013.03	3,629.62
There are no discontinuing operations.			
Earnings Per Share (Face Value ₹ 10/-)	31		
Before Extraordinary Items			
Basic and Fully Diluted (₹)		24.03	29.30
After Extraordinary Items			
Basic and Fully Diluted (₹)		24.55	29.57
Significant Accounting Policies	2		

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

As per our report of even date attached

For Kapoor & Parekh Associates
Chartered AccountantsN. M. Parekh
Partner

Nagpur, 14 August 2012

For Sunil Hitech Engineers Limited

Ratnakar M. Gutte
Chairman and Managing DirectorSandeep Mishra
Company Secretary

Nagpur, 14 August 2012

Sunil R. Gutte
Joint Managing Director

Consolidated Statement of Cash Flow for the year ended March 31, 2012

(₹ in Lacs)

PARTICULARS	Year ended March 31, 2012	Year ended March 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax and Extraordinary Items	5,214.99	6,153.08
Add Back:		
Wealth Tax (Included in Other Expenses)	5.78	5.57
Amount Transferred to Incidental Expenses Pending Allocation	31.11	-
Depreciation and Amortisation	3,257.94	2,714.14
Interest Income (Considered in Investing Activities)	(402.81)	(191.21)
Dividend Income (Considered in Investing Activities)	(2.39)	-
Amount Written Back	(167.68)	(209.95)
Profit on Sale of Fixed Asset	(589.95)	(24.29)
Profit on Sale of Current Investments	-	(1.82)
Profit on Sale of Non-Current Investments - Non Trade - Net	(569.21)	-
Interest Expenses (Considered in Financing Activities)	5,148.05	3,409.63
Provision for Doubtful Debts / Advances	108.10	382.17
Loss on Sale of Non Current Investments	20.00	7.57
Bad Debts / Advances Written off	131.97	92.37
Exchange Differences	368.19	(97.34)
Loss on Assets Discarded	-	10.13
Miscellaneous Expenditure Written off	-	82.69
Operating Profit Before Movements / Adjustments :	12,554.09	12,332.74
Movements / Adjustments for:		
Decrease (Increase) in Inventories	(7,759.23)	618.60
Decrease (Increase) in Trade Receivables	3,417.43	(12,800.70)
Decrease (Increase) in Other Current Assets	(2,249.11)	(2,094.71)
Decrease (Increase) in Long Term Loans and Advances	152.02	(198.86)
Decrease (Increase) in Short Term Loans and Advances	(3,722.62)	(6,711.92)
Increase (Decrease) in Long Term Provisions	59.95	63.04
Increase (Decrease) in Trade Payables	2,927.90	5,764.84
Increase (Decrease) in Other Current Liabilities	(4,055.02)	9,131.59
Increase (Decrease) in Short Term Provisions	84.61	38.56
Cash Generated from Operations	1,410.02	6,143.18
Direct Taxes paid (Net of Refunds)	(2,169.81)	(3,377.81)
Cash Flow before Extraordinary Items	(759.79)	2,765.37
Extraordinary Income / (Expense)	93.53	50.00
Net Cash Generated from (Used in) Operating Activities (A)	(666.26)	2,815.37
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets - Including Intangible Assets and CWIP	(6,717.63)	(3,949.27)
Decrease (Increase) in Incidental Expenditure Pending Allocation	(246.41)	(281.14)
Sale of Fixed Assets	596.23	83.31
Purchase of Non Current Investments	(16.00)	(1.00)
Sale of Non Current Investments	1,520.00	2.43
Purchase of Current Investments	-	(700.00)
Sale of Current Investments	700.00	2,501.82
Decrease (Increase) in Fixed Deposits - Net (Bank Fixed Deposits having maturity of more than three months)	(922.44)	116.13
Interest Received	157.58	396.84
Dividend Received	2.39	-
Net Cash Generated from (Used in) Investing Activities (B)	(4,926.28)	(1,830.88)

Consolidated Statement of Cash Flow for the year ended March 31, 2012

(₹ in Lacs)

PARTICULARS	Year ended March 31, 2012	Year ended March 31, 2011
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Long Term Borrowings - Net	1,316.04	(984.28)
Increase (Decrease) in Short Term Borrowings - Net	9,299.43	1,543.19
Increase (Decrease) in Share Application Money	(41.38)	(2.17)
Capital Subsidy Received	5.00	5.00
Proceeds from Other Long Term Liabilities	-	741.32
Dividend Paid	(147.30)	(0.46)
Dividend Distribution Tax Paid	(23.90)	-
Interest Paid	(5,147.92)	(3,408.46)
Net Cash Generated from (Used in) Financing Activities (C)	5,259.97	(2,105.86)
Net Increase (Decrease) in Cash & Cash Equivalents (A+B+C)	(332.57)	(1,121.37)
Cash and Cash Equivalents as at the beginning of the year	721.15	1,842.53
Cash and Cash Equivalents as at the end of the year	388.58	721.16
Components of Cash and Cash Equivalents		
Balances with Banks - in Current Accounts	279.23	625.75
Cheques / Drafts on hand	13.03	-
Cash on hand	96.32	95.41
Total Cash and Cash Equivalents	388.58	721.16

Notes :

- 1) The Cash flow Statement has been prepared under the "Indirect Method" set out in the Accounting Standard-3 on cash flow prescribed in the Companies (Accounting Standards) Rules, 2006.
- 2) Previous year figures are regrouped/ recasted where ever required.
- 3) Figures in brackets indicates outflow.

As per our report of even date attached

For Kapoor & Parekh Associates
Chartered Accountants

N. M. Parekh
Partner

Nagpur, 14 August 2012

For Sunil Hitech Engineers Limited

Ratnakar M. Gutte
Chairman and Managing Director

Sandeep Mishra
Company Secretary

Nagpur, 14 August 2012

Sunil R. Gutte
Joint Managing Director

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

1 GENERAL INFORMATION:

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

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Accounting:

2.1.1 The financial statements of the subsidiaries and associates used in the consolidation are drawn up to the same reporting date as that of the Parent Company, namely 31 March 2012. (Collectively referred as "the Group")

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

2.1.3 During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Accordingly previous year figures have been reclassified and regrouped in accordance with the requirements applicable in the current year.

