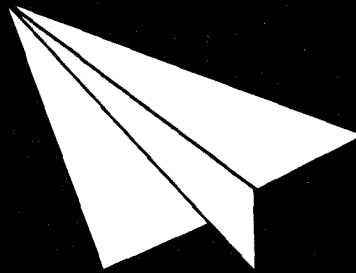


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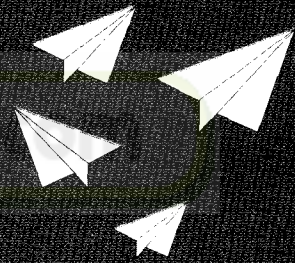


Sunil Hitech  
Engineers Limited

Annual Report  
2008-09

IMPLEMENT

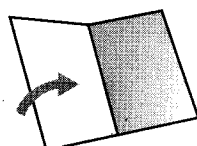
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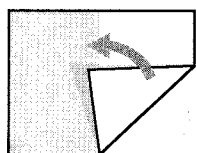
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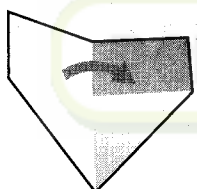
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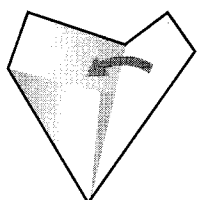
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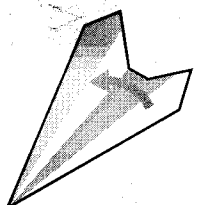
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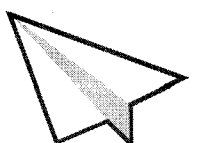
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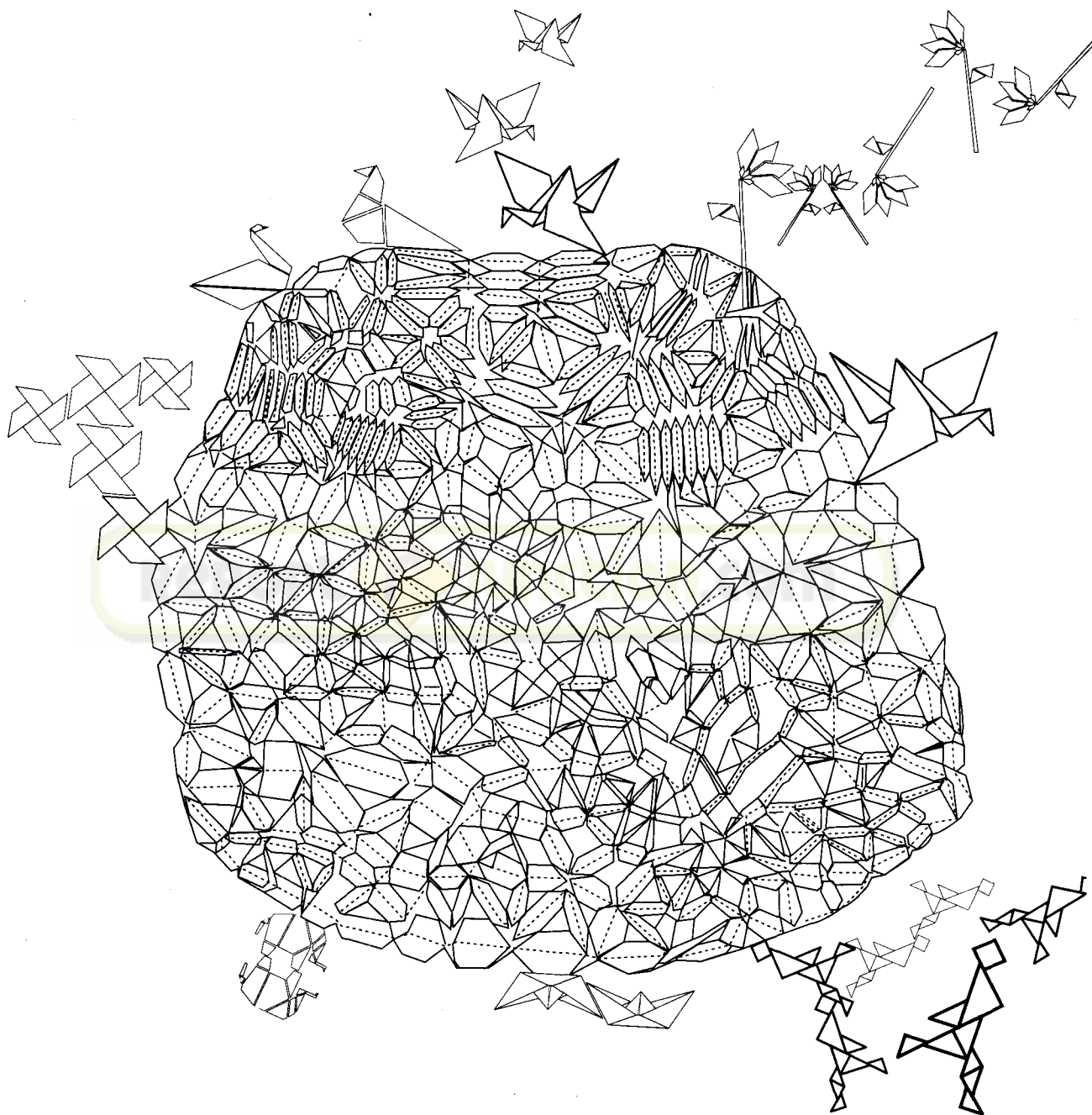
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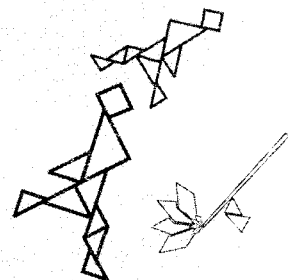


