

# 11,245.

The 'Words on Numbers' Annual report, 2009-10



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**THIS ANNUAL REPORT IS DEDICATED TO WORDS ON NUMBERS.**



This annual report is [dedicated](#) to words on numbers.

11,245, for instance

# 11,245 MW

At Sunil Hitech, this is the customer portfolio size we created in over a decade.

# 8 percent

This percentage represents the proportion of India's power generation capacity addressed by Sunil Hitech.

# 21 percent

The business addressed by Sunil Hitech as a proportion of India's projected Eleventh Plan wattage.

Through the complex complement of domain **software** with **hardware**.

# 45

The number of Sunil Hitech's operational sites

# 10,000

The number of Sunil Hitech's people (approximately) concurrently working across various project locations



# 13

Indian states in which Sunil Hitech enjoys an embedded presence

# 11,245

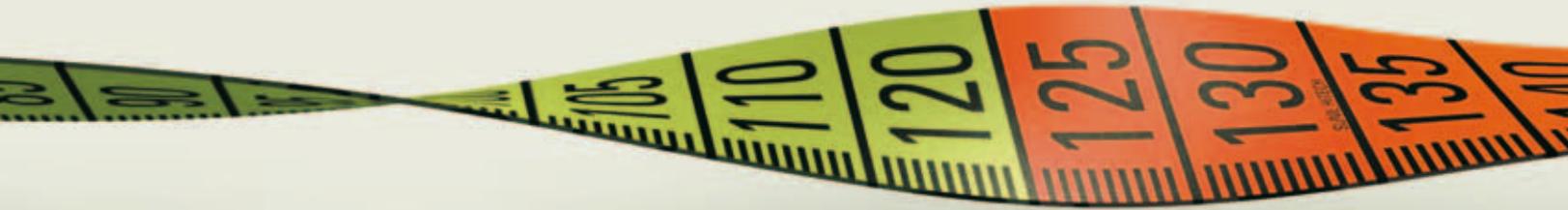
Capacity commissioned by Sunil Hitech (megawatts)

# 30

The size of the first EPC-based multi-fuel power plant (in megawatts) that Sunil Hitech constructed for Gangakhed Sugar and Energy Limited (GSEL) in 2009

# 2,340

The number of Sunil Hitech managers working across its Nagpur and other offices



# 18

The record time (in months) in which Sunil Hitech commissioned a 6,000-tpd-cane-crushing facility, 60,000 litres per day ethanol unit and a 30-MW power plant for GSEL

# 487

The first large balance-of-plant (BoP) order (in Rs. cr) Sunil Hitech bagged from Mahagenco, covering 250 MW in March 2010





# Sunil Hitech Engineers Limited.

## Among India's leading niche energy technology players.

- Providing solutions in power plant BOP and EPC spaces. Contributing to India's energy security.
- Offering engineered and fabricated boiler components (through subsidiary Seam Industries Private Limited).

# Profile

Sunil Engineering Works (commissioned in 1984) was renamed Sunil Hitech Engineers Private Limited following acquisition by the present management in 1998. The Company now provides design, fabrication, erection and commissioning-related BOP (balance-of-plant) – excluding the boiler, turbine, generator – assignments for power plants. The Company's expertise spans BOP, civil, structure and related electrical works (EBOP) and the commissioning of boilers and TG sets in power plants upto 660 MW.

## Vision

- To contribute to the development of power, steel and process industries as well as related infrastructure
- To meet quality, price and schedule benchmarks and consistently satisfy customers

## Mission

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

## Philosophy

- To 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 net worth growth and build on the Company's assets
- To be a market leader and highly dependable service provider
- To develop partnerships for growth and diversification
- To continuously strive to achieve greater customer satisfaction

## Presence

- Headquartered in Nagpur (Maharashtra), managing projects across 45 locations in 13 Indian states.
- Corporate office located in Mumbai.

## Listing

The equity shares of Sunil Hitech Engineers Limited are listed on the Bombay and National stock exchanges. The promoters hold a 53.20 percent stake in the Company's equity share capital.

## Intellectual strength

An employee team of 2,340 (585 BE and BTech engineers, 100 MBAs, 10 CAs and the rest post-graduates, graduates and technicians).

# Clientele



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 Infrastructure Ltd



Maharashtra State Electricity Distribution Company Limited



Hindalco Industries Ltd



Maharashtra State Power Generation Co. Ltd



Jaypee Group



JSW Energy Ltd



Tata Projects Ltd



National Buildings Construction Corporation Ltd



Adani Power Ltd



Chhattisgarh State Power Generation Co. Ltd



Rajasthan Rajya Vidyut Utpadan Nigam Ltd



Maharashtra State Transmission Company Ltd

Dodson- Lindblom International Inc.

Dodson- Lindblom International Inc. (USA)



Gujarat Urja Vikas Nigam Ltd



Jindal Steel & Power Ltd



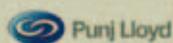
Hindustan Steelwork Construction Ltd



Rashtriya Ispat Nigam Ltd



Haryana Vidyut Prasaran Nigam Ltd



Punj Lloyd Ltd



L&T

## Key financial highlights, 2009-10

**722.67**  
Gross revenue  
(Rs. cr)

**23.45**  
Post-tax profit  
(Rs. cr)

**19.11**  
Earnings per  
share (Rs.)

**162.00**  
Book value  
per share (Rs.)

**94.61**  
Operating profit  
(Rs. cr)

**0.30**  
Debt-equity  
ratio

**20.24**  
Return on capital  
employed, average  
(percent)

# Our achievements

- Bagged a Rs. 487-cr contract for a 250-MW BOP project from Mahagenco Thermal Power Plant; project (started in March 2010) is expected to be completed in 18–24 months
- Qualified as an integrated BOP power plant conglomerate. Commissioned a 30-MW multi-fuel power plant for Gangakhed Sugar and Energy Limited. Emergence as an EPC partner expected to bid for and bag contracts worth nearly Rs. 1,000 cr in 2010-11
- Grew the order book from Rs. 1,177 cr as on 31 March 2009 to Rs. 1,935 cr as on 31 March 2010. Bagged orders worth Rs. 1,438.66 cr during the period under review, the highest single-year order value accretion
- Reported the highest-ever gross revenue (Rs. 722.67 cr), EBIDTA (Rs. 94.61 cr), EBIDTA margin (13.09 percent), cash profit (Rs. 70.52 cr) and post-tax profit (Rs. 31.50 cr) in 2009-10
- Recruited specialist engineering talent and other professionals
- Established an integrated cane crushing unit for Gangakhed Sugar and Energy Limited in a record 18 months. The plant became operational in December 2009 and possesses the following capacities: 6,000-tcd crushing capacity, 30-MW power plant. This is our first power plant as an EPC service provider. The crushing capacity is expected to rise to 10,000 tcd, power plant capacity to 90 MW and distillery capacity to 100,000 litres per day in two years
- Strengthened the order book after an order slowdown in the first two quarters of 2009-10 (Rs. 277.76 cr) with Rs. 1,160.90 cr (last two quarters of 2009-10)
- Strengthened our backward integration through Seam Industries (subsidiary company), a specialist in critical boiler equipment and technology. Its presence will enable us to enter the BTG overhaul and maintenance market
- Managed 45 operational sites with over 220 people at each (average)
- Achieved the highest-ever growth in structural fabrication at 100,000 MT, structural boiler fabrication at 102,000 MT as well as boiler auxiliary and piping equipment fabrication capacity of 100,000 MT
- Leverage our infrastructure presence to enter the rapidly growing roads sector







# Changing India. One project at a time.

## Maharashtra

- 500 MW-TG structure, boiler auxiliaries, Chandrapur
- 2 x 210-MW boiler and main plant structure, Khaparkheda
- 250 MW- SG & TG structure, CHP, boiler auxiliaries, Paril
- 250 MW- SG & TG structure and fuel oil handling system, Paras
- 210 MW- ESP erection and retrofitting, Koradi
- 22 kV lines and sub-station of APDRP, MSEDCL, Kalyani
- Transmission, distribution of button line and sub-station on turnkey, MSEDCL, Chandrapur

## Uttar Pradesh

- 2x500 MW, boilers auxiliaries, miscellaneous structures and 250 metres RCC chimney steel flues, Rihand
- 210 MW, boilers and auxiliaries, Unchahar
- 2x80 MW, TPH- HRSG, Gailpata
- 2x210 MW boilers, auxiliaries, main plant structures, Parichha

## Madhya Pradesh

- Stage II and III 4x500 MW, main plant structure and CW piping work, Vindhyachal
- 210 MW, structure and CW piping work, Amarkantak

## Haryana

- 125 TPH HRSG, 2x250 MW TG and mill bunker structure, boiler and auxiliaries, Panipat
- 66 kV and 132 kV sub-station, Halluwas, Dahina and Gurgaon
- 2x300 MW main plant structure, non-pressure parts and ESP, Yamunanagar

## Tamil Nadu

- 2x210 MW structural works, Neyveli
- Renovation of boiler structure, Ennore

## Punjab

- 2x250 MW bunker structure, Bhatinda

## Rajasthan

- 3x250 MW main plant structure, boiler and auxiliaries, Suratgarh
- 2x125 MW main plant structure, Giral

## Orissa

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

## Gujarat

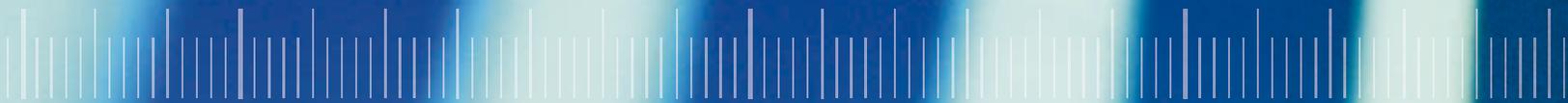
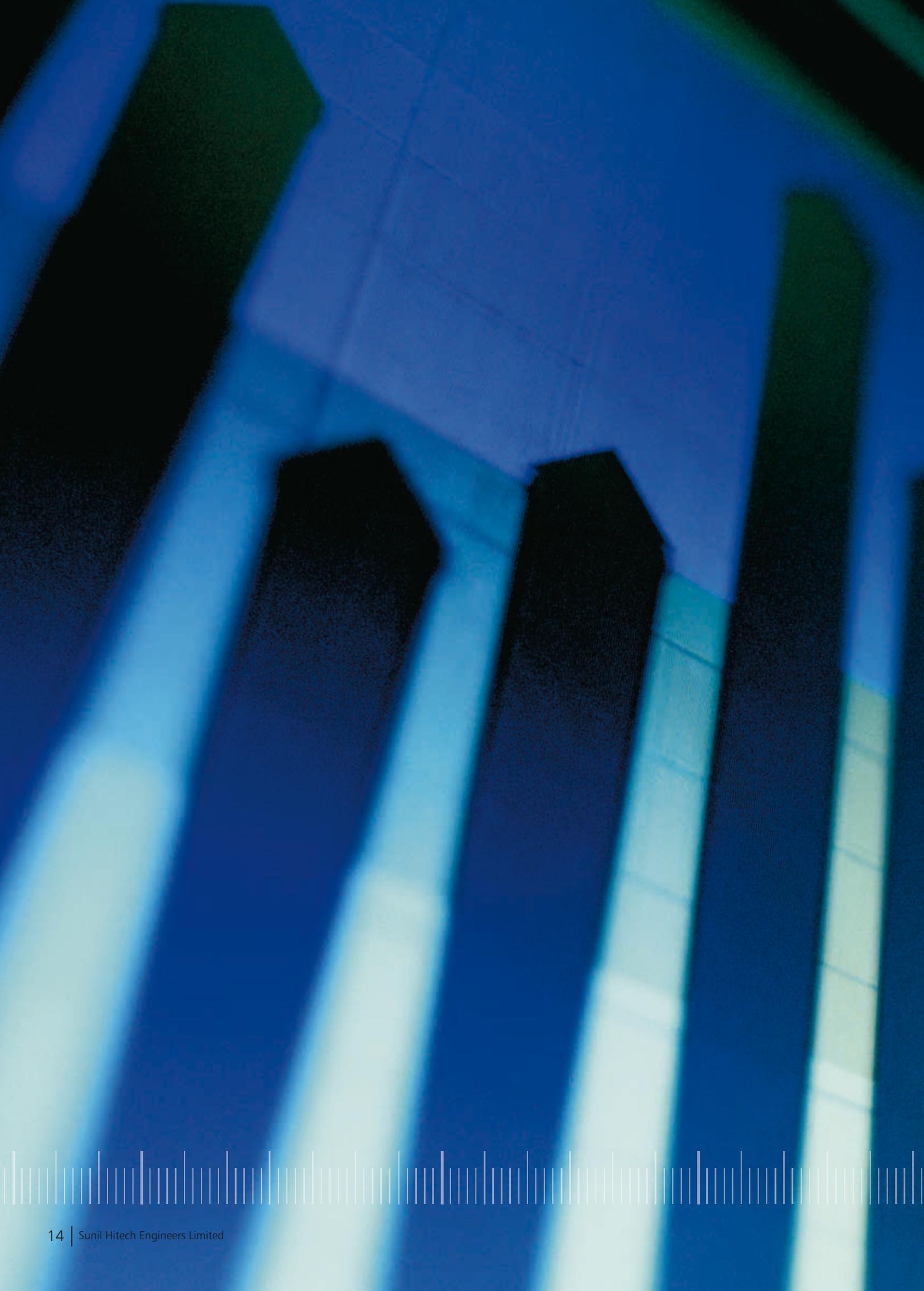
- Fabrication and erection of structure and piping work, Dahej

## Chhattisgarh

- 1x2,754 TPH boiler, 2x135 TPH-boiler and auxiliaries for BALCO at Korba
- 250 MW boiler and auxiliaries, Bhilai
- 2x500 MW SG and TG area civil works package, NTPC Sipat
- 4x250 MW main plant structure and ESP, JSPL Raigarh

## Karnataka

- JSW Steel Ltd, Bellary, structure of 7 MTPA sinter plant
- JSW Vijaynagar Energy Ltd, Bellary, 2x300 MW power plant general structure



# Sunil Hitech Engineers Limited is a stakeholder-driven conglomerate.

... **Leveraging** our deep roots in a growing India, one of the world's largest and youngest population pools. A significantly under-penetrated market with robustly positive economic growth (GDP growth of 7.2 percent in 2008-09)

... **Delivering** a consistent growth strategy focused on strong and growing power demand

... **Investing** in sunrise segments through capacity augmentation, synergic diversification and optimisation (operational and cost)

... **Providing** an integrated and complete range of BOP (Balance of Plant) and EPC (engineering, procurement and construction) services

... **Building** on the strength of Seam Industries Private Limited (subsidiary company) to provide critical boiler equipment for new assets on the one hand and cater to the replacement and maintenance market on the other

... **Enriching** our reputation with sound governance practices including transparent financial reporting and disclosures

... **Caring** for the community and society through sensitive programmes

... **Upholding** a long-standing commitment to balance the interests of debt providers and equity holders (debt-equity ratio of 0.30 as on 31 March 2010)

... **Continuing** to return capital to investors through corporate growth; some of the key metrics by which one must appraise our performance: a superior ROCE (10.42 percent in 2009-10), higher EBIDTA and EBIDTA margin (Rs 94.61 cr and 13.09 percent respectively) and robust cash profit (Rs 70.52 cr in 2009-10)

# “We are leveraging our rich engineering knowledge to widen our infrastructure presence.”

Sunil Hitech Engineers Limited reported a record 2009-10 in terms of revenues and profits. Chairman and Managing Director Mr. Ratnakar Gutte analyses the Company’s performance and prospects

*Dear Shareholders*

INDIA’S INCREASING POPULATION, RISING DISPOSABLE INCOMES AND GROWING ASPIRATIONS ARE STRESSING THE COUNTRY’S INFRASTRUCTURE, REFLECTING IN POWER OUTAGES, TRAFFIC BOTTLENECKS AND A GENERAL DECLINE IN URBAN LIFE QUALITY.

The good news is that the government has embarked to transform this reality through enhanced investments.

#### **USD 510 bn Eleventh Five-Year Plan investment**

India is extensively under-penetrated across a number of infrastructure sectors:

- Despite India emerging a trillion dollar economy three years ago, the country’s peak power deficit is 15–18 percent, affecting industrial growth in some states.
- Despite India having the world’s second largest road network, only 0.5 percent of this network is four-laned, affecting fuel efficiency and just-in-time delivery.

- Despite three of the ten biggest cities in the world located in India, they are also among the most polluted, affecting life quality.
- Despite rural India accounting for around 60 percent of the national population, it accounts for only about 18 percent of GDP, affecting inclusive growth.
- Despite India being the world’s second fastest growing economy, it accounts for only 1.5 percent of global trade (China 8 percent), affecting its geographic de-risking.

India’s proposed investment of USD 510 bn in the Eleventh Five-Year Plan is creating an unprecedented opportunity to correct the infrastructural imbalance of the decades. The country’s power sector will account for a significant portion of this outlay. Sunil Hitech will account for a growing share of this trickle-down, possessing a track record of having been associated with the commissioning of 11,245 MW generation capacity in just over a decade.

### India is a lot about work-in-progress

Infrastructure is the latest national buzzword, attracting the consensus of all political parties who recognise that a stronger infrastructure means a better India. India expects to invest USD 5 billion annually to fund infrastructure projects, leveraging its foreign exchange reserves – the world's fifth largest – of USD 350 billion. The country has outlined a larger role for public-private partnerships (PPPs) in infrastructure development, opening new areas for private sector entry and a break from the time when the government monopolised all infrastructure projects.

### This refreshing priority is reflected in the following programmes:

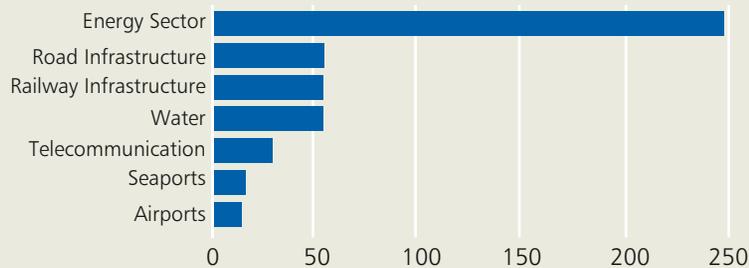
- The National Highway Development Programme (NHDP) and the Pradhan Mantri Gram Sadak Yojana (PMGSY) will connect over 1,000 habitations with all-weather roads in two years.
- The Bharat Nirman initiative will reinforce the country's rural infrastructure – electrification, roads, telecom, irrigation and housing, among others – with an Eleventh Five-Year Plan investment of Rs. 78,000 cr.

India's Eleventh Five-Year Plan envisions an annual economic growth in excess of 8 percent, supported by an ambitious infrastructure development programme. To fund these investments, India's Planning Commission called on the

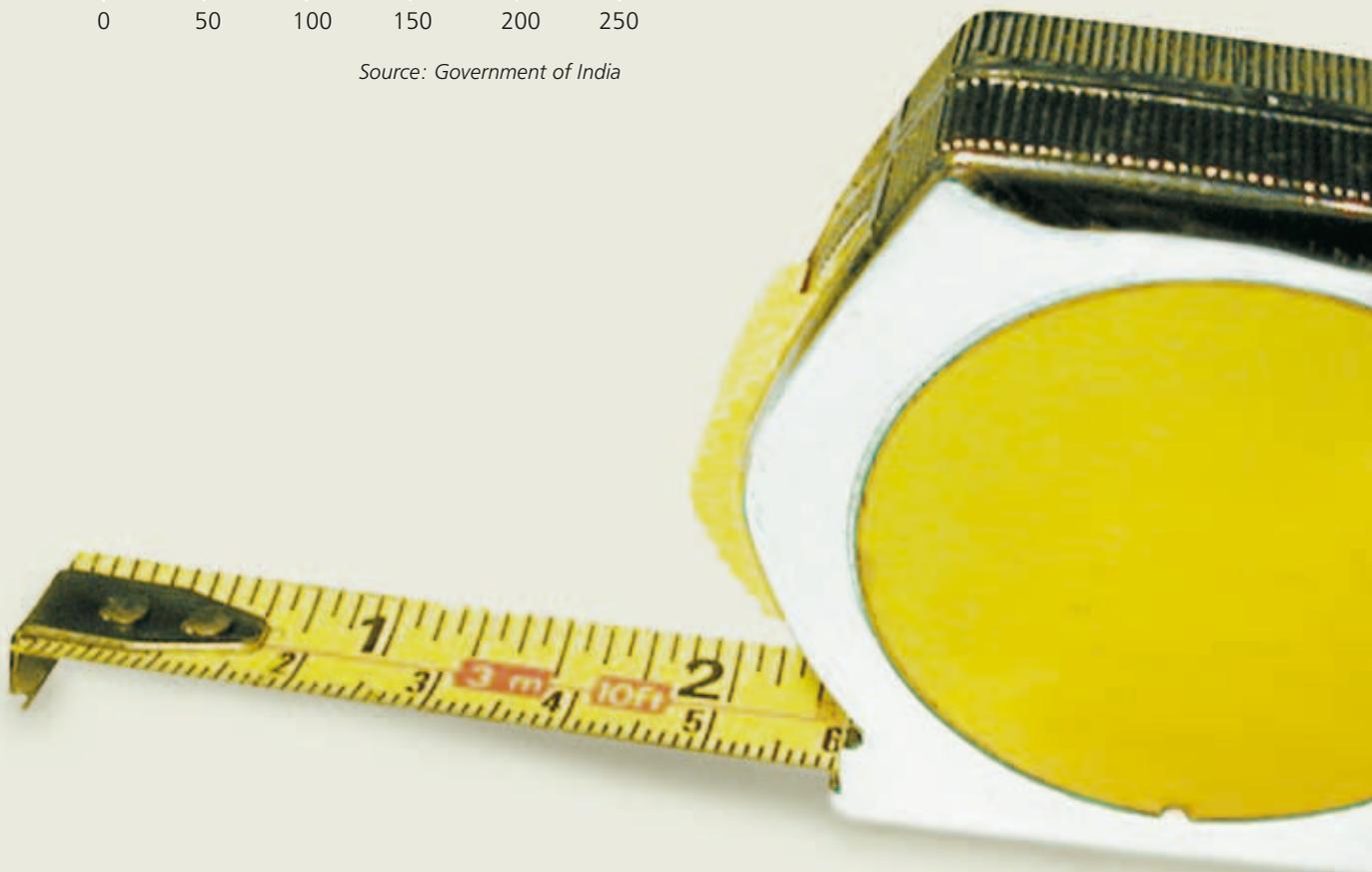
### Sector-wise break-up of investments for the Eleventh Five-Year Plan

#### Planned Investment in Infrastructure in India till 2012

USD (bn) according to the 11th Five-Year Plan



Source: Government of India



government to increase gross capital formation for infrastructure from 5 percent of the GDP to 9 percent between 2008 and 2012.

### Power and energy

The good news for Sunil Hitech is that the largest proportion of infrastructural investment has been reserved for the sector of its focus and presence – power and energy.

### An inspiring past, a brighter future

At Sunil Hitech, we possess a strategic clarity of where we are and where we are headed.

**EPC role:** In the past, we reinforced India’s energy security through an expertise in balance of plant (BOP) services. These services comprised the design, fabrication, erection and commissioning of power plants (30 to 600 MW). Two interesting 2009-10 developments will now evolve our positioning from a BOP player into a competent EPC participant:

- After extensive competitive bidding, we bagged our largest Rs. 500-cr, 250-MW BOP project from Mahagenco in March 2010 (expected to be completed in 24 months).
- We created a 30-MW multi-fuel power plant on an EPC-basis for Gangakhed Sugar and Energy Limited.

The experience derived from these projects will enable us to bid for large EPC-based power plant projects. When conducted

across select proximate locations, these projects will lead to resource optimisation, accelerate project completion and drive higher revenues (and profits).

**BOP power plant:** The second growth avenue will be the Company’s existing BOP power plant business. In this business, we intend to scale up our order book in the next two years.

**O&M service:** Now that the Company possesses scale and skill, we will market our overhauling and maintenance (O&M) services. This is an attractive space: the government earmarked almost Rs. 4,000 cr for O&M legacy power generating stations for 2010-11. By the virtue of our experience, we are in the right position to suggest appropriate cost-effective modifications to enhance plant load factor and power generation. We are competitively placed in this regard; our subsidiary company Seam Industries Private Limited is a specialist in fabricating critical boiler equipment, which will drive our overall solution effectiveness.

### Closing thoughts

In view of all these realities and initiatives, we are optimistic of growing our existing business, extending into new ones, scaling up our growth exponentially in five years and enriching value in the hands of all those who invest in us, work with us and depend on us.

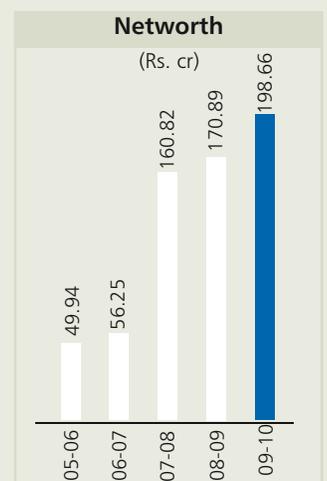
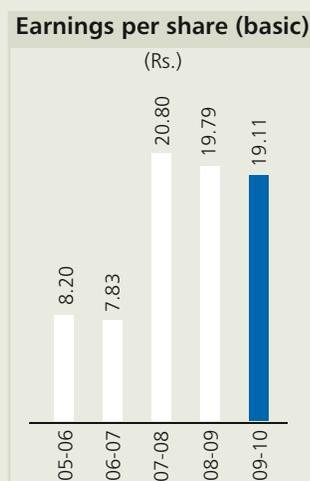
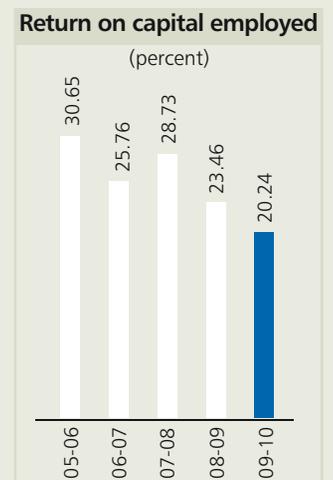
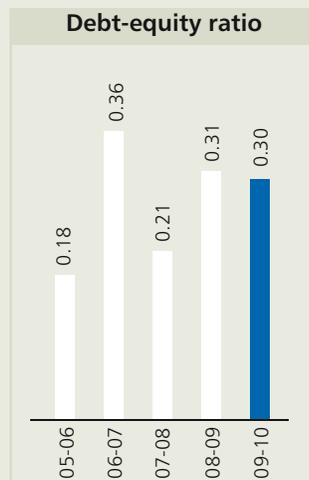
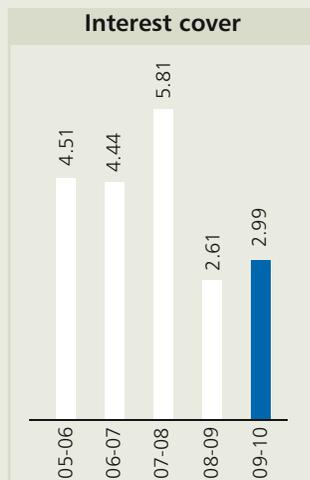
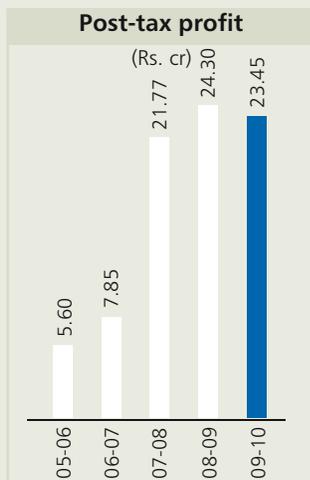
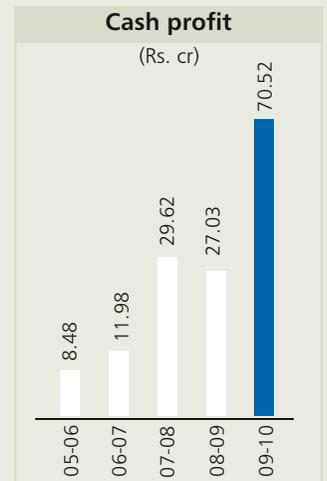
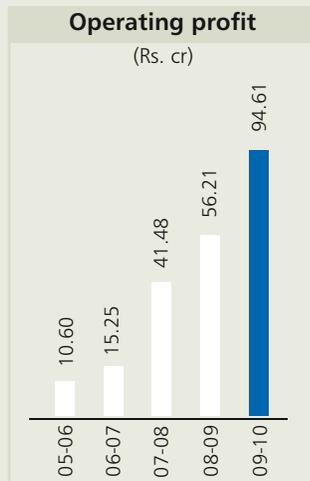
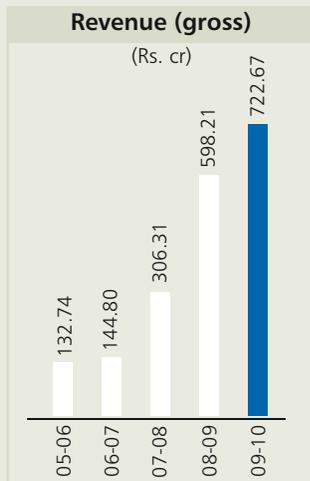
Sincerely,

Ratnakar M. Gutte  
*Chairman and Managing Director*  
 Sunil Hitech Engineers Limited

### Our story in megawatts – capacities commissioned year-on-year

Year	Megawatts commissioned
2001-02	250
2002-03	250
2003-04	-
2004-05	1,500
2005-06	2,900
2006-07	1,585
2007-08	250
2008-09	3,435
2009-10	1,075

# Our exciting future is reflected in our inspiring past





# 191.88

THIS WAS THE SIZE OF OUR  
GROSS BLOCK (IN RS CR) AS  
ON 31 MARCH 2010, 6.63  
TIMES OUR GROSS BLOCK AS  
ON 31 MARCH 2006



### Assets

- At Sunil Hitech, our gross block represents our backbone. Every consecutive year for the past 10 years, we added to our gross block, catalysing our turnover and profitability.
- Our gross block comprises state-of-the-art assets and equipment. This includes over 240 cranes (capacity 8 tons to 230 tons) and over 2,500 welding equipment. We possess the flexibility to manoeuvre our assets based on project-specific needs leading to their timely completion.
- Our engineering competence is reflected in the use of cutting-edge drawing software (Stru Cad or ACE CAD Software System and Microsoft ERP) and a dedicated team.