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 (AS 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 Interests' 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 Company.

2.2.5 Minority Interests' 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 Company.

2.2.6 Investment in associate companies have been accounted for, by using equity method in accordance with Accounting Standard 23 (AS 23) "Accounting for Investment in Associates in Consolidated Financial Statements" whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the 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.

2.3 Use of Estimates:

Preparation of financial statements in conformity with generally accepted accounting principles, 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 reported year. Actual results could differ from these estimates and differences between the actual results and estimates are recognised in the year in which results are known / materialised.

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

2.4 Fixed Assets:

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

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment loss, if any.

Incidental Expenditure during Construction period (Sunil Hitech Energy Pvt. Ltd.)

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

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

2.5 Depreciation / Amortisation:

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

Premium on the leasehold land is amortised over the period of lease.

Computer Software is amortised equally over a period of five years, from the year of purchase.

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

In case of the Parent Company, Fixed assets, excluding buildings and computers, individually costing upto ₹ 0.05 Lacs are fully written off in the year of purchase.

2.6 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.

2.7 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.

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

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

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

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

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

2.8 Investments:

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

2.9 Inventories:

Inventories are stated at lower of cost and net realisable value. Cost of inventories comprises of cost of purchase, cost of

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

conversion and other cost incurred in bringing them to their respective present location and condition. Cost of inventories is ascertained on the FIFO basis. Tools are written off based on technical evaluation.

2.10 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 contract are recognised as expenses or income over the life of contract.

2.11 Employee Benefits:

Short-term Benefits

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

Post Retirement Benefits

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

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

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

2.12 Taxes on Income:

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.

2.13 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.

2.14 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.

2.15 Custom Duties:

Custom duty payable on goods lying in custom bonded warehouse/under clearance are provided for and included in valuation of inventories.

2.16 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 revenue.

2.17 Provisions, Contingent Liabilities and Contingent Assets:

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

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

3. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Authorised :		
2,50,00,000 Equity shares of ₹ 10/- each	2,500.00	2,500.00
Issued, Subscribed and Fully Paid-up :		
1,22,75,160 Equity shares of ₹ 10/- each fully paid up	1,227.52	1,227.52
	1,227.52	1,227.52

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

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Equity shares at the beginning of the year	1,22,75,160	1,227.52	1,22,75,160	1,227.52
Movement during the year	–	–	–	–
Equity shares outstanding at the end of the year	1,22,75,160	1,227.52	1,22,75,160	1,227.52

3.2 Terms / Rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.20 (Pr. Yr. ₹ 1.20).

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

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

Particulars	As at March 31, 2012		As at March 31, 2011	
	No.	% holding	No.	% holding
Mr. Ratnakar Manikrao Gutte	22,02,500	17.94%	22,02,500	17.94%
Mrs. Sudhamati Ratankar Gutte	19,68,750	16.04%	19,68,750	16.04%
Mr. Sunil Ratnakar Gutte	16,78,740	13.68%	16,78,740	13.68%
Bessemer Venture Partners Trust	11,00,000	8.96%	11,00,000	8.96%
Mr. Vijay Ratnakar Gutte	6,75,000	5.50%	6,75,000	5.50%

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

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

4. RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Capital Reserve		
Balance as per the last financial statements	842.55	840.60
Add: Received during the year	5.20	1.95
Add: Share in Capital Reserve of Associates	15.51	-
	863.26	842.55
Securities Premium Reserve		
Balance as per the last financial statements	11,437.12	11,150.14
Less: Transfer to Minority Interest	18.41	-
Add: Share in security premium of the Associates	891.88	286.98
	12,310.59	11,437.12
Revaluation Reserve		
Balance as per the last financial statements	58.59	59.61
Less: Amount transferred to the statement of profit and loss as reduction from depreciation	0.97	1.02
	57.62	58.59
General Reserve		
Balance as per the last financial statements	1,190.96	881.57
Add: Transferred from Statement of Profit and Loss	186.17	338.08
Less: Adjustment of Earlier Year	-	28.67
Add: Transfer from Minority Interest	5.78	-
	1,382.91	1,190.96
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	8,760.78	5,640.44
Profit for the year	3,013.03	3,629.62
Add: Amount Transferred to Incidental Expenses Pending For Allocation	31.11	-
Less: Goodwill on consolidation written off	45.06	-
Less: Appropriations		
Proposed dividend on equity shares	147.30	147.30
Tax on proposed equity dividend	23.90	23.90
Transfer to general reserve	186.17	338.08
Total appropriations	357.37	509.28
Net Surplus in the Statement of Profit and Loss	11,402.49	8,760.78
	26,016.87	22,290.00

5. LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Rupee Term loans (Secured)				
From Banks	1,449.91	2,422.91	2,006.32	2,405.32
From Financial Institutions	1,108.68	9.51	618.26	20.99
Bonds / Debentures (Secured)				
1,200 Secured Optionally Fully Convertible Debentures of ₹ 1.00 Lacs each.	1,200.00	-	-	-
	3,758.59	2,432.42	2,624.58	2,426.31
Amount disclosed under the head Other Current Liabilities as Current Maturities of Long-Term Debt (Refer Note No.10)	-	-	2,624.58	2,426.31
	3,758.59	2,432.42	-	-

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

5. LONG TERM BORROWINGS (Contd...)

5.1 A) Term loan from banks referred above to the extent of (In Parent Company):

- ₹ 341.51 Lacs (Pr.Yr. ₹ 379.15 Lacs) are secured by first mortgage/pari-passu charge on the respective immovable properties situated at Pune and Nagpur.
- ₹ 2,199.85 Lacs (Pr. Yr. ₹ 3,728.08 Lacs) are secured by first mortgage/pari-passu charge on the respective Plant and Machineries including Hydras at various sites.
- ₹ 163.81 Lacs (Pr. Yr. ₹ 177.48 Lacs) are secured by first mortgage/pari-passu charge on the respective Vehicles at various sites.