We, as humans, are constantly chasing the elusive goal. Material or immaterial, these goals continue to reinvent/ extend themselves progressively further till the moment individual milestones are realized. In this process of constantly meeting challenges and answering the demands that each new goal proposes, our actions are put to test and evaluated on parameters that define success.

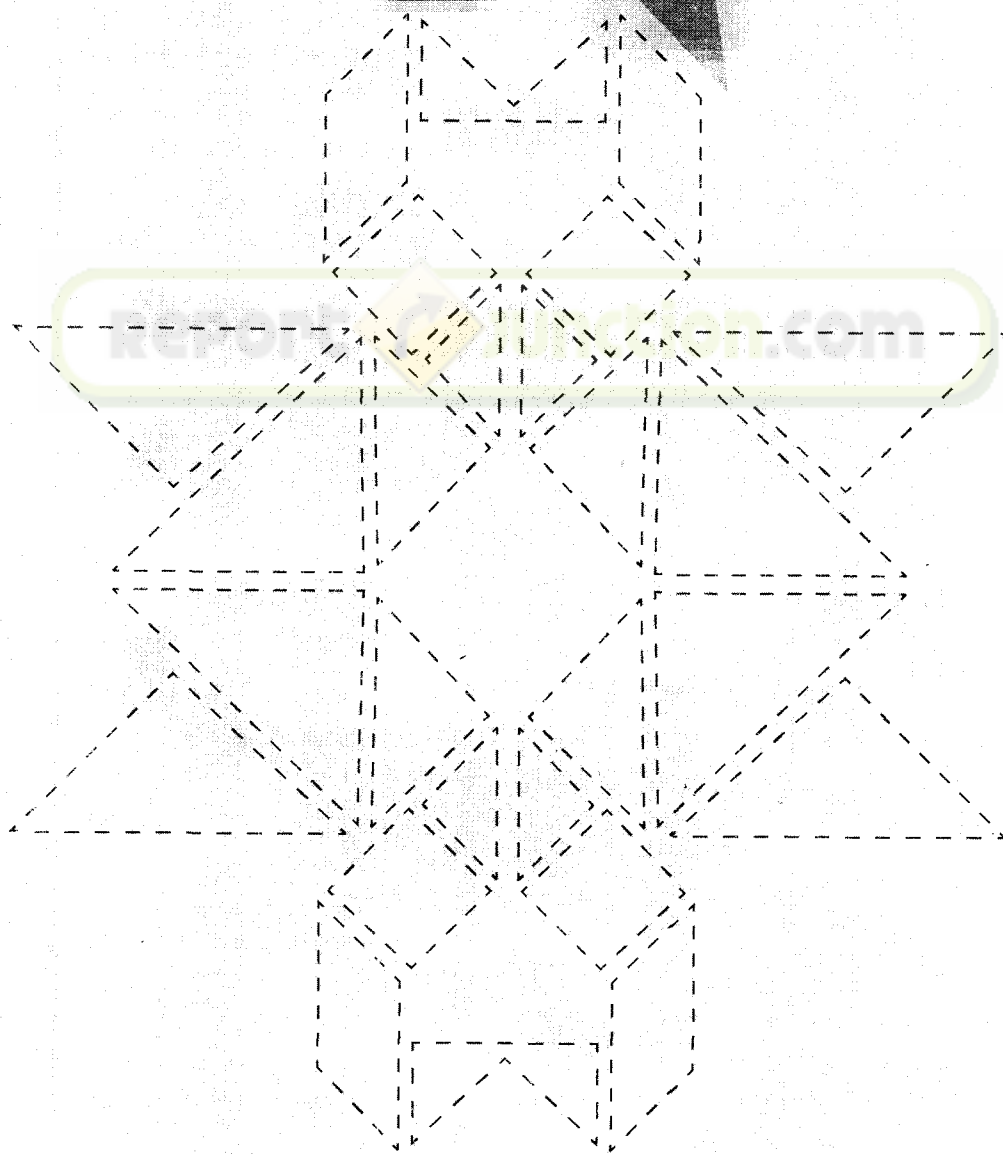
For us at Sunil Hitech, the same philosophy applies as our corporate goals keep pushing themselves farther everytime we attain previously outlined goals. And what we do is evaluated not only in the context of the value we generated for our stakeholders but also in understanding the contribution we made to the furtherance of national growth objectives and the maturing of our own business model.

While there is no formulaic approach to attaining a good score on these parameters, but across the world, history reveals that a few principles are universal. We follow the integrated process of deriving and disseminating inspiration, implementing learnings and involving every resource available in creating a participative atmosphere.

At Sunil Hitech, we have made Inspiration, Implementation and Involvement the cornerstones of our growth strategy with an encouraging set of results. We pave our path leaning on globally proven principles, that have served us well in a tumultuous year gone by, and prepare us for exciting times ahead.









**Ratnakar M. Gutte**  
Chairman & Managing Director

## LETTER TO SHAREHOLDERS

Dear Shareholders,

Sunil Hitech has grown remarkably in the past six years. From a turnover of a little over Rs. 2,200 lacs in 2002-03 to almost Rs. 60,000 lacs of topline in this year. Similarly, on our profit figures, you can see a jump from a mere Rs. 41 lacs to almost Rs. 2,500 lacs in the same period. Interestingly, we have achieved this stupendous growth through just about a three times increase in our manpower – from 500 people at the time to nearly 1,575 today.

The obvious question is, what made it possible. And how did we do it.

In the last year's shareholder letter, I had referred to the fact that "what is evidently small has the potential of bringing in big growth". This is precisely what the Company achieved in 2008-09 by registering a phenomenal growth of over 93% in its turnover. True, our profitability was impacted as a result of the overall economic pressure and a few exceptional circumstances, but that is the apparent fact. The reality is that we strengthened our balance sheet by taking one time write-offs to ensure that going forward we have the requisite financial strength to build on our capabilities. In a year that the infrastructure industry was severely impacted, we believe our team at Sunil Hitech has turned in a commendable performance.

