



turning stepping stones into  
**milestones**



## FORWARD-LOOKING STATEMENT

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in 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.

## Contents

03 Corporate philosophy	06 Chairman's statement	08 About us	12 Our financial journey
14 Discussion with the Joint MD	16 Business levers	18 Our business model	19 Services basket
20 Managing risks at Sunil Hitech	22 Profile of our Board of Directors	26 Management Discussion and Analysis	32 Directors' Report
39 Code of conduct	41 Report on Corporate Governance	51 Standalone financial statements	83 Consolidated financial statements

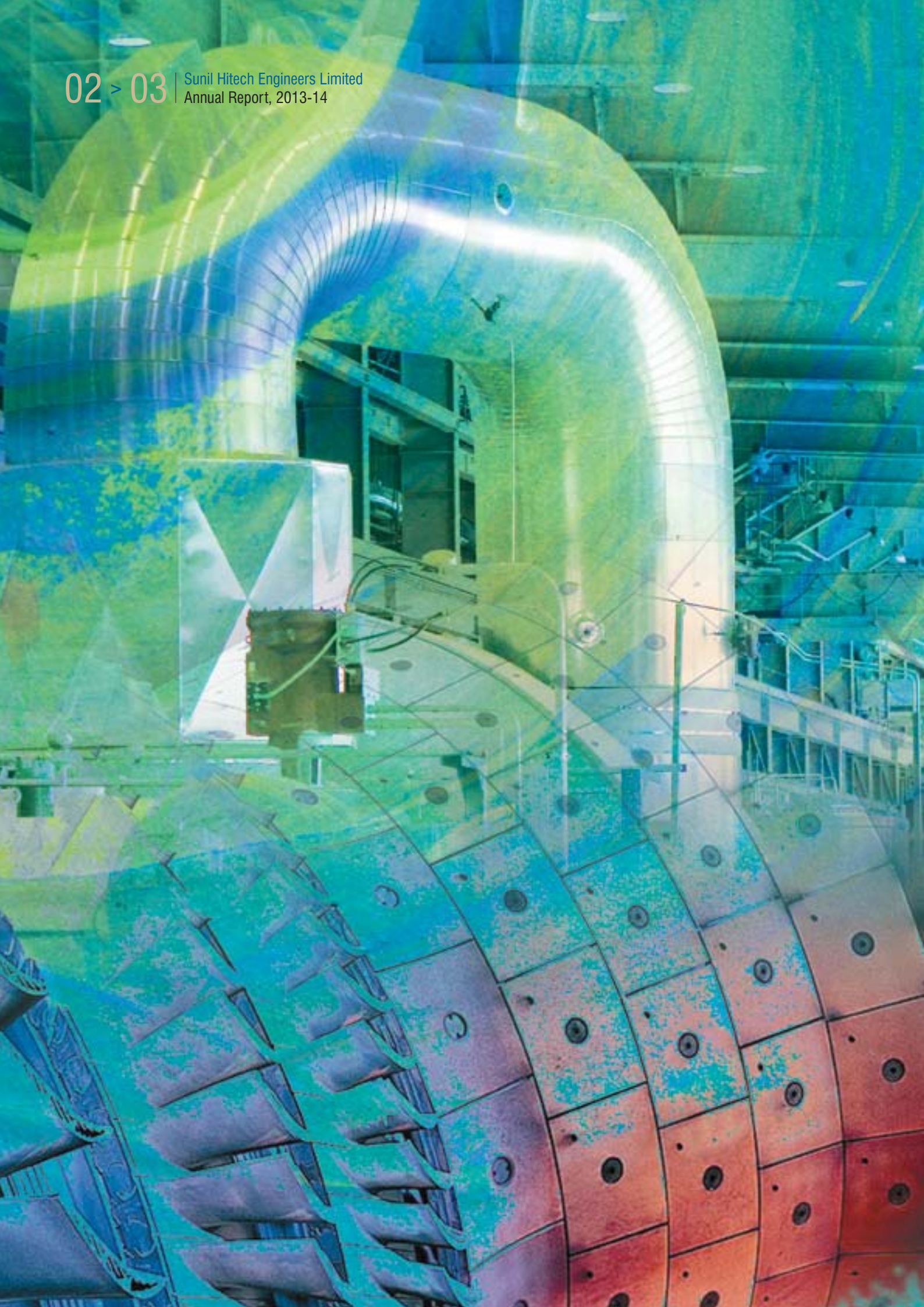
A company is known by the company it keeps.