B) In respect of SEAM Industries Ltd. (Subsidiary) the term loans from banks are secured by:

- First pari passu charge by way of hypothecation on all Plant and Machineries.
- First Charge by way of equitable mortgage of Factory Land and building situated at K-43/2, Five Star Industrial Zone, Butibori, MIDC, Nagpur.
- Personal Guarantees of Promoters.
- Collaterally secured by way of corporate guarantee of M/s Sunil Hitech Engineers Limited (Holding Co.).
- Second Charged by way of Hypothecation on all the current assets of the borrower company for securing their working capital facility.

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

- ₹ 1,717.43 Lacs (Pr. Yr. ₹ 8.54 Lacs) are secured by first mortgage/pari-passu charge on the respective Plant and Machinery including Hydras situated at various sites.
- ₹ 9.51 Lacs (Pr. Yr. ₹ 21.96 Lacs) are secured by first mortgage/pari-passu charge on the respective Vehicles at various sites.

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

5.4 Terms of redemption / repayments:

- Term loans from banks and financial institutions are repayable from 2012-13 to 2022-23
- The debentures are optionally redeemable by the subscribers on or before 31st March 2020. In the event of the subscribers does not exercise the option of conversion on or before 31st March 2020, the debentures can be redeemed on the date of redemption at par value plus 10% thereon.

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

6. DEFERRED TAX LIABILITIES (₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Depreciation	37.65	-
Disallowance under Income Tax Act	10.13	-
	47.78	-

7. LONG TERM PROVISIONS (₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefit (Net) (Refer Note No.35)		
Provision for Gratuity (Net)	10.50	10.87
Provision for Compensated Absences (Net)	204.58	141.57
	215.08	152.44

8. SHORT TERM BORROWINGS (₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Working Capital Rupee Loans from Banks Repayable on Demand (Secured)	28,725.68	20,269.27
Short Term Loans from Banks (Secured)	-	4,040.17
Foreign Currency Buyers Credit Arrangement from Banks (Unsecured)	3,097.47	-
Others (Unsecured)	589.58	-
	32,412.73	24,309.44

8.1 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.

8.2 Short Term Loans from Banks are secured by having Second Charge on Fixed Assets of the Company and personal guarantee of some of the Directors.

9. TRADE PAYABLES (₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Payables (Refer Note no.43 for Micro, Small and Medium Enterprises disclosure)	17,998.81	15,913.43
	17,998.81	15,913.43

10. OTHER CURRENT LIABILITIES (₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Current Maturities of Long-Term Debt	2,624.58	2,426.31
Interest Accrued but Not Due on Borrowings	44.37	37.71
Unpaid Dividends [To be credited to Investor Education and Protection Fund when due.]	5.44	4.54
Other Advance Received	123.14	500.00
Security Deposit from Sub-Contractors	1,127.94	885.12
Retention Money from Sub-Contractors	2,350.76	1,078.20
Advance from Customers	7,540.27	8,201.89
Due to Customers [Billing is in excess of Contract Revenue as per AS-7]	4,265.05	6,822.72
Other Payables*	2,344.50	1,966.99
Sweat Money Payable to MSMC	1,841.00	-
	22,267.05	21,923.48

*Includes statutory dues and payable against other contractual obligations.

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

11. SHORT TERM PROVISIONS (₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for Employee Benefit (Net)		
Provision for Compensated Absences (Net) (Refer Note No.35)	62.31	30.97
Other Provisions		
Proposed Dividend	147.30	147.30
Tax on Dividend	23.90	23.90
Provision for Wealth Tax	5.50	10.74
Provision for Income Tax	51.24	2.91
	290.25	215.82

12. FIXED ASSETS

A. TANGIBLE ASSETS : (₹ in Lacs)

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Freehold Land	466.55	57.23	356.88	166.90	-	-	-	-	166.90	466.55
Leasehold Land	231.89	149.66	101.91	279.64	7.79	2.70	4.70	5.79	273.85	224.10
Buildings*	2,920.25	1,345.39	77.65	4,187.99	519.51	194.74	9.46	704.79	3,483.20	2,400.74
Plant and Machinery *	16,549.79	3,324.53	1,375.78	18,498.54	7,229.70	2,242.32	646.59	8,825.43	9,673.11	9,320.09
Computer and Printer	288.40	272.50	0.88	560.02	144.60	114.27	0.78	258.09	301.93	143.80
Furniture and Fixtures	385.73	356.23	0.12	741.84	158.12	64.23	0.07	222.28	519.56	227.61
Office Equipment	300.27	133.36	0.22	433.41	100.43	47.44	0.13	147.74	285.67	199.84
Vehicles	1,109.30	230.72	18.92	1,321.10	579.93	174.41	13.76	740.58	580.52	529.37
Temporary Office										
Construction	309.17	374.20	-	683.37	81.59	329.08	-	410.67	272.70	227.58
Total	22,561.35	6,243.82	1,932.36	26,872.81	8,821.67	3,169.19	675.49	11,315.37	15,557.44	13,739.68
Previous Year	19,961.24	2,821.70	221.59	22,561.35	6,256.05	2,684.43	118.81	8,821.67		

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

B. INTANGIBLE ASSETS: (₹ in Lacs)

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Computer Softwares	122.52	588.14	-	710.66	65.67	90.69	-	156.36	554.30	56.85
Total	122.52	588.14	-	710.66	65.67	90.69	-	156.36	554.30	56.85
Previous Year	101.50	21.02	-	122.52	34.94	30.73	-	65.67		