While there are numerous uncertainties in the global economic environment today, our optimism stems from the fact that we possess a strong order book and have performed satisfactorily so far.

We have made significant advancements in our business operations, and are growing our portfolio and capabilities which leverage our 25 years of multi-faced, quality construction

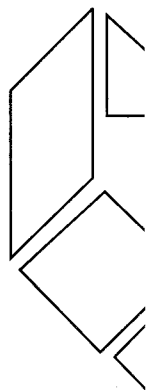
expertise. Boiler Pressure parts upto 500 MW is an area we have forayed into, in addition to registering our presence in the hydro power segment.

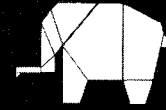
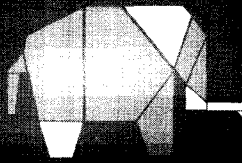
The road to Sunil Hitech's being counted among the top has shortened. We have set a strong foothold in the industry and are witnessing a strong and growing clientele base. We are now bidding for larger, high-margin and more complex projects. We have demonstrated our competency in handling big projects by undertaking Rs. 33,062 lacs EPC contract of for ICPP project of Gangakhed Sugar and Energy Pvt Ltd. (GSEPL).

In our pursuit of the dream of becoming a powerhouse, our employees will play the biggest role. We focus on acquiring, training and retaining skilled personnel and developing a congenial working environment. To this end, various additional initiatives and an aggressive recruitment drive are in place to ensure that we possess the best intellectual capital to take advantage of the opportunities that present themselves to us.

We believe that the industry domain we have positioned ourselves in will continue to grow at a rapid pace, given the policy level thrust on improvement of the infrastructure backbone of our nation, power in particular. Together with this, our ability to scale up our business and add various service verticals, makes us a preferred partner for most developers of power projects. Not only will this drive the topline growth, but add immensely to our ability to generate higher contribution.

We thank our stakeholders for showing their faith and belief in the Company and assure that we shall continue to create value for them in the years to come.





## BOARD OF DIRECTORS' PROFILES



**Ratnakar Manikrao Gutte**  
Chairman &  
Managing Director

Mr. Gutte brings in thirty years of rich experience in project-execution i.e. fabrication, erection, testing and commissioning of power plants. He started his career in the power sector, working as a helper to a contractor engaged in rendering contractor-ship services to the State Electricity Board and he grew to the present rank by virtue of his sheer hard work and great insight.

Being a first-generation starter, with his working knowledge of engineering, finance, banking, taxation, general management and commercial matters, he empowered the Company with the necessary direction for growth and vision. He has skillfully nurtured the Company since its inception and has established it as one of the leading companies specialised to undertake work on thermal power plants. His key strength is delivering qualitative and timely services. His forte is strong liaisoning in the industry. Recently, he was honoured with the "Lifetime 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 2007-2008 by Nagpur Chamber of Commerce Limited.