# 1,935

THE VALUE OF OUR ORDER BOOK  
(IN RS. CR) AS ON 31 MARCH 2010,  
64.40 PERCENT HIGHER THAN THE  
ORDER BOOK A YEAR EARLIER

### Order book

- At Sunil Hitech, our order backlog of Rs. 1,935 cr provides dependable revenue visibility for two-and-a-half years.
- We bagged a prestigious Rs. 487-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 24 months. This order – our largest in value – will grow our positioning into a complete power plant BOP player with exciting prospects.
- We also received two prestigious orders – a Rs. 232-cr, 2x250 MW power plant order from BHEL and a Rs. 193-cr, 3x660 MW assignment from L&T MHI consortium – opening our prospects to bag large power plant orders.
- We completed a 30 MW multi-fuel power plant for Gangakhed Sugar and Energy Limited on an engineering-procurement-construction (EPC) basis in a record 18 months. Since this was the first-ever time we successfully demonstrated our EPC skills in power plant commissioning, we expect this will open up a completely new business stream.
- We partnered with a Shanghai-based boiler-turbine-generator (BTG) company on project to project basis to bid effectively for power plant EPC projects; the Chinese company possesses capabilities to manufacture boilers from 300 to 800 MW.
- Over 2010-11, we expect to scale up our order book by bidding for new BOP and EPC assignments.





# 4,000

APPROXIMATE GOVERNMENT  
FUNDS (IN RS. CR) FOR BTG  
OVERHAUL AND MAINTENANCE  
SERVICES FOR LEGACY PUBLIC  
SECTOR UNIT POWER PLANTS



### **Overhaul and Maintenance (O&M) services**

- At Sunil Hitech, we are in a sweet spot to bid for and bag O&M services for PSU power assets, with a direct involvement in some.
- As a rule of thumb, power plant boilers must be replaced or upgraded after 15 years of operation. Consequently, other than a fresh demand for generation equipment, there is a growing opportunity for O&M services.
- We expect to undertake BEE-certified audits at potential power plants, make detailed engineering-driven recommendations, guarantee PLF factors and implement findings.
- Besides, Seam Industries Private Limited, our subsidiary company, will provide us with critical boiler parts, enabling us to rein in costs and quality.
- At the power plant services division, we expect to generate revenues of around Rs. 100 cr over the coming few years and build a platform for capturing exponential growth.



# 21,000

OUR CONSOLIDATED EXPERIENCE  
(IN PERSON YEARS) IN INDIA'S  
BOP POWER GENERATION SPACE



#### **Software – intellectual capital and human resources**

- Sunil Hitech's engineering knowledge comprises a decade-and-a-half's industry experience consolidated across 2,340 individuals.
- Our knowledge capital is reflected in our service breadth and depth – complex engineering designs and robust quality services covering civil, mechanical and electrical engineering.
- We possess an institutionalised training centre (Shri Datta Meghe Polytechnic) in Nagpur (Maharashtra) with a world-class engineering curriculum leading to a continuous supply of bright talent.
- Our culture encourages performance-driven meritocracy comprising the Balanced Scorecard and Key Performance Indicators.
- Our remuneration investment increased 26.67 percent to Rs. 29.40 cr in 2009-10, reflecting our desire to link corporate growth with reward.
- As on 31 March 2010, our organisation comprised 2,340 members.

# 4,000

THE AVERAGE APPROXIMATE SIZE (IN MW) OF VERY LARGE SCALE ULTRA MEGA POWER PROJECTS (UMPP) THAT ARE WIDELY PERCEIVED TO BE THE FASTEST ROUTE TO PLUG INDIA'S GROWING ENERGY DEFICIT.

## THIS IS WHAT WE DO

### EPC/turnkey projects

- Balance of plant package for up to 660 MW
- Sugar plant with co-generation of 30 MW
- Storage sheds
- CHP bunker belt extension
- Raw water/LP piping system
- Fuel oil system with tankers
- Sub-station up to 220 kV/ 400 kV
- RAPDRP (Restructured Accelerated Power Development and Reforms Programme) projects

### Civil

- Civil and architectural works up to 660 MW
- Civil works of hydropower plant

Staff quarters, school building, rest house building \*Storage sheds

### 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

### Mechanical

- Erection of boilers and auxiliaries up to

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

### Transmission

- EHV transmission lines up to 132 kV, 220 kV and 400 kV
- EHV sub-station of up to 132 kV, 220 kV and 400 kV



### Opportunity

- Development of ultra mega power projects (UMPPs) has been identified as a thrust area, entailing an estimated investment of about Rs. 16,000 cr.
- These projects are expected to meet the power needs of a number of states/ distribution companies located in these States and are being developed on a build-own-operate (BOO) basis.
- Around nine UMPP projects have been identified to be taken up at various locations in India.
- At Sunil Hitech, these large scale projects offer us with a unique opportunity to bid for and bag higher ticket EPC and BOP projects. Towards this end, we have prequalification to bid for 660 MW projects in consortium and going forward, we will build on our competencies to qualify for much larger projects.

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

### Distribution

- Sub-transmission lines for 11 kV, 22 kV and 33 kV ■ Sub-stations for 33/11 kV and 22/11 kV up to 10 MVA rating

- Erection, testing and commissioning of pole mounted and plinth mounted distribution transformers up to 630 kVA rating ■ Distribution network including UG cable from 1.1 kV up to 33 kV

### O&M

- Renovation of boilers, TG and auxiliaries
- Repair, modification and rehabilitation for utility boilers up to 500 MW ■ Pressure plants, milling system, rotating parts and ducting ■ HP/LP piping works ■ Operations and maintenance of CHP and AHP

### Manufacturing

#### Design and supply of:

- Super heater and re-heater coils
- 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 500 MW ■ Collection and emitting electrodes of ESP ■ Air register assemblies



# Why the world respects Sunil Hitech

## End-to-end BOP services

Sunil Hitech provides the most comprehensive suite of balance of plant (BOP) services – from design and engineering to fabrication and commissioning. A one-stop customer convenience. The result is an experience of having commissioned 11,245 MW of thermal power capacity till date.

## Quality assets and technology

Sunil Hitech possesses a state-of-the-art gross block comprising milling, vertical drilling, warpage removal, power hex-saw, cranes, fabrication equipment, lathes, and pipe cutting equipment, among others. This gross block facilitates quicker project turnaround and minimal asset idling.

## Advanced training

Sunil Hitech proactively developed a unique technical training institute called Shri Datta Meghe Polytechnic supported by world-class study programmes for hands-on engineer training.

## Deadline-oriented

Sunil Hitech deploys wide-ranging engineering capabilities to complete projects on schedule. Of the 11,245-MW projects executed, the Company delivered all either as per deadline/extended deadline.

## Climbing the value chain

Sunil Hitech evolved its presence from a labour supplier and contractor to a solution provider across the services portion of Balance of Plant (BOP) contracts for thermal power projects. The Company expects to emerge as a full-fledged BOP player executing projects as large as 600 MW; it is entering the power plant EPC space, enabling it to bid for large projects.

## Robust quality practices

Sunil Hitech is an ISO 9001:2000-certified company meeting international quality benchmarks. The Company received the ISO certification for civil, mechanical, fabrication/ erection/ repair/ maintenance and electrical works. The Company also enjoys the OHSAS 18001:2007 certification for health and safety management.

**Project-specific financing**

Sunil Hitech received debt funding approval for its projects from major Indian banking institutions.

**Terrain management**

Sunil Hitech has executed projects across 13 Indian states, each characterised by different and even challenging terrains. In civil engineering, we are currently executing orders worth 3.4 lac cubic meters with the possession of all the necessary infrastructure and state-of-the-art equipment like crushers, batching plants and transit mixers.

**Robust customer portfolio**

Sunil Hitech's esteemed customers comprise NTPC, BHEL, Shandong Electric, JSW Steel, BALCO, Chhattisgarh State Power Generation, Skoda Exports and Maharashtra State Electricity Transmission, among others.

**BTG partnership**

Sunil Hitech entered into a tie-up with a Chinese company for providing boiler, turbine and generator equipment, making it possible to bid jointly for large EPC projects with power plant capacities managing from 300 MW to 800 MW.

**Fabrication**

Sunil Hitech invested substantially in enhancing fabrication capacity for steel structures, critical for making timely deliveries. Besides, group company Seam Industries provides quality critical boiler equipment.

**Recruiting trained professionals and experts**

Sunil Hitech employs rich intellectual talent through recruitment from renowned Indian institutes and lateral industry hires.

**“We will reinforce our presence in India’s power space by executing BEE-certified energy audits across power plants, creating detailed engineering studies and implementing overhaul and maintenance initiatives.”**

**Mr. Sunil Gutte discusses the Company’s pioneering role in creating power-generating assets as well as operations, overhaul and maintenance.**

**Q. What is the definition of BOP?**

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

Sunil Hitech is one of India’s few companies to provide an extensive suite of turnkey BOP power plant solutions. We enjoy the reputation of having established one of India’s largest portfolios – 11,245 MW as on 31 March 2010 – of power generating assets, which is around 10 percent of the country’s thermal power installed capacity. Of this portfolio, we enjoy the distinction of having created 2.25 MW of hydro power assets. With the successful completion of the 30-MW, multi-fuel power

plant for Gangakhed Sugar and Energy Limited, we have upgraded our positioning into a power plant EPC player.

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

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

A company is eligible for being an EPC services provider if it can provide BOP and BTG solutions. We enjoy an entrenched presence in India’s BOP space and are moving into the EPC service space as well. We entered into a tie-up with a Shanghai-based BTG company, which has the capability to manufacture boilers and turbines with capacities of 300–800 MW. With this partnership, we can bid as a consortium for large (worth Rs. 1,200-3,200 cr) power plants that comprise services under engineering, fabrication, resources procurement, erection, testing and commissioning of generation equipment as well as EPC assignments for transmission and distribution lines,

transformer sub-stations and auxiliary equipment.

**Q. What is the Company's order book?**

A. Our order backlog was Rs. 1,935 cr as on 31 March 2010, which will be liquidated over two-and-a-half years. We received nearly Rs. 1,438.66 cr worth of orders over the course of 2009-10, our highest-ever accretion. Although the first and second quarters of the year under review witnessed slower order inflow, there was a stronger traction in the last two quarters, accounting for 80.69 percent of our total order inflow. Over 2010-11, we expect to grow our order book by around 30 percent through bidding for and bagging larger projects.

**Q. BEE (Bureau of Energy Efficiency) standards are emerging as a powerful energy conservation tool. What is the importance of BEE-certification in the Company's context?**

A. With peak power deficit of 15-18 percent in India and commensurately lower capacity addition vis-à-vis demand, BEE standards were introduced to lower electricity consumption in power guzzling equipment. Similarly, legacy power plants are also coming within the BEE ambit. At Sunil Hitech, being pioneers in the BOP space, we possess the engineering intellectual capital to suggest and implement changes to strengthen generation efficiency and curb power losses. This will emerge as a huge opportunity as the Central Government allocated around Rs. 4,000 cr in Budget 2010-11 to upgrade legacy PSU power plants. Being involved in the construction of some of these, we are positioned to provide diagnostic tools to raise PLFs (plant load factors) of these plants, align their working to BEE-standards and move a step ahead in guaranteeing their performance. Overall, we expect to derive Rs. 100 cr in revenue from this activity over the two years.

**Q. Typically, an investment of around Rs. 4.5 cr is required for the creation of 1 MW for a thermal power plant. How does the Company help lower the investment cost for clients?**

A. At Sunil Hitech, our client-centricity is reflected in the fact that we deploy our captive gross block to work on projects and outsource only non-core assignments to sub-contractors.

Through this, we are in a position to directly control costs and enhance quality. Besides, we also possess economies-of-scale in fabricating critical component, which helps lower overall costs.

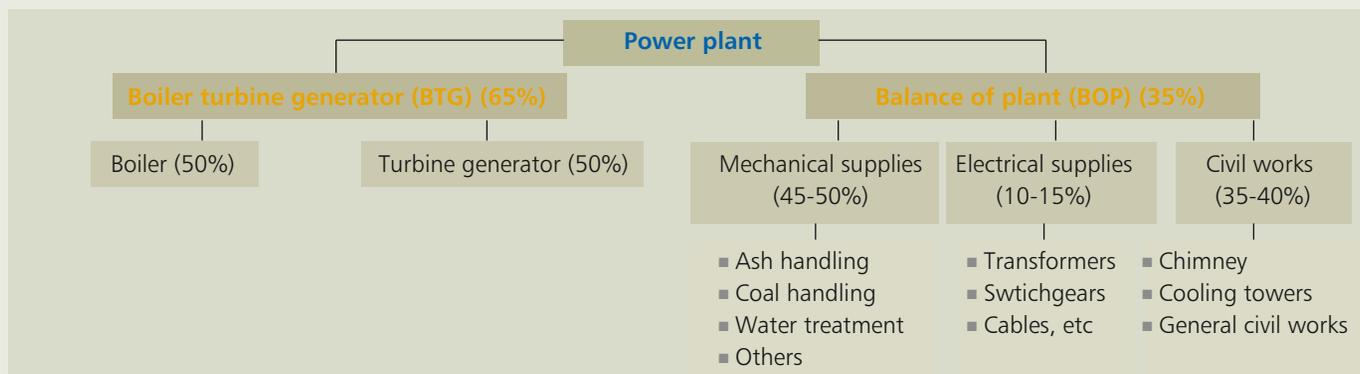
Our strong customer focus is reflected in the fact that we created and commissioned a 6,000-tcd cane crushing unit, a 30-MW multi-fuel power plant and 60,000 litres per day distillery in 18 months for only around Rs. 330 cr. Typically, such assets cost around Rs. 400 cr to establish.

**Q. What is the outlook for 2010-11?**

A. Our presence in the EPC space will allow us to bid for large projects, which will be profitability-accretive as these will allow us to maximise resource productivity and output, lower overall operational costs and consolidate our presence across a lower number of high-value sites. Over 2010-11, we expect to achieve the following:

- Turn in revenue growth of 15-20 percent
- Achieve growth in order book of about 30 percent
- Look for potential acquisition targets for fabrication capacity enhancements and plug existing engineering gaps

Besides, we will balance funds conservation and dividend payout. It is interesting to note that while our industry PE is around 12, our twelve month forward PE is around 8, which signifies latent value.



# The opportunity pie

# 5

Times – the number by which the Indian GDP (gross domestic product) is expected to multiply by 2030

# 590

Million people will live in Indian cities – nearly twice the population of the United States today, generating a significant demand for power

# 700-900

Million sq. metres of residential and commercial space needs to be built, an indicator of the growing demand for power

# 92,700

MW – power generation target set for the Eleventh Plan, the highest target in any Plan period

# 15-18

Percent – India’s peak power deficit, one of the primary woes of the country’s power sector and among the highest in the world

# 10

Percent – the percentage of power that SEBs (state electricity boards) must compulsorily procure from non-conventional power sources out of their total requirement; the power plant assets of Gangakhed are attractively positioned in this scenario

# 56

Percent – Indian households that have access to electricity

# 40,375

Rs. – India’s per capita income growing at over 5 percent year-on-year, reflecting evolving lifestyles and increasing the demand for power

# 44

Percent – Indian rural households with access to electricity; 82 percent is the urban access to electricity, reflecting opportunity for growing penetration, especially on account of growing urbanisation

# 11

KWh (kilowatt hour) – the per capita electricity consumption in India per day compared with 350 kWh per day in Canada, 272 kWh per day in the US, 218 kWh per day in Australia and 207 kWh per day in Sweden



# Enhancing shareholder value

At Sunil Hitech, we recognise that we are in business to enhance value for our shareholders, reflected in attractive returns on employed capital.

Sunil Hitech has fared well in this regard. Market capitalisation strengthened from Rs. 86.03 cr (as on 1 April 2009) to Rs. 284.56 cr (as on 31 March 2010). This growth was the direct result of an improvement in revenues, margins and prospects.

Sunil Hitech has a diversified shareholder base of 16,389 investors. At the end of 2009-10, foreign investments (foreign investors and FIIs) comprised 12.05 percent of the Company's equity, while retail investors including domestic corporates, held 34.75 percent. The promoters held 53.20 percent of the Company's equity capital.

**Order book:** Sunil Hitech's order book stood at Rs. 1,935 cr by the end of financial year 2009-10. This healthy order book backlog provides revenue visibility for two-and-a-half years. The Company's order book grew 65 percent over 2008-09 (order book of Rs. 1,177 cr) even as orders worth Rs. 1,438.66 cr were received during the period under review. Sunil Hitech expects to scale its order book to Rs. 3,000 cr by end 2010-11 (excludes about Rs. 500 cr worth of orders that the Company expects to receive in the roads segment).

**Margins:** Sunil Hitech's profit before tax and profit after tax margins stood at 6.73 percent and 3.25 percent respectively in 2009-10. This was despite increased material cost, interest, depreciation and tax burdens. The margins are expected to improve with lower input costs, higher value-addition and robust order book, going forward.

**Earnings per share (EPS):** Sunil Hitech's EPS stood at Rs. 19.11 in 2009-10 against Rs. 19.79 in 2008-09.

**Book value:** The Company's book value per share stood at Rs. 162 in 2009-10 against Rs. 141 in 2008-09, indicating growing value.

# Profile of our Board of Directors



**Mr. Ratnakar Manikrao Gutte:** *Chairman and Managing Director*

Mr. Ratnakar Manikrao Gutte, promoter of the Company, has enriched Sunil Hitech with 29 years of rich experience in project execution – fabrication, erection, testing and commissioning of power plants. He started his career in the power sector, working as a helper, expert welder, fitter to a contractor engaged with the State Electricity Board. He rose to the present rank by virtue of his commitment and foresight.

Being a first generation entrepreneur, with his excellent on-the-job knowledge of engineering, the intricacies of civil construction, machinery installation and unmatched understanding of finance, banking, taxation, general management and commercial matters, he steered the Company towards growth. His visionary abilities skillfully nurtured the Company since inception and established it as one of the leading companies specialised to undertake thermal power plant. His key strength is delivering qualitative and timely services. His forte is liasoning within the industry. In recognition of his services, he was honoured with two national awards: 'Life Time Udyog Achievement Award 2004' and 'Great Achiever in Industrial Excellence Award 2004' by EGSI and IOCI respectively. Recently, he was awarded NCCL Entrepreneur of the year, 2007-08, by Nagpur Chamber of Commerce Limited. He has also been honoured with the Bharat Vibhushan Samman Puraskar-2009, which recognises outstanding achievement in Business Excellence & Quality and Individual Achievement for Economic and Social Development, organised by the Indian Organisation for Commerce and Industry.



**Mr. Sunil Ratnakar Gutte:** *Joint Managing Director*

Sunil Gutte embodies organisational dynamism. A Mechanical Engineer from Pune, Maharashtra, he joined the Company as a management trainee. To hone his skills he took up a rigorous training in BHEL's Welding Research Institute in Tiruchirapalli in welding technology.

He undertook an intensive training program in finance and taxation for a broader perspective. By virtue of strong inter-personal relations and ability to motivate members of the Board on the one hand and the workforce on the other, he helped synergise human resource assets in the Company.

By his skilful execution of various projects, he was elevated to the post of General Manager and in April 2008, was promoted to Joint Managing Director. He brought in a wave of infrastructural changes with technological advancements bracing the Company future. He played a key role in

broadening the Company's market. He pioneered path-breaking changes in the management structure, reporting standards, structured decision-making and HR policies.



**Mrs. Sudhamati Ratnakar Gutte:** *Whole Time Director*

Mrs. Sudhamati Ratnakar Gutte has more than 14 years of hands-on experience in taking care of the Company's overall management and administration. She has been assisting the Managing Director since the inception of the Company and has contributed to the business via her key strengths like team building, motivation and managing administration and back-office functions.



**Mr. Mattathil Narayanan Mohanan:** *Whole Time Director*

Mr. M.N. Mohanan possesses a rich experience in project execution. He has wide experience in power sector projects and has been working with the Company for more than a decade managing large volume project concurrently.

He possesses 29 years of core experience in the field of fabrication and erection of heavy steel structures, erection of boilers and auxiliaries, erection of electrostatic precipitators, equipment, power cycle piping and LP piping, among others. He has to his credit many key projects, which have been completed ahead of schedule with various reputed customers of the Company. His forte is able administration.



**Mr. Vijay R. Gutte:** *Whole Time Director*

Mr. Vijay Gutte is an MBA specialising in marketing and finance. He brings up-to-date knowledge to this specialised field. His competence lies in understanding banking and finances, airline industry and taxation as he has completed various projects in these fields. Since his induction in 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 has been responsible for investing 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 are building leadership qualities, dedication towards work and maintaining a healthy professional environment in the Company.



**Mr. S.K. Kodandaramaiah:** *Whole Time Director & CEO*

Mr. S. K. Kodandaramaiah is a post graduate in Mechanical Engineering with more than 32 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 Advisor to Dhamwari Sunda Hydro Electric Co. in the development of 70 MW hydro power project in Himachal Pradesh.

He has to his credit attendance at a training program at Oslo University, Norway, in 'Energy Planning and Environment'. He was part of the marketing team for exports and helped BHEL Western Region implement 120-MW turnkey job in Malaysia. He has been involved in the execution of 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.



**Mr. Devesh Nandan Garg:** *Independent Director*

Mr. Devesh Garg is Managing Director of Bessemer Venture Partners. He serves on the Board of Directors of NetAmbit. He joined BVP's Menlo Park office in 2003 as an Operating Partner advising and managing portfolio companies.

With more than 20 years' experience in high technology, Devesh invested in, advised and managed companies across all sizes and stages of development from pre-revenue to worldwide operations. Most recently, he served as the founding President and CEO of Tileria, a multi-core semiconductor company, which he took from incubation through its outsider-led, over-subscribed B-round and product release. Now a leading provider of embedded processors and software for the networking, video, and wireless markets, Tileria was named the 'Start-Up to Watch' by the Global Semiconductor

Alliance (GSA) in 2008. Devesh was also involved in advising BVP's investments in Avnera, Berkeley Design Automation, K2 Optronics (acquired by Emcore), and PA Semi (acquired by Apple Computer).

Devesh had been 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.



**Mr. Sajid Ali:** *Independent Director*

Mr. Sajid Ali is a Graduate Engineer with 40 years of experience in erection and commissioning of equipment in coke oven plants, piping, boiler erection, turnkey projects. He possesses vast knowledge in the planning and execution of various projects and has handled large-volume projects. His forte is able administration. He was in-charge of total construction management of the power sector for BHEL, western region, in 1994.



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

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

He also underwent four weeks of foreign customer training at the works of boiler manufacturer M/s. Combustion Engineering U.S.A. for 500 MW unit and four weeks training in Australia conducted by United Nations for Coal Technology Environment.



**Mr. Kamlakar G. Holkar:** *Independent Director*

Mr. Kamlakar Gopal Holkar is an Engineering Graduate from Ujjain University. He has hands-on experience of about four decades in the power sector with BHEL, an esteemed organisation in the field. He retired from BHEL as General Manager (western region). During his tenure, he also underwent a specialised training programme at GEC (General Electric Company), UK.

He has sound experience in manufacturing, erection, testing and commissioning, repair and services in the power sector. He has to his credit the erection, testing and commissioning of 500-MW thermal power plant at Chandrapur for MSEB in record time. His key strengths are powerful leadership through efficient and effective administration resulting in fast-track completion of big projects.



**Ms. Sarita Rathi:** *Independent Director*

Sarita Rathi, 39 years, is a diploma in Business Management and has done an intensive program on self-managing leadership conducted for entrepreneurs and managers at Mount Abu by experts from Paris and Australia. She has undergone value-based education training at Oxford Retreat, London.

She also provides human resource and development training in many companies including Thermax Limited and KSB Pumps, to name a few. She has given speeches at various companies on topics such as developing interpersonal skills and managing stress, among others, for efficient day-to-day functioning. These speeches help employees and management to identify their weak areas, strengthen the relationships between employees and the management and help employees contribute their best.



**Mr. Parag Sakalekar:** *Independent Director*

Mr. Parag Sakalekar is a young entrepreneur, joined as Additional Director of the Company in December 2007. He completed his Diploma in Mechanical Engineering from Bombay Technical Board in 1994 and B.E. in Mechanical Engineering from Nagpur in 1998. After graduation, he joined as trainee in auditor training programme in ISO 9001:2000 from TUV Asia Pvt. Ltd and advance training in Maruti servicing vehicle from Maruti Udyog Ltd. He worked as work manager in Maruti authorised workshop.

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 good performing mass in Maharashtra from 2003-07 and also in the entire west region (Maharashtra, Goa, Gujarat and Chhattisgarh) by Maruti Suzuki. He also set up additional new Maruti authorised service station in

Butibori MIDC with 'A' grade category. He possesses good financing knowledge.



# Exciting industry opportunities

## Indian economy – at a glance

India is among the first few countries to implement a broad-based counter-cyclic policy package to respond to the negative fallout of the global slowdown. The gross domestic product (GDP) growth for 2009-10 was 7.4 percent.

With recovery taking root, there is a need to review public spending, mobilise resources and invest in building economic productivity. The Thirteenth Finance Commission recommended a calibrated exit strategy from the expansionary fiscal stance of two years. It will be the first time that the government will target an explicit reduction in its domestic public debt-GDP ratio.

## Overview

Economic development and improvement in the quality of living of any country requires growing power supply. With the

ambitious agenda of Power for All – 2012 set by the Indian Power Ministry, the nation expects the power sector to provide all citizens with uninterrupted quality power. To live up to these expectations, the sector needs to optimise energy resources by implementing efficient technologies in generating, transmitting and distributing power.

As the Indian economy grows, its power sector is expanding to support the growth. According to the Central Electricity Authority (CEA), India's total installed capacity of electricity generation expanded from 105,045.96 MW at the end of 2001-02 to 156,092.23 MW at the end of December 2009. India ranked sixth globally in terms of total electricity generation. Source-wise, at the end of December 2009, thermal power plants accounted for an overwhelming 64 percent of the total installed capacity, producing 99,861.48 MW. Hydel power plants came next with an installed capacity of 36,885.40 MW,

accounting for 23.60 percent of the total installed electricity generation capacity. Besides thermal and hydel power, renewable energy sources contributed 9.80 percent to the total power generation in the country producing 15,225.35 MW. Nuclear energy made up the balance 2.60 percent, contributing 4,120 MW.

Although there was an improvement in the power sector, demand growth for electricity surpassed generation, resulting in continued shortage. In the Eleventh Five-Year Plan, a capacity addition target of 78,700 MW was proposed to meet the present shortages and the growing demand in the country. Capacity addition projects of around 12,000 MW were commissioned and projects totalling 66,000 MW were under different stages of execution. This Five-Year Plan is also seeing growth in the involvement of the private sector; from less than 2,000 MW in the Tenth Plan to more than 20,000 MW of capacity addition under execution in the Eleventh Plan.

### **Growth potential**

According to a report by KPMG and CII (December 2007), India's energy sector will require an investment of around USD 120 billion-USD 150 billion over the next five years.

- The Government revised its target of power capacity addition to 92,700 MW in the Eleventh Five-Year Plan (2007-12), from the earlier estimate of 78,577 MW (as of June 2007).
- According to Planning Commission estimates, 15,000 MW of renewable energy projects worth USD 16.50 billion will come up in the Eleventh Plan.
- Moreover, the government earmarked a total capital subsidy of USD 6.88 billion for providing electricity connections and for the distribution of infrastructure to rural households.
- India launched its ambitious solar energy mission, which aims to generate 20,000 MW of solar power by 2022.

### **Nuclear power generation**

Subsequent to the Indo-US nuclear deal and India getting clearance from the Nuclear Suppliers Group (NSG), nuclear power generation is likely to provide an opportunity of USD 10 billion in the next five years, according to a JP Morgan estimate. Since the Indo-US nuclear deal, India has signed a crucial civil nuclear agreement with Mongolia for supply of uranium to New Delhi. In November 2009, the Indo-French civil nuclear agreement was unanimously adopted by the French Parliament,

paving the way for companies to build nuclear power plants in India. India also signed a civil nuclear pact with Argentina and reached an agreement on civil nuclear cooperation with Canada. In December 2009, Russia and India signed an agreement to expand nuclear cooperation.

- Hindustan Construction Company (HCC) signed a memorandum of understanding (MoU) with the international engineering and project management company AMEC plc, to jointly explore the application of consulting and EPC services for the establishment of nuclear power plants in India.
- The Central government finalised six 1,000-MW nuclear power units at Mithivirdi in Gujarat, involving an investment of USD 12.8 billion.
- Indian Oil Corporation (IOC) signed a memorandum of understanding (MoU) with the Nuclear Power Corporation of India (NPCIL) for establishing a USD 2.2 billion nuclear power plant.
- Larsen & Toubro (L&T) is entering a joint venture with the Nuclear Power Corporation of India (NPCIL) to explore the establishment of nuclear power plants.

### **Investments**

According to research by Venture Intelligence, India's power sector is set to emerge as a key destination for private equity investments; close to USD 1.64 billion worth of infrastructure funds, mainly in power, await their launch.

- National Hydroelectric Power Corporation (NHPC), the country's largest hydel power producer, will develop the 1,500-MW Tipaimukh hydropower project in the north-eastern state of Manipur at an investment of USD 1.7 billion.
- Bhushan Power and Steel plans to invest USD 629.1 million to add 250 MW capacity to its existing power plant and to increase production of value-added steel at its Orissa facility over the next year.
- More than USD 15.4 billion investments were lined for various power projects in Maharashtra.
- A loan agreement of USD 330 million for the Haryana Power System Improvement Project was signed by representatives of the Government of India, Government of Haryana and the World Bank.
- The Orissa government approved two bio-mass based power

projects with a combined generating capacity of 39 MW of power, in an effort to exploit the available potential in the bio-mass sector.

- Torrent Power Limited dedicated the country's biggest gas-based power project of 1,147 MW capacity near Surat and is scaling generation capacity by adding another 3,400 MW in the next five years.
- The joint venture between Toshiba of Japan and the JSW Group, which is establishing a USD 215 million power plant equipment manufacturing unit in Chennai, plans to start work by December 2009.
- Larsen & Toubro reached a milestone in the Indian power sector by establishing the country's largest transmission line research and testing centre at Kanchipuram, near Chennai.

### Capacity addition

The all-India installed power generation capacity as on 31 January 2010 was 1,56,783.98 MW comprising of 1,00,351.48 MW thermal, 36,885.40 MW hydro, 4,120 MW nuclear and 15,427.10 MW renewable power.

Power	MW
Thermal	1,00,351.48
Hydro	36,885.40
Nuclear	4,120
Renewable	15,427.10

### Capacity addition programme in the Eleventh Plan period

The National Electricity Policy (NEP) indicates annual per capita

Source	Central	State	Private	Total	Percentage share
Hydro	8,654	3,482	3,491	15,627	19.9
Thermal	24,840	23,301	11,552	59,693	75.8
Nuclear	3,380	-	-	3,380	4.3
Total	36,874	26,783	15,043	78,700	100
Percentage share	46.9	34	19.1	100	

Sector	Hydro		Thermal		Nuclear		Total	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Central	252	0	2,490	1,490	660	0	3,402	1,490
State	301	39	4,679	1,979	0	0	4,980	2,018
Private	292	0	5,833	3,357	0	0	6,125	3,357
Total	845	39	13,002	6,826	660	0	14,507	6,865

consumption of electricity to rise to 1,000 units by 2012. This entails a provision of adequate reliable power, at affordable cost with access to all citizens.