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

13. NON - CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
A Trade Investments - Unquoted		
In Associate Company		
MSMC Adkoli Natural Resources Ltd.	1.00	1.00
4,900 (Pr. Yr. 4,900) Equity Share of ₹ 10 each fully paid up.		
B Other Investments- Unquoted		
In Associate Company		
Gangakhed Sugar & Energy Limited		
1,95,40,000 (Pr.Yr. 1,95,00,000) Equity Shares of ₹ 10/- each fully paid up	1,966.00	1,950.00
[1,95,00,000 Equity Shares pledged with banks against term loans to Gangakhed Sugar & Energy Limited and can not be sold/transferred till the aforesaid loans are outstanding.]		
Add: Share in securities premium of the Associate	1,178.86	286.97
Add: Share in Capital Reserve of the Associate	15.51	-
Less: Unrealised Profit in the respect of transaction with company in the year 2008-09	73.65	73.65
Less: Share in loss of the Associate	61.58	61.58
Less: Unrealised Profit in the current year on transaction with the Associate	1.72	1.72
Add: Share in Profit of Associate	119.38	-
	3,142.80	2,100.02
In Other Companies		
Sudama Mahavir Power Private Limited.		
100 Equity Shares of ₹ 10/- each fully paid up	0.01	0.01
Pannageshwar Sugar Mills Limited.		
Nil (Pr.Yr. 4,00,000) Equity Shares of ₹ 10/- each fully paid up	-	40.00
Less : Provision for diminution in value of Long Term Investment	-	20.00
	-	20.00
	3,143.81	2,121.03

14. DEFERRED TAX ASSET

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Depreciation	112.09	260.74
Provision for Doubtful Debts / Deposits / Advances	256.37	231.22
Disallowances under Income Tax Act	81.56	66.66
	450.02	558.62

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

15. LOANS AND ADVANCES (UNSECURED)

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances (Considered Good)	409.93	948.07	-	(582.88)
Deposits				
Considered Good	1,679.72	1,855.20	17,379.38	11,517.11
Considered Doubtful	251.86	192.27	189.40	168.09
	1,931.58	2,047.47	17,568.78	11,685.20
Less: Provision for Doubtful Deposits	251.86	192.27	189.40	168.09
	1,679.72	1,855.20	17,379.38	11,517.11
Advances to Creditors				
Considered Good	-	-	2,129.17	2,223.62
Considered Doubtful	-	-	4.20	16.35
	-	-	2,133.38	2,239.97
Less: Provision for Doubtful Advances	-	-	4.20	16.35
	-	-	2,129.17	2,223.62
Loans and Advances to Related Parties (Considered Good)	73.82	18.53	(11.64)	(0.01)
Income Tax Paid (Net of Provision)	-	-	429.42	438.31
Balances with Statutory / Government Authorities				
Balance with Excise Authorities	-	-	423.59	641.71
VAT Receivable	-	-	1,510.81	1,297.40
Prepaid Expenses	285.40	342.53	511.25	728.44
Advances Recoverable in Cash or in Kind	-	-	533.40	294.18
	2,448.87	3,164.33	23,065.96	16,658.08

16. CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
(Other Investments - Quoted)		
In Mutual Fund -		
Reliance Medium Term Fund	-	700.00
Nil (Pr.Yr. 40,94,549) units of ₹ 10/- Each fully paid up		
	-	700.00
Market Value of Quoted Investments	-	700.00

17. INVENTORIES

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Raw Material and Components	4,432.88	2,826.64
Raw Material and Components (Goods in Transit)	1,655.70	-
Steel and T&D Material	3,257.94	529.20
Stores, Spare Parts and Loose Tools	2,540.70	1,256.16
Stores, Spare Parts and Loose Tools (Goods in Transit)	1.06	-
Work in Process	498.45	15.50
	12,386.73	4,627.50

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

18. TRADE RECEIVABLES (Unsecured)

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Over Six Months from the date they become due for payment		
Considered Good	1,383.88	2,390.57
Considered Doubtful	344.69	317.48
	1,728.57	2,708.05
Others- Considered Good	25,322.41	28,273.55
Debt Due by Companies in Which Director is Partner or Director or Member	406.09	24.87
	27,457.07	31,006.47
Less : Provision for Doubtful Debts	344.69	317.48
	27,112.38	30,688.99
	27,112.38	30,688.99

19. CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Cash and Cash Equivalents				
Balances with Banks:				
Balances with Banks in Current Accounts	–	–	279.23	625.75
Cheques / Drafts on Hand	–	–	13.03	–
Cash on Hand	–	–	96.32	95.41
	–	–	388.58	721.16
Other Bank Balances				
Earmarked Balances with Banks -Unpaid Dividend	–	–	5.43	4.54
Fixed Deposits with original maturity for more than 3 months but less than 12 months (Under Lien)	–	–	346.28	963.70
Fixed Deposits with original maturity for more than 12 months (Under Lien)	1,265.89	2,503.29	3,347.04	569.77
	1,265.89	2,503.29	3,698.75	1,538.01
Amount disclosed under Other Non-Current Assets (Refer Note No. 20)	1,265.89	2,503.29	–	–
	–	–	4,087.33	2,259.17

20. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Interest Accrued on Fixed Deposits	66.04	42.14	231.55	10.21
Fixed Deposits with Banks (Under Lien) (Refer Note No. 19)	1,265.89	2,503.29	–	–
Contract revenue in excess of Billing revenue as per AS-7	–	–	9,975.05	7,744.65
Fixed Assets-Land Held for Sale	–	–	48.77	–
	1,331.93	2,545.43	10,255.37	7,754.87

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

21. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Revenue from Projects and Maintenance	86,253.86	76,387.50
Sales-Trading		
Steel	5,989.62	–
Coal	2,717.70	3,997.49
Others	1,142.12	781.01
	9,849.44	4,778.50
	(A)	81,166.00
Other Operating Revenues		
Handling Charges	–	251.15
Commission Received	–	2.58
Income from Crane Hire	229.07	18.03
Sale of Scrap	37.30	10.90
Metal (Boulder) Sale	115.84	–
Job Work Receipt	193.85	61.96
	(B)	344.62
	(A+B)	81,510.62
Less: Excise Duty	897.73	675.41
	95,781.63	80,835.21

22. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Interest on Bank Deposits	435.89	240.58
Interest from Others	7.71	4.09
Dividend from Current Investments - Non Trade	2.39	–
Profit on Sale of Current Investments - Non Trade (Net)	–	1.82
Profit on Sale of Non Current Investments - Non Trade (Net)	569.21	–
Profit on Sale of Fixed Assets	589.95	24.29
Exchange Rate Difference	–	97.34
Amount Written Back	167.68	209.95
Miscellaneous Income	166.85	119.90
	1,939.68	697.97

23. COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Steel Consumed	6,960.40	12,000.44
Other Material Consumed	24,864.03	14,692.88
	31,824.43	26,693.32

24. CHANGES IN INVENTORIES OF WORK IN PROCESS

(₹ in Lacs)

Particulars	Year ended	Year ended
	March 31, 2012	March 31, 2011
Inventories at the beginning of the year		
Work-in Process	15.50	454.26
	15.50	454.26
Inventories at the end of the year		
Work-in Process	498.45	15.50
	498.45	15.50
Net (Increase) / Decrease Inventories of Work-in-Process	(482.95)	438.76

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

25. PURCHASE OF TRADED GOODS

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Purchase of Traded Goods		
Steel	6,002.76	–
Coal	2,649.08	3,884.13
Others	1,074.88	522.70
	9,726.72	4,406.83

26. CONTRACT AND SITE EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Construction, Erection, Fabrication and Maintenance	24,160.25	22,613.39
Excavation, Disposal and Leveling	448.41	786.82
Hire Charges	1,498.31	771.30
Transportation Expenses	590.18	425.47
Royalty Fees	64.99	104.47
Other Site Expenses	962.59	902.99
Job Work Charges	654.10	562.68
	28,378.83	26,167.12

27. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Salary, Wages and Allowances	6,003.17	4,393.42
Contribution to Provident, Superannuation and Other Funds	369.03	335.16
Staff and Labour Welfare Expenses	495.60	414.78
	6,867.80	5,143.36

28. FINANCE COST

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Paid to Bank	4,021.29	2,950.18
Interest Paid to Others	–	4.91
Other Borrowing Cost	929.78	639.10
Interest on Service Tax	162.05	2.69
Interest Paid to Customer (Against Advance)	34.01	0.45
Applicable Net Loss on Foreign Currency Transaction and Translation	0.92	–
	5,148.04	3,597.35

29. DEPRECIATION AND AMORTISATION COST

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Depreciation (Refer Note No 12)	3,258.91	2,701.57
Less : Recoupment from Revaluation Reserve	0.97	1.02
	3,257.94	2,700.55

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

30. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Consumption of Stores and Spares	2,195.19	2,038.38
VAT / Entry Tax / Service Tax	1,023.66	786.15
Rent	741.68	460.94
Travelling and Conveyance	594.76	428.19
Legal and Professional Fees	468.05	386.01
Provision for Doubtful Debts	27.21	280.51
Provision for Doubtful With held and Retention MOney	80.89	101.66
Bad debts / Advances Written Off	119.57	92.37
Repairs to Machinery	260.93	237.78
Repairs to Building	79.57	92.86
Repairs - Others	244.88	199.31
Insurance	236.30	224.23
Power and Fuel	304.26	169.40
Communication	185.72	153.62
Rates and Taxes	93.34	83.73
Printing and Stationery	91.43	84.47
Loss on Sale of Non Current Investments (Non Trade) (Net)	20.00	7.57
Exchange Rate Difference (Net)	368.19	–
Miscellaneous Expenditure Written Off	–	82.82
Loss on Assets Discarded	–	10.13
Demurrage Charges	22.03	18.58
Miscellaneous Expenses	627.85	280.51
	7,785.51	6,219.22

31. EARNING PER SHARE (EPS)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Net Profit after tax before Extraordinary items (₹ in Lacs)	2,919.50	3,579.62
Net Profit after tax after Extraordinary items (₹ in Lacs)	3,013.03	3,629.62
Weighted Average Number of Equity Shares Outstanding during the year	1,22,75,160	1,22,75,160
Nominal Value of Equity Share (₹)	10	10
Basic and diluted EPS before Extraordinary items for the year (₹)	24.03	29.30
Basic and diluted EPS after Extraordinary items for the year (₹)	24.55	29.57

32. BASIS OF PREPARATION:

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

LIST OF THE SUBSIDIARIES

Name of the Subsidiary Company	Country of incorporation	Proportion of ownership interest and voting power as on	
		31 March 2012	31 March 2011
SEAM Industries Limited	India	88.61%	84.75%
Sunil Hitech Energy Private Limited	India	51.00%*	62.05%
SHEL Investment Consultancy Private Limited	India	99.99%	99.99%

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

Name of the Associate Company	Country of incorporation	Proportion of ownership interest and voting power as on	
		31 March 2012	31 March 2011
Gangakhed Sugar & Energy Limited	India	28.08%*	29.55%

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

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

32. BASIS OF PREPARATION: (Contd...)

- 32.1 Accounts of the aforesaid Subsidiary Companies, SEAM Industries Limited, Sunil Hitech Energy Private Limited and SHEL Investment Consultancy Private Limited are for the year from 01 April 2011 to 31 March 2012, and have been audited by other auditors and are incorporated in the consolidated financial statements.
- 32.2 In respect of Gangakhed Sugar & Energy Limited, accounts for the period 01 April 2011 to 31 March 2012, have been audited by other auditors and are incorporated in the consolidated financial statements.
- 32.3 MSMC Adkoli Natural Resources Limited is an associate of Sunil Hitech Energy Private Limited one of the subsidiary of the parent company. Due to the non availability of audited accounts of M/s MSMC Adkoli Natural Resources Limited, the same are not considered and incorporated in consolidated financial statement.

33. CONTINGENT LIABILITIES:

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
a) Counter Guarantees given to Bank against Guarantees given by them.	39,596.88	37,573.45
b) Bank Letter of Credit outstanding at the year end	1,063.64	3,746.66
c) Service Tax demand disputed, contested in appeal	864.85	181.18
d) Corporate Guarantee given on behalf of :-		
• Gangakhed Sugar & Energy Limited	-	5,000.00
• Loans outstanding at the year end	-	4,999.75
e) Estimated amount of contracts remaining to be executed on capital commitments and other commitments, net of advances	10.00	619.17
f) Claims against the Company not acknowledged as debts	11.53	11.53

34. REMUNERATION TO AUDITORS (EXCLUDING SERVICE TAX)

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
- Audit Fees	21.70	18.65
- For Certification and Other Matters	6.50	4.00
- For Taxation Matters	0.75	NIL
	28.95	22.65

35. EMPLOYEE BENEFITS:

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

Defined Contribution Plans:

The Parent Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the Government and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all the regular employees and the ESI covers eligible workers. Contributions are made to the Government's funds, while both the employees and the Parent Company pay predetermined contributions into the PF and the ESI Scheme, contributions into the EPS is made only by the Company. The contributions are normally based on a certain portion of the employee's salary.