**Sunil Ratnakar Gutte**  
Joint Managing Director

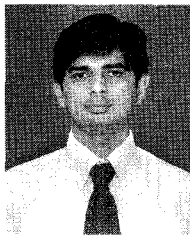
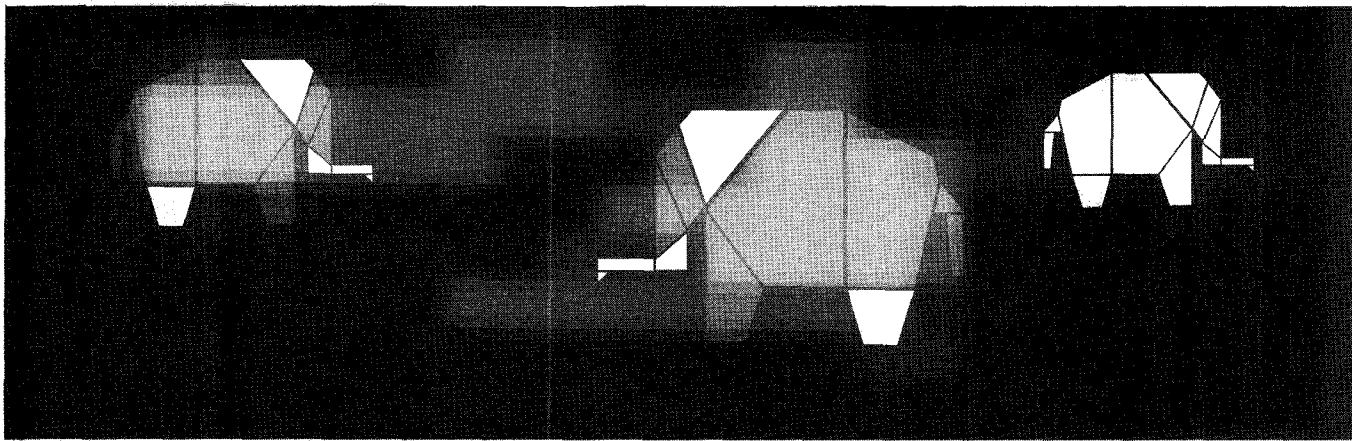
Mr. Gutte joined the Company as a management trainee, armed with a degree in Mechanical Engineering from Pune, Maharashtra. To hone his skills, he underwent rigorous training at BHEL's Welding Research Institute in Tiruchirapalli on Welding Technology. He also completed an intensive training programme in project management from IIM, Ahmedabad, to have a broader perspective of the functioning of the Company. By virtue of his zeal and creativity, sound inter-personal relations and effective ability to motivate members of the Board on one hand and the work-force on the other, he has helped to synergise the human resource assets in the Company.

He enhanced the fund-raising capacities of the Company by increasing its exposure to capital markets through successful IPO and QIP placements.



**Sudhamati Ratnakar Gutte**  
Wholtime Director

Mrs. Gutte has more than fourteen years of working experience looking after the overall management and administration of the Company since its inception. She has been assisting the Managing Director since the inception of the Company and has immensely contributed in the growth of the business via her key strengths like teambuilding, motivation and managing administration and back-office functions. She is equally responsible for nurturing the organisation to its present status.



**Vijay R. Gutte**  
Wholetime Director

Mr. Gutte, a MBA specialising in marketing and Finance, is a fresher having the best of knowledge in the specialised field, has worked on many important projects in the field of Banking, financial, institution, airline industry, taxes in India and many more.

His strengths are team building leadership qualities, dedication towards work and getting new working style in the Company.