The Central Sector's share in generation gradually increased from 12 percent in 1979 to 32 percent as on 31 January 2010. On the other hand, the share of the state sector declined from 82.5 percent to 50 percent while the share of the private sector increased from 5.2 percent to 18 percent during the same period.

To fulfill the objectives of the NEP, a capacity addition of 78,700 MW was proposed for the Eleventh Plan (break-up below):

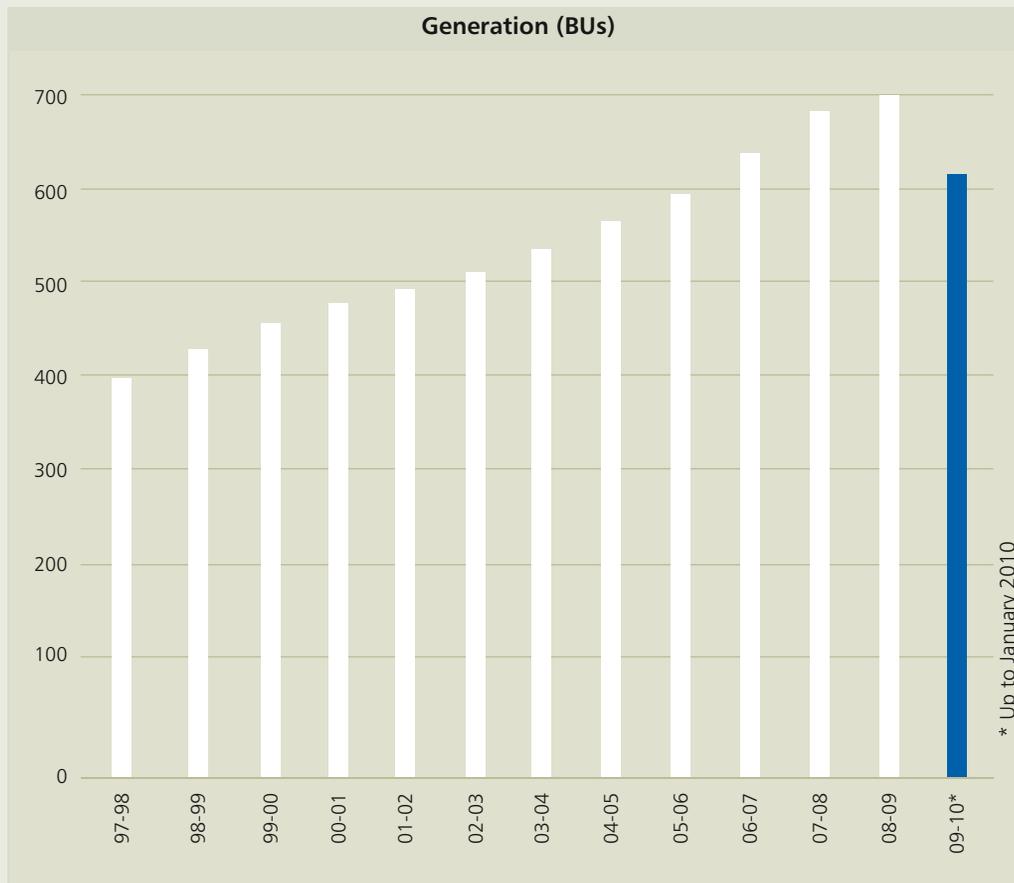
### Capacity addition target and achievement

During 2009-10, a capacity addition of 14,507 MW was planned, of which a capacity of 6,865 MW has been commissioned by January, 2010. The capacity addition targets and achievements during 2009-10 are given below:

### Generation performance

The electricity generation target for 2009-10 was fixed as 789.511 billion unit (BU) i.e. growth of around 9.1 percent over actual generation of 723.794 BU for 2008-09. The actual generation during April- December, 2009-10 was 573.28 BU compared with 539.954 BU generated during April-December, 2008-09, representing a growth rate of about 6.17 percent. The reasons for the shortfall in achievement of target/lower growth of electricity generation were delay in the synchronisation of new generating units, long duration of forced outage of some of the existing thermal units, inadequate availability of coal and insufficient rainfall in the catchments areas of reservoirs and hydro power stations. The loss of generation during the year

was 20.35 BU due to a gas shortage considering 90 percent plant load factor (PLF) of gas-based stations and 9.176 BU due to coal shortage.

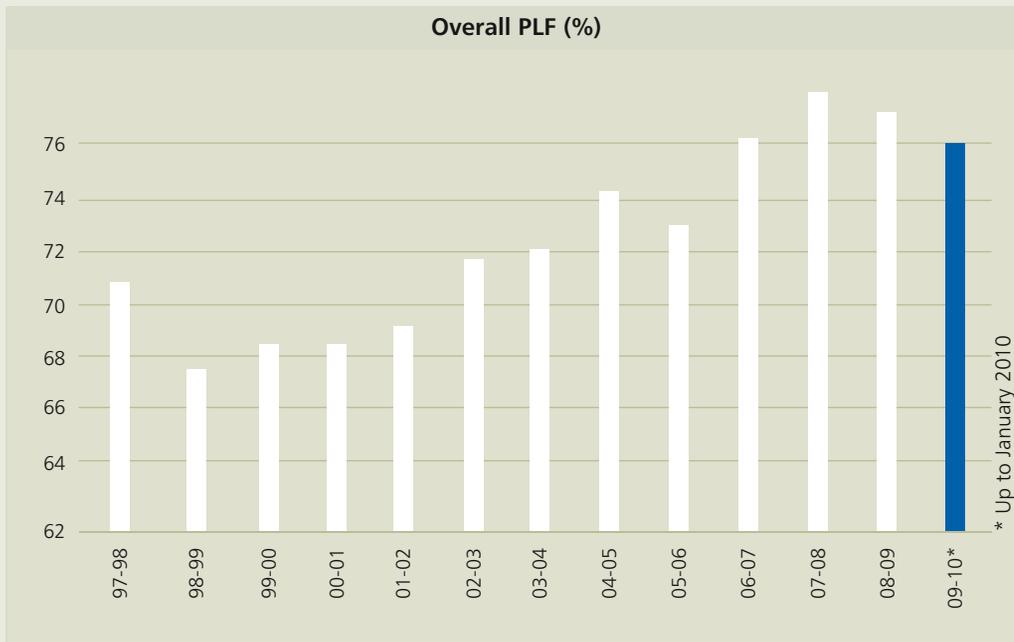


Coal continued to remain the mainstay of electricity generation in the country. During 2009-10 (up to December 2009), coal-based generation contributed 65.8 percent (376.64 BU) of the total electricity generation of 573.28 BU. Coal imports were resorted to for bridging the gap between requirement and domestic availability. An overview of coal supply and consumption with respect to thermal power stations of power utilities during 2009-10 (up to December 2009) is given below:

(Million tonnes)	
1. Coal receipt	
*Coal India Limited	217
*Singareni Collieries Company Ltd	24.6
*Captive Mines	16.7
2. Import	16.7
3. Coal consumption	271.0

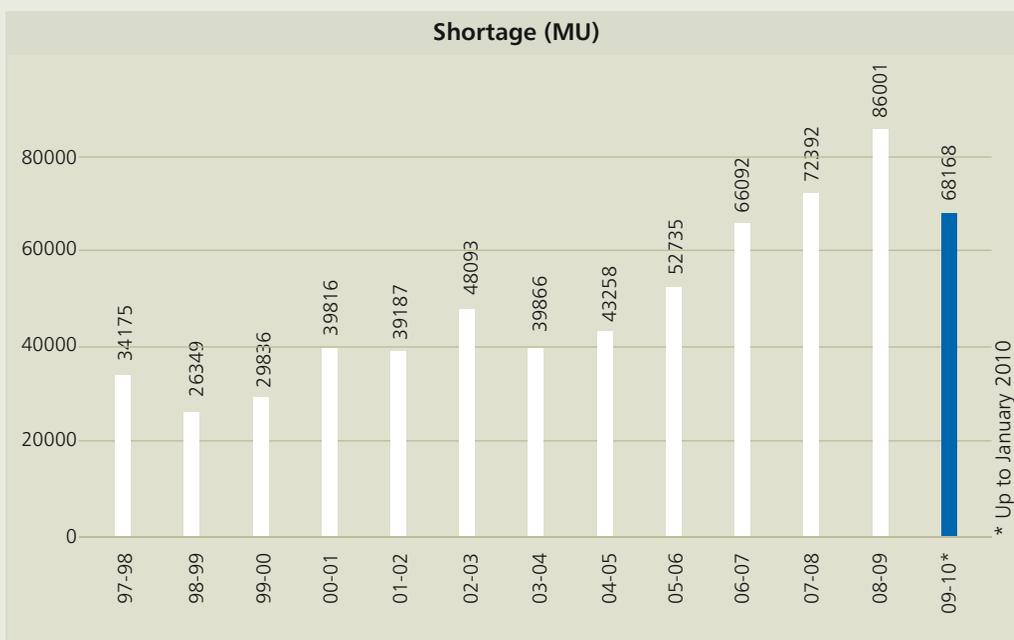
### Plant load factor (PLF)

The plant load factor of Indian thermal power stations has been steadily increasing, representing a higher utilisation of installed capacity. The average PLF of thermal power stations of power utilities during the April-January, 2009-10 period was 76.65 percent.



### Power supply position

There was a reduction in the shortage of power from 86,001 MW in 2008-09 to 68,168 MW in 2009-10 indicating strong capacity utilisation and improvement in power conservation.



### Government initiatives

The government undertook several proactive steps to open the sector to private players and realise the full national potential.

- Introducing the Electricity Act 2003 and notifying the National Electricity and Tariff policies
- Constituting Independent State Electricity Regulatory Commissions in the states
- Allowing the private sector to establish coal, gas or liquid-based thermal projects, hydel projects and wind or solar projects of any size
- Allowing foreign equity participation up to 100 percent in the power sector through the automatic route
- Allowing 100 percent foreign direct investment (FDI) in the Indian power sector (except nuclear)
- Allowing 100 percent foreign direct investment (FDI) in the renewable energy sector
- Providing income tax holiday for a block of 10 years in the first 15 year of operation and waiver of capital goods' import duties on mega power projects (above 1,000 MW generation capacities)
- Undertaking ambitious programmes like the Ultra Mega Power Projects (UMPP), Rajiv Gandhi Grameen Vidhyutikaran Yojana (RGGVY), Accelerated Rural Electrification Programme and the goal of Power for All by 2012, among others, to rapidly increase the installed capacity

The Power Ministry took up the task of setting up ultra mega power projects (UMPPs) of 4,000 MW each. Programmes were implemented to augment inter-regional transfer capacity from 18,650 MW to over 38,000 MW by the end of 2011-12, although it is required to step up the transfer of power from surplus to deficit regions. The government also formulated schemes for the renovation and modernisation of existing power plants for efficient power generation and transmission – a Restructured Accelerated Power Development and Reforms Programme (R-APDRP) was undertaken for bringing down the aggregate technical and commercial losses of transmission and distribution utilities below 15 percent. In addition, various energy efficiency and conservation measures were initiated like Energy Conservation Building Code and Bachat Lamp Yojana.

To achieve these objectives, the Power Ministry planned the following strategically layered approach:

- Power generation strategy with focus on low cost generation, optimisation of capacity utilisation, controlling input costs, optimisation of the fuel mix, technology upgradation and utilisation of non-conventional energy sources.
- Transmission strategy with a focus on the development of the National Grid including interstate connections, technology upgradation and optimisation of transmission cost
- Distribution strategy to achieve distribution reforms with focus on system upgradation, loss reduction, theft control, consumer service orientation, quality power supply commercialisation, decentralised distributed generation and supply for rural areas
- Regulation strategy aimed at protecting consumer interests and making the sector commercially viable
- Financing strategy to generate resources for required growth of the power sector.
- Conservation strategy to optimise the utilisation of electricity with focus on demand side management, load management and technology upgradation to provide energy efficient equipment
- Communication strategy for political consensus with media support to enhance general public awareness

### Private sector support

Although the government awarded four 4,000-MW ultra mega power projects to private developers, none of these are part of the Eleventh Five-Year Plan. Ironically, work on these UMPPs is progressing well enough to actually get completed ahead of schedule, and fortunately for the power sector, these UMPPs might be able to provide some needed capacity addition during the Eleventh Five-Year Plan. The construction of two awarded UMPPs commenced.

### Budget highlights, 2010-11

- Plan allocation for the power sector excluding Rajiv Gandhi Grameen Vidhyutikaran Yojana (RGGVY), doubled from Rs. 22.30 bn in FY10 to Rs. 51.30 bn in FY11.
- Government proposes to introduce a competitive bidding process for allocating coal blocks for captive mining to ensure greater transparency and increased production.
- A 'Coal Regulatory Authority' is proposed to create a level playing field in the coal sector. This will facilitate the resolution of issues like economic pricing of coal and benchmarking standards of performance.

- Plan outlay for the Ministry of New and Renewable Energy increased by 61 percent from Rs. 6.20 bn in FY10 to Rs. 10 bn in FY11.
- National Clean Energy Fund for funding research and innovative projects in clean energy technologies is to be established. To build the corpus of the National Clean Energy Fund, clean energy cess on coal produced in India at a nominal rate of Rs. 50 per tonne is to be levied. This cess will also apply to imported coal.
- A concessional customs duty of 5 percent imposed on machinery, instruments, equipment and appliances, among others required for the initial setting up of photovoltaic and solar thermal power generating units and also exempt them from central excise duty. Ground source heat pumps used to tap geo-thermal energy to be exempted from basic customs duty and special additional duty.
- Exempt a few more specified inputs required for the manufacture of rotor blades for wind energy generators from excise duty.

### Union Budget impact analysis

The two-fold hike in Plan allocation for the power sector is likely to result in increased capacity addition. Similarly, enhanced allocation for new and renewable energy sector, establishment of National Clean Energy Fund coupled with concessions in machineries required for the initial setting up of photovoltaic and solar thermal power generating units, reiterates the government's effort to augment alternative source of energy and achieve the targeted 20,000 MW of solar power by 2022 under the Jawaharlal Nehru National Solar Mission. Nonetheless, the increase in Minimum Alternative Tax (MAT) from 15 percent to 18 percent will affect the profitability of power generation and distribution companies.

The government has directed its efforts to mitigate bottlenecks in coal acquisition for thermal power generation (75 percent of India's power generation is coal-based) through a competitive bidding process for allocating coal blocks for captive mining. Further, establishment of a Coal Regulatory Authority will aid in creating a transparent and competitive environment in the coal sector which will lead to economic pricing of coal and establishing a benchmark for performance.

### Robust monitoring

The Ministry of Power has adopted a robust monitoring system for its capacity addition programme so that cleared projects are executed on time. The monitoring mechanism comprises three broad levels at which power projects monitoring are carried by the ministry viz. the Central Electricity Authority, by the Ministry of Power and through the Power Project Monitoring panel (PPMP).

### Challenges

The challenges being faced by the power sector are huge in terms of numbers and magnitude. By 2012, the 'Power for All' agenda of the government envisages an installed capacity of nearly 200,000 MW, which still seems like a herculean task judging by the pace of infrastructure development and second generation reforms. The main challenges for the power sector in meeting its promise comprise:

- Insufficient power generation capacity
- Lack of optimum utilisation of existing generation capacity
- Inadequate inter-regional transmission links
- Defective and ageing sub-transmission and distribution network
- Transmission and distribution losses
- Large scale electricity theft and distorted tariff structure
- Lagging pace of rural electrification
- Inefficient use of electricity by the end consumer

### Looking ahead

A study by consultancy major McKinsey estimates India's power demand to increase to 315 GW–335 GW by 2017 if India continues to grow at an average 8 percent. This will require a five- to ten-fold rise in power production, entailing investments worth USD 600 billion. India plans to derive an additional 60,000 MW of electricity from various hydro-power projects by 2025. The government targets providing electricity for all by 2012. Under the Rajiv Gandhi Grameen Vidyutikaran Yojna, the Ministry of Power plans to electrify 120,000 villages across the current Five-Year Plan (2007–12). Moreover, the Ministry of Power and CEA have projected a total investment of USD 4.31

billion for renovation and modernisation, as well as extending the life span of various old power plants during Eleventh and Twelfth Five-Year Plans. Of this, USD 1.30 billion is planned for the Eleventh Plan and USD 3 billion for the Twelfth Plan. This will be over and above the investment of USD 214.50 billion proposed for the capacity addition of 78,700 MW in the

Eleventh Plan (2007-12) and USD 235.95 billion for the additional 94,431 MW in the Twelfth Plan.

#### **Power: Private companies' rising presence**

Private sector companies stepped up the building of new power plants. Private firms have added over half of the total commissioned capacity in the first three quarters of the fiscal ending 31 March 2010 (less than 10 percent of new capacity in fiscal 2008). In financial year 2009-10, the proportion increased to 25 percent (*Source: Central Electricity Authority*). Private companies now account for nearly 40 percent of the generating capacity currently under construction of nearly 44,000 MW.

*Source: The Economic Times*



Annexure II to the Directors' Report

## Management Discussion and Analysis

### General performance review

The fiscal year began amidst financial slowdown, which decelerated the economic growth of India to this depicted a decline of around 2% from the average growth rate of 8.8% recorded in the previous five years. While the GDP growth in the first two quarters fell the third and fourth quarter showed recoveries.

The moderation in growth for 2009-10 is mainly attributed to steep slowdown in growth in industry in 2008-09. Within industry, the manufacturing, electricity, gas and water supply and construction activities declined in first two quarters, while growth in mining and quarrying sector showed a marginal growth. Growth in agriculture, forestry and fisheries also declined.

While the market witnessed slowdown in new investments, the rise in inflation, high interest rates and liquidity crunch also led to cancellation, renegotiation and delay in many plant projects in India. To counter this negative fallout of the global economic slowdown, the Indian Government implemented fiscal stimulus packages to boost the demand and increased expenditure on public projects. The RBI took a number of monetary easing and

liquidity enhancing measures to facilitate flow of funds to meet the needs of infrastructure sectors.

As a result, in the second quarter (July–September 2009), the economic indicators were looking up. After growing by 6.1% in the first quarter, the GDP is estimated to have grown by 6.8% in the second quarter. The growth was led by an estimated 7% growth in the industrial sector, as compared with 5% in the first quarter. While, the industry as well as service sector were on recovery track, the performance of the agriculture sector remained a cause of concern.

Considering the overall market conditions during the last fiscal the Company continued to achieve stable performance.

### Industry sector

The industry sector was impacted the most as a result of the global economic slowdown. With an acute liquidity crunch, most investment were deferred and projects were scaled down or deferred in sectors such as power, automotive, textiles, paper, FMCG, F&B, cement, metal technologies and other infrastructure projects. This decline in demand led to serve price pressures in the market with companies anxious to fill up idle

capacities. The heartening fact was that the power sector had a marginal impact of the economic crisis.

### Outlook

The Government rolled out significant economic policy reform and fiscal stimulus packages to boost the demand and increase expenditure on public projects. Also a number of monetary easing and liquidity enhancing measures were undertaken to facilitate flow of funds from the financial system to meet the needs of infrastructure sectors. These developments will revive the projects undertaken by industries and support the industry sector growth plans. There are various indicators, which show that global economic slowdown started bottoming out.

### Energy sector

As a consequence of the global economic crisis, the energy market witnessed a clear downward trend in the last fiscal. The power generation market fell by about 30%. The heartening sign was that the transmission segment continued to grow, with the Power Grid Corporation of India spearheading the progress in the transmission sector. The last fiscal show a significant shift towards supercritical technology with the Central Electricity Authority (CEA) mandating stricter efficiency guidelines for supercritical equipment to ensure reliability and good performance of power plants. While low cost suppliers continued to lead the market, more new players entered the competitive space, which led to heightened price pressures.

Amongst the many orders won by the Company, the most important one was BOP of Mahagenco, at Parali, this took Sunil Hitech in to an all together different league. There are very few BOP players in the country and Sunil Hitech becomes one of them. That was a proud moment for the Company. There are many other big orders from BHEL, L & T, Reliance, Adani, Jindal and NTPC, among others. The looking up of the energy sector would further boost the order book of Sunil Hitech and specifically in BOP sector.

### Outlook

The early signs of an economic recovery is expected to lead to a revival of deferred projects. The substantial capacity addition will generate a market for us. The growth in the sector is expected to continue, while the recent resurgence in the industrial sector

is expected to help the increase in demand many folds. The power and industry sector will continue to be key drivers for our growth. The increased demand for supercritical technology with CEA mandating stricter efficiency guidelines will benefit the energy sector with its technology edge in providing the supercritical technology. While the Government initiated bulk tendering of fossil supercritical units.

### Corporate functions review

#### Internal control systems

The internal audit is done in house, by the internal audit department, independently and objectively evaluating, and reporting on SHEL'S financial reporting integrity, the effectiveness of risk management and internal control systems and the adherence to SHEL'S compliance policies in a systematic and disciplined manner.

To deliver on its profile, the internal audit department develops a flexible audit plan for SHEL and its subsidiary companies using an appropriate risk-based methodology and considering the work performed by SHEL'S other control and monitoring functions and external auditors, to provide optimal audit coverage at a reasonable overall cost. The audit plan is submitted to the Audit Committee of SHEL for review and concurrences at least annually. The results from the audit are reported to the Audit Committee on a quarterly basis.

#### Safety

This year for creating safe work environment, we have given a special focus on safety. A total 2000 employees including contractors were trained on various safety and environment topics. This two folded the growth in terms of numbers as compared with previous year. Total accidents at all our sites reduced by more than 50%. An exhaustive safety protocol manual for SHEL sites was prepared to specify the safety requirements. This protocol manual was distributed among our project sites across the country. As a part of preventive crisis management, emergency drills were conducted at all our sites.

#### Human resource initiative

Employees are the back bone of a good organisation and to motivate them to achieve greater heights, human resource department undertook several initiatives towards their

development, enhancement and retention. Despite the difficult market condition, SHEL hired around 50 fresh graduate trainee engineers, who joined the SHEL family. Keeping in line with the business growth and constantly changing market demands, the Company invested significantly in various training and development activities to better equip our employees by enhancing their competencies in order to successfully meet future challenges.

The Company put a lot of emphasis towards developing the young talent. To achieve this, they tied up with leading college in the region, wherein an intensive four-week course was undertaken for the selected batch, every six months, of engineering graduates and then they were sent to the sites for on site experience, the best of them was recruited.

### Outlook for Sunil Hitech Engineers Ltd

India established itself as one of the world's fastest growing economies – this fact has been attracting many investors, from India as well as across the world. However, the financial meltdown and consequent economic slowdown made its impact last year to some extent in India. The government stepped up fiscal stimulus last year, thus India is now on the tract of growth. Projects that were delayed last year were slowly resumed this year, which helped the sector to gain needed stability. Overall the business sentiment was very positive and investments in power sector is increasing, which would give boost to the order book of SHEL and thus the growth trajectory continues.

We are focused on power sector, but looking at the stupendous investment that is being planned in infrastructure like roads and bridges, among others, SHEL does not want to be left out of the stream, and would be thinking positively in the direction of adding one more sector in the portfolio.

### Indian power scenario

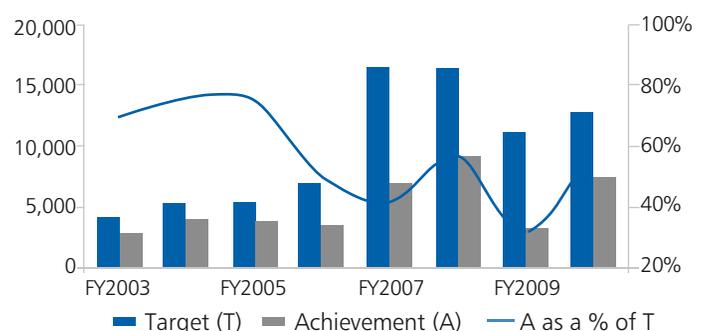
- **Total Installed Capacity:** India's total installed capacity of electricity generation expanded from 105,045.96 MW at the end of 2001–02 to 1,57,229.48 MW at the end of February,

2010. In fact, India ranks sixth globally in terms of total electricity generation.

- **Source-wise:** Thermal power - 64.6 per cent of the total installed capacity, producing 1,00,598.40 MW. Hydel power plants come next with 24.7 per cent of the total an installed capacity of 36,863.40 MW.
- **Gross generation:** 640 BUs
- **Per Capita consumption:** 620 kwh/ annum
- **Energy shortage:** 8%
- **Peaking shortage:** 13-14%
- Electricity demand growing @ 8% annually
- Capacity addition of about 92,000 MW required in the next 10 years
- Challenge is to meet the energy needs in a sustainable manner
- **Capacity addition:** Status check (Generation)

Of the total capacity planned for addition during April 2007 - February 2010, only 50% has been added till date. In all, a total of 20,227MW of capacity has been added since the beginning of the Eleventh Plan till date. The capacity addition during 11M FY2010 is at 7,510MW, as against the planned 12,651MW. The total installed power generation capacity in India stood at 1,57,229MW as of February 28, 2010.

### Generation capacity addition: Target vs Achievement



Source: Angel Research

### Power deficit situation

India, despite being one of the lowest per capita consumers of power, at 704kwh, still faces a substantial power deficit. The deficit can be largely attributed to power plants not being commissioned on time.

### Budget promise

The capacity addition target of 78,700 MW during the Eleventh plan is unlikely to be met, given that only 19,092 MW of the planned capacity was commissioned till December 31, 2009. Further, about 43,282 MW is under construction. Of the revised capacity addition target of 7,530 MW (scaled down from 11,061 MW) in 2008-09, only 3,454 MW (45.9 per cent) could be achieved. The reasons cited for the missed targets include fuel, material and equipment shortages; lack of skilled manpower; contractual disputes between project authorities and design problems in circulating fluidized bed combustion boilers.

### R&M present huge potential for additional generation

By the end of Twelfth Plan, over Rs 200 billion worth of investment could be required for the refurbishment of India's ageing thermal power stations.

### Status, development and trends

In the thermal power, a total of 18,965 MW and 7,318 MW of capacity was identified for R&M and life extension (LE) respectively, during the Eleventh Plan period. The latest Central Electricity Authority (CEA) data shows that so far, R&M has been completed for 4,690 MW of capacity, covering 20 units. LE work was completed on 310 MW, while partial LE reached completion for 154 MW. Ongoing R&M projects in thermal power plants include 465 MW in the state sector and 9,640 MW in the central sector.

### Investment in power sector

#### Revised projections and budget allocation

In its latest projections announced for infrastructure investments in the Eleventh Plan, the Planning Commission revised the estimated investment in the electricity sector from Rs 6,665.25 billion, which is slightly lower than the original estimate. Private investment in the sector is likely to increase by 55 per cent as compared with the original projections. The contribution of the public sector is likely to decline mainly on account of lower than anticipated investments by the central sector in the first two years of the Eleventh Plan (2007-08 and 2008-09).