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

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
a) Provident Fund, Employee's Pension Scheme and MLWF	347.14	316.98
b) Employees State Insurance	21.89	18.18
Total	369.03	335.16

Defined Benefit Plans:

In case of Parent Company

Leave Encashment:

The Parent Company's employees are entitled for compensated absences, which are allowed to be accumulated and encashed as per the Company rules. The Liability of compensated absences has been provided based on report of independent actuary using the "Projected Accrued Benefit Method", which is same as the "Projected Unit Credit Method" in respect of past services. Accordingly ₹ 251.17 Lacs (Pr.Yr. ₹ 170.54 Lacs) being the liability as at the year end for compensated absences have been provided in the accounts.

Gratuity:

The Employees' Gratuity Fund Scheme is a defined benefits plan. The present value of obligation is determined based on actuarial valuation, using the "Projected Unit Credit Method", which recognises each period of services as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

35. EMPLOYEE BENEFITS: (Contd...)

The Company makes annual contributions to the Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for employees. The scheme provides for payment to employees as under:

- i) On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service.

- ii) On the death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Disclosures for defined benefit plans i.e. Gratuity (Funded Plan) based on actuarial reports as on 31st March, 2012: (₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
i) Changes in Defined Benefit Obligation		
Opening defined benefit obligation	189.74	115.98
Current service cost	51.67	34.75
Interest cost	19.43	11.78
Actuarial loss / (gain)	(20.81)	10.41
Past Service Cost	Nil	21.60
Benefit (paid)	(10.10)	(4.77)
Closing defined benefit obligation	229.93	189.75
ii) Changes in Fair Value of Assets		
Opening fair value of plan assets	186.46	59.18
Expected return on plan assets	15.53	6.06
Actuarial gain / (loss)	(4.88)	2.75
Contributions of employer	42.72	123.25
Assets distributed on sale of business	Nil	Nil
Benefits (paid)	(10.10)	(4.77)
Closing fair value of plan assets	229.72	186.47
iii) Amount recognised in the Balance Sheet		
Present value of the obligations as at year end (Funded+ Non Funded)	229.93	189.75
Fair value of the plan assets as at year end	(229.72)	(186.47)
Amount not recognised as an asset	Nil	Nil
Net (asset) / liability recognised as at the year end	0.21	3.28
iv) Expenses recognised in the Statement of Profit and Loss		
Current service cost	51.67	34.75
Interest on defined benefit obligation	19.43	11.78
Expected return on plan assets	(15.53)	(6.06)
Net actuarial loss / (gain) recognised in the current year	(15.93)	7.66
Past Service Cost	Nil	21.58
Effect of the limit in Para 59(b) of the revised AS-15	Nil	Nil
Total expenses	39.64	69.71
v) Asset information (% Allocation)		
Government of India Securities	Nil	Nil
Corporate Bonds	Nil	Nil
Special Deposit Scheme	Nil	Nil
Insurer Managed Funds	102%	100%
Others	-2%	Nil
vi) Principle actuarial assumptions used		
Discount Rate (p.a.)	8.65%	8.20%
Expected Rate of Return on Plan Assets (p.a.)	7.50%	7.50%
Annual increase in salary cost (p.a.)	6.00%	6.00%

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

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

34. EMPLOYEE BENEFITS: (Contd..)

In Case of Subsidiary Company (SEAM Industries Ltd.)

The Present Value of obligation is determined based on actuarial valuation using the "Projected Unit Credit Method", which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligations. The obligation for leave encashment is recognised in the same manner as gratuity. (₹ in Lacs)

Particulars	March 31, 2012	
	Gratuity Unfunded	Leave Encashment Unfunded
a) Reconciliation of Opening and Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at year beginning	7.59	10.29
Current Service Cost	2.31	Nil
Interest Cost	0.80	Nil
Plan Amendments	Nil	Nil
Actuarial (gain)/loss	(0.42)	Nil
Benefits Paid	Nil	Nil
Defined Benefit Obligations at year end	10.29	15.72
b) Reconciliation of Opening and Closing Balances of Fair value of Plan Assets	Nil	Nil
c) Reconciliation of Fair value assets and obligations		
Fair Value of Plan Assets as at year end	Nil	Nil
Present Value of Obligation as at year end	10.29	15.72
Amount recognised in balance sheet	(10.29)	(15.72)
d) Expenses recognised during the period (Under the head "Employee Benefit Expenses)		
Current Service Cost	2.31	Nil
Interest Cost	0.80	Nil
Past Service Cost	Nil	Nil
Expected return on Plan Assets	Nil	Nil
Actuarial (gain) / loss	(0.42)	Nil
Net Cost	2.70	Nil
e) Discount Rate (per annum)	8.65%	0.00%
f) Expected Rate of Return on Plan Assets (per annum)	0.00%	0.00%
g) Salary escalation rate (per annum)	6.00%	6.00%

Actuarial valuation has been carried out using the "Projected Unit Credit Method". The company has started doing actuarial valuation from the current year, hence previous year figures have not been reported.