**S. K. Kodandaramaiah**  
Wholetime Director

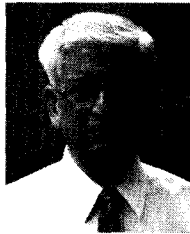
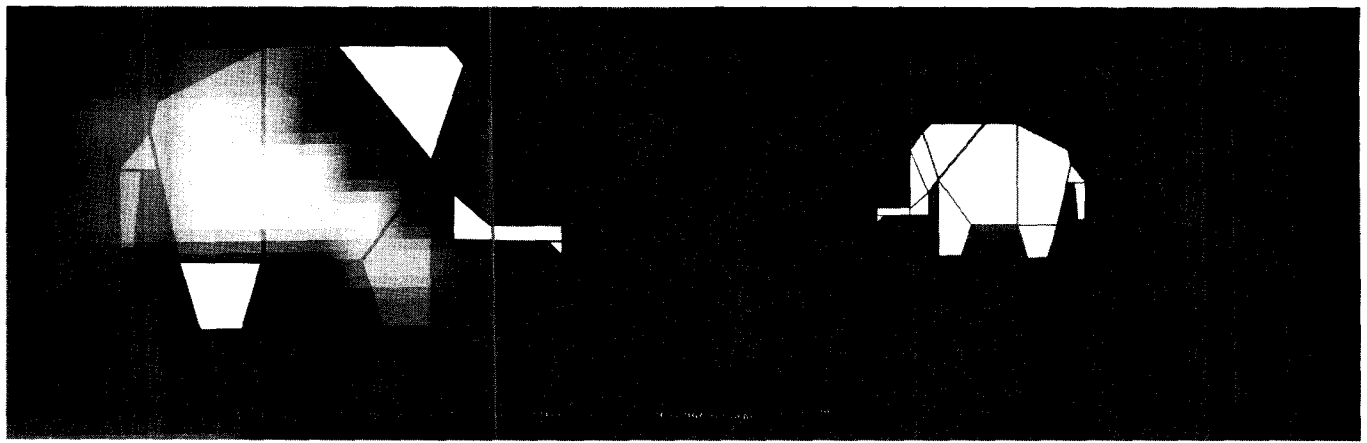
Mr. Kodandaramaiah, is a postgraduate in Mechanical Engineering with more than thirty-two years of experience in the power sector. His twenty-one years in Bharat Heavy Electricals Ltd. (BHEL) have helped him gain wide exposure in various areas such as project management, construction management, commerce, contracting and overseas marketing to name a few. He was also part of the export marketing team that helped BHEL Western Region to implement the 120 MW turn-key export job in Malaysia. He was involved in the execution of installing power plants of more than 4000 MW capacity. In addition to this, he was appointed as Executive Director (Commerce) in General Electric Power (GE) Services Ltd., New Delhi for five years. He has also worked as Advisor for one year to Dhamwari Sunda Hydro-Electric Company in the development of the 70 MW Hydro-Power Project in Himachal Pradesh. He also has to his credit a training programme at Oslo University, Norway in 'Energy Planning and Environment'.



**Mathathil Narayanan Mohanan**  
Wholetime Director

Mr. Mohanan has twenty-nine years of rich experience and is the 'Execution Man' in the Company. His wide experience in power sector projects and his ability to handle a large number of projects at a time have made him an invaluable asset to the Company. He has experience in the field of fabrication and construction of heavy steel structures, boilers, auxiliaries and electrostatic precipitators among other equipment such as power cycle piping and LP piping, he has headed many key projects with various reputed customers of the Company and under his able administration, these have been completed well ahead of schedule.





**Sajid Ali**  
Independent Director

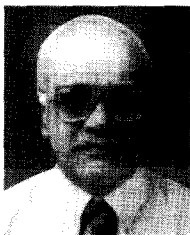
Mr. Ali is a graduate engineer with 40 years of experience in the erection and commissioning of equipment in coke oven plants, piping, boiler erection, turnkey projects. He has vast knowledge about the planning and execution of various projects and has handled large-volume projects. His forte is able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



**Dilip Y. Ghanekar**  
Independent Director

Mr. After his graduation from V.R.C.E., Nagpur, Mr. Ghanekar worked for thirty six years in Maharashtra State Electricity Board. He has experience in operation, maintenance, construction and planning of power stations with a capacity of 500 MW units. He has also been in charge of global procurement of equipment and encouragement of non-conventional energy development of contracts for power purchase. He retired as Technical Director, MSEB.