### Revised Eleventh Plan projections by the Planning Commission

*Rs. billion*

Particulars	Tenth Plan (Actual)	Eleventh Plan (Original projections)	Eleventh Plan 2007-08 (Actual)	Eleventh Plan 2008-09 (Revised projections)	Eleventh Plan 2009-10 (Revised projections)	Eleventh Plan 2010-11 (Revised projections)	Eleventh Plan 2011-12 (Revised projections)	Eleventh Plan Total (Revised projections)
Central	1026.65	2553.16	293.86	367.69	395.28	499.00	548.90	2104.73
State	1007.38	2256.97	272.52	301.09	391.93	348.13	377.44	1691.11
Private	1368.34	1855.12	544.97	502.15	552.37	607.60	668.36	2875.45
<b>Total</b>	<b>3402.37</b>	<b>6665.25</b>						

Source: Planning Commission

Indian Power Setor  
Driving significant investment



Capacity addition plan  
Coal

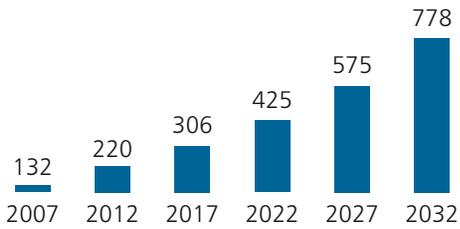


11th plan: 50,890 MW
12th plan: 61,170 MW
13th plan: 56,560 MW

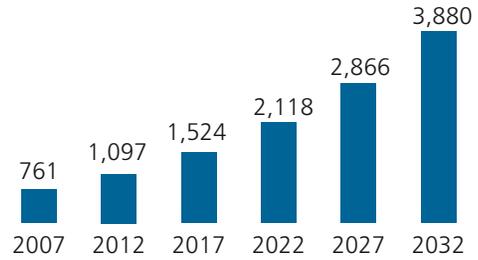
Conservative Industry estimates

Long-term outlook

Installed capacity (GW) required at 8% GDP growth

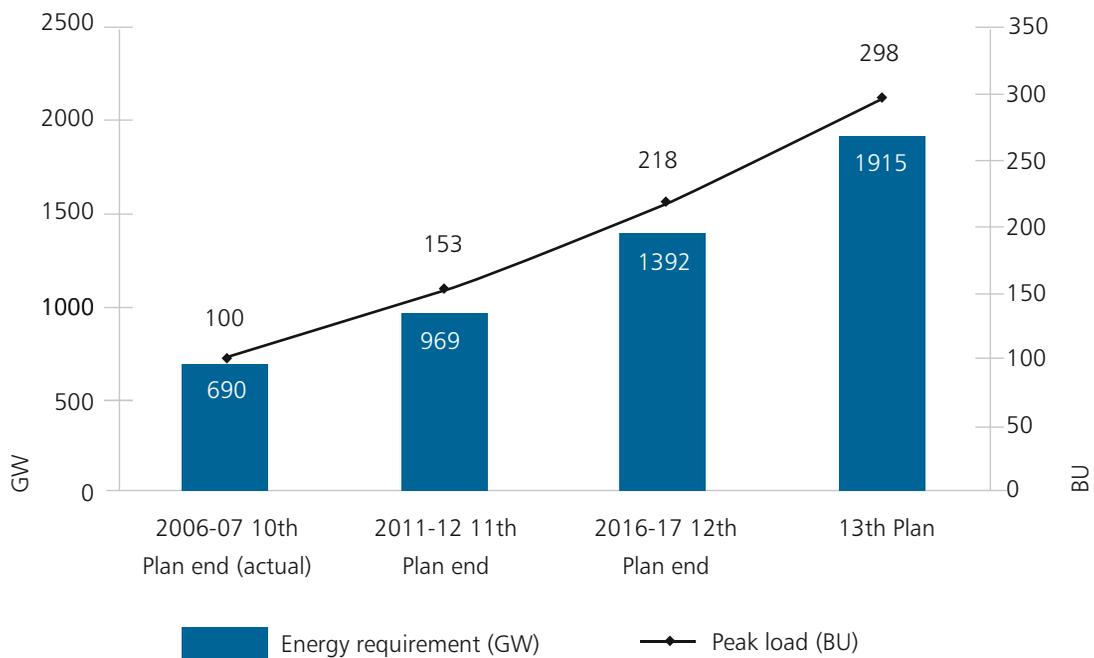


Energy requirement (billion kWh) at 8% GDP growth

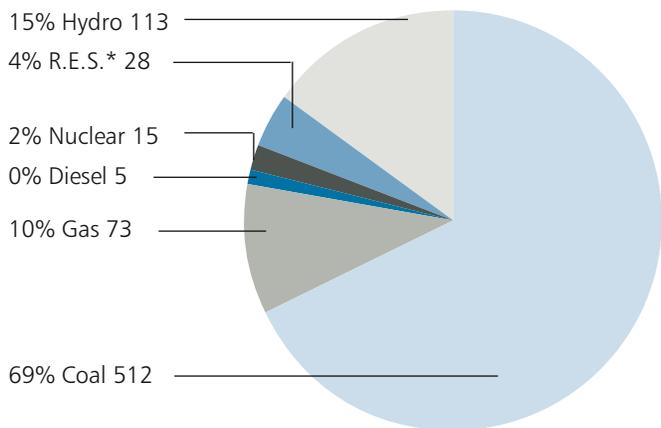


Government of India Integrated Energy Policy, Report of the expert committee August 2008 available at <http://planningcommission.gov.in/reports/>

Demand summary all India forecast (As per 17th EPS Report)

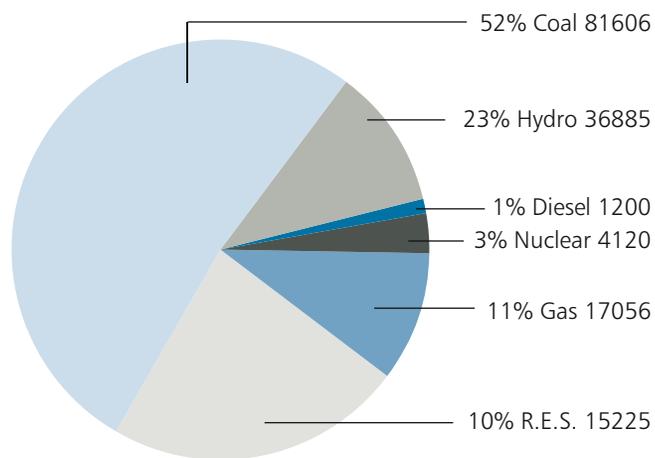


**Generation 2008-09 BU**



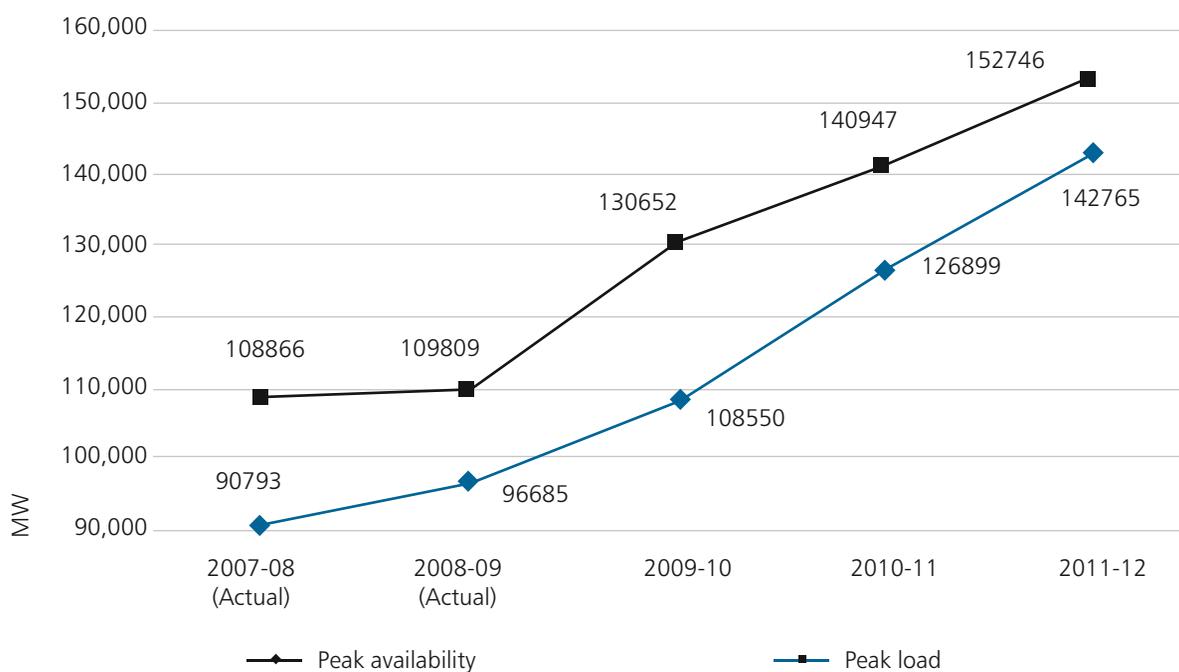
Total generation = 746 BU

**Installed capacity (MW) as on 31-12-2009 (Type-wise)**



Total installed capacity = 1,56,092 MW

**Anticipated power supply position during the 11th Plan period (peak) - Based on 62,374 MW likely addition in the 11th Plan**





## Directors' Report

*Dear members*

Your Directors are pleased to present the Twelfth Annual Report of the Company together with the Audited Financial Results for the year ended on 31st March, 2010.

### Financial Results

*Rs. in lacs*

Particulars	2009-10	2008-09
Net Sales / Income from Operations	72,843.51	59,981.03
Other Income	864.36	361.04
Total Income	73,707.87	5,9942.10
Operating Profit	9,461.04	7,293.15
Interest	2,441.74	2,153.24
Depreciation	2,151.22	1,672.50
Profit Before Tax	4,868.08	3,467.42
Taxation – Current	1,717.48	1,282.60
- Deferred	-49.24	-277.2
- Fringe Benefit Tax	-	34
- Income Tax for Prior Period	1,214.97	-
- Short provisions for Tax for Earlier Years	12.55	-1.54
Profit after Taxation (before exceptional items)	1,972.32	2,429.55
Profit after Taxation (after exceptional items)	2,345.51	1,030.13
Balance brought forward	3,690.06	2,906.55
Proposed Dividend on equity shares	0	122.75
Tax on Proposed Dividend	0	20.86
Balance carried to Balance Sheet	6,035.57	3,793.07

### Operational review

Your Company has achieved a Turnover of Rs. 72843.51 lacs in the financial year 2009-10 as against Rs. 59981.03 lacs in the previous year, registering a growth of 21.44%. The Net Profit of the Company for the financial year 2009-10 is Rs. 2345.51 lacs as against Rs. 1030.13 lacs in the previous year, registering a significant growth of around 127.69%. The overall performance of your company is satisfactory and the top line growth and bottom line growth shows its growth potential and its ability to mark its presence in the market.

### Dividend

In order to conserve the resources for future, to utilize the money for future plans, Your Directors have decided not to recommend any dividend (previous year nil) for the financial year ended on 31st March, 2010.

### Future prospects

The Power sector is one of the most promising sector from the business point of view, and as such big investment are planned to be invested in this sector in view of growing demand of energy worldwide. Large Energy suppliers not only in India but also outside India are in expansion mode to meet the rising level of consumption of energy. Today your Company is one of the most trustworthy companies in the field of Execution of Power projects and Infrastructure Projects. Your Company has a reputed customer base. Due to our timeliness and commitment towards quality, new customers are regularly coming to us and from them we are regularly receiving orders. In the light of various bulky orders in hand, your Company expects better result in future years.

### Public deposits

During the year ended 31st March, 2010, your Company has not accepted any deposits from the public.

### Directors

As per Article 150 of Article of Association of the Company, Mr. Parag A. Sakalikar, Mr. Devesh N. Garg & 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.

Mr. S. S. Waghmare, Independent Director, has resigned from Directorship with effect from 30.10.2009.

Ms. Sarita Rathi, who had been appointed as the Additional Director of the Company in the Board Meeting held on 30th October' 2009 and will hold office up to the date of ensuing Annual General Meeting. In respect of whom, the notice of her candidature for the office of directorship under section 257 of the Companies Act, 1956, has been received by the Board. The Board of Directors recommends her reappointment as a Director of the Company subject to the approval of the shareholders in the ensuing annual general meeting.

### Directors Responsibility Statement

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

- a) In the preparation of Annual Accounts of the Company, the applicable Accounting Standards have been followed along with proper explanation to material departure from the same, if there any.
- b) They have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2010 and of the Profit of the Company for the year ended on that date.
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularity.
- d) They have prepared the Annual Accounts of the Company on a going concern basis.

### Directors explanations / informations on Auditors' qualifications or adverse remarks

- i) Regarding advances and receivables and provision for doubtful debts, provisions with regard to Receivables of Rs.230 lacs have not been made in the books of accounts; as a result the profit for the period has been overstated by Rs.230 lacs and Current assets (Sundry Debtors) has been overstated by the similar amount.

**Management Reply:** The management from the past experience is confident that the amount of Rs 230 lacs, which is receivable, is good and will be received in due course of time though belated as these type of claims take longer time duration.

- ii) As per management estimate, Provision of Rs. 25 Lakhs has been made for Leave Encashment in books of accounts. As the provision made is not as per the Accounting Standard 15 – Employee Benefit (Revised) issued by ICAI, consequential impact of the difference in amount of provision on Profit & Loss for the year is unascertainable.

**Management Reply:** The management has treated the leave encashment as short term employee benefit and as such the provision for the year of Rs. 25 lacs is reasonable.

- iii) Where the reason given for discontinuation of Consolidation of Gangakhed Sugar & Energy Limited is not according to 'Accounting Standard – 23 – Accounting for Investments in Associates in Consolidated Financial Statements', we are unable to quantify the impact of the same on consolidated Financial Statements as the necessary information was not available to us.

**Management Reply:** M/s Gangakhed Sugar & Energy Ltd.,

According to management is not an associate company, as stated in 'Notes to Accounts' forming part of consolidated Accounts. The reason being that the Board of Directors consists of majority of independent Directors who are technically well qualified to run the company professionally. The policy making process is decided in the Board Meetings. There is no interchange of managerial personnel during the year. Sunil Hitech Engineers Limited is not qualified for providing any essential technical information / assistance. The share holding of Sunil Hitech Engineers Limited as on 31st March 2010 though is more than 20% the company is not having any significant influence as demonstrated above. As informed to us and the information available the year ending of M/s Gangakhed Sugar & Energy Limited is 31st December 2009 and till year ending no commercial activity was commenced save and except trial runs.

#### **Auditors and Auditor's Report**

M/S G. G. Randad & Company, Chartered Accountants, has expressed their inability to continue as the Auditors of the Company for the financial year 2010 - 2011. The Board recommends the appointment of M/s Kapoor & Parekh Associates, Chartered Accountants, who have given their consent under section 224(1B) of the Companies Act, 1956, as Auditors of the Company, subject to the approval of shareholders in Annual General Meeting.

#### **Management Discussion and Analysis**

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 and a certificate confirming compliance with requirements of corporate governance forms part of this report.

#### **Subsidiary**

For the financial year ended on 31st March, 2010, your Company has three subsidiaries namely 1) SEAM Industries Private Limited, 2) SHEL Investments Consultancy Pvt. Ltd., 3) Sunil Hitech Energy Pvt. Ltd. Your Company had applied for exemption under Section 212(8) of the Companies Act, 1956, and got the approval from the Ministry of Corporate Affairs, Government of India under the aforesaid section from attachment of Annual Accounts and other Reports of Subsidiary Companies with the Balance Sheet of our Company as mentioned under Section 212 of the Companies Act, 1956 for the financial year ended on 31st March, 2010.

#### **Consolidated accounts**

As required under clause 32 of Listing Agreements with Stock Exchanges a Consolidated Financial Statement of the Company and its subsidiaries as aforesaid are attached.

#### **Notes on subsidiaries**

The following may be read in conjunction with the Consolidated Financial Statements enclosed with the Accounts, prepared in accordance with Accounting Standard 21. Your Company has been exempt from the provisions of Section 212(1) of the Companies Act, 1956 relating to the attachment of the accounts of its subsidiaries to its Accounts. Shareholders desirous of obtaining the annual accounts of your Company's subsidiaries may obtain the same upon request. The report and accounts of the subsidiary companies will be kept for inspection at your Company's registered office and those of the subsidiary companies. Further, the report and accounts of the subsidiary companies will also be available at your Company's website, [www.sunilhitech.com](http://www.sunilhitech.com) in a user friendly, downloadable format.

#### **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 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 and forms part of this report.

#### **Acknowledgement**

The Directors of your Company express their gratitude for the valuable support extended by Investors, Customers, Business Associates, Bankers and Vendors. Yours Directors place on record their appreciation for the significant contribution made by the employees at all levels towards the development of the Company. The employees' dedication towards the organization is a source of strength for the Company. The Directors also thanks the various Government and Regulatory Authorities and last but not the least the Shareholders for their patronage, support and faith in the company. With the whole hearted support of Stakeholders, Employees, Bankers and our valuable customers, your company will touch the new limits of success and growth.

Place: Nagpur  
Date: 14.08.2010

(Sunil R. Gutte)  
Joint Managing Director

By the order of the Board  
(M. N. Mohanan)  
Director

# Annexure-I 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 31st March, 2010 are as follows;

Sl No.	Name	Designation	Qualification	Age (years)	Experience	Gross remuneration (Rs.)	Previous employment
1	Mr. Ratnakar M. Gutte	Chairman & Managing Director	Under Graduate	52 Years	23 Years	87,16,317/-	N. A.
2	Mrs. Sudhamati R. Gutte	Director	Under Graduate	48 Years	19 Years	27,89,897/-	N. A.
3	Mr. Sunil R. Gutte	Joint Managing Director	B.E. - Mech. Eng.	28 Years	6 Years	50,85,077/-	N. A.
4	Mr. Vijay R. Gutte	Director (Finance)	MBA -Finance	27 Years	4 Years	49,44,000/-	N. A.

# Annexure-II to the Directors' Report

## Energy conservation, technology absorption and foreign exchange earnings and outgo

### (A) Conservation of energy

Energy is one of the most important sources for the living creatures. Your Company recognizes its importance and very cautious for its conservation. Your Company is continuously taking initiatives to ensure the optimum utilization of energy available in day to day operations not in Offices but also at different sites at execution of its various projects. Your Company uses that kind of lights, other office equipments which consumes less quantity of energy. Similarly at sites your company uses that machineries which are environment and power friendly, means discharge less environment pollutants as

well as consumes less quantity of energy.

### (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 entered expenses worth Rs.14.70 lacs in foreign currency as per 'Notes on Accounts' during the financial year 2009-2010. There is no any Income in foreign currency.

Place: Nagpur  
Date: 14.08.2010

(Sunil R. Gutte)  
Joint Managing Director

By the order of the Board  
(M. N. Mohanan)  
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 must 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 concept of 'Corporate Governance' has been introduced in India to ensure the transparency in the management of the organization. It ensures the safeguarding of stakeholders' and creditors' interest dealing with the Company. Adherence to Good Corporate Governance practices enhances the corporate image of the organization, maximizes the value of the firm, maximizes the shareholders' value, minimizes the cost of capital of the organization, reduce litigation costs, strengthen the shareholders – management, outsiders – management, employer - employee relationships, helpful in arranging external source of finance, optimizes the allocation of resources towards the achievement of corporate goal, brings certainty, long term stability and creates creditability for the Company.

Your Company maintains the good corporate governance practices by ensuring timely disclosure of all material facts, events and information, securing compliance with all applicable laws.

Your Company constantly follows these practices not only by

terms but also by spirit behind it. The management of your Company consistently reviews its operations, functions, policies to implement good corporate governance practices to secure the interest of the stakeholders, bankers, creditors, employees and other persons dealing with the Company.

The Board Meetings and its Committees Meetings have been held properly. Each Director has been furnished with proper agenda of the meeting in time and the decisions in the Board meetings and its committees meeting have been taken most of the times unanimously.

### Board composition

#### Size and composition of the Board

As per the requirement of the Listing Agreement, the Board of Directors must have balanced combination of Executive as well as Independent Directors. Your Company has twelve directors out of whom six are Executive Directors and six of them are Independent Directors. The details of composition of Board of Directors, details of other directorships held by them are as per the below mentioned table.

### Composition of the Board, and Directorships held during the financial year 2009-10

Name	Category	No. of board meeting attended during 2009-10	Whether attended AGM held on 17th September 2009	Directorships in other public companies		Committee positions held in other public companies	
				Chairman	Member	Chairman	Member
Mr. Ratnakar M. Gutte	Executive Director	4	No	Yes	No	No	No
Mrs. Sudhamati R. Gutte	Executive Director	1	Yes	No	Yes	No	No
Mr. Sunil R. Gutte	Executive Director	4	Yes	No	Yes	No	No
Mr. Vijay R. Gutte	Executive Director	2	No	No	Yes	No	No
Mr. S.K. Kodandaramaiah	Executive Director	2	No	No	No	No	No
Mr. M.N. Mohanan	Executive Director	3	No	No	No	No	No
Mr. Kamlakar G. Holkar	Independent Director	4	No	No	No	No	No
Mr. Dilip Y. Ghanekar	Independent Director	4	Yes	No	No	No	No
Ms. Sarita Rathi*	Independent Director	1	No	No	No	No	No
Mr. Sajid Ali	Independent Director	5	No	No	No	No	No
Mr. S.S. Waghmare**	Independent Director	1	No	No	No	No	No
Mr. Parag Sakalikar	Independent Director	5	Yes	No	No	No	No
Mr. Devesh Garg	Independent Director	4	No	No	Yes	No	No

\* Ms. Sarita Rathi has been appointed as Additional Director of the Company with effect from 30th October' 2009.

\*\* Mr. S. S. Waghmare has resigned from Directorship with effect from 30th October, 2009.

### Details of the Board Meetings held during the financial year 2009-10.

Date	No. of Directors present
1 29th April 2009	7
2 30th June 2009	7
3 30th July 2009	9
4 30th October 2009	6
5 30th January 2010	11

## 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.

### 2. Audit Committee

The Board has constituted the Audit Committee to meet the requirement 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 is financially literate. Two third members of the Committee consist of Independent Director.

The Audit Committee 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 to oversight the Company's reporting process as required under the 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 recommends changes in it if required, to review the management policies from time to time.

#### Details of the Audit Committee meetings during the financial year 2009-10

For the financial year ended on 31st March, 2010, the following were the members of the Audit Committee:-

1.	Mr. Parag Sakalikar	Chairman*
2.	Mr. Dilip Y. Ghanekar	Member
3.	Mr. Vijay R. Gutte	Member
4.	Mr. Ratnakar M. Gutte	Member
5.	Mr. Sajid Ali	Member
6.	Mr. S. S. Waghmare	Chairman**

\*with effect from 29th January 2010. \*\*up to the meeting of 29th October' 2009

During the financial year ended on 31st March, 2010, five meetings of the audit committee were held and the attendance in the meeting was as follows:

Name of members	Category	Number of meetings attended during the Year 2009-10
Mr. Parag Sakalikar	Chairman	5
Mr. Dilip Y. Ghanekar	Member	5
Mr. Vijay R. Gutte	Member	4
Mr. Ratnakar M. Gutte	Member	2
Mr. Sajid Ali	Member	3
Mr. S. S. Waghmare*	Former Chairman	4

\*Resigned from Directorship with effect from 30.10.2009.

### 3. Remuneration Committee

The Board of Directors has constituted the Remuneration Committee for the Company, to recommend the Board in respect of revision and fixation of remuneration of the Executive Directors of the Board and also to recommend the Board on 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 that particular Director towards the Company and other matters related therewith or incidental there to.

The Remuneration committee consists of three Independent Directors. No meeting of the Committee been held during the financial year 2009-2010.

Name of members	Category
Mr. K.G. Holkar	Chairman
Mr. Dilip Ghanekar	Member
Mr. Parag Sakalikar	Member

#### Details of remuneration for the financial year 2009-10 of Managing Director and other Whole-time Directors;

(fig. in Rs.)

Name	Salary	Perquisites and allowances	Commission	Stock options
Mr. Ratnakar M. Gutte, (Chairman & Managing Director)	48,00,000/-	39,16,317/-	-	-
Mrs. Sudhamati R. Gutte	24,00,000/-	389,897/-	-	-
Mr. Sunil R. Gutte	24,00,000/-	26,85,077/-	-	-
Mr. M.N. Mohanan	15,00,000/-	8,75,793/-	-	-
Mr. S.K. Kodandaramaiah	15,00,000/-	-	-	-
Mr. Vijay Gutte	24,00,000/-	25,44,000/-	-	-

Apart from the sitting fees, no other remuneration is being paid to Non-Executive Directors.

#### Shareholding of the Directors in the Company as on 31st March 2010.

Director held singly and/or jointly	Number of equity shares of Rs. 10/- each
Mr. Ratnakar M. Gutte	2,202,500
Mrs. Sudhamati R. Gutte	1,968,750
Mr. Sunil R. Gutte	1,678,740
Mr. Vijay R. Gutte	6,75,000
Mr. M.N. Mohanan	1,005
Mr. S.K. Kodandaramaiah	1,005
Mr. Parag Sakalika	100

#### 5. Investors' Grievance Committee

The 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 not been held during the financial year 2009-10. Presently the Company Secretary looks after the Shareholders' Grievances. The name of the members of the Investors' Grievance Committee is as follows

Name of members	Category
Mr. K.G. Holkar	Chairman
Mr. Dilip Y. Ghanekar	Member
Mr. Sunil R. Gutte	Member

#### Name, designation and address of compliance officer:

##### Mr. Sandeep Mishra

(Company Secretary and Compliance Officer)

Sunil Hitech Engineers Limited

97, East High Court Road,

Ramdaspath,

Nagpur - 440010

## Shareholders'/Investors' complaints

The status of Shareholders' Grievances as on 31st March' 2010 was as follows;

Description	Number received	Total replied	Total pending
1 Non-receipt of Share Certificate	2	2	0
2 Stock Exchange's	4	4	0
3 Non-receipt of DEMAT Credit	1	1	0
4 Non-receipt of Dividend Warrant	13	13	0
5 Non-receipt of Annual Report	2	2	0

## 6. General body meetings

Location and time of last three Annual General Meetings

Year	Location	Date and time	Whether any special resolution passed
2006-2007	Ratnadeep, Jaynagar, Parli – Vaijnath, Dist – Beed (Maharastra), Pin – 431520.	20.09.2007 at 10.30 A. M.	Yes
2007-2008	Ratnadeep, Jaynagar, Parli – Vaijnath, Dist – Beed (Maharastra), Pin – 431520.	18-09-2008 at 11.00 A. M.	No
2008-2009	Ratnadeep, Jaynagar, Parli – Vaijnath, Dist – Beed (Maharastra), Pin – 431520.	17-09-2009 at 11.00 A. M.	No

Note: - In the financial year 2009-10, no resolutions were passed through postal ballot.

## 7. Disclosures

- There is no any materially significant related party transactions that may have been potential conflict with the interests of the company at large. All related party transactions during the year under reference were in the ordinary course of business and on arm's length basis.
- There is no any non compliance, penalties, strictures imposed by stock exchange, SEBI, other statutory authorities on any matter related to Capital Market.
- The Company has not so far established 'Whistle Blower Policy'. No person has been denied access to the audit committee.
- All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct and a declaration is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and senior management affirmation that they complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2009-10."

Sd/-

Sunil R. Gutte

*Joint Managing Director*

### Secretarial Audit

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total numbers of shares in physical form and the total numbers of shares held in dematerialized form with NSDL and CDSL.

## 8. Means of communication

Your Company publishes its financial results in 'The Hindu Business Line' one of the leading English daily and 'Sakal' 'Lokmat' and 'Hitavada' the leading local newspapers. The Annual Audited Financial Statements on standalone as well as on consolidated basis are also published in the aforesaid newspapers. 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 interest of the person to whom the information is addressed so that each and every material fact should be disclosed to the extent possible.

Apart from disclosing information in Newspapers, we provide and update from time to time various information about our Company in our official web site [www.sunilhitech.com](http://www.sunilhitech.com) related with Investors, Customers, etc. and all other person dealing with your Company.

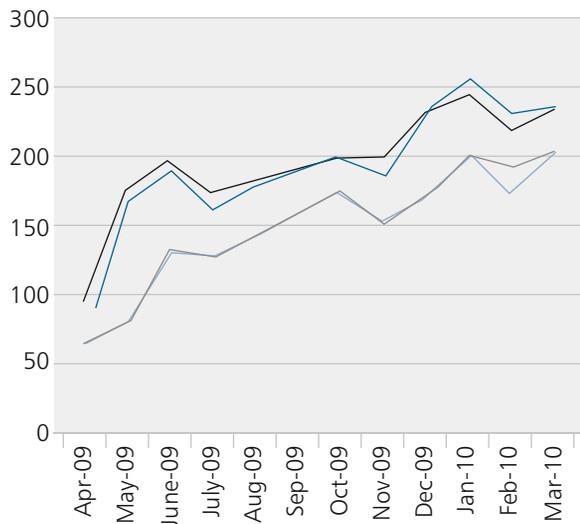
## 9. General shareholder information

<b>(i) AGM: Date, time and venue</b>	: Sept. 30, 2010 3:00 p.m. Parli, Vajjnath, Dist. Beed, Maharashtra
<b>(ii) Financial year</b>	: April to March every year
<b>(a) Financial calendar</b>	Tentative schedule
i) Unaudited financial Result for the quarter ending on 30.06.2010	Upto 14th August' 2010
ii) Unaudited financial results for the quarter ending on 30.09.2010	Upto 14th November' 2010
iii) Unaudited financial results for the quarter ending on 31.12.2010	Upto 14th' February'2011
iv) Unaudited financial results for the quarter ending on 31.03.2011	Upto 15th May' 2011
<b>(iii) Date of book closure</b>	: 27th September, 2010 to 30th September, 2010 (both days inclusive)
<b>(iv) Dividend Payment date</b>	: N. A.
<b>(v) Listing on Stock Exchange</b>	: <b>Bombay Stock Exchange Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>National Stock Exchange of India Ltd.</b> "Exchange Plaza", Plot No. C/1 G – Block Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
<b>(vi) Stock code</b>	: BSE CODE : 532711 NSE CODE: SUNILHITEC
<b>(vi) Market price data</b>	: Monthly high & low quotes of shares traded in National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)

Monthly high and low quotes of Shares traded in NSE and BSE for the financial year 2009 - 2010

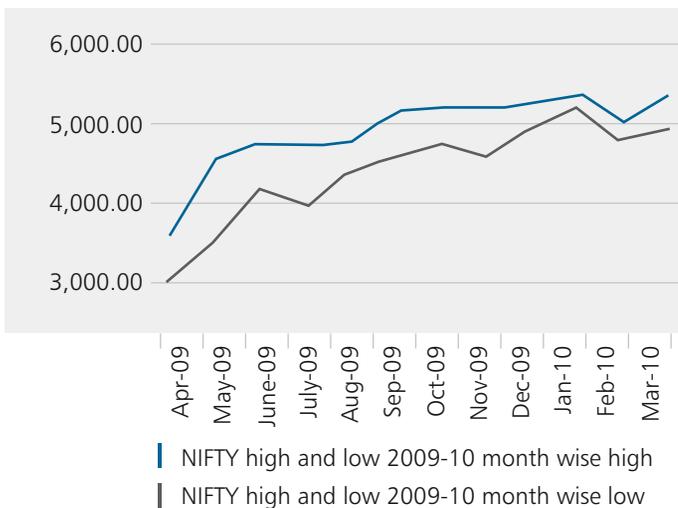
Period	NSE			BSE		
	High price	Low price	Volume	High price	Low price	Volume
Apr-09	95.15	64.75	1148469	95.80	64.25	1028463
May-09	174.85	81.55	1841823	174.75	81.55	1596392
Jun-09	197.00	129.00	1771888	196.40	130.05	1231003
Jul-09	167.00	124.55	761575	173.15	125.45	657412
Aug-09	180.00	143.00	612079	181.55	144.85	565053
Sep-09	188.80	161.00	1344125	189.40	161.00	953425
Oct-09	198.00	173.00	1800125	198.00	173.15	1410877
Nov-09	188.00	152.60	1226801	196.10	152.30	855894
Dec-09	229.40	170.00	5861666	229.40	170.20	3230772
Jan-10	253.70	200.00	4525031	249.20	201.00	2128577
Feb-10	232.00	173.60	1182481	226.00	193.50	568647
Mar-10	234.15	202.20	2359723	234.80	203.20	1255359

Financial year 2009-2010



- Monthly high and low quote of shares traded in 01.04.2009 to 31.03.2010 NSE high Price
- Monthly high and low quote of shares traded in 01.04.2009 to 31.03.2010 NSE low Price
- Monthly high and low quote of shares traded in 01.04.2009 to 31.03.2010 BSE high Price
- Monthly high and low quote of shares traded in 01.04.2009 to 31.03.2010 BSE low Price

ii) Nifty Monthly High – Low index for the Financial Year 2009-2010.



- NIFTY high and low 2009-10 month wise high
- NIFTY high and low 2009-10 month wise low

iii) Monthly High – Low of Share price of Sunil Hitech Engineers Limited for the financial year 2009 – 10.



- NSE High price
- NSE Low price

### ix) Registrar and transfer agents

Bigshare Services Private Limited,

E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka,  
Andheri (E), Mumbai - 400 072

### x) 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 10-12 days from the date of receipt, if the documents are complete in all respects and thereafter informed to the concerned person.

Pursuant to Clause 47(c) of the listing agreement with the stock exchange, certificates on half yearly basis confirming compliance of share transfer formalities by the company from Practicing Company Secretary are submitted to stock exchange within the stipulated time.

### XI) Distribution of shareholding

Shareholding pattern and distribution schedule as on 31st March, 2010 are as follows.