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

36. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 7 "CONSTRUCTION CONTRACTS" (REVISED): (IN CASE OF THE PARENT COMPANY). (₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
a) Contract revenue recognised for the year	72,218.27	65,138.54
b) Aggregate amount of contract costs incurred and recognised profits (Less recognised losses) up to the year end for all contracts in progress as at that date.	1,73,096.21	1,53,824.39
c) Amount of Customer advances received and outstanding for contracts in progress	7,471.03	8,138.26
d) Retention amount due from Customers for contracts in progress	12,900.21	8,528.93
e) Gross amount due from Customers as at year end	9,975.05	7,744.65
f) Gross amount due to Customers as at year end	4,265.05	6,822.71

37. DISCLOSURE FOR OPERATING LEASES UNDER ACCOUNTING STANDARD-19 "LEASES":(IN RESPECT OF THE PARENT COMPANY)

The Parent Company has taken various residential /office premises (including furniture and fittings, therein as applicable), under operating lease or leave and license agreements. These are generally cancellable and ranges from 5 months to 15 years under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Parent Company has given refundable interest free security deposits in accordance with the agreed terms. The lease payments of ₹ 656.25 Lacs (Pr. Yr. ₹ 271.50 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	March 31, 2012	March 31, 2011
a) Not later than one year	736.24	318.03
b) Later than one year but not later than five years	2,388.76	1,162.97
c) Later than five years	1,012.14	664.53

38. DISCLOSURES REQUIRED BY ACCOUNTING STANDARD-29 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS". (₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Balance at the beginning of the year	131.70	172.23
Additional provision during the year	686.18	Nil
Provision used/reversed during the year	Nil	40.53
Balance at the end of the year	817.88	131.70

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

40. SEGMENT REPORTING (IN CASE OF PARENT COMPANY) :

I. Business Segments:

Business segments have been identified in line with Accounting Standard-17 on "Segment Reporting".

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

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

Project Segment: This segment is engaged in the business of Fabrication, Erection and Commissioning of Boilers (Power Plants) ESP, Rotating Machineries, Sugar plants, Transmission and Distribution and EPC Contract and Balance of Plant (BOP).

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

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

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

40. SEGMENT REPORTING: (Contd...)

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. (₹ in Lacs)

Sl. No.	Particulars	March 31, 2012	March 31, 2011
1	Segment Revenue (Net Sales/Income from each segment)		
	a. Project	72,223.91	65,196.86
	b. Overhauling and Maintenance	3,095.66	2,754.64
	c. Supply	9,849.44	4,778.81
	Total	85,169.01	72,730.31
	Less: Inter-segment Revenue	-	-
	Net Sales /Income from Operations	85,169.01	72,730.31
2	Segment Results (Profit before tax and Finance cost from each segment)		
	a. Project	11,741.45	11,238.84
	b. Overhauling and Maintenance	1,199.22	1,009.50
	c. Supply	(93.86)	164.93
	Total	12,846.81	12,413.27
	Less:		
	i) Finance cost	4,708.07	3,419.23
	ii) Other un-allocable expenditure net off un-allocable income	3,699.06	3,322.83
	Profit Before Tax	4,439.68	5,671.21
3	Capital Employed (Segment Assets – Segment Liabilities)		
	a. Project	32,086.30	25,885.60
	b. Overhauling and Maintenance	1,854.12	1,599.45
	c. Supply	2,309.40	1,933.37
	Total	36,249.82	29,418.42
	Other un-allocable Corporate Assets - Other un-allocable Corporate Liabilities	(10,936.54)	(6,330.66)
	Total Capital Employed	25,313.28	23,087.76

II. Geographical Segments:

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

41. NOTE ON HEDGE AND UNHEDGED FOREIGN CURRENCY ASSETS AND LIABILITIES:

In case of the Parent Company has entered into forward exchange contract, being derivative instruments for hedge purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. Forward Exchange Contracts to buy foreign currency Nil (Pr. Yr. USD 28.95 Lacs) are outstanding as at the year end. The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are as below.

Particulars	₹ in Lacs	₹ in Lacs	Foreign Currency	Foreign Currency	Foreign
	March 31, 2012	March 31, 2011	Amt. in Lacs	Amt. in Lacs	Currency
Amount Receivable	17.34	Nil	0.34	Nil	USD
Amount Payable	2,883.32	Nil	56.36	Nil	USD
	212.12	Nil	3.10	Nil	EURO

42. RELATED PARTY DISCLOSURE FOR THE YEAR AS REQUIRED BY ACCOUNTING STANDARD 18 ARE GIVEN BELOW:

Category I: Associate Companies:	Gangakhed Sugar & Energy Ltd. MSMC Adkoli Natural Resources Ltd.
Category II: Directors, Key Management Personnel and their Relatives:	Mr. Ratnakar M. Gutte Mrs. Sudhamati R. Gutte Mr. Sunil R. Gutte Mr. Vijay R. Gutte Mr. M. N. Mohanan Mr. S. K. K. Ramaiah

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

42. RELATED PARTY DISCLOSURE FOR THE YEAR AS REQUIRED BY ACCOUNTING STANDARD 18 ARE GIVEN BELOW: (contd...)

A. Transactions with related parties during the year are as under* (₹ in Lacs)

Sl. No.	Particulars	I	II	Total
1.	Sale of Investment	-	20.00	20.00
		-	(2.43)	(2.43)
2.	Capital Advances Given	-	195.00	195.00
		-	-	-
3.	Loans and Advances Given	43.66	-	43.66
		(16.09)	-	(16.09)
4.	Contract Revenue	3,202.01	-	3,202.01
		(8,772.22)	-	(8,772.22)
5.	Purchases (Net)	-	-	-
		(106.17)	-	(106.17)
6.	Remuneration to Directors	-	390.67	390.67
		-	(392.65)	(392.65)
7.	Rent paid	-	164.82	164.82
		-	(171.42)	(171.42)
8.	Reimbursement of Expenses From Suppliers	-	-	-
		(0.02)	-	(0.02)

*Figures in brackets indicate previous year figures.