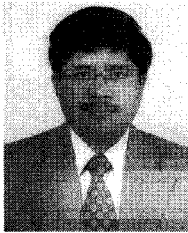
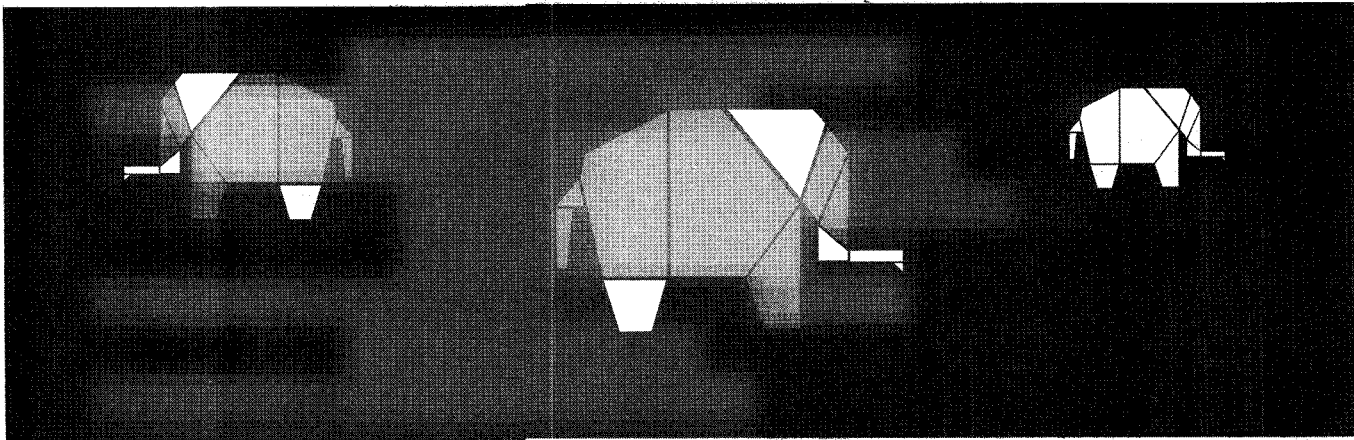
He has also undergone a four-week customer training programme at M/s. Combustion Engineering U.S.A. as well as another four-week training programme on Coal Technology and Environment conducted by the United Nations in Australia.



**Kamlakar G. Holkar**  
Independent Director

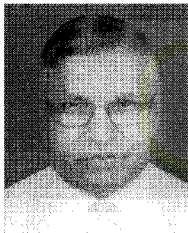
Mr. Holkar, an engineer from Ujjain University, served BHEL, an esteemed organisation in the power sector for over four decades. He retired from BHEL as General Manager (Western Region). During his tenure, he had also undergone a specialised training programme in General Electric, UK.

He has a sound experience in manufacturing, construction, testing, commissioning, repair and services in the power sector. He has to his credit the construction, testing and commissioning of a 500 MW thermal power plant at Chandrapur for the MSEB, a task that was accomplished in record time. His key strength is powerful leadership through efficient and effective administration resulting in fast-track completion of important projects.



**Parag Sakalika**  
Independent Director

Mr. Sakalika, a young entrepreneur, received a Diploma in Mech. Engg. From Bombay Technical Board in 1994 and a B.E. in Mech. Engg. from Nagpur in 1998. He established his own authorised Automobile service station, (an ISO 9001:2000 certified company) for the entire range of Maruti vehicles. His company was awarded for its performance in Maharashtra from 2003-2007 and also in entire western region by Maruti Suzuki. He has also setup additional new Maruti authorised service station in Butibori MIDC with 'A' Grade category.



**Sonyabapu S. Waghmare**  
Independent Director

Mr. Waghmare has got 33 years of rich experience in banking sector. He retired as DGM from UCO Bank in the year 2006. He has also undergone a training programme at University of Bradford, England, on project planning and management. He was also chairman of Thar Anchalik Gramin Bank, Jodhpur, Rajasthan (a Govt. of India Undertaking) sponsored by UCO Bank.



**Mr. Devesh Nandan Garg**  
Independent Director

Mr. Garg is a Managing Director of Bessemer Ventures Partners. Bessemer Venture Partners holds 8.96% in the shareholding of the Company. Mr. Garg has 20 years of rich experience in Industrial as well as financial sectors. He managed and developed the business of all sizes from pre revenue stage to world wide operations.

Most recently, he served as President and CEO of Tiler, a multi-core semiconductor company, a leading provider of embedded processors and software for the networking video and wireless market.

Mr. Garg was also involved in advising BVP's investments in Avnera, Berkeley Design Optonics (acquired by Emcore), and PA Semi (acquired by Apple Computer).