### a) Shareholding pattern

Category	No. of shares	(%) shareholding
1. Promoters / persons acting in concert	65,30,990	53.21
2. Financial institutions, bank and mutual fund	514,251	4.19
3. Corporate bodies	919,792	7.49
4. NRI, foreign national, OCBs & FIIS	14,80,424	12.06
5. Indian public	27,93,706	22.76
6. Clearing member	35,944	0.29
7. Trust	53	0.00
<b>Total</b>	<b>1,22,75,160</b>	<b>100</b>

### b) Distribution of shareholding

Range (in Rs.)	Total holders	% of total holders	Total holding in Rs.	% of total capital
0001-5000	15401	93.97	14136300.00	11.52
5001-10000	507	3.09	4230310.00	3.45
10001-20000	250	1.53	3799180.00	3.09
20001-30000	72	0.44	1857470.00	1.51
30001-40000	31	0.19	1149710.00	0.94
40001-50000	39	0.24	1881230.00	1.53
50001-100000	46	0.28	3072050.00	2.50
100001-99999999	43	0.26	92625350.00	75.46
	16389	100.00	122751600.00	100.00

### xii) Dematerialisation of shares and liquidity

The shares are compulsorily traded in dematerialized form and available for trading system at both National Security Depository Ltd. (NSDL) and Central Depository Services (India) Ltd.(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 2010 shares held in CDSL, NSDL and in physical form are as follows

	No. of shares	% of total capital issued
CDSL	10,10,539	8.23%
NSDL	1,12,53,667	91.68%
Physical	10,954	0.09%

The addresses of the depositories are as follows:

**1) Central Depository Services (India) Limited**

Phiroze Jeejeebhoy Towers, 16th floor  
Dalal Street  
Mumbai – 400 001

**2) National Securities Depository Limited**

Trade World, 4th Floor  
Kamala Mills Compound  
Senapathi Bapat Marg  
Lower Parel, Mumbai – 400 013

**xiii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

- NIL

**xiii) Address for communication**

The Company Secretary  
**Sunil Hitech Engineers Ltd**  
97, East High Court Road,  
Ramdaspath,  
Nagpur – 440 010

## Certificate on Corporate Governance

To The Shareholders

**SUNIL HITECH ENGINEERS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Sunil Hitech Engineers Limited for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further 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 Manish Pande & Co.  
*Practicing Company Secretaries*  
**Manish Pande**  
*Company Secretaries*

Date: 14.08.2010  
Place : Nagpur

Membership No. 5004  
Certificate of Practice No. 3424

# CEO CFO certification 2009-10

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

## CEO / CFO certification for Preparation of Financial Statements on Stand Alone Basis

We, Sunil R. 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 for the financial year ended on 31st March' 2010 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) Minor 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.

(Sunil R. Gutte)  
*Joint Managing Director*

(Vijay R. Gutte)  
*Director – Finance*

Date: 30th May' 2010  
Place: Nagpur

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

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

We, Ratnakar M. Gutte – Chairman and 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 consolidated basis for the financial year ended on 31st March' 2010 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) Minor 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.

(Ratnakar M. Gutte)  
*Chairman and Managing Director*

(Vijay R. Gutte)  
*Director – Finance*

Date: 23rd June' 2010  
Place: Nagpur

# Secretarial Audit Report

The Board of Directors

## SUNIL HITECH ENGINEERS LIMITED

97 East High Court Road

Nagpur- 400 010.

I have examined the registers, records and documents of Sunil Hitech Engineers Limited ("the Company") for the financial year ended on March 31st, 2010 maintained under the provisions of:

- The Companies Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and the Byelaws framed under the Act;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
  - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act; and
- The Equity Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

1. I report that, based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act, and Memorandum and Articles of Association of the Company, with regard to:

(a) Maintenance of statutory registers and documents and

making in them necessary entries;

- (b) Closure of Register of Members;
- (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
- (d) Service of documents by the Company on its Members and Registrar of Companies;
- (e) Notice of Board meetings and Committee meetings of Directors;
- (f) The meetings of Directors and Committees of Directors of Sunil Hitech Engineers Ltd;
- (g) The 11th Annual General Meeting held on September 17, 2009;
- (h) Minutes of proceedings of General Meetings and of Board and other meetings;
- (i) Approvals of shareholders, the Board of Directors, the Committee of Directors and government authorities, wherever required;
- (j) Constitution of the Board of Directors and appointment, retirement and re-appointment of Directors;
- (k) Remuneration of Directors including the Managing Director and Whole-time Directors;
- (l) Appointment and remuneration of Auditors;
- (m) Transfers and transmissions of the Company's shares and issue and delivery of original and duplicate certificates of shares;
- (n) Form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
- (o) Borrowings and registration, modification and satisfaction of

- charges;
- (p) Investment of the Company's funds including inter corporate loans and investments;
  - (q) Giving guarantees in connection with loans taken by subsidiaries and associate companies;
  - (r) Contracts, common seal, registered office and publication of name of the Company; and
  - (s) Generally, all other applicable provisions of the Act and the Rules made under that Act.
2. I further report that:
- (a) The Directors of the Company have obtained Director Identification Number as per Section 266A of the Act.
  - (b) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.
  - (c) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
  - (d) The Company has obtained all necessary approvals of the Central Government and / or other authorities, under the Act.
  - (e) There was no prosecution initiated against the company, however the company and its Directors received show cause notices from the Registrar of Companies for non compliance of Section 211 and 297. The Company has applied for compounding of offence under the respective provisions of the Companies Act, 1956. However, no fines or penalties

were imposed on the Company during the financial year under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

- 3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Regulations and the Byelaws framed there under with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
- 4. I further report that, the Company has complied with:
  - a) The requirements under the Equity Listing Agreements entered into with Bombay Stock Exchange Limited, National Stock Exchange of India Limited.
  - b) The provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with regard to the disclosures and maintenance of records required under the Regulations.
  - (c) The provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

Date: June 23, 2010.  
Place : Nagpur

Manish Pande  
*Practicing Company Secretaries*  
Membership No. FCS 5004  
Certificate of Practice No. 3424

# Financial section

## Auditors' Report

To

The Members of,  
**Sunil Hitech Engineers Ltd.**

1. We have audited the attached balance sheet of, Sunil Hitech Engineers Limited as at 31st March 2010, the profit and loss account and also the Cash flow statements for the period 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 the 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 a 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 (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4 A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit & Loss account and Cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section(3C) of section 211 of Companies Act, 1956; except for AS-15 (Revised)" Employee Benefit " for compliance features of "Employee Benefits" as stated at Note No.4 (xi) below to the extent they are applicable (Non provision for leave encashment and AS-28 Impairment of Assets" (No impairment testing done)
- e. On the basis of written representation received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.  
Attention is invited to the following,
  - i) Regarding advances and receivables and provision for doubtful debts, provisions with regard to Receivables of Rs.230 lacs have not been made in the books of accounts; as a result the profit for the period has been overstated by Rs.230 lacs and Current assets (Sundry Debtors) has been overstated by the similar amount.
  - ii) Reference to Note on Accounts No 4 (vii). As per management estimate Provision of Rs. 25 Lakhs has been made for Leave Encashment in books of accounts. As the provision made is not as per the Accounting Standard 15 - Employee Benefit (Revised) issued by ICAI, consequential impact of the difference in amount of provision on Profit & Loss for the year is unascertainable.
- f. Subject to the remark given above we report that:  
In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with notes thereon gives 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.
  - 1) In the case of Balance Sheet, of the state of affairs of the company as at 31/03/2010 and,
  - 2) In the case of the Profit and Loss Account, of the profit for the year ended on that date, and
  - 3) In case of cash flow statement of the cash flow of the company for the year ended on that day.

For **G.G. Randad & Co.**  
Chartered Accountants  
(Registration No. 108623W)

**G.G. Randad**  
Partner

Place: - Nagpur  
Date: - 30th May, 2010

M. No. 31266

## Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date)

- 1) a) The company has maintained proper record showing full particulars including quantitative details and situation of fixed asset except for some of the assets where present location, quantitative details and accumulated depreciation are not recorded in Fixed Asset Register.
- b) All the assets have not been physically verified by the management during the period ended on 31st March 2010 but there is phased regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) During the period ended on 31st March 2010, the company has not disposed off a major part of the fixed assets
- 2) a) The physical verification of inventory at major sites has been conducted during the year by the management. In our opinion the frequency of the verification is reasonable, however the satisfactory evidence of physical verification was not provided to us for the year end physical verification.
- b) In our opinion & according to 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 except as already mentioned above and the procedures of identifying damaged/scrap and obsolete items of inventory along with reporting of the same were not followed to the satisfaction.
- c) In our opinion and on the basis of report given by external Store Auditor, company has maintained proper records of inventory except at some sites where the inventory records were not updated properly. As informed to us, the discrepancies noticed on verification between the physical stock and the book records were not material.
- 3) a) The company had given unsecured loans-to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 5.50Cr. and the year end balance of loan given to such party was Rs. Nil. The company had not taken any loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) In our opinion, the rate of interest and other terms and conditions of the loan given are not prima facie prejudicial to the interest of the company
- c) In respect of aforesaid loan the principal and interest amount were recovered during the year and hence there is no overdue amount of loan at the end of year.
- 4) In our opinion and according to the information and explanation given to us, there are internal control procedures for the purchases of inventory, fixed assets and with regard to the sale of goods & services which in our opinion needs to be strengthened to commensurate with the size of the company and the nature of its business for. As informed to us the Company has initiated the steps to ensure strengthening such controls.
- 5) a) According to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. However during the year company has incurred expenditure more than Rs. 45.23 Lakhs (net) above Contract Revenue against contract or arrangement entered with Gangakhed Sugar & Energy Ltd.
- 6) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year, therefore, provision of the clause of the order are not applicable to the Company.
- 7) In our opinion, the company has an internal audit system however it needs more improvement in some areas of its functioning considering the size and nature of business of the company. As informed to us the Company has initiated the steps to strengthening internal audit system.
- 8) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for any of the products of the Company.
- 9) a) According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, Investor education protection fund, employees' state insurance, income tax, wealth tax, sales tax, customs duty, excise duty and cess have been generally regularly deposited with the appropriate authorities except there has been slight delay in very few cases
- b) According to the records of the Company and explanation

## Annexure to the Auditor's Report (Contd.)

given to us the statutory dues for the following taxes were in arrears as on 31st March 2010 for more than six months from the date they become payable.

Name of the Stature	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Due Date	Date of Payment
Karnataka Sales Tax	Sales Tax	1.57	2009-10	30.09.2009	14.05.2010
Tamilnadu Sales Tax	Sales Tax	3.79	2008-09	30.04.2009	Not Yet Paid

- c) According to the information and explanation given to us, there are no dues of income tax, customs duty, wealth tax, sales tax, excise duty and cess which have not been deposited with an appropriate authorities on account of any dispute. According to the information and explanation given to us, the following dues of Service Tax have not been deposited by the Company on account of disputes:

Name of the Stature	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1944 & Central Excise & Customs, Service Tax Cell	Service Tax (Basic) Service Tax (Penalty u/s 78)	47.02 63.28	2005-06 & 2006-07	Custom, Excise, Service Tax Appellate Tribunal
Finance Act, 1944 & Central Excise & Customs, Service Tax Cell	Service Tax (Basic) Service Tax (Penalty u/s 78)	25.11 25.11	2006-07	Custom, Excise, Service Tax Appellate Tribunal

- 10) In our opinion, there are no accumulated losses of the company. The company has not incurred cash losses during the period ended on 31st March 2010 covered by our audit and in the immediately preceding financial period.
- 11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12) We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 14) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (ix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15) In our opinion and according to the information furnished to us, the company has given following guarantees for loans taken by others from banks and financial institutions. In our opinion, the terms and conditions are not prejudicial to the interest of the company.
- 16) In our opinion and information and explanations given to us, term loans have been applied for, the purpose for which they were raised.
- 17) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- 18) According to the information and explanations given to us, the company has not been made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- 19) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures hence no need to create any security.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) 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 **G.G. Randad & Co.**  
Chartered Accountants  
(Registration No. 108623W)

**G.G. Randad**  
Partner  
M. No. 31266

Place: - Nagpur  
Date: - 30th May, 2010

## Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	Schedule No.	31st March, 2010		31st March, 2009	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Fund</b>					
Share Capital	A	1,227.52		1,227.52	
Share Warrants		–		554.80	
Reserve and Surplus	B	18,702.10		15,657.43	
			19,929.62		17,439.75
<b>Loans Funds</b>					
Secured Loans	C		26,809.54		19,358.35
<b>Total</b>			<b>46,739.15</b>		<b>36,798.10</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	D	19,187.88		14,020.60	
Less : Depreciation		6,084.86		3,949.15	
Net Block		13,103.02		10,071.45	
<b>Capital Work-in Progress</b>		1130.45	14,233.48	1464.46	11,535.91
(including advances for capital expenditure)					
Investments	E		6,046.50		3,182.53
Deferred Tax Asset (Net) (See Note No.22 of Schedule I)			359.93		310.68
<b>Current Assets, Loans and Advances</b>					
Inventories	F	4,034.23		4,891.39	
Sundry Debtors and Bills Receivables		15,927.30		15,280.01	
Cash and Bank Balance		5,855.49		3,710.70	
Other Current Asset		5,919.74		5,195.47	
Loans, Advances and Deposits		12,803.10		11,083.90	
			44,539.86		40,161.47
<b>Less: Current Liabilities and Provisions</b>					
Liabilities	G	17,945.94		18,346.88	
Provisions		557.94		165.00	
			18,503.88		18,511.88
<b>Net Current Assets</b>			26,035.98		21,649.59
<b>Miscellaneous Expenditure</b>	H		63.27		119.39
(To the extent not written off or adjusted)					
<b>Notes to Accounts</b>	I				
<b>Total</b>			<b>46,739.15</b>		<b>36,798.10</b>

Schedule A to I referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **G. G. Randad & Co.**

Chartered Accountants

For and on Behalf of the Board

**G. G. Randad**

Partner

M.No. 031266

Place : Nagpur

Date : 30th May, 2010

**R. M. Gutte**

CMD

**Sunil R. Gutte**

Joint MD

**Sandeep K. Mishra**

Company Secretary

## Profit and Loss Account For the year ended 31st March 2010

(Rs. in Lacs)

	Schedule No.	31st March, 2010		31st March, 2009	
<b>INCOME</b>					
Project, Maintenance Services	1		71,013.54		58,406.65
Gross Sales		1,270.27		1,570.16	
Less: Excise Duty		16.23		155.70	
Net Sales			1,254.04		1,414.45
Other Income	2		1,440.29		420.97
Accretion/(Decretion) to Work in Progress			-		(299.97)
<b>Total</b>			<b>73,707.87</b>		<b>59,942.10</b>
<b>EXPENDITURE</b>					
Consumption of Materials	3		33,636.96		24,641.95
Purchases of Traded Goods	4		1,182.11		1,367.87
Site and Operating Expenses	5		24,678.76		22,864.77
Personnel Cost	6		2,940.45		2,321.33
Administration Cost	7		1,808.56		1,453.03
Interest and Financial Charges	8	2,570.81	2,441.74	2,298.81	2,153.24
Less: Expenses Capitalized		129.07		145.57	
Depreciation	D	2,152.29		1,673.62	
Less : Transferred from Revaluation Reserve		1.07	2,151.22	1.13	1,672.49
<b>Total</b>			<b>68,839.79</b>		<b>56,474.69</b>
<b>Profit Before Taxes</b>			<b>4,868.08</b>		<b>3,467.42</b>
<b>Provision for Taxes</b>					
Current Tax			1,717.48		1,282.60
Fringe Benefit Tax			-		34.00
Deferred Tax			(49.24)		(277.20)
Income Tax for Prior Period			1,214.97		-
Short Provision for Tax for earlier year			12.55		(1.54)
<b>Profit Before Exceptional Items</b>			<b>1,972.32</b>		<b>2,429.55</b>
Exceptional Items	9		(520.69)		1,399.42
Extra Ordinary Loss			147.50		-
<b>Net Profit for the Period</b>			<b>2,345.51</b>		<b>1,030.13</b>
Balance Brought Forward from Previous Year			3,690.06		2,906.55
<b>Amount Available for Appropriations</b>			<b>6,035.57</b>		<b>3,936.68</b>
Proposed Dividend			-		122.75
Provision for Tax on Proposed Dividend			-		20.86
General Reserve			234.55		103.01
Balance Carried to Balance Sheet			5,801.02		3,690.06
<b>Total</b>			<b>6,035.57</b>		<b>3,936.68</b>
Earnings per share (Rs.)			19.11		8.39
Basic & Diluted [Nominal Value of Shares Rs. 10 (Previous Year Rs. 10)]					
Weighted average number of shares			12,275,160		12,275,160
<b>Notes to Accounts</b>	I				

Schedule 1 to 9 and I referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

For **G. G. Randad & Co.**

Chartered Accountants

For and on Behalf of the Board

**G. G. Randad**

Partner

M.No. 031266

Place : Nagpur

Date : 30th May, 2010

**R. M. Gutte**

CMD

**Sunil R. Gutte**

Joint MD

**Sandeep K. Mishra**

Company Secretary

## Cash Flow Statement

For the year ended 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>A. Cash flow from Operating Activities</b>		
Net Profit before tax and extraordinary items.	4,868.08	3,467.41
<b>Adjustment for</b>		
Depreciation	2,152.29	1,673.62
Interest Income	(275.43)	(198.71)
Dividend Income	(1.30)	(23.14)
Profit/Loss on Sale Of Fixed Assets (Net)	(21.65)	(0.09)
Profit on Sale of Current Investments(Net)	(486.83)	(73.42)
Interest & Financial Charges	2,441.74	2,153.24
Misc. Expenditure Written Off	57.97	57.97
Effect of Foreign Currency fluctuations	3.97	–
Provision For Doubtful Debts & Advances	390.93	159.17
Liabilities / Provisions no longer required written back	(54.91)	–
Provision on diminution in value of Current Investments	–	(48.42)
<b>Sub Total</b>	<b>4,206.78</b>	<b>3,700.22</b>
<b>Operating Profit/Loss before Working Capital Changes</b>	<b>9,074.86</b>	<b>7,167.63</b>
Adjustment for		
Trade and Other Receivables and Advances	(3,457.63)	(16,328.60)
Inventories/ WIP	857.16	47.39
Miscellaneous Expenditure	–	(213.21)
Trade and other Payable	(158.01)	9,005.41
<b>Sub Total</b>	<b>(2,758.48)</b>	<b>(7,489.01)</b>
<b>Cash Generated from Operation</b>	<b>6,316.38</b>	<b>(321.38)</b>
Direct Taxes( Paid)	(1,393.08)	(1,402.44)
Extra Ordinary Items	(147.50)	(59.31)
Prior year adjustment	(1,227.52)	–
<b>Sub Total</b>	<b>(2,768.10)</b>	<b>(1,461.75)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>3,548.28</b>	<b>(1,783.13)</b>
<b>B. Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets (Including Capital WIP)	(4,904.25)	(5,370.86)
Sale of Fixed Assets	71.03	9.11
Purchase of Investments	(4,444.75)	(1,679.16)
Sale Investment/Bonds	2,588.30	2,843.28
Interest Received	275.43	198.71
Dividend Received	1.30	23.14
<b>Net Cash Flow From Investment Activities</b>	<b>(6,412.94)</b>	<b>(3,975.78)</b>

## Cash Flow Statement (Contd.) For the year ended 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital including Securities	–	–
Premium (Refer Note ii of Schedule A)		
Proceeds from Long Term Borrowings	2,519.78	2,894.25
Repayment of Long Term Borrowings	(2,439.35)	(1,062.97)
Proceeds from Working Capital Borrowings	12,785.96	7,906.63
Repayment of Working Capital Borrowings	(5,415.20)	–
Interest & Financial Charges	(2,441.74)	(2,153.24)
Dividend & Dividend Tax Paid	–	(172.34)
<b>Net Cash Used in Financial Activities</b>	<b>5,009.45</b>	<b>7,412.33</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent(A+B+C)</b>	<b>2,144.79</b>	<b>1,653.42</b>
<b>Cash and Cash Equivalent at Beginning of the Year</b>	<b>3,710.70</b>	<b>2,057.28</b>
<b>Cash and Cash Equivalent at Closing of the Year</b>	<b>5,855.49</b>	<b>3,710.70</b>
Components of Cash & Cash Equivalents as at 31st March,	2010	2009
Cash and Bank Balances	55.23	70.94
Bank Balances		
<b>a) With Scheduled Banks</b>		
in Current Accounts	1,643.28	850.41
in Deposit Accounts	4,156.98	2,789.35
<b>b) With non-scheduled Bank</b>		
in Current Accounts	–	–
	<b>5,855.49</b>	<b>3,710.70</b>

As per our report of even date attached  
For **G. G. Randad & Co.**  
Chartered Accountants

For and on Behalf of the Board

**G. G. Randad**  
Partner  
M.No. 031266

**R. M. Gutte**  
CMD

**Sunil R. Gutte**  
Joint MD

Place : Nagpur  
Date : 30th May, 2010

**Sandeep K. Mishra**  
Company Secretary

## Schedules forming part of Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>Schedule A SHARE CAPITAL</b>		
<b>Authorised</b>		
2,50,00,000 Equity Shares of Rs.10/- each (Previous year 2,50,00,000 equity shares of Rs.10/-each)	2,500.00	2,500.00
<b>Issued and Subscribed</b>		
1,22,75,160 Equity Shares of Rs.10/- each (Previous year 1,22,75,160 equity shares of Rs.10/-each)	1,227.52	1227.52
<b>Paid up</b>		
1,22,75,160 Equity Shares of Rs.10/- each Fully Paid up (Previous year 1,22,75,160 equity shares of Rs.10/-each)	1,227.52	1227.52
	<b>1,227.52</b>	<b>1,227.52</b>
<b>SHARE WARRANT</b>		
38,00,000 Equity Shares of Rs.146/- each	–	554.80

- i) In terms of the approval of the shareholders of the Company and as per the applicable Statutory provisions including Security and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, the Company, on August 14, 2007, has issued and allotted 38,00,000 warrants on preferential basis to entities in the Promoter & other investors Group entitling them to apply for equivalent number of fully paid up equity shares of Rs. 10/- each of the Company, at the price of Rs. 146/- per equity shares. The Shareholder has paid an amount equal to 10% of the value at the time of allotment of warrants. The warrant holders have a right to apply for equity shares within 18 months from the date of allotment of the warrants. The shareholders did not exercise above option within the above time frame (before 30th April 2009) henceforth as per SEBI guidelines it has forfeited and transferred to the Capital Reserve A/c
- ii) During the year 2007-08 the Company has issued and allotted 22,50,000 fully paid up equity shares of Rs. 10/- each of the Company on preferential basis to the Qualified Institutional investors at a price of Rs. 360/- per equity share as per Chapter XIII A Security and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000
- iii) The company has allotted 37,50,000 equity shares as fully paid up Bonus Shares by capitalisation of profits transferred from General Reserve & Securities Premium A/c.

**Schedule B RESERVE AND SURPLUS**

<b>Capital Reserve</b>		825.60	270.80
Balance as per previous Balance Sheet	270.80	–	
Add. During the Period	554.80	270.80	
<b>Revaluation Reserve</b>		59.61	60.68
As per last Balance Sheet	60.68	61.81	
Less: Transferred to Profit and Loss A/c	1.07	1.13	
<b>Securities Premium</b>		11,146.50	11,144.68
As per last Balance sheet	11,150.14	11,150.14	
Add. During the Period	–	–	
Share issue expenses	(3.64)	(5.46)	
<b>General Reserve</b>		725.76	491.21
Balance as per previous Balance Sheet	491.21	388.20	
Add: Transferred from Profit & Loss A/c.	234.55	103.01	
<b>Profit and Loss Account</b>		5,944.63	3,690.06
Balance in Profit & loss Account	5,801.02	3,690.06	
Add: Reversal of Proposed Dividend and Tax on it	143.61	–	
<b>Total</b>		<b>18,702.10</b>	<b>15,657.43</b>

**Note :** Premium on issue of equity shares represents premium of Rs. 350 per share on issue of 22,50,000 equity shares on Preferential allotment basis to Qualified Institutionals

## Schedules forming part of Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
<b>Schedule C SECURED LOANS</b>				
<b>A. Term Loans</b>				
From Banks		5,299.49		5,219.07
Foreign Currency Loans		–	258.80	
Rupee Loans	5,299.49		4,960.27	
	5,299.49		5,219.07	
<b>B. Working Capital Loans</b>				
From Banks		21,510.05		14,139.28
Foreign Currency Loans		–	–	
Rupee Loans	21,510.05		14,139.28	
		<b>26,809.54</b>		<b>19,358.35</b>

### Secured Loans referred to in Schedule C above to the extent of:

- i) Term Loans from Kotak Mahindra Bank are secured by way of hypothecation of respective assets, first pari-passu charge on specific movable assets of the Company procured out of Term Loan.
- ii) Term Loans from L & T Finance Limited are secured by way of first pari-passu charge on specific movable fixed assets of the Company procured out of Term Loan.
- iii) Term Loan from Standard Chartered Bank is secured by way of first pari-passu charge on specific movable fixed assets of the Company procured out of Term Loan/ LC facility.
- iv) Term Loans from UCO Bank are secured by way of first pari-passu charge on specific movable and immovable fixed assets of the Company procured out of Term Loan.
- vi) The LC facility from the Axis Bank is secured by way of first and exclusive charge, both present & future on current assets, movable plant & machinery of the Company
- vii) Working Capital facilities from consortium banker's i.e. UCO bank( Lead Banker) and its other Banks, are secured by way of hypothecation of stock & book debts both present & future of the Company, first pari-passu charge (hypothecation) on the moveable fixed assets, Personal Guarantees of Chairman, and other Directors.
- viii) Working Capital facilities from Axis Bank is secured by way of hypothecation of stock & book debts both present & future of the Company, first pari-passu charge (hypothecation) on the entire Current Assets of the Company.
- ix) Working Capital facilities from Barclays Bank is secured by way of hypothecation of all current assets (stock & book debts both present & future) of the Company.
- x) The office premises loan from the ICICI Finance Company is secured by assets procured from the funds out of the said Loan.
- xi) Housing Loans from UCO Bank, ICICI Bank are secured by way of equitable mortgage of immovable property procured out of loan.
- xii) Housing Loan from HDFC Bank is secured by way of immovable property procured out of above loan.
- xiii) Mobilization Advances from clients are secured against bank guarantees.
- xiv) Hire purchase finance (Term Loan) from Kotak Mahindra Bank, L& T Finance, Tata Capital, ICICI Bank, Standard Chartered Bank and ABN AMRO Bank is secured by way of hypothecation of respective asset, first pari-passu charge on the movable fixed assets.

## Schedules forming part of Balance Sheet As at 31st March 2010

(Rs. in Lacs)

## Schedule D FIXED ASSETS

	Original Cost	GROSS BLOCK		As at 31.03.10	Upto 31.03.2009	DEPRECIATION		As at 31.03.10	NET BLOCK	
		Additions During the Period	Deduction / Adjustments			For The Period	Deduction / Adjustments		As at 31.03.10	As at 31.03.10
<b>A. Tangible Assets :</b>										
Freehold Land	246.54	-	-	246.54	-	-	-	-	246.54	246.54
Leasehold Land	101.19	40.37	-	141.55		-	-	-	141.55	101.19
Building	1,395.41	1,058.06	66.29	2,387.17	175.63	98.14	14.09	259.68	2,127.49	1,219.77
Plant & Machinery	11,041.32	3,666.44	0.94	14,706.82	3,261.05	1,812.81	0.39	5,073.47	9,633.35	7,780.27
Computer & Printer	137.47	43.84	-	181.31	76.81	31.22	-	108.03	73.28	60.67
Furniture & Fixtures	383.08	114.52	2.52	495.09	122.63	55.90	1.11	177.43	317.66	260.45
Vehicles	645.36	280.33	1.22	924.47	291.74	133.23	0.99	423.99	500.48	353.62
<b>B. Intangible Assets :</b>										
Computer Software	70.22	34.71	-	104.92	21.28	20.98	-	42.27	62.66	48.93
<b>Total</b>	<b>14,020.59</b>	<b>5,238.26</b>	<b>70.97</b>	<b>19,187.88</b>	<b>3,949.15</b>	<b>2,152.29</b>	<b>16.58</b>	<b>6,084.86</b>	<b>13,103.02</b>	<b>10,071.44</b>
Capital WIP									1130.45	1,464.46
									14,233.48	11,535.90

## Notes:

Additions for previous year includes Rs.67.48 lacs being the amount added on revaluation of Land & Building as at 14th November 2003

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>Schedule E INVESTMENTS</b>		
<b>a) Long Term Investments</b>		
<b>1) Unquoted Equity Shares</b>		
<b>i) Subsidiary Companies</b>		
<b>Fully Paid Equity Shares</b>		
SEAM Industries Pvt Ltd. (35,00,000 Shares of Rs.10/- each )	350.00	350.00
Sunil Hitech Energy Pvt. Ltd. (1,16,15,760 Shares of Rs. 10/- each)	1,178.68	0.20
SHEL Investment Consultancy P.Ltd. (9,999 Shares of Rs. 10/- each)	1.00	-
Application Money pending allotment of Equity shares		
Sunil Hitech Energy Pvt. Ltd.	43.38	-
<b>ii) Group Companies</b>		
<b>Fully Paid Equity Shares</b>		
Gangakhed Sugar & Energy Ltd. (1,95,00,000 Shares of Rs. 10/- each)	1,950.00	0.25
<b>Application Money pending allotment of Equity shares</b>		
Gangakhed Sugar & Energy Ltd. (Shares Alloted on 21st April, 2009)	-	1,949.75
<b>Application Money pending allotment of Equity shares</b>		
MSMC Adkoli Natural Resources Limited	1.00	-
<b>Other Fully Paid Equity Shares</b>	22.44	22.44
Yogeshwari Sugar Factory	10.00	10.00
Pangeshwar Sugar Factory	40.00	40.00
Sudama Mahavir Power Pvt. Ltd.	0.01	0.01
Less : Provision for diminution in value of Long Term Investment	27.57	27.57

## Schedules forming part of Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
Schedule <b>E</b> INVESTMENTS (Contd.)				
2) Quoted Equity Shares (Fully Paid)		–		200.00
Units of Mutual Fund				
Franklin India Index Fund (479879 unit of Rs.41.67/- each)	–		200.00	
b) Current Investment		2,500.00		659.89
AIG Infrastructure & Eco.Ref.Fund (1,00,00,000 unit of Rs.10/- each Purchase during the year)	–		1,000.00	
JM Financial Mutual Fund (1,00,00,000 unit of Rs.10/- each Purchase during the year)	–		1,000.00	
BSL Savings Fund Collection (85,80,892.070, unit of Rs.17.4807/- each)	1500.00		–	
Axis Treasury Advantage Fund (1,00,00,000 unit of Rs.10/- each)	1000.00		–	
Less : Provision for diminution in value of Investment	–		1,340.11	
		<b>6,046.50</b>		<b>3,182.53</b>
* Shares of Gangakhed Sugar & Energy Ltd. are pledged with Uco Bank against Term Loan of Rs. 304.31 Crores sanctioned to Gangakhed Sugar & Energy Ltd.				
<b>AGGREGATE VALUE OF:</b>				
i) Quoted Investments aggregate				
Book Value		2,500.00		2,200.00
Market Value		2,500.00		774.01
Unquoted Investments aggregate				
Book Value		3,574.07		2,350.21
<b>Investment Purchased &amp; Sold during the year</b>				
<b>Reliance Floating Rate Fund</b>		–		1,450.00
(90,45,953.45 unit of Rs.13.26& 18,82,062.43 unit of Rs.13.28 each purchased during the year & 34,01,749.22 units sold during the year & 75,26,266.67 unit of Rs.13.28/- each transferred to Reliance Monthly Interval Fund during the year)				

## Schedules forming part of Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>Schedule F CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A) CURRENT ASSETS</b>		
<b>Inventories</b> (As valued and certified by Management)	4,034.23	4,891.39
Stock in trade, at cost or net realisable value whichever is lower		
Raw Material & Components	676.54	879.10
Stores, Spare Parts & Loose Tools	2,841.14	1,791.77
Steel, T&D Material	516.55	1,234.95
Stock in Transit	–	985.56
<b>Sundry Debtors</b>	15,927.30	15,280.01
<b>Unsecured</b>		
Within Six Months		
Good Debt	11,642.12	13,970.11
Above Six Months		
Good debt	4,285.19	1,309.89
Considered Doubtful	258.91	83.55
	16,186.21	15,363.56
Less : Provision for doubtful debts	258.91	83.55
<b>Cash and Bank Balances</b>	5,855.49	3,710.70
Cash on Hand	55.23	70.84
DD/Cheque on hand	–	0.10
<b>Bank Balances</b>		
<b>a) With Scheduled Banks</b>		
in Current Accounts	1,643.28	850.41
in Deposit Accounts	4,156.98	2,789.35
<b>b) With non-scheduled Bank</b>		
in Current Accounts	–	–
Other Current Assets	5,919.74	5,195.47
Interest Accrued on Fixed Deposits	258.00	252.98
Contract revenue in excess of Billing revenue	5,661.74	4,942.49
<b>B) LOANS AND ADVANCES</b> (Unsecured Considered Good)	12,803.10	11,083.90
Considered Good		
i. Advances to Subsidiary Company	5.09	55.37
* ii. Advance recoverable in cash or in kind or for value to be received	4,337.00	5,430.96
iii. Deposits	7,158.89	4,918.18
iv. Advance Taxes (net of Provisions)	–	62.92
v. VAT Receivable	1,025.43	349.61
vi. Balances with Customes, Port Trusts & Excise Authorities	276.70	266.87
	12,803.10	11,083.90
Considered Doubtful		
i) Advances	87.94	–
ii) Deposits	180.27	99.80
Less: Provision for Doubtful Advances	(268.22)	(99.80)
	<b>44,539.86</b>	<b>40,161.47</b>

\* Advance recoverable includes 3.56 lacs (P.Y. Nil) recoverable from subsidiaries.