B. Out of the above items, transactions in excess of 10% of the total related party transactions are as under: (₹ in Lacs)

Sl. No.	Particulars	March 31, 2012	March 31, 2011
1	Sale of Investments		
	Mr. Ratnakar M. Gutte	20.00	2.43
2	Capital Advances Given		
	Mr. Ratnakar M. Gutte	48.75	-
	Mrs. Sudhamati R. Gutte	48.75	-
	Mr. Sunil R. Gutte	48.75	-
	Mr. Vijay R. Gutte	48.75	-
3	Loans and Advances Given		
	MSMC Adkoli Natural Resources Ltd.	43.66	16.09
4	Contract Revenue		
	Gangakhed Sugar & Energy Ltd.	3,202.01	8,772.22
5	Purchases (Net)		
	Gangakhed Sugar & Energy Ltd.	-	106.17
6	Remuneration to Directors		
	Mr. Ratnakar M. Gutte	99.87	120.81
	Mrs. Sudhamati R. Gutte	50.89	51.77
	Mr. Sunil R. Gutte	50.88	75.40
	Mr. Vijay R. Gutte	50.88	60.88
	Mr. M. N. Mohanan	79.95	43.76
	Mr. S. K. K. Ramaiah	40.20	-
7	Rent Paid		
	Mr. Ratnakar M. Gutte	64.23	80.82
	Mrs. Sudhamati R. Gutte	66.21	56.22
	Mr. Sunil R. Gutte	17.94	17.94
8	Reimbursement of Expenses From Suppliers		
	Gangakhed Sugar & Energy Ltd.	-	0.02

Consolidated Notes to Financial Statements for the year ended March 31, 2012

NOTES

42. RELATED PARTY DISCLOSURE (Contd...)

C. Balances Due From / To the Related Parties as at 31 March 2012*

(₹ in Lacs)

Sl. No.	Particulars	I	II	Total
1	Investment	1,950.00 (1,950.00)	–	1,950.00 (1,950.00)
2	Sundry Debtors	5,028.10 (6,452.75)	–	5,028.10 (6,452.75)
3	Capital Advances Given	–	195.00	195.00
4	Loans and Advances Given	62.19 (18.53)	–	62.19 (18.53)
4	Sundry Creditors	–	7.64 (5.66)	7.64 (108.27)
5	Financial Guarantees	–	–	–
		(5,000.00)	–	(5,000.00)

*Figures in brackets indicate previous year figures.

43. DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

In Case of Parent Company

Disclosure of Sundry Creditors 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. The amount outstanding (not overdue) as on 31 March 2012 to Micro, Small and Medium Enterprises on account of principal amount aggregate to ₹ 28.32 Lacs (Pr. Yr. ₹ 78.12 Lacs) and interest payable thereon ₹ Nil (Pr. Yr. ₹ Nil) and interest paid during the year ₹ Nil (Pr. Yr. ₹ Nil).

In Case of Subsidiary Company- Sunil Hitech Energy Pvt. Ltd

As per the information available with the company, the Company has no dues to Micro and Small Enterprises as at March 31, 2012 and March 31, 2011.

In Case of Subsidiary Company- SEAM Industries Ltd.

The company is in the process of identifying the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 and in the absence of adequate response, the company is unable to produce the information

44. Unamortised issue expenses amounting to ₹ 66.91 Lacs had been charged to the revenue in the previous year ended on 31 March 2011.

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

46. Due to natural calamity occurred at SECHI Site, the Company had incurred loss of ₹ 147.50 Lacs in FY 2009-10 and same had been provided as extraordinary loss in the books of accounts for the year ended 31 March 2010. The site and the assets thereon were sufficiently insured and claim of ₹ 93.52 Lacs received in current year (Pr. Yr. ₹ 50.00 Lacs) has been accounted as extraordinary income.

47. Pursuant to the agreement between 'Maharashtra State Mining Corporation' (MSMC) and the Parent Company, the Parent Company have since transferred its right and obligations to 'Sunil Hitech Energy Private Limited' (SHEPL) (its subsidiary), for allocating coal mining rights of 'MSMC Adkoli Natural Resources Limited' an amount of ₹ 7,412.00 Lacs is payable in three installments, out of which the 1st installment has been paid and provision for 2nd installment has been made in the books (forming part of CWIP) is adjusted from 'MSMC Adkoli Natural Resources Limited' on achieving COD of the Projects.

As per our report of even date attached

For Kapoor & Parekh Associates
Chartered Accountants

N. M. Parekh
Partner

For Sunil Hitech Engineers Limited

Ratnakar M. Gutte
Chairman and Managing Director

Sandeep Mishra
Company Secretary

Nagpur, 14 August 2012

Sunil R. Gutte
Joint Managing Director

Nagpur, 14 August 2012

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ratnakar Manikrao Gutte
Chairman

Mr. Sunil Ratnakar Gutte
Joint Managing Director

Mrs. Sudhamati Ratnakar Gutte
Executive Director

Mr. Mattathil Narayanan Mohanan
Director (Operations)

Mr. S. K. Kodandaramaiah
CEO and Director (Business Development)

Mr. Vijay Ratnakar Gutte
Director (Finance)

Mr. Dilip Y. Ghanekar
Independent Director

Mr. Devesh Nandan Garg
Independent Director

Mr. Sajid Ali
Independent Director

Mr. Parag Sakaliker
Independent Director

Mr. Sonyabapu Shankar Waghmare
Independent Director

R&T AGENTS

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

DEPOSITORIES

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

COMPANY SECRETARY

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

AUDITORS

Kapoor and Parekh Associates
(Chartered Accountants)
157, Princess Street,
Mumbai - 400 002, Maharashtra

BANKERS

UCO Bank
Union Bank of India
ICICI Bank Ltd.
IDBI Bank Ltd.
HSBC Bank Ltd.
Oriental Bank of Commerce
Kotak Mahindra Bank Ltd.
Barclays Bank
Axis Bank Ltd.

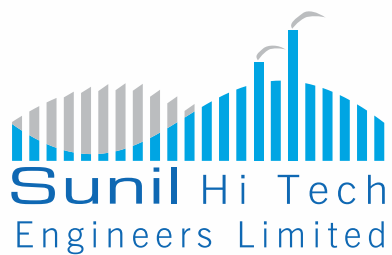
CORPORATE OFFICE

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

REGISTERED OFFICE

Ratnadeep, Jaynagar, Parli Vaijnath,
(District-Beed) Pin - 431 520 (Maharashtra)

Sunil Hitech is one of India's leading energy technology businesses involved in BOP (Balance-Of-Plant) & EPC (Engineering-Procurement-Construction) services for power plants. The Company possesses one of India's largest commissioned power plant portfolios of 22,309 MW (as on 31st March 2012).



97, East High Court Road,
Ramdaspath, Nagpur - 440 010, Maharashtra
Website: www.sunilhitech.com