## Schedules forming part of Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009	
<b>Schedule G CURRENT LIABILITIES AND PROVISIONS</b>			
<b>A) CURRENT LIABILITIES</b>	18,346.84	145.94	
a) Sundry Creditors			
Due to			
i) Micro Enterprises & Small Enterprises	91.24	27.37	
ii) Others	5,640.99	4,084.79	
	5,732.23	4,112.16	
b) Sub-Contractors			
i) Amount Payable Against work	1,890.69	963.85	
ii) Security Deposit of Petty Contractors, Retention Money, Withheld from Contractor	1,359.88	921.05	
	3,250.57	1,884.90	
c) Amount Due to Customer (Billing in excess of Contract Revenue)	1,798.18	1,903.24	
d) Advance from Customers			
Gangakhed Sugar & Energy Ltd.	1,601.80	6,962.31	
Others	3,193.05	1,843.04	
	4,794.86	8,805.36	
e) Other Advances	500.00	-	
f) Investors Protection Fund			
Unclaimed Dividend for 2005-06	0.76	0.76	
Unclaimed Dividend for 2006-07	1.98	1.98	
Unclaimed Dividend for 2007-08	1.80	1.82	
g) Interest Accrued but not due on loan	12.86	-	
h) Other Liabilities	1,852.70	1,636.67	
<b>B) PROVISIONS</b>		557.94	165.00
Provision for Income Tax (Net of Advance Tax)	323.70	-	
Provision for Wealth Tax	5.20	4.50	
Provision for Proposed Dividend	-	122.75	
Provision for Tax on Proposed Dividend	-	20.86	
Provision for Gratuity	56.81	16.89	
Provision For Expenses	172.23	-	
		<b>18,503.88</b>	

### Schedule H MISCELLANEOUS EXPENDITURE

(To the extent not Written off or adjusted)		63.27	119.39
Expenses including commission or brokerage on Subscription of Shares	63.27	119.39	
		<b>63.27</b>	<b>119.39</b>

## Schedules forming part of Profit and Loss Account For the year ended 31st March 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
<b>Schedule 1 NET SALES</b>				
Project, Maintenance Services		58,740.65	54	
Trading Sales / Supply	1270.27		1570.16	
Less: Excise Duty	16.23		155.70	
Net Sales	1,414.45	1,254.04		
		<b>72,267.57</b>		<b>59,821.10</b>

<b>Schedule 2 OTHER INCOME</b>				
Interest	200.36	275.43		
On Bank deposits (TDS for CY Rs. 33.75 Lacs & PY Rs.36.50 Lacs)	255.04		198.71	
Customers	20.39		1.65	
Dividend from Current Investments - Non Trade (Tax Free)		1.30		23.14
Profit from current investment - Non Trade (Net)		486.83	73.42	
Profit on sale of Fixed Assets		0.09	21.65	
Handling Charges		430.83		-
Commission on Supply	59.93	15.10		
Miscellaneous Income	15.62	154.24		
Liabilities no longer required written back		30.78		-
Provisions no longer required written back		24.13	48.42	
		<b>1,440.29</b>		<b>420.97</b>

<b>Schedule 3 CONSUMPTION OF MATERIALS</b>				
i) Steel	12,111.69	4970.01		
Opening Stock	616.25		3,172.93	
Add: Supply by Customer	741.08		-	
Add: Purchases	4,099.54		9,555.01	
	5,456.87		12,727.94	
Less : Closing Stock	486.86		616.25	
ii) Other	12,530.27	28,666.95		
Opening Stock	4,275.14		1,465.87	
Add: Supply by Customer	57.74		-	
Add: Purchases	27,881.44		15,339.53	
	32,214.31		16,805.40	
Less : Closing Stock	3,547.37		4,275.14	
		<b>33,636.96</b>		<b>24,641.95</b>

<b>Schedule 4 PURCHASES (Trading Goods)</b>				
Purchases (Trading Goods)		1,182.11		1,367.87
Opening Stock	-		-	
Add: Purchases	1,182.11		1,367.87	
	1,182.11		1,367.87	
Less : Closing Stock	-		-	
		<b>1,182.11</b>		<b>1,367.87</b>

## Schedules forming part of Profit and Loss Account For the year ended 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>Schedule 5 SITE AND OPERATING EXPENSES</b>		
Construction, Erection, Fabrication	19,728.52	14,995.26
Maintenance, Design Expenditure		
Excavation, Disposal & Leveling	2,449.30	5,887.33
Hire Charges	500.73	634.11
Repair & Maintenance	451.12	301.88
Taxes	480.04	235.68
Transportation Expenses	274.41	327.94
Others	794.65	482.57
	<b>24,678.76</b>	<b>22,864.77</b>

<b>Schedule 6 PERSONNEL COST</b>		
Salary to Staff	2,039.46	1568.45
Salary to Director	150.00	274.50
Retainership Expenses	61.81	43.60
ESIC	10.13	11.32
Provident Fund	148.08	126.73
Gratuity	104.89	16.89
Insurance Employer / Employee Scheme	86.38	80.92
Other Benefits	339.70	198.92
	<b>2,940.45</b>	<b>2,321.33</b>

<b>Schedule 7 ADMINISTRATION EXPENSES</b>		
Auditors Remuneration	19.41	9.50
Travelling & Conveyance	282.48	281.95
Insurance Expenses	106.69	90.15
Communication	107.13	87.05
Repair & Maintenance	216.04	163.65
Rate, Fees & Taxes	58.97	58.84
Rent	182.73	193.70
Provision for Doubtful Debt	222.50	62.87
Provision for Doubtful WH & RM	80.46	–
Provision for Doubtful Advances	87.97	96.30
Loss on sale of Current Investments(Trade) (Net)	–	28.24
Printing & Stationery	70.46	66.63
Donations	3.17	1.25
Electricity Charges	63.82	31.93
Miscellaneous Expenditure written off	56.15	56.15
Legal Expenses	2.22	2.45
Professional Charges	125.81	125.10
Excess TDS written off	–	6.85
Other Administration Expenses	122.54	90.43
	<b>1,808.56</b>	<b>1,453.03</b>

## Schedules forming part of Profit and Loss Account For the year ended 31st March 2010

	(Rs. in Lacs)	
	31st March, 2010	31st March, 2009
<b>Schedule 8 INTEREST AND FINANCIAL CHARGES</b>		
Interest Paid to Bank	1,923.84	1,729.06
Interest on Service Tax	23.07	28.34
Interest Paid to Customer (Against Advance)	9.33	3.14
Others	485.50	392.71
	<b>2,441.74</b>	<b>2,153.24</b>
<b>Schedule 9 EXCEPTIONAL ITEMS</b>		
Loss By fire	–	59.31
Provision for diminution in value of Current Investment	(1,340.11)	1,340.11
Income Tax	–	–
Excess Provision for FBT	–	–
Loss on Sale of Investment	819.42	–
	<b>(520.69)</b>	<b>1,399.42</b>

## Schedules forming part of Accounts

## Schedule 1 Notes to Accounts

## A) Significant Accounting Policies adopted in preparation and presentation of accounts.

## a) Basis of Accounting:

- i. The company follows mercantile system of accounting and recognizes Income and Expenditure on accrual basis.
- ii. The accounts have been prepared in accordance with generally accepted accounting principals and Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956.
- iii. Financial Statements are based on historical cost convention except for certain fixed assets which are revalued. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.

## b) Use of estimates:

The preparation of financial statements required the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amounts of revenues & expenses during the reporting period. Examples of such estimates include contract cost expected to be incurred to complete Construction contracts, provision for doubtful debts and future obligation under employee retirement benefit plans. Although these estimates are based upon management's best knowledge of current events and actions; actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

## c) Fixed Assets:

**Tangible Assets:**

Fixed Assets are stated at cost of acquisition, except for revaluation of certain land and building, less accumulated depreciation and impairment loss if any. Costs include all expenses incurred to bring the assets to its present location and condition. Exchange differences on translation of foreign currency transaction obtained to purchase fixed assets from countries outside India are included in the cost of such assets. Advances paid towards the acquisition of fixed assets and cost of assets not ready for their intended use as at balance sheet date are disclosed under Capital Work in Progress.

**Intangible Assets:**

Intangible Assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortized over a period of

## Schedules forming part of Accounts

### Schedule I NOTES TO ACCOUNTS (Contd.)

5 years.

#### d) Depreciation:

Depreciation is provided on written down value method except freehold land at the rate and in the manner laid down in Schedule XIV to the Companies Act, 1956.

- ii. Depreciation is calculated on a pro- rata basis from the date of addition.
- iii. Fixed Assets excluding buildings, computers and individually costing Rs. 5,000/- or less are not capitalized except when they are part of a larger capital investment program.
- iv. The difference between depreciation provided based on revalued amount and that on historical cost is transferred from Revaluation Reserve to Profit and Loss Account.

#### e) Revenue Recognition:

- i. Recognition of contract revenue and expenses
  - a) Contract Revenue is recognized 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.
  - b) 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
  - c) An expected loss on construction contract is recognized as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
  - d) Price escalation and other claims and/or variation in the contract work are included in contract revenue only when:
    - i) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
    - ii) The amount that is probable will be accepted by the customer can be measured reliably.
  - e) Incentive Payments , as and when accrued forms part of revenue from respective contracts
- ii. Revenue from interest income is recognized on accrual basis.
- iii. Dividend income is recognized when the right to receive dividend is established.
- iv. Commission income is recognized as per contracts/ receipt of credit notes
- v. Revenues from sale of products and services:
  - a. Revenue from sales of products is recognized on dispatch of goods to customers, which corresponds, to transfer of significant risk and rewards of ownership and is net of sales tax and trade discounts.
  - b. Revenues from services are recognized when such services are rendered.

#### f) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current 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 realizable value.

#### g) Inventories:

Items of inventories except Non consumable are measured at lower of cost or net realizable value after providing for obsolescence, if any. 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. Raw Material & Components, Stores, Spare Parts & Loose Tools, Steel & T&D material are determined on FIFO basis. As a policy determined by the management Non Consumable items are written off 33.33% of its cost.

#### h) Foreign Currency Transaction:

- i) Initial Recognition
 

Foreign currency transactions are recorded in reporting currency, by applying to the foreign currency amount exchange rates between reporting currency and foreign currency at the date of transactions.
- ii) Conversion

## Schedules forming part of Accounts

### Schedule 1 NOTES TO ACCOUNTS (Contd.)

Foreign currency monetary items are reported using the closing rate. Non-Monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of the transaction.

iii) **Exchange Differences**

Exchange Differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except exchange differences in respect of fixed assets acquired, including foreign currency liabilities relating thereto, are adjusted to the carrying cost of respective fixed assets .

i) **Retirement and Other Employee Benefits:**

Retirement benefits in the form of Provident Fund are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

Gratuity liability under the Payment of Gratuity Act is accrued and provided for on the basis of an actuarial valuation made at the end of financial year.

Privileged Leave Benefits are provided for on the basis of estimates.

j) **Taxes on Income**

Tax expense comprises current tax, deferred tax and Prior period Income Tax.

Tax on income for the current period is determined on the basis of the taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961, and based on the expected outcome of assessments. The deferred tax for 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. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

k) **Borrowing Cost:**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

l) **Segment Reporting Policies:**

**Identification of Segments:**

The Company's operating businesses are classified according to the significance of risk and rewards associated with each type of business activity and to help users of this financial statements better understand and make more informed judgments about the enterprise as a whole. The same are as follows

- 1) Project
- 2) Overhauling and Maintenance Services
- 3) Supply

m) **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These provisions are reviewed at each balance sheet date and are adjusted up or down to reflect the current best estimate. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

n) **Public Issue Expenses:**

Public Issue Expenses have been amortized in accordance with section 35-D of the Income Tax Act, 1961.

o) **Custom Duties:**

Custom Duty payable on trading goods, stores and machinery are accounted for on clearing of goods from Custom Warehouse.

## Schedules forming part of Accounts

### Schedule 1 NOTES TO ACCOUNTS (Contd.)

#### Notes on Accounts:

#### 1. Contingent liabilities not provided for:

- i) In respect of Excise & service tax matters for which the company has preferred appeals with appropriate authorities- Rs. Nil (P.Y. Rs. 110.03 Lakhs).
- ii) In respect of service tax, sales tax matters for which the company has not acknowledged as debts – 394.97 Lakhs (P.Y. Rs. 337.96 Lakhs).
- iii) In respect of Letter of Credits with banks- Rs. 1016.75 Lakhs (P.Y. Rs. 5674.00 Lakhs)
- iv) In respect of counter guarantees given to bank against guarantees given by bank Rs. 27567.82 Lakhs (P.Y. 15571.00 Lakhs)
- v) Corporate Guarantee given on behalf of
  - a) Subsidiary Company (Seam Industries Private Limited) – Rs. 2492.00 Lakhs (P.Y. Nil)
  - b) Others – Rs. 5000.00 Lakhs (P.Y. Nil)
- vi) Security against loans taken by others
  - a) Seam Industries Private Limited a subsidiary Company has obtained a term loan from Oriental Bank of Commerce amounting to Rs. 742.00 Lakhs which is secured by first charge of equitable mortgage of factory land and building and hypothecation of plant and machinery of the said company.  
  
Our Company has given a collateral security of an equitable mortgage of non agricultural land situated at survey no. 135 & 136 of Mouza -Kandri, & survey no. 166, 168 & 174 of Mouza - Hiwara (BEDE), Dist. Nagpur of the State of Maharashtra whose value is determined by the bank for this purpose is Rs. 111.00 Lakhs  
  
The Company has obtained Counter Corporate Guarantee from Seam Industries Private Limited for the said collateral security given to the extent of Rs.111.00 Lakhs to Oriental Bank of Commerce
  - b) Debentures issued to Tata Capital Ltd by Gangakhed Sugar & Energy Ltd. are secured by certain immovable properties of the company situated at CBD Belapur, New Mumbai in the State of Maharashtra & movable fixed assets like Crawler, Other Cranes etc. of the Company.
  - c) Shares of Gangakhed Sugar & Energy Ltd. amounting to Rs.1950 lakhs is pledged with Uco Bank against Term Loan of Rs. 304.31 Crores sanctioned to Gangakhed Sugar & Energy Ltd.

2. Certain disputed cases relating to Service tax amounting to Rs. 160.52 Lakhs have neither been considered as contingent liabilities nor acknowledged as claims, based on legal opinions obtained from Tax Advisor/internal assessment. The Company is of the view that the possibility of the demands materializing is remote.

#### 3. Capital Commitments:

Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) Rs. 249.45 Lakhs (P.Y. 1500.00 Lakhs)

#### 4. Additional Information

- i) Company has paid capital advances of Rs. 94 Lakhs to Global Realities in FY 2007-08. Till the date, title deeds are not executed in the name of company.
- ii) Capital advances includes an amount of Rs 725.79 Lacs paid to Gokul Construction for which Agreement for Sale was executed on 04th Jan, 2008 and on receipt of possession letter dated 30th May 2009, the possession has been taken by the company. However Title Deed is expected to be registered in the name of company in forthcoming Financial Year.
- iii) Transfer of Rights in Coal Mine Transactions to Subsidiary
  - a. The company has been selected as a highest bidder for mine in a JV with Maharashtra State Mining Corporation. The mine is located at Jamni Adkoli, Wani (near Wardha), Maharashtra.  
  
Having been selected as a highest bidder, company was asked to deposit a sum of Rs 18.25 crores and same has been deposited on 28th April, 2008 and 17th August, 2009. During the year Company has obtained LOI from Maharashtra Govt. to initiate

## Schedules forming part of Accounts

### Schedule 1 NOTES TO ACCOUNTS (Contd.)

process for forming a JV company. During the period under review company has transferred its rights in JV Company at Book Value Rs.18.65 Crores to its Subsidiary company Sunil Hitech Energy Ltd against equity shares in that company as per provisions in the tender. On 2nd March Company has diluted 37.95% of its shareholding in Sunil Hitech Energy Pvt. Ltd to its another subsidiary SHEL Investments Consultancy Pvt. Ltd. at a premium of Rs. 6.85 per share over the acquisition cost.

- iv) Other Income includes an amount recovered as Handling Charges of Rs. 430.83 Lakhs against materials and machinery provided to contractors at site.
- v) Extra-ordinary Loss  
Due to natural calamity occurred at SECHI Site, the Company has incurred loss of Rs.147.50 Lakhs and same has been provided as extraordinary loss in the books of accounts. The site and the assets thereon were sufficiently insured and the management is confident to recover the amount in respect of the said loss in near future and the amount received would be accounted as extraordinary income in the year of receipt.
- vi) Balance confirmation letters  
The Balance confirmation letters have been sent to the debtors, creditors but replies from debtors are awaited, as response is inadequate therefore accounts of certain debtors are subject to confirmation/ reconciliation, if any. The company does not expect any material differences affecting the financial statements due to this.
- vii) As per management estimate, the company has provided for Rs.25 Lakhs against Leave Encashment payable to the employees.
- viii) The deductions made against the certified work orders are not available in writing; henceforth accounted for on the basis of certified measurement books available with the customers and the same are subject to the final reconciliation of accounts with customers.
- ix) Expenses include Prior period expenses of Rs. 113.09 Lakhs.
- x) During the period under review company has paid Income Tax of Rs. 1214.97 Lakhs against action taken U/s 132 of the Income tax Act, 1961 and same has been provided in the books of company as Income Tax for prior period. The exact determination of the quantum is subject to completion of assessment.
- xi) VAT liability has been adjusted against set-off receivable/ vat credit available in books of accounts. As there is deviation between amounts shown in VAT returns for other than Maharashtra state and as per books of accounts; the exact determination of the Vat Receivable amount as shown in the books of accounts is subject to completion of assessments /VAT Audit in various states.
- xii) In the opinion of Board of Directors all the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.
- xiii) In the current year the Subsidiary Company has changed its name from Sunil Hitech Engineers & Manufacturers Pvt. Ltd to SEAM Industries Pvt. Ltd. The change in name has been intimated to all concerned departments & authorities. The change has been effected from 4th of June, 2009 & the board resolution has been passed to that effect.

#### 5. Managerial Remunerations

Managing & Whole time Directors' Remuneration

(Rs. in Lacs)

	2009-10	2008-09
Salaries & Allowances	150.00	274.50
Contribution to Provident Fund	3.78	4.77
*Estimated Value of perquisite	13.95	24.75
Insurance	86.38	80.91
<b>Total (Rs)</b>	<b>254.11</b>	<b>384.93</b>

\* Excluding Sitting Fees

\* Valued as per Income Tax Rules, 1962 where applicable.

As the future liability for the gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to the director is not ascertainable and, therefore, not included above.

## Schedules forming part of Accounts

### Schedule I NOTES TO ACCOUNTS (Contd.)

#### 6. Computation of Net Profit in accordance with the Provision of section 349 of the Companies Act, 1956,

(Rs. in Lacs)

Particulars	31st March, 2010	31st March, 2009
a) Profit Before Taxation		3467.41
Add:	4868.08	
i) Remuneration Paid to Directors	254.11	3,84.93
ii) Provision for doubtful debts	222.50	62.87
iii) Provision for Advances	168.43	96.30
iv) Provision for diminution in value of investments	–	–
v) Provision for current investments	–	–
vi) Loss on sale of Investment	–	61.09
vii) Sitting Fees	1.20	1.00
Less:		
i) Profit on sale of Fixed Assets	21.65	0.09
ii) Profit on sale of Investment	486.83	106.27
iii) Write back of provision for diminution in the value of investment	–	48.42
iv) Excess provision for doubtful debts written back	24.13	
Net Profit as per section 198 of the Companies Act, 1956	4981.71	3918.82
b. Maximum permissible remuneration	498.17	391.88
To whole time directors @ 10 % of the profit computed as above		
c. Remuneration Paid as per service agreement	254.11	384.93

#### 7. Auditor's Remuneration:

(Rs. in Lacs)

Particulars	2009-10	2008-09
Statutory Audit	17.00	7.00
Other Audit Service / Certification	3.00	2.00
Reimbursement of Expenses	1.40	0.50

#### 8. CIF Value of Imports:

(Rs. in Lacs)

Particulars	2009-10	2008-09
Raw Materials / Trading Goods	433.22	Nil
Capital Goods	206.47	Nil
Component & Spare Parts	61.25	Nil

#### 9. Expenditure in foreign currency

(Rs. in Lacs)

Particulars	2009-10	2008-09
Interest on IDBI Term Loan	5.22	27.17
Others	9.48	1.30
<b>Total</b>	<b>14.70</b>	<b>28.47</b>

#### 10. Dividend Remitted during the year to Non-residential Shareholders:

Particulars	2009-10	2008-09
Number of Non Resident Shareholders	–	78
Number of Equity Shares held by them	–	20904
A. Final Dividend		
i) Amount remitted (net of tax) Rs. in Lacs	–	0.25
ii) Year to which dividend related	–	2007-08

## Schedules forming part of Accounts

## Schedule I NOTES TO ACCOUNTS (Contd.)

11. As per Accounting Standard 15 "Employees Benefits", the disclosures as defined in the accounting standard are given below

## a. Amount recognized in Balance Sheet

Particulars	(Rs. in Lacs)
Present Value of Funded Obligations	115.98
Fair Value of Plan Assets	(59.17)
Present Value of Unfunded Obligations	-
Unrecognized Past Service Cost	-
Amount not Recognized as an Asset (limit in Para 59(b))	-
Net Liability	56.81
Amounts in Balance Sheet	
Liability	56.81
Assets	-
Net Liability	56.81

## b. Reconciliation of Benefit Obligation &amp; Plan assets

Particulars	(Rs. in Lacs)
<b>Change in Defined Benefit Obligation</b>	
Opening Defined Benefit Obligation	91.19
Current Service Cost	32.82
Interest Cost	8.50
Actuarial Losses / (Gain)	(15.47)
Past Service Cost	-
Actuarial Losses / (Gain) due to Curtailment	-
Liabilities Extinguished on Settlements	-
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-
Exchange Difference on Foreign Plans	-
Benefits Paid	(1.06)
<b>Closing Defined Benefit Obligation</b>	115.98
<b>Change in Fair Value of Assets</b>	
Opening Fair Value of Plan Assets	154.97
Expected Return on Plan Assets	0.97
Actuarial Gain / (Losses)	1.70
Assets Distributed on Settlements	-
Contributions by Employer	42.07
Assets Acquired on Acquisition / (Distributed on Divestiture)	-
Exchange Difference on Foreign Plans	-
Benefits Paid	(1.06)
<b>Closing Fair Value of Plan Assets</b>	59.17
Expected Employer's Contribution Next Year	50.00

## c. Expense to be Recognized in Statement of Profit &amp; Loss Account

Particulars	Period Ended 31 March, 2010
Current Service Cost	32.82
Interest on Defined Benefit Obligation	8.49
Expected Return on Plan Assets	(0.96)
Net Actuarial Losses / (Gains) Recognized in Year	(17.17)
Past Service Cost	0
Losses / (Gains) on "Curtailments & Settlements"	0
Losses / (Gains) on "Acquisition / Divestiture"	0
Effect of the limit in Para 59(b)	0
<b>Total, Included in "Employee Benefit Expense"</b>	<b>23.17</b>
Actual Return on Plan Assets	2.67

## Schedules forming part of Accounts

### Schedule I NOTES TO ACCOUNTS (Contd.)

#### d. Asset Information

Category of Assets (% Allocation)	%	(Rs. in Lacs)
Government of India Securities	0%	–
Corporate Bonds	0%	–
Special Deposit Scheme	0%	–
Equity Shares of Listed Companies	0%	–
Property	0%	–
Insurer Managed Funds	100%	59.17
Others 0%	–	–
<b>Grand Total</b>	<b>100%</b>	<b>59.17</b>

#### e. Experience Adjustments

Category of Assets (% Allocation)	(Rs. in Lacs)
Defined Benefit Obligation	115.98
Plan Assets	59.17
Surplus / (Deficit)	(56.81)
Exp. Adj. on Plan Liabilities	0.94
Exp. Adj. on Plan Assets	1.70

#### f. Actuarial Assumptions

Category of Assets (% Allocation)	(Rs. in Lacs)
Discount Rate (p.a.)	8.00%
Expected Rate of Return on Assets (p.a.)	7.50%
Salary Escalation Rate (p.a.)	6.00%

##### a) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

##### b) Expected Rate of Return on Plan Assets:

This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

##### c) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

##### d) Retirement Age:

The employees of the Company are assumed to retire at the age of 60 years.

##### e) Mortality:

Published rates under the LIC (1994-96) mortality tables.

Rates of LIC (1994 - 1996) mortality table at specimen ages are as shown below:

Age (Years)	Rates
18	0.000919
23	0.001090
28	0.001166
33	0.001246
38	0.001721
43	0.002602
48	0.004243
53	0.007116
58	0.011025

## Schedules forming part of Accounts

## Schedule I NOTES TO ACCOUNTS (Contd.)

## f) Leaving Service:

Rates of leaving service at specimen ages are as shown below:

Age (Years)	Rates
21-30	5%
31-40	3%
41-59	2%

## g) Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph (f) above).

## 12. Related Party Disclosures (as identified and certified by the management)

As per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

## i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1.	a) SEAM Industries Pvt. Ltd. b) Sunil Hi-tech Energy Pvt. Ltd. c) SHEL Investments Consultancy Pvt. Ltd.	Subsidiary Company (Control exists)
2.	a) Gangakhed Sugar & Energy Ltd. b) Trimurti Towers Pvt. Ltd. c) Sadoday Laxmi Infrastructure Pvt. Ltd. d) Shanti Laxmi Contractors Pvt. Ltd. e) Purple Haze Motion Pictures Pvt. Ltd.	Enterprises controlled by/ in which key managerial personnel exercise significant influence
3.	a) Mr. R.M. Gutte b) Mrs. S. R. Gutte c) Mr. Sunil R. Gutte d) Mr. Vijay R. Gutte e) Mr. M. N. Mohanan f) Mr. S. K. K. Ramaiah	Key Management Personnel
4.	a) Mrs. Swati Phad	Relative of Director

## ii) Transactions with related party during the year:

(Rs. in Lacs)

Particulars	Subsidiaries	Other Companies as per (2)	Key Mgmt. Personnel	Others	Total
<b>A. Fixed Assets /CWIP</b>					
Assets Purchased/ Addition during the year	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Capital Work In Progress	-	-	-	-	-
	(-)	(-)	(-)	(203.57)	(203.57)
Sale of Fixed Assets/Returned	-	-	-	203.57	203.57
	(-)	(-)	(-)	(-)	(-)

## Schedules forming part of Accounts

### Schedule I NOTES TO ACCOUNTS (Contd.)

ii) Transactions with related party during the year: (Contd.)

(Rs. in Lacs)

Particulars	Subsidiaries	Other Companies as per (2)	Key Mgmt. Personnel	Others	Total
<b>B. Investments</b>					
Balance as at 1st April, 2009	350.20	1950.00	-	-	2300.20
	(350.00)	(0.25)	(-)	(-)	(350.25)
Purchased / Adjusted during year Shares / Share Application Money	1914.38	-	1.75	-	1916.13
	(-)	(1949.75)	(-)	(0.20)	(1949.95)
Sold During the Year (Face Value)	710.42	-	-	-	710.42
	(-)	(-)	(-)	(-)	(-)
Balance as at 31st March, 2010	1554.16	1950.00	1.75	-	3525.91
	(350.00)	(1950.00)	(-)	(0.20)	(2300.20)
<b>C. Other Receivable</b>					
Balance as at 31st March, 2010	1207.72	-	-	-	1207.72
	(-)	(-)	(-)	(-)	(-)
<b>D. Loans &amp; Advances</b>					
Opening Balance as at 1st April 2009	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Given during the Year	550.00	-	-	-	550.00
	(-)	(-)	(-)	(-)	(-)
Repaid during the year	550.00	-	-	-	550.00
	(-)	(-)	(-)	(-)	(-)
Closing Balance as at 31st March 2010	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
<b>E. Other Advances as at 31.3.2010</b>	8.65	-	-	-	8.65
	(55.37)	(-)	(-)	(-)	(55.37)
<b>F. Debtors</b>					
	-	-	-	-	-
	(-)	(2135.64)	(-)	(-)	(2135.64)
RM with GSEL	-	-	-	-	-
	(-)	(252.27)	(-)	(-)	(252.57)
Balance as at 31st March, 2010	-	-	-	-	-
	(-)	(2388.21)	(-)	(-)	(2388.21)
<b>G. Purchases &amp; Services:</b>	223.99	-	-	-	223.99
	(1232.97)	(-)	(-)	(-)	(1232.97)
<b>H. a) Commission Received</b>	11.20	-	-	-	11.20
	(59.93)	(-)	(-)	(-)	(59.93)
<b>b) Interest Received</b>	19.56	-	-	-	19.56
	(-)	(-)	(-)	(-)	(-)
<b>I. Contract Revenue (Sales)</b>	-	24363.02	-	-	24363.02
	(-)	(6629.60)	(-)	(-)	(6629.60)
<b>J. Expenditure Remuneration (Excluding Sitting Fees)</b>	-	-	254.11	4.65	258.76
	(-)	(-)	(394.84)	(3.00)	(397.84)
House Rent	-	-	172.02	-	172.02
	(-)	(-)	(172.02)	(-)	(172.02)
<b>K. Dividend Paid</b>	-	-	-	-	-
	(-)	(78.32)	(0.07)	(-)	(78.39)
<b>L. Corporate Guarantee</b>	2492.00	5000.00	-	-	7492.00
	(-)	(-)	(-)	(-)	(-)

The information given above, have been reckoned on the basis of information available with the company.

The figure in ( ) represents figures for previous year.

## Schedules forming part of Accounts

## Schedule I NOTES TO ACCOUNTS (Contd.)

## 13. Disclosure pursuant to Accounting Standard 7 (Revised):

(Rs. in Lacs)

	2009-10	2008-09
1. Contract revenue recognized for the year ended	69183.62	56761.86
2. Aggregate amount of contract costs incurred and recognized profits (Less recognized losses) up to for all contracts in progress	74201.95	61711.26
3. Amount of customer advances outstanding for contracts in progress	4794.86	8805.36
4. Retention amount due from customers for contracts in progress	3203.42	1533.52

## 14. Opening Stock &amp; Closing Stock:

Note: Opening Stock & Closing Stock of Trading based items are nil.

## 15. Sales of Trading Goods

(Rs. in Lacs)

Product	2009-10			2008-09		
	Unit	Qty.	Value	Unit	Qty.	Value
Steel	M.T.	363.945	133.31	M.T.	229.36	80.79
Coal	M.T.	17741.85	780.64	M.T.	–	–
Coal Mill lot	M.T.	1050	11.08	M.T.	3,795	40.04
U Bend	Kgs.	25855.45	9.19	Kgs.	–	–
Various Bends	Nos/ Mtrs	3086	38.85	Nos/ Mtrs	3629.22	37.51
Boiler / Loose / Water Wall Tubes	Nos/ Mtrs	7488	61.42	Nos/ Mtrs	–	–
Seamless Straight Tube	Mtrs	5410	32.25	Mtrs	23,288.48	52.87
Economical 180 d Tube	Mtrs	3205.296	30.84	Mtrs	184	265.35
Seamless Pipe	Nos/ Mtrs	3431	22.98	Nos/ Mtrs	–	–
Emmiting Electrodes / Hooks / Bush Bearings	Nos.	1761	52.79	Nos.	2040	16.8
Steel Plate	Nos.	400	21.24	Nos.	–	–
Shock Bar Assembly / Guide / Bearing / Elbow / Reheater / Others	Nos / Set	1117	11.94	Nos.	6000	3.00
U-plate /Guide Plate	Nos.	650	20.53	Nos.	–	–
Economizer Outlet HB	Nos.	–	–	Nos.	52	1.40
Hot Re-Heater Coil Assy.	Nos.	89	25.27	Nos.	–	0.00
Shock Bar for ESP	M.T	–	–	M.T	710	10.21
Parts of Boiler	Mtrs	–	–	Mtrs	3,551.50	0
Parts of Boiler	Nos.	–	–	Nos.	1,463	870.4
Parts of Boiler	Set	–	–	Set	1	2.85
Others	–	–	1.71	–	–	33.24
<b>Total</b>			<b>1254.04</b>			<b>1414.46</b>

## Schedules forming part of Accounts

### Schedule I NOTES TO ACCOUNTS (Contd.)

#### 16. Purchase of Trading Goods:

(Rs. in Lacs)

Product	2009-10			2008-09		
	Unit	Qty.	Value	Unit	Qty.	Value
Steel	M.T.	363.945	122.22	M.T.	229.36	78.04
Coal	M.T.	18000	740.27	M.T.	–	–
Coal Mill Lot	M.T.	1050	10.81	M.T.	3,795	35.23
U Bend	Kgs.	25855.45	9.19	Kgs.	–	–
Various Bends	Nos/Mtrs	3086	38.85	Nos/Mtrs	3629.22	37.51
Boiler / Loose / Water Wall Tubes	Nos/Mtrs	7488	61.38	Nos/Mtrs	–	–
Seamless Tube	Mtrs	5410	32.25	Mtrs	23,288.48	52.87
Economical 180 d Tube/Coil	Mtrs	3205.296	30.88	Mtrs	184	265.37
Seamless Pipe	Nos/Mtrs	3431	22.98	Nos/Mtrs	–	–
Emmiting Electrodes / Hooks / Bush Bearings	Nos.	1761	40.2	Nos.	2040	15.42
Steel Plate	Nos.	400	17.45	Nos.	–	–
Shock Bar Assembly / Guide / Bearing / Elbow / Reheater / Others	Nos.	1117	9.41	Nos.	–	–
U Plate/Guide Plate	Nos.	650	20.95	Nos.	–	–
Economizer OutletHB	Nos.	–	–	Nos.	52	1.40
Hot Re-Heater Coil Assy.	Nos.	89	25.27	Nos.	–	–
Others Component	Nos.	–	–	Nos.	6,000	3.00
Shock Bar for ESP	M.T.	–	–	M.T.	710	6.21
Parts of Boiler	Mtrs	–	–	Mtrs	3,451.50	–
Parts of Boiler	Nos.	–	–	Nos.	1,463	869.98
Parts of Boiler	Set	–	–	Set	1	2.85
<b>Total</b>			<b>1182.11</b>			<b>1367.88</b>

Note: Figures of earlier year were reported on Gross basis.

#### 17. Earning Per Share

(Rs. in Lacs)

Sr. No.	Particulars	2009-10	2008-09
i.	Net Profit after tax attributable to shareholders (Rs. in Lakhs)	2345.51	1030.13
ii.	Weighted Average Number of Equity Shares Outstanding during the year	12275160	12275160
iii.	Nominal Value per Share (In Rupees)	10	10
iv.	Basic/Diluted Earning Per Share (In Rupees)	19.11	8.39

## Schedules forming part of Accounts

## Schedule I NOTES TO ACCOUNTS (Contd.)

## 18. Disclosure required by Clause 32 of the Listing Agreement

Loans & Advances in the nature of Advances include amount due from companies under the same management (subsidiaries, associates, firm) as under:

(Rs. in Lacs)

Sr. No.	Name of the Company	As at 31st March, 2010	Maximum Balance during The Year	As at 31st March, 2009	Maximum Balance during The Year
1.	a) Loans & Advances:				
	SEAM Industries Pvt. Ltd.	5.09	446.18	55.37	156.86
2.	SEAM Industries Pvt. Ltd. (Inter Corporate Deposit)	–	550.00	–	–

## Notes:

- a) Loans and advances to Employees as per Company's policy are not considered.  
 b) Loans and Advances shown above, to subsidiaries shown under 1 fall under the category of Loans & Advances in nature of business advances.

## 19. Details of Investments:

(Rs. in Lacs)

Name of the Company	As as 31st March, 2010			As as 31st March, 2009		
	Face Value P. Unit	No. of Units	Value	Face Value P. Unit	No. of Units	Value
A) Long Term Investments						
i) Unquoted Equity Shares						
(Fully Paid)			NIL			NIL
<b>Unquoted Equity Shares (Fully Paid)</b>						
<b>Unquoted Equity Shares in Subsidiary Companies (Fully paid)</b>						
SEAM Industries Pvt. Ltd. (Sunil Hi-Tech Engg. & Mfg. P. Ltd.) (35,00,000 shares of Rs.10/-each)	10	35,00,000	350.00	10	35,00,000	350.00
Sunil Hi Tech Energy Pvt. Ltd (11615760 shares of Rs.10/-each)	10	1,16,15,760	1178.60	10	2000	0.20
Share Application Money in Sunil Hi-Tech Energy Pvt. Ltd.	–	–	43.38	–	–	–
SHEL Investment Consultancy Pvt. Ltd (9999 shares of Rs. 10/-each)	10	9999	1.00	–	–	–
<b>Group Companies</b>						
<b>Fully Paid equity Shares</b>						
Gangakhed Sugar & Energy Ltd (1,95,00,000 Shares of Rs. 10/- each)	10	1,95,00,000	1950.00	10	2500	0.25
<b>Share Application Money in Group Companies</b>						
Gangakhed Sugar & Energy Ltd (Shares Allotted on 21st April, 2009)			–			1,949.75
MSMC Adkoli Natural Resources Limited			1.00			–

## Schedules forming part of Accounts

### Schedule I NOTES TO ACCOUNTS (Contd.)

#### 19. Details of Investments: (Contd.)

(Rs. in Lacs)

Name of the Company	As as 31st March, 2010			As as 31st March, 2009		
	Face Value P. Unit	No. of Units	Value	Face Value P. Unit	No. of Units	Value
<b>Other Fully Paid Equity Shares</b>						
Pangeshwar Sugar Factory	10	4,00,000	40.00	10	4,00,000	40.00
Yogeshwari Sugar Factory	10	1,00,000	10.00	10	1,00,000	10.00
Sudama Mahavir Power Private Ltd. (100 shares of Rs.10/-each)	10	100	0.01	10	100	0.01
<b>ii) Quoted Equity shares (Fully Paid)</b>						
<b>Units of Mutual Fund</b>						
Franklin India Index Fund (Purchased on 28.01.08)	-	-	-	41.67	4,79,878.68	200.00
<b>B) Current Investments</b>						
JM Financial Mutual Fund (Purchased on 05.03.08)	-	-	-	10	1,00,00,000	1,000.00
AIG Infrastructure & Eco. Ref. Fund (Purchased on 25.02.08)	-	-	-	10	1,00,00,000	1,000.00
Birla Sun Life Mutual Fund (Purchased on 31.03.10)	17.48	8580892.07	1,500.00	-	-	-
Axis Mutual Fund (Purchased on 31.03.10)	1021.23	97920.185	1,000.00	-	-	-
Less : Provisions for Diminution of Long Term Investment			27.57			27.57
Provision for Diminution in Current Investment			-			1340.11
<b>Total</b>			<b>6046.50</b>			<b>3182.53</b>

#### 20. Following Short Term Investments were Purchased and redeemed / Sold during the year:

(Rs. in Lacs)

Name of the Company/ Mutual Fund	Face Value Rs. P. Unit	Nos. The Year	Purchase Cost	Sale/ Redemption Proceeds The Year
Sunil Hitech Energy Pvt Ltd	10	7104240	720.89	1207.72

#### 21. Provision for current taxes:

- a) Includes provision for Wealth Tax Rs. 5.20 Lacs (Previous Year: - Rs 4.50 Lacs)

#### 22. Deferred Tax

(Rs. in Lacs)

Particulars	01.04.2009	(Charge)/Credit	31.03.2010
Depreciation	79.47	94.46	173.93
Provision for doubtful debts & Advances	61.26	132.90	194.16
Reversal of Provision of 07-08 & 08-09	-	(8.17)	(8.17)
Provision for diminution in value of Current Investment	169.95	(169.95)	0.00
<b>Total</b>	<b>310.68</b>	<b>49.24</b>	<b>359.92</b>

## Schedules forming part of Accounts

## Schedule I NOTES TO ACCOUNTS (Contd.)

## 23. Disclosures required by AS 29 "Provisions, Contingent Liabilities and Contingent Assets":

(Rs. in Lacs)

Particulars	Balance as at	Additional provision during the year	Provisions used during the year	Provisions reversed during the year	Balance as at 31.03.2010
Others	–	172.23	–	–	172.23
Total	–	172.23	–	–	172.23

## 24. Details of Amounts Due to Micro, Small &amp; medium Enterprises

Following are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006; (Rs. in Lacs)

Particulars	2009-10	2008-09
a) Sundry creditors include a sum aggregating due to Micro and Small Enterprises is on account of principle only.	91.24	N.A.
b) The interest due thereon remaining unpaid to any suppliers as at the end of each accounting year	Nil	Nil
c) The amount of Interest paid by the company in terms of section 16, along with the amount of payments made to Micro and Small Enterprises beyond the appointed date during the year	Nil	Nil
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under this Act.)	Nil	Nil
e) The amount of interest accrued and remaining unpaid	Nil	Nil
f) The amount of further interest remaining due and payable even in succeeding years.	Nil	Nil

The above mentioned outstanding are in normal course of business and the information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company.

## 25. Segment Information

Primary Segment Reporting: Business Segments

The Company's business segments were classified into Project, and O &amp; M, Supply.

Segment Composition:

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

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

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

During the year Segment Reporting has been reconstituted in line with the revised reporting norms of the Company. Consequently, segment figures for the previous year have been regrouped.

(Rs. in Lacs)

Sr. No.	Particulars	Accounting Year ended 31.03.2010	Accounting Year ended 31.03.2009
1	<b>Segment Revenue (Net Sales/Income from each segment)</b>		
a.	Project	69,183.62	56,739.68
b.	Operation & Maintenance	1,829.84	1,666.98
c.	Supply	1,254.04	1,414.45
	<b>Total</b>	<b>72,267.50</b>	<b>59,821.11</b>
	Less: Inter-segment Revenue		
	Net Sales /Income from Operations	72,267.50	59,821.11

## Schedules forming part of Accounts

### Schedule I NOTES TO ACCOUNTS (Contd.)

		(Rs. in Lacs)	
Sr. No.	Particulars	Accounting Year ended 31.03.2010	Accounting Year ended 31.03.2009
<b>2</b>	<b>Segment Results</b>		
	(Profit (+)/Loss(-) before tax and interest from each segment)		
a.	Project	8,501.39	6,645.67
b.	Operation & Maintenance	492.59	384.79
c.	Supply	38.55	46.58
	<b>Total</b>	<b>9,032.53</b>	<b>7,077.04</b>
Less:	i) Interest	2,441.73	2,153.23
	ii) Other un-allocable expenditure net off un-allocable income	1,722.72	1456.40
	<b>Total Profit Before Tax</b>	<b>4,868.08</b>	<b>3467.41</b>
<b>3</b>	<b>Capital employed</b>		
	(Segment Assets – Segment liabilities)		
a.	Project	19,927.70	15,734.31
b.	Operation & Maintenance	405.84	1,209.54
c.	Supply	108.07	130.58
	<b>Total</b>	<b>20,441.61</b>	<b>17,074.43</b>
i)	(Other un-allocable Corporate Assets - Other un-allocable Corporate Liabilities)	26,234.29	19,535.35

### 26. Statement Pursuant to section 212 of the Companies Act, 1956, relating to Companies Interest in Subsidiary Companies for the Financial year 2009-2010:

(Rs. in Lacs)

Particulars	SEAM Industries Pvt. Ltd.	Sunil Hitech Energy Pvt. Ltd.	Shel Investments Consultancy Pvt. Ltd.
Date from which they became Subsidiary Companies	28 <sup>th</sup> May, 2005.	15 <sup>th</sup> February, 2010	15 <sup>th</sup> March, 2010
The Financial year of the subsidiary company ended on	31.03.2010	31.03.2010	31.03.2010
Number of shares in the subsidiary company held by Sunil Hitech Engineers Ltd. at the above date	35,00,000 Shares of Rs.10 each	1,16,15,760 Shares of Rs.10 each	9,999 Shares of Rs. 10 each
Extent of Holding at the end of the Financial year of the Subsidiary Company	84.75%	62.05 %	99.99 %
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:			
i. For the financial year ended 31st March, 2010	Nil	Nil	Nil
ii. For the previous Financial years of the Subsidiary Companies since they became the Holding Company's Subsidiaries	197.23	Nil	Nil
b. Dealt with in Holding Company's accounts:			
i. For the financial year ended 31st March, 2010	Nil	Nil	Nil
ii. For the previous Financial years of the Subsidiary Companies since they became the Holding Company's Subsidiaries	Nil	Nil	Nil

## Schedules forming part of Accounts

## Schedule I NOTES TO ACCOUNTS (Contd.)

## 27. Details of Subsidiary Companies

(Rs. in Lacs)

Sr. No.	Name of the Subsidiary Company	SEAM Industries Pvt. Ltd.	Sunil Hitech Energy Pvt. Ltd.	Shel Investments Consultancy Pvt. Ltd.
1.	Capital	413.00	1915.38	1.17
2.	Reserves	488.22	(14.71)	(0.49)
3.	Liabilities	1071.69	0.17	1210.85
4.	Total Assets	1972.92	1900.83	1211.53
5.	Total Liabilities	1972.92	1900.83	1211.53
6.	Investments	NIL	1867.44	1210.74
7.	Turnover	4715.48	NIL	NIL
8.	Profit Before Taxation	351.40	(14.53)	(0.49)
9.	Provision for Taxation	119.44	NIL	NIL.
10.	Profit After Taxation	231.96	(14.53).	(0.49)
11.	Proposed Dividend	NIL	NIL	NIL

28). Figures for previous year have been regrouped wherever considered necessary and practicable to the extent data is readily available.  
Signatures to Schedules "A" to "I" and "1" to "9" and Accounting Policies.

As per our report of even date attached

For **G. G. Randad & Co.**

Chartered Accountants

**G. G. Randad**

Partner

M.No. 031266

Place : Nagpur

Date : 30th May, 2010

For and on Behalf of the Board

**R. M. Gutte**

CMD

**Sunil R. Gutte**

Joint MD

**Sandeep K. Mishra**

Company Secretary

## Statement Regarding Subsidiary Companies

Name of the Subsidiary Company	Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Dividend (including Dividend Distribution Tax)
SEAM Industries Private Limited	413.00	488.22	1,972.92	1,972.92	-	4,715.48	351.40	119.44	231.96	-
Sunil Hitech Energy Private Limited	1,915.38	(14.71)	1,900.83	1,900.83	1,867.44	-	(14.53)	-	(14.53)	-
SHEL Investments Consultancy Pvt. Ltd.	1.17	(0.49)	1,211.53	1,211.53	1,210.74	-	(0.49)	-	(0.49)	-

## Balance Sheet Abstract

Additional Information under part iv of the Schedule vi to the Companies Act, 1956.

### I. Registration Details

Registration No.         State Code

Balance Sheet Date

Date                      Month                      Year

### II. Capital Raised during the year (Amount in Rs. Lacs)

Public Issue         Rights Issue

Bonus Issue         Private Placement

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities         Total Assets

#### Sources of Funds

Paid-up Capital         Reserves and Surplus

Equity Share Warrant         Unsecured Loans

Secured Loans         Deferred Tax Liability

#### Application of Funds

Net Fixed Assets         Investments

Net Current Assets         Share Issue Expenses

Miscellaneous Expenditure         Deferred Tax Asset

### IV. Performance of the Company (Amount in Rs. Lacs)

Turnover         Total Expenditure

Profit/Loss Before Tax         Profit/Loss After Tax

Earnings Per Share (Weighted Average)         Dividend Rate (%)

### V. Generic Names of three Principal Products / Services of Company (As per monetary terms)

Product Description	Item Code No. (ITC Code)
Fabrication, Erection and overhauling	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

As per our report of even date attached  
For **G. G. Randad & Co.**  
Chartered Accountants

For and on Behalf of the Board

**G. G. Randad**  
Partner  
M.No. 031266

**R. M. Gutte**  
CMD

**Sunil R. Gutte**  
Joint MD

Place : Nagpur  
Date : 30th May, 2010

**Sandeep K. Mishra**  
Company Secretary

## Auditors' Report on Consolidated Financial Statements

To

The Board of Directors,  
**Sunil Hitech Engineers Ltd.**

1. We have audited the attached consolidated balance sheet of, Sunil Hitech Engineers Limited and its subsidiary Company except one of its associates as at 31st March 2010, the consolidated profit and loss account and the consolidated Cash flow statements for the period 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 the 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 included examining, on a test basis, evidence supporting that amounts and disclosures in the financial statements. An audit also included 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. We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of Rs. 5085.28 lacs as at 31st March 2010, the total revenue of Rs. 4715.48 lacs and net cash inflows amounting to Rs. 118.20 lacs for the year ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report 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 the Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India.

Attention is invited to the following:

Subject to note no. 4(i) where the reason given for discontinuation of consolidation of Gangakhed Sugar & Energy Ltd. is not according to Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements", we are unable to quantify the impact of the same on consolidated financial statements as the necessary information was not available to us.

5. Subject to the remark given above we report that :

Based on our audit, subject to qualifications mentioned in Auditor's Report of Holding Company, on consideration of the reports of other auditors on separate financial statements, and to the best of our information and according to the explanation given to us, the said accounts 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 consolidated balance sheet, of the state of affairs of the Sunil Hitech Group as at 31st March 2010
- ii) In the case of consolidated profit and loss account, of the profit for the year ended on that date, and
- iii) In the case of consolidated cash flow statement, of the cash flows for the year ended on that date.

For **G.G. Randad & Co.**  
*Chartered Accountants*  
(Registration No. 108623W)

**G.G. Randad**  
*Partner*

Place: - Nagpur  
Date: - 23rd June, 2010

M. No. 31266

## Consolidated Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	Schedule No.	31st March, 2010	31st March, 2009	
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Fund</b>				
Share Capital	A	1,227.69	1,227.52	
Share Warrants		–	554.80	
Reserve and Surplus	B	18568.72	15,731.94	
			19796.41	17,514.26
Minority Interest			136.94	87.63
<b>Loans Funds</b>				
Secured Loans	C		27,881.23	20,077.09
<b>Total</b>			<b>47,814.58</b>	<b>37,678.98</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	D	20107.80	14,787.37	
Less : Depreciation		6290.98	4,081.64	
Net Block		13816.82	10,705.73	
Capital Work-in Progress (including advances for capital expenditure)		1,209.78	15,026.60	12,170.19
Investments	E		6,267.22	2,758.88
Deferred Tax Asset (Net) (See Note No. 21 of Schedule I)			380.78	304.70
<b>Current Assets, Loans and Advances</b>				
Inventories	F	5,246.10	5,411.13	
Sundry Debtors and Bills Receivables		18,131.04	16,328.54	
Cash and Bank Balance		5,999.51	3,724.98	
Other Current Asset		5,919.74	5,195.47	
Loans, Advances and Deposits		11,747.24	11,053.42	
		47,043.63	41,713.54	
<b>Less: Current Liabilities and Provisions</b>				
Liabilities	G	20,396.44	19,240.78	
Provisions		586.36	165.01	
		20,982.81	19,405.79	
Net Current Assets			26,060.82	22,307.75
Miscellaneous Expenditure (To the extent not written off or adjusted)	H		79.16	137.45
<b>Total</b>			<b>47,814.58</b>	<b>37,678.98</b>

Schedule A to I referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **G. G. Randad & Co.**

Chartered Accountants

For and on Behalf of the Board

**G. G. Randad**

Partner

M.No. 031266

Place : Nagpur

Date : 23rd June, 2010

**R. M. Gutte**

CMD

**Vijay R. Gutte**

Director-Finance

**Sandeep K. Mishra**

Company Secretary

## Consolidated Profit and Loss Account For the year ended 31st March 2010

(Rs. in Lacs)

	Schedule No.	31st March, 2010	31st March, 2009
<b>INCOME</b>			
Project, Maintenance Services	1	71,013.54	58,330.59
Gross Sales		6,008.33	3,274.29
Less: Excise Duty		262.80	421.17
Net Sales		5,745.53	2,853.12
Other Income	2	989.95	466.33
Accretion/(Decretion) to Work in Progress		–	(299.97)
<b>Total</b>		<b>77,749.01</b>	<b>61,350.07</b>
<b>EXPENDITURE</b>			
Consumption of Materials	3	37,420.30	26,930.55
Purchases Of Traded Goods	4	958.12	134.90
Site and Operating Expenses	5	24,836.15	22,878.59
Personnel Cost	6	3,054.60	2,376.96
Administration Cost	7	1,882.59	1,506.44
Interest and Financial Charges	8	2,692.45	2,398.98
Less: Expenses Capitalized		129.07	145.57
Depreciation	D	2,225.93	1,742.38
Less : Transferred from Revaluation Reserve		1.07	1.13
<b>Total</b>		<b>72,939.99</b>	<b>57,822.11</b>
<b>PROFIT BEFORE TAXES</b>		<b>4,809.02</b>	<b>3,527.96</b>
<b>Provision for Taxes</b>			
Current Tax		1,863.74	1,327.49
Fringe Benefit Tax		–	34.00
Deferred Tax		(76.06)	(260.46)
Income Tax for Prior Period		1,214.97	–
Short Provision for Tax for earlier year		12.55	(1.54)
<b>PROFIT BEFORE EXCEPTIONAL ITEMS</b>		<b>1,793.82</b>	<b>2,428.47</b>
Exceptional Items	9	(520.69)	1,399.42
Extra Ordinary Loss		147.50	–
Share in profit (net) of Associate Companies		–	4.90
<b>NET PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST</b>		<b>2,166.83</b>	<b>1,033.95</b>
<b>MINORITY INTEREST</b>			
Pre-acquisition Loss		14.46	–
<b>NET PROFIT FOR THE PERIOD</b>		<b>2,131.98</b>	<b>1,022.13</b>
Balance Brought Forward from Previous Year		3,598.76	3,029.74
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		<b>5,730.74</b>	<b>4,051.87</b>
Proposed Dividend		–	122.75
Provision for Tax on Proposed Dividend		–	20.86
General Reserve		234.55	253.01
Balance Carried to Balance Sheet		5,496.19	3,655.25
<b>Total</b>		<b>5,730.74</b>	<b>4,051.87</b>
<b>Earnings per share (Rs.)</b>			
Basic & Diluted [Nominal Value of Shares Rs. 10 (Previous Year Rs. 10)]		17.37	8.33
Weighted average number of shares		12,275,160	12,275,160

Schedule 1 to 9 referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached  
For **G. G. Randad & Co.**  
Chartered Accountants

For and on Behalf of the Board

**G. G. Randad**  
Partner  
M.No. 031266  
Place : Nagpur  
Date : 23rd June, 2010

**R. M. Gutte**  
CMD

**Vijay R. Gutte**  
Director-Finance

**Sandeep K. Mishra**  
Company Secretary

## Consolidated Cash Flow Statement

For the year ended 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>A. Cash flow from Operating Activities</b>		
Net Profit before tax and extraordinary items.	5,295.86	3,527.98
<b>Adjustment for :</b>		
Depreciation	2,225.93	1,742.38
Interest Income	(276.18)	(199.93)
Dividend Income	(1.30)	(23.14)
Profit/Loss on Sale Of Fixed Assets (Net)	(21.65)	(0.09)
Profit on Sale of Current Investments(Net)	(486.83)	(73.42)
Interest & Financial Charges	2,582.79	2,253.42
Misc. Expenditure Written Off	60.26	60.21
Effect of Foreign Currency fluctuations	3.97	–
Provision For Doubtful Debts & Advances	390.93	159.17
Liabilities / Provisions no longer required written back	(54.91)	–
Provision on diminution in value of Current Investments	–	(48.42)
Sub Total	4,423.02	3,870.18
<b>Operating Profit/Loss before Working Capital Changes</b>	<b>9,718.88</b>	<b>7,398.16</b>
Adjustment for		
Trade and Other Receivables and Advances	(3,633.33)	(17,225.82)
Inventories/ WIP	165.04	25.44
Miscellaneous Expenditure	–	(213.21)
Trade and other Payable	1,406.33	9,760.43
<b>Sub Total</b>	<b>(2,061.96)</b>	<b>(7,653.16)</b>
Cash Generated from Operation	7,656.92	(255.00)
Direct Taxes (Paid)	(1,483.08)	(1,463.57)
Extra Ordinary Items	(147.50)	(59.31)
Prior year adjustment	(1,227.52)	–
Sub Total	(2,858.10)	(1,522.88)
<b>Net Cash Flow from Operating Activities</b>	<b>4,798.82</b>	<b>(1,777.88)</b>
<b>B. Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets (Including Capital WIP)	(5,091.04)	(5,430.54)
Sale of Fixed Assets	71.03	9.11
Purchase of Long Term Investments	(4,399.83)	(1,679.16)
Sale Investment/Bonds	1,380.58	2,843.28
Unrealised profit from transactions with Associates	–	78.55
Interest Received	276.18	199.93
Dividend Received	1.30	23.14
Net Cash Flow From Investment Activities	(9,677.16)	(3,955.69)

## Consolidated Cash Flow Statement (Contd.) For the year ended 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital including Securities	0.17	-
Premium (Refer Note ii of Schedule A)		
Proceeds from Capital Subsidy	5.00	10.00
Proceeds from Long Term Borrowings	2,519.78	1,776.21
Repayment of Long Term Borrowings	(2,086.40)	-
Proceeds from Working Capital Borrowings	12,785.96	8,038.52
Repayment of Working Capital Borrowings	(5,415.20)	-
Interest & Financial Charges	(2,582.79)	(2,253.42)
DIC Grant Received	-	-
Dividend & Dividend Tax Paid	-	(172.34)
<b>Net Cash Used in Financial Activities</b>	<b>7,141.91</b>	<b>7,398.97</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent(A+B+C)</b>	<b>2,263.57</b>	<b>1,665.42</b>
<b>Cash and Cash Equivalent at Beginning of the Year</b>	<b>3,716.57</b>	<b>2,059.56</b>
<b>Cash and Cash Equivalent at Closing of the Year</b>	<b>5,980.15</b>	<b>3,724.98</b>
Components of Cash & Cash Equivalents as at 31st March,	2010	2009
Cash and Bank Balances	57.54	71.59
Bank Balances		
<b>a) With Scheduled Banks</b>		
in Current Accounts	1,765.63	854.87
in Deposit Accounts	4,156.98	2,798.52
<b>b) With non-scheduled Bank</b>		
in Current Accounts	-	-
	<b>5,980.15</b>	<b>3,724.98</b>

As per our report of even date attached  
For **G. G. Randad & Co.**  
Chartered Accountants

For and on Behalf of the Board

**G. G. Randad**  
Partner  
M.No. 031266

**R. M. Gutte**  
CMD

**Vijay R. Gutte**  
Director-Finance

Place : Nagpur  
Date : 23rd June, 2010

**Sandeep K. Mishra**  
Company Secretary

## Schedules forming part of Consolidated Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
<b>Schedule A SHARE CAPITAL</b>				
<b>Authorised</b>				
5,40,50,000 Equity Shares of Rs.10/- each (Previous year 2,50,00,000 equity shares of Rs.10/-each)	5,405.00		2,500.00	
<b>Issued and Subscribed</b>				
1,22,75,160 Equity Shares of Rs.10/- each (Previous year 1,22,75,160 equity shares of Rs.10/-each)	1,227.52		1227.52	
<b>Paid up</b>				
1,22,75,160 Equity Shares of Rs.10/- each Fully Paid up (Previous year 1,22,75,160 equity shares of Rs.10/-each)	1,227.52		1227.52	
Share Application Money	0.17		-	
	<b>1,227.69</b>		<b>1,227.52</b>	
<b>SHARE WARRANT</b>				
38,00,000 Equity Shares of Rs.146/- each	-		554.80	

- In terms of the approval of the shareholders of the Company and as per the applicable Statutory provisions including Security and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, the Company, on August 14, 2007, has issued and allotted 38,00,000 warrants on preferential basis to entities in the Promoter & other investors Group entitling them to apply for equivalent number of fully paid up equity shares of Rs. 10/- each of the Company, at the price of Rs. 146/- per equity shares. The Shareholder has paid an amount equal to 10% of the value at the time of allotment of warrants. The warrant holders have a right to apply for equity shares within 18 months from the date of allotment of the warrants. The shareholders did not exercise above option within the above time frame (before 30th April 2009) henceforth as per SEBI guidelines it has forfeited and transferred to the Capital Reserve A/c
- During the year 2007-08 the Company has issued and allotted 22,50,000 fully paid up equity shares of Rs. 10/- each of the Company on preferential basis to the Qualified Institutional Investors at a price of Rs. 360/- per equity share as per Chapter XIII A Security and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000
- The company has allotted 37,50,000 equity shares as fully paid up Bonus Shares by capitalisation of profits transferred from General Reserve & Securities Premium A/c.

**Schedule B RESERVE AND SURPLUS**

<b>Capital Reserve</b>		840.60		280.80
Balance as per previous Balance Sheet	280.80		10.00	
Add.During the Period	559.80		270.80	
<b>Revaluation Reserve</b>		59.61		60.68
As per last Balance Sheet	60.68		61.81	
Less: Transferred to Profit and Loss A/C	1.07		1.13	
<b>Securities Premium</b>		11,146.50		11,144.68
As per last Balance sheet	11,150.14		11,150.14	
Add.During the Period	-		-	
Total	11,150.14		11,150.14	
Share issue expenses	(3.64)		(5.46)	
<b>General Reserve</b>		881.57		647.02
Balance as per previous Balance Sheet	647.02		394.01	
Add: Transferred from Profit & Loss A/c.	234.55		253.01	
<b>Profit and Loss Account</b>		5,640.44		3,598.76
Balance in Profit & loss Account	5,496.19		3,655.27	
Add: Adjustments	0.64		(56.51)	
Add: Reversal of Proposed Dividend and Tax on it	143.61		-	
<b>Total</b>		<b>18,568.72</b>		<b>15,731.94</b>

**Note :** Premium on issue of equity shares represents premium of Rs. 350 per share on issue of 22,50,000 equity shares on Preferential allotment basis to Qualified Institutionals

## Schedules forming part of Consolidated Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>Schedule C SECURED LOANS</b>		
<b>A. Term Loans</b>		
From Banks	5,403.97	5,356.97
Foreign Currency Loans	–	258.80
Rupee Loans	5,403.97	5,098.17
<b>B. Working Capital Loans</b>		
From Banks	22,477.25	14,720.12
Foreign Currency Loans	–	–
Rupee Loans	22,477.25	14,720.12
	<b>27,881.23</b>	<b>20,077.09</b>

Foot Note:

**Secured Loans referred to in Schedule C above to the extent of:**

- i) Term Loans from Kotak Mahindra Bank are secured by way of hypothecation of respective assets, first pari-passu charge on specific movable assets of the Company procured out of Term Loan.
- ii) Term Loans from L & T Finance Limited Bank are secured by way of first pari-passu charge on specific movable assets of the Company procured out of Term Loan.
- iii) Term Loan from Standard Chartered Bank is secured by way of first pari-passu charge on specific movable assets of the Company procured out of Term Loan/ LC facility.
- iv) Term Loans from UCO Bank are secured by way of first pari-passu charge on specific movable and immovable fixed assets of the Company procured out of Term Loan.
- vi) The LC facility from the Axis Bank is secured by way of first and exclusive charge, both present & future on current assets, movable plant & machinery of the Company
- vii) Working Capital facilities from consortium banker's i.e. UCO bank (Lead Banker) and its other Banks, are secured by way of hypothecation of stock & book debts both present & future of the Company, first pari-passu charge (hypothecation) on the moveable fixed assets, Personal Guarantees of Chairman, and other Directors.
- viii) Working Capital facilities from Axis Bank is secured by way of hypothecation of stock & book debts both present & future of the Company, first pari-passu charge (hypothecation) on the entire Current Assets of the Company.
- ix) Working Capital facilities from Barclays Bank is secured by way of hypothecation of all current assets (stock & book debts both present & future) of the Company.
- x) The office premises loan from the ICICI Finance Company is secured by assets procured from the funds out of the said Loan.
- xi) Housing Loans from UCO Bank, ICICI Bank are secured by way of equitable mortgage of immovable property procured out of loan.
- xii) Housing Loan from HDFC Bank is secured by way of immovable property procured out of above loan.
- xiii) Mobilization Advances from clients are secured against bank guarantees.
- xiv) Hire purchase finance (Term Loan) from Kotak Mahindra Bank, L& T Finance, Tata Capital, ICICI Bank, Standard Chartered Bank and ABN AMRO Bank is secured by way of hypothecation of respective asset, first pari-passu charge on the movable fixed assets.
- xv) SEAM Industries Private Limited a subsidiary Company has obtained a term loan from Oriental Bank of Commerce amounting to Rs. 742.00 Lakhs which is secured by first charge of equitable mortgage of factory land and building and hypothecation of plant and machinery of the said company.

## Schedules forming part of Consolidated Balance Sheet As at 31st March 2010

(Rs. in Lacs)

## Schedule D FIXED ASSETS

	Original Cost	GROSS BLOCK		As at		DEPRECIATION		NET BLOCK		
		Additions During the Period	Deduction / Adjustments	31.03.10	Upto 31.03.2009	For The Period	Deduction / Adjustments	As at 31.03.10	As at 31.03.10	As at 31.03.2009
<b>A. Tangible Assets :</b>										
Freehold Land	341.97	-	-	341.97	-	-	-	-	341.97	341.97
Leasehold Land	101.19	40.37	-	141.55	-	-	-	-	141.55	101.19
Building	1,781.89	1,067.27	66.29	2,782.87	230.26	131.74	14.09	347.92	2,434.96	1,551.63
Plant & Machinery	11,291.32	3,753.45	0.94	15,043.83	3,324.54	1,845.53	0.39	5,169.68	9,874.15	7,966.79
Computer & Printer	142.68	48.30	-	190.97	79.87	32.99	-	112.86	78.12	62.81
Furniture & Fixtures	394.43	116.48	2.52	508.39	126.86	57.47	1.11	183.23	325.17	267.58
Vehicles	664.29	285.15	1.22	948.22	298.83	137.20	0.99	435.05	513.17	365.46
<b>B. Intangible Assets :</b>										
Computer Software	70.22	34.71	-	104.92	21.28	20.98	-	42.27	62.66	48.93
Goodwill on Consolidation	-	45.06	-	45.06	-	-	-	-	45.06	-
<b>Total</b>	<b>14,787.99</b>	<b>5,390.78</b>	<b>70.97</b>	<b>20,107.80</b>	<b>4,081.64</b>	<b>2,225.93</b>	<b>16.58</b>	<b>6,290.99</b>	<b>13,816.81</b>	<b>10,706.35</b>
Capital WIP									1209.78	1,464.46
									<b>15,026.59</b>	<b>12,170.81</b>

## Notes:

Additions for previous year includes Rs.67.48 lacs being the amount added on revaluation of Land &amp; Building as at 14th November 2003

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
<b>Schedule E INVESTMENTS</b>				
<b>a) Long Term Investments</b>				
<b>1) Unquoted Equity Shares</b>				
<b>i) Group Companies</b>				
Fully Paid Equity Shares				
*Gangakhed Sugar & Energy Ltd.	1,950.00		0.25	
(1,95,00,000 Shares of Rs. 10/- each)				
<b>Application Money pending allotment of Equity shares</b>				
Gangakhed Sugar & Energy Ltd.	-		1,949.75	
(Shares Alloted on 21st April, 2009)				
Less: Unrealised Profit in respect of transaction with Company.	(78.55)		(78.55)	
current year	4.90	1,876.35	4.90	1,876.35
<b>Application Money pending allotment of Equity shares</b>				
MSMC Adkoli Natural Resources Limited		3.44		-
<b>ii) Other Fully Paid Equity Shares</b>		22.44		22.44
Yogeshwari Sugar Factory	10.00		10.00	
Pangeshwar Sugar Factory	40.00		40.00	
Sudama Mahavir Power Pvt. Ltd.	0.01		0.01	
Less : Provision for diminution in value of Long Term Investment	27.57		27.57	

## Schedules forming part of Consolidated Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
Schedule <b>E</b> INVESTMENTS (Contd.)				
<b>2) Quoted Equity Shares (Fully Paid)</b>				200.00
<b>Units of Mutual Fund</b>				
Franklin India Index Fund (479879 unit of Rs.41.67/- each)			200.00	
<b>b) Current Investment</b>		4,365.00		659.89
AIG Infrastructure & Eco. Ref. Fund (1,00,00,000 unit of Rs.10/- each Purchase during the year)			1,000.00	
JM Financial Mutual Fund (1,00,00,000 unit of Rs.10/- each Purchase during the year)			1,000.00	
BSL Savings Fund Collection (85,80,892.070, unit of Rs.17.4807/- each)	1500.00			
Axis Treasury Advantage Fund (1,00,00,000 unit of Rs.10/- each)	1000.00			
Sweat Money in MSMC JVC	1,865.00			
Less : Provision for diminution in value of Investment			1,340.11	
		<b>6,267.22</b>		<b>2,758.88</b>
* Shares of Gangakhed Sugar & Energy Ltd. are pledged with Uco Bank against Term Loan of Rs. 304.31 Crores sanctioned to Gangakhed Sugar & Energy Ltd.				
<b>AGGREGATE VALUE OF:</b>				
<b>i) Quoted Investments aggregate</b>				
Book Value		2,500.00		2,200.00
Market Value		2,500.00		774.01
<b>Unquoted Investments aggregate</b>				
Book Value		3,574.07		2,350.21
<b>Investment Purchased &amp; Sold during the year</b>				
<b>Reliance Floating Rate Fund</b>				1,450.00
(90,45,953.45 unit of Rs.13.26 & 18,82,062.43 unit of Rs.13.28 each purchased during the year & 34,01,749.22 units sold during the year & 75,26,266.67 unit of Rs.13.28/- each transferred to Reliance Monthly Interval Fund during the year)				

## Schedules forming part of Consolidated Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>Schedule F CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A) CURRENT ASSETS</b>		
<b>Inventories</b> (As valued and certified by Management)	5,246.10	5,411.13
Stock in trade, at cost or net realisable value whichever is lower		
Raw Material & Components	676.54	1,295.95
Stores, Spare Parts & Loose Tools	2,841.14	1,838.81
Steel, T&D Material	516.55	1,234.95
Other	1,211.87	1.18
Work in Progress Closing (At estimated cost)	–	54.68
Stock in Transit	–	985.56
<b>Sundry Debtors</b>	18,131.04	16,328.54
<b>Unsecured</b>		
Within Six Months		
Good Debt *	13845.85	15,018.65
Above Six Months		
Good debt	4285.19	1,309.89
Considered Doubtful	258.91	83.55
	18,389.95	16,412.10
Less : Provision for doubtful debts	258.91	83.55
<b>Cash and Bank Balances</b>	5,999.51	3,724.98
Cash on Hand	56.84	71.49
DD/Cheque on hand	0.71	0.10
<b>Bank Balances</b>		
<b>a) With Scheduled Banks</b>		
in Current Accounts	1765.62	854.87
in Deposit Accounts	4176.35	2,798.52
<b>b) With non-scheduled Bank</b>		
in Current Accounts	–	–
Other Current Assets	5,919.74	5,195.47
Interest Accrued on Fixed Deposits	258.00	252.98
Contract revenue in excess of Billing revenue	5661.74	4,942.49
<b>B) LOANS AND ADVANCES</b> (Unsecured Considered Good)	11,747.24	11,053.42
Considered Good		
i. Advance to Subsidiary Company	–	–
ii. Advance recoverable in cash or in kind or for value to be received	3162.95	5,449.04
iii. Deposits	7199.04	4,920.99
iv. Advance Taxes (net of Provisions)	–	71.92
v. VAT Receivable	1076.39	349.61
v. Balances with Customes, Port Trusts & Excise Authorities	308.86	261.86
	11,747.24	11,053.42
Considered Doubtful		
i) Advances	87.94	–
ii) Deposits	180.27	96.78
Less: Provision for Doubtful Advances	(268.21)	(96.78)
	<b>47,043.63</b>	<b>41,713.54</b>

## Schedules forming part of Consolidated Balance Sheet As at 31st March 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
<b>Schedule G CURRENT LIABILITIES AND PROVISIONS</b>				
<b>A] CURRENT LIABILITIES</b>		19,240.79	19,644.44	
a) Sundry Creditors				
Due to				
i) Micro Enterprises & Small Enterprises	91.24		-	
ii) Others	7,305.01		4,986.27	
	7,396.25		4,986.27	
b) Sub-Contractors				
i) Amount Payable Against work	1,890.69		963.85	
ii) Security Deposit of Petty Contractors, Retention Money, Withheld from Contractor	1,364.06		921.05	
	3,254.75		1,884.90	
c) Amount Due to Customer (Billing in excess of Contract Revenue)	1,798.18		1,903.24	
d) Advance from Customers				
Gangakhed Sugar & Energy Ltd.	1,601.80		6,962.31	
Others	3,722.84		1,843.04	
	5,324.64		8,805.36	
Other Advance	500.00		-	
e) Investors Protection Fund				
Unclaimed Dividend for 2005-06	0.76		0.76	
Unclaimed Dividend for 2006-07	1.98		1.98	
Unclaimed Dividend for 2007-08	1.80		1.82	
f) Interest Accrued but not due on loan	12.86		-	
g) Other Liabilities	2,105.23		1,656.46	
<b>B] PROVISIONS</b>	165.01	586.36		
Provision for Income Tax	352.12			
Provision for Wealth Tax	5.20		4.50	
Provision for Proposed Dividend	-		122.75	
Provision for Tax on Proposed Dividend	-		20.86	
Provision for Gratuity	56.81		16.89	
Provision For Expenses	172.23		-	
		20,982.81		19,405.79

### Schedule H MISCELLANEOUS EXPENDITURE

(To the extent not Written off or adjusted)		79.16		137.45
Expenses including commission or brokerage on Subscription of Shares	63.24		119.39	
Pre-Operative Expenses	15.79		18.06	
Other	0.13		-	
		79.16		137.45

## Schedules forming part of Consolidated Profit and Loss Account For the year ended 31st March 2010

(Rs. in Lacs)

	31st March, 2010		31st March, 2009	
<b>Schedule 1 NET SALES</b>				
Project, Maintenance Services		71,017.18		58,330.59
Trading Activities	6008.33		3274.29	
Less: Excise Duty	262.80		421.17	
Net Sales		5,741.89		2,853.12
		<b>76,759.07</b>		<b>61,183.71</b>
<b>Schedule 2 OTHER INCOME</b>				
Interest		255.86		200.36
On Bank deposits (TDS for CY Rs.33.75 Lacs & PY Rs. 36.50 Lacs)	255.04		198.71	
Customers	0.82		1.65	
Dividend from Current Investments - Non Trade (Tax Free)		1.30		23.14
Profit from current investment- Non Trade (Net)		(0)		73.42
Profit on sale of Fixed Assets		21.65		0.09
Handling Charges		430.83		-
Commission on Supply		3.90		-
Miscellaneous Income		221.49		120.91
Liabilities no longer required written back		30.78		48.42
Provisions no longer required written back		24.13		-
		<b>989.95</b>		<b>466.33</b>
<b>Schedule 3 CONSUMPTION OF MATERIALS</b>				
<b>i) Steel</b>	12,111.69	4970.01		
Opening Stock	616.25		3,172.93	
Add: Supply by Customer	741.08		-	
Add: Purchases	4,099.54		9,555.01	
	4,715.79		12,727.94	
Less : Closing Stock	486.86		616.25	
<b>ii) Other</b>	12,530.27	28,666.95		
Opening Stock	4,275.14		1,465.87	
Add: Supply by Customer	57.74		-	
Add: Purchases	27,881.44		15,339.54	
	32,156.58		16,805.41	
Less : Closing Stock	3,547.37		4,275.14	
<b>ii) Cost of Goods Sold</b>		3,783.34		2,288.60
Opening Stock	519.75		497.81	
Add: Raw Material Purchase	3,798.77		1,622.55	
Add: Other Allied Purchases	85.72		44.04	
	4,404.24		2,164.40	
Less: Closing Stock	1,211.87		519.75	
	3,192.37		1,644.65	
Add: Direct Expenses	-		643.95	
		<b>37,420.30</b>		<b>26,930.55</b>
<b>Schedule 4 PURCHASES (Trading Goods)</b>				
Purchases (Trading Goods)		958.12		134.90
Opening Stock	-		-	
Add: Purchases	958.12		134.90	
	958.12		134.90	
Less: Closing Stock	-		-	
		<b>958.12</b>		<b>134.90</b>

## Schedules forming part of Consolidated Profit and Loss Account For the year ended 31st March 2010

(Rs. in Lacs)

	31st March, 2010	31st March, 2009
<b>Schedule 5 SITE AND OPERATING EXPENSES</b>		
Construction, Erection, Fabrication	19,728.52	14,995.26
Excavation, Disposal & Leveling	2,449.30	5,887.33
Hire Charges	500.73	634.11
Repair & Maintenance	452.65	306.67
Taxes	480.04	235.68
Transportation Expenses	408.71	328.27
Others	816.21	491.28
	<b>24,836.15</b>	<b>22,878.59</b>

<b>Schedule 6 PERSONNEL COST</b>		
Salary to Staff	2,118.87	1606.81
Salary to Director	150.00	285.60
Retainership Expenses	61.81	43.60
ESIC	11.42	12.49
Provident Fund	154.05	129.91
Gratuity	105.02	16.89
Insurance Employer / Employee Scheme	86.38	80.92
Other Benefits	367.04	200.74
	<b>3,054.60</b>	<b>2,376.96</b>

<b>Schedule 7 ADMINISTRATION EXPENSES</b>		
Auditors Remuneration	22.91	11.02
Travelling & Conveyance	294.58	284.52
Insurance Expenses	110.68	92.23
Communication	108.94	88.07
Repair & Maintenance	229.22	169.79
Rate, Fees & Taxes	66.95	50.75
Rent	188.31	196.43
Provision for Doubtful Debt	222.50	62.87
Provision for Doubtful WH & RM	80.46	–
Provision for Doubtful Advances	87.97	96.30
Loss on sale of Current Investments (Trade) (Net)	–	28.24
Printing & Stationery	74.25	68.10
Donations	3.17	1.25
Electricity Charges	63.82	31.93
Miscellaneous Expenditure written off	58.75	56.14
Legal Expenses	3.33	2.71
Professional Charges	125.30	158.15
Income Tax	–	6.72
Security Transaction Tax	–	2.57
Excess TDS written off	–	6.85
Other Administration Expenses	141.45	91.80
	<b>1,882.59</b>	<b>1,506.44</b>

## Schedules forming part of Consolidated Profit and Loss Account For the year ended 31st March 2010

	(Rs. in Lacs)	
	31st March, 2010	31st March, 2009
<b>Schedule 8 INTEREST AND FINANCIAL CHARGES</b>		
Interest Paid to Bank	2,028.83	1,820.23
Interest on Service Tax	23.07	28.34
Interest Paid to Customer (Against Advance)	9.31	3.14
Others	502.17	401.71
	<b>2,563.38</b>	<b>2,253.41</b>
<b>Schedule 9 EXCEPTIONAL ITEMS</b>		
Loss By fire	–	59.31
Provision for Diminution in value of Current Investment	(1,340.11)	1,340.11
Income Tax	–	–
Excess Provision for FBT	–	–
Loss on Sale of Investment	819.42	–
	<b>(520.69)</b>	<b>1,399.42</b>

## Schedules forming part of Consolidated Accounts

## Schedule 1 NOTES TO ACCOUNTS

## A) Significant Accounting Policies adopted in preparation and presentation of Accounts.

## a) Basis of Preparation

The consolidated financial statements of the group have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

## b) Principles of Consolidation

The Consolidated financial statements have been prepared on the following basis

- i) The financial statements of the parent company and the subsidiaries have been consolidated on line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions and the unrealized profit / losses on intra group transactions, in full as per Accounting Standard 21 on Consolidated Financial statements.
- ii) Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and carrying amount is adjusted thereafter for post acquisition changes in the company's share of net assets of associate.
- iii) The difference between the cost to the Group of investments in subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as Goodwill
- iv) Minority interest's share of 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 shareholders of the company.
- v) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

## Schedules forming part of Consolidated Accounts

### Schedule I NOTES TO ACCOUNTS (Contd.)

vi) The Subsidiaries considered in the preparation of consolidated financial statements are as follows: (Rs. in Lacs)

Name of the Subsidiary	Country of incorporation	Proportion of ownership interest as on 31.03.2010
SEAM Industries Pvt. Ltd.*	India	84.75 %
SHEL Investment Consultancy Pvt. Ltd.	India	99.99 %
Sunil Hitech Energy Pvt. Ltd.	India	62.05 %

\*Note: In the current year the Subsidiary Company has changed its name from Sunil Hitech Engineers & Manufacturers Pvt. Ltd to SEAM Industries Pvt. Ltd. The change in name has been intimated to all concerned departments & authorities. The change has been effected from 4th of June, 2009 & the board resolution has been passed to that effect.

#### c) Basis of Accounting:

- The company follows mercantile system of accounting and recognizes Income and Expenditure on accrual basis.
- The accounts have been prepared in accordance with generally accepted accounting principals and Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956. However, certain escalation and other claims, which are not ascertainable/ acknowledged by customers, are not taken into account.
- Financial Statements are based on historical cost convention except for certain fixed assets which are revalued. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.

#### d) Use of estimates:

The preparation of financial statements required the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amounts of revenues & expenses during the reporting period. Examples of such estimates include contract cost expected to be incurred to complete Construction contracts, provision for doubtful debts and future obligation under employee retirement benefit plans. Although these estimates are based upon management's best knowledge of current events and actions; actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### e) Fixed Assets:

##### Tangible Assets:

Fixed Assets are stated at cost of acquisition, except for revaluation of certain land and building, less accumulated depreciation and impairment loss if any. Costs include all expenses incurred to bring the assets to its present location and condition. Exchange differences on translation of foreign currency transaction obtained to purchase fixed assets from countries outside India are included in the cost of such assets. Advances paid towards the acquisition of fixed assets and cost of assets not ready for their intended use as at balance sheet date are disclosed under Capital Work in Progress.

##### Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortized over a period of 5 years.

#### f) Depreciation:

- Depreciation is provided on written down value method except freehold land at the rate and in the manner laid down in Schedule XIV to the Companies Act, 1956.
- Depreciation is calculated on a pro- rata basis from the date of addition.
- Fixed Assets excluding buildings, computers and individually costing Rs. 5,000/- or less are not capitalized except when they are part of a larger capital investment program.
- The difference between depreciation provided based on revalued amount and that on historical cost is transferred from Revaluation Reserve to Profit and Loss Account.

#### g) Revenue Recognition:

- Recognition of contract revenue and expenses

## Schedules forming part of Consolidated Accounts

### Schedule 1 NOTES TO ACCOUNTS (Contd.)

- a) Contract Revenue is recognized 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.
- b) 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
- c) An expected loss on construction contract is recognized as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- d) Price escalation and other claims and/or variation in the contract work are included in contract revenue only when:
  - i) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
  - ii) The amount that is probable will be accepted by the customer can be measured reliably.
- e) Incentive Payments , as and when accrued forms part of revenue from respective contracts
- ii. Revenue from interest income is recognized on accrual basis.
- iii. Dividend income is recognized when the right to receive dividend is established.
- iv. Commission income is recognized as per contracts/ receipt of credit notes
- v. Revenues from sale of products and services:
  - a. Revenue from sales of products is recognized on dispatch of goods to customers, which corresponds, to transfer of significant risk and rewards of ownership and is net of sales tax and trade discounts.
  - b. Revenues from services are recognized when such services are rendered.
- h) Investments:**  
Investments that are readily realizable and intended to be held for not more than a year are classified as current 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 realizable value.
- i) Inventories:**  
Items of inventories except Non consumable are measured at lower of cost or net realizable value after providing for obsolescence, if any. 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. Raw Material & Components, Stores, Spare Parts & Loose Tools, Steel & T&D material are determined on FIFO basis. As a policy determined by the management Non Consumable items are written off 33.33% of its cost.
- j) Foreign Currency Transaction:**
  - i) Initial Recognition  
Foreign currency transactions are recorded in reporting currency, by applying to the foreign currency amount exchange rates between reporting currency and foreign currency at the date of transactions.
  - ii) Conversion  
Foreign currency monetary items are reported using the closing rate. Non-Monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of the transaction.
  - iii) Exchange Differences  
Exchange Differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except exchange differences in respect of fixed assets acquired, including foreign currency liabilities relating thereto, are adjusted to the carrying cost of respective fixed assets .
- k) Retirement and Other Employee Benefits:**  
Retirement benefits in the form of Provident Fund are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.  
  
Gratuity liability under the Payment of Gratuity Act is accrued and provided for on the basis of an actuarial valuation made at the end of financial year.

## Schedules forming part of Consolidated Accounts

### Schedule 1 NOTES TO ACCOUNTS (Contd.)

Privileged Leave Benefits are provided for on the basis of estimates.

#### l) Taxes on Income

Tax expense comprises current tax, deferred tax and Prior period Income Tax.

Tax on income for the current period is determined on the basis of the taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961, and based on the expected outcome of assessments. The deferred tax for 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. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

#### m) Borrowing Cost:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

#### n) Segment Reporting Policies:

##### Identification of Segments:

The Company's operating businesses are classified according to the significance of risk and rewards associated with each type of business activity and to help users of this financial statements better understand and make more informed judgments about the enterprise as a whole. The same are as follows

- 1) Project
- 2) Overhauling and Maintenance Services
- 3) Supply

#### o) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These provisions are reviewed at each balance sheet date and are adjusted up or down to reflect the current best estimate. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### p) Public Issue Expenses:

Public Issue Expenses have been amortized in accordance with section 35-D of the Income Tax Act, 1961.

#### q) Custom Duties:

Custom Duty payable on trading goods, stores and machinery are accounted for on clearing of goods from Custom Warehouse.

#### r) Figures for previous year have been regrouped wherever considered necessary and practicable to the extent data is readily available.

### 1. Contingent liabilities not provided for:

- i) In respect of Excise & service tax matters for which the company has preferred appeals with appropriate authorities- Rs. Nil (P.Y. Rs. 110.03 Lacs).
- ii) In respect of service tax, sales tax matters for which the company has not acknowledged as debts – 394.97 Lacs (P.Y. Rs. 337.96 Lacs).
- iii) In respect of Letter of Credits with banks- Rs. 1016.75 Lacs (P.Y Rs. 5674.00 Lacs)
- iv) In respect of counter guarantees given to bank against guarantees given by bank Rs. 27625.21 Lacs (P.Y. 15571.00 Lacs)
- v) Corporate Guarantee given on behalf of
  - a) Seam Industries Private Limited – Rs. 2492.00 Lakhs (P.Y. Nil)
  - b) Others – Rs. 5000.00 Lakhs ( P.Y. Nil)
- vi) Security against loans taken by others

## Schedules forming part of Consolidated Accounts

### Schedule 1 NOTES TO ACCOUNTS (Contd.)

2. Certain disputed cases relating to Service tax amounting to Rs. 160.52 Lakhs have neither been considered as contingent liabilities nor acknowledged as claims, based on legal opinions obtained from Tax Advisor/internal assessment. The Company is of the view that the possibility of the demands materializing is remote.
3. **Capital Commitments:**  
Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) Rs. 249.45 Lacs (P.Y. 1500.00 Lacs)
4. **Additional Information**
- i) Financial statements of Gangakhed Sugar & Energy Ltd. are not considered for consolidation during the year as there are significant/satisfactory changes occurred during the year which clearly demonstrates that Sunil Hitech Engineers ceases to have significant influence over the aforesaid company.
- ii) In the opinion of Board of Directors all the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.
- a. SEAM Industries Private Limited a subsidiary Company has obtained a term loan from Oriental Bank of Commerce amounting to Rs. 742.00 Lakhs which is secured by first charge of equitable mortgage of factory land and building and hypothecation of plant and machinery of the said company.
- Sunil Hitech Engineers Ltd. has given a collateral security of an equitable mortgage of non agricultural land situated at survey no. 135 & 136 of Mouza -Kandri, & survey no. 166, 168 & 174 of Mouza - Hiwara (BEDE), Dist. Nagpur of the State of Maharashtra whose value is determined by the bank for this purpose is Rs. 111.00 Lakhs
- The Company has obtained Counter Corporate Guarantee from Seam Industries Private Limited for the said collateral security given to the extent of Rs.111.00 Lakhs to Oriental Bank of Commerce
- iii) Debentures issued to Tata Capital Ltd by Gangakhed Sugar & Energy Ltd. are secured by certain immovable properties of the company situated at CBD Belapur, New Mumbai in the State of Maharashtra & movable fixed assets like Crawler, Other Cranes etc. of the Company.
- iv) Shares of Gangakhed Sugar & Energy Ltd. amounting to Rs.1950 lakhs is pledged with Uco Bank against Term Loan of Rs. 304.31 Crores sanctioned to Gangakhed Sugar & Energy Ltd.

As per our report of even date attached

For **G. G. Randad & Co.**  
Chartered Accountants

For and on Behalf of the Board

**G. G. Randad**  
Partner  
M.No. 031266

**R. M. Gutte**  
CMD

**Vijay R. Gutte**  
Director-Finance

Place : Nagpur  
Date : 23rd June, 2010

**Sandeep K. Mishra**  
Company Secretary

# Corporate information

## Board of Directors

Mr. Ratnakar Manikrao Gutte - Chairman and Managing Director  
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. Kamlakar G. Holkar - Independent Director  
Mr. Dilip Y. Ghanekar - Independent Director  
Mr. Devesh Nandan Garg - Independent Director  
Mr. Sajid Ali - Independent Director  
Mr. Parag Sakalikar - Independent Director  
Ms. Sarita Rathi - Independent Director

## R & T Agents

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

## Depositories

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

## Company Secretary

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

## Auditors

G. G. Randad & Co.  
H/CD Bharat Bazar, Near API Corner, CIDCO, Aurangabad. Maharashtra

## Bankers

Uco Bank  
Union Bank  
Andhra Bank  
HSBC Bank  
Oriental Bank of Commerce  
Axis Bank  
IDBI Bank  
ICICI Bank

## Corporate office

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

## Registered office

Parli Vaijnath, (Distt. Beed) Pin - 431 520 (Maharashtra)



## Disclaimer

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 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.