At Sunil Hitech, we have been engaged in several prestigious projects for prominent clients across a number of states in India.

Overcoming variables, challenges and impediments, we have been able to convert stepping stones into milestone projects of national importance.

Across the next few pages, we present case studies of some of these projects that do not just demonstrate our engineering capabilities but also indicate our contribution to national development.









# Empowering people. Powering change.

In the textbook approach, people did as they were told. At Sunil Hitech, we have successfully demonstrated the power of an attractive alternative instead – empowerment.

Empowerment helps defeat challenges of the mindset, shatters walls of resistance and builds bridges across relationships. Leading to stronger coordination, swifter project completion and client delight.

This was amply reflected in our involvement with the 2x600 MW DB Power project (Champa, Chhattisgarh) comprising general civil, structural and architectural engagements covering BTG/BOP/road and pipe rack deliverables.

The team faced several challenges, some of which comprised the structural fabrication of 24,500 MT and erection of two units, construction of two STG decks of 17.5 m height without tie-beams, RCC of 130,000 cubic metres, floor slabs of 45,000 sq. m., and the construction of the biggest control room combined for two units with aluminium composite panels.

We embraced the spirit of teamwork and leveraged unconventional thinking to achieve the following:

- Achieved fabrication 1,900 MT and 1,450 MT erection at peak
- Engaged over eight cranes of 250 MT, 125 MT, 100 MT and 75 MT onsite
- Engaged over 300 workers for fabrication, 275 workers for erection and 1,250 workers for civil construction at peak
- Installed two 30 cum capacity batching plants
- Acquired the Feeder Lloyd cup lock systems for staging the turbine deck
- Achieved two STG decks of 600 MW over a faster-than-usual 16-month timeframe
- Synchronised the units between October 2013 and February 2014

Our efforts generated customer appreciation and an appreciation letter.



# Thinking lateral.

Think conventional and you will get conventional results. Think lateral and you remove blockers. At Sunil Hitech, we institutionalised the lateral approach, resulting in quicker problem solving.

This was amply reflected in our 3x660 MW Koradi TPS expansion project, with our involvement extending to the main plant BTG package and civil, structural and architectural works.

Some of the key obstacles we faced included the structural fabrication of 36,000 MT and the erection of three units, three STG decks of 20.7 m height without tie beams, 3,000 MT of coal bunker fabrication with SS liners, critical erection of coal conveyor gallery at an 84 m height and span of 47 m with single panel weight of 98 MT, critical erection of boiler pipe racks at 72-82 m height and RCC of 185,000 cum and floor slabs of 60,000 sq. m.

At Sunil Hitech, we overcame these challenges through the fabrication of 1,494 MT and 1,300 MT erection at peak, engaged 350 MT, 150 MT, 100 MT, 75 MT and 45 MT cranes, fabricated the bunker fabrication at 250 MT per month, involved around 450 workers in fabrication, 400 workers in erection and 1,500 workers in civil construction at peak, achieved three STG decks of 660 MW in a record 13 months and accomplished 6,300 sq m of floor slabs at peak.

The result is that we generated customer satisfaction for fabrication and erection and for STG deck and coal conveyor gallery civil works.







## Eagle vision



Dear Shareholders,

The times are momentous. The new Indian government, constituted post-elections in May 2014, focused on restoring inclusive and participatory economic growth. The government has clearly stated its intent of focusing on the core sector and infrastructure with a view to enhance GDP growth to 7-9% by the end of the Twelfth Plan period.

The result is a renewed focus on the country's construction and infrastructure sectors with investments of USD 1 trillion planned for the Plan period. The Indian power sector is expected to attract the longest share of this spending. Though the country possesses the world's fifth-largest electricity generation capacity, it has one of the lowest per capita consumption figures, pointing to a massive population section to which electricity has not reached. However, there is a sense of urgency. The Ministry of Power has set a target for adding 100,000 MW capacity in the 12th Five Year Plan (2012-17), up from 53,000 MW added during the preceding Plan, which demonstrates the vast opportunity available in the sector.

Leveraging decades of civil and mechanical engineering experience, we are foraying into the infrastructure and construction businesses, including the sunrise solar power industry. This extension is validated for the following



reasons. The cumulative infrastructure expenditure during the Twelfth Plan is estimated at USD 1 tn, significantly higher than USD 514 bn allocated in Eleventh Plan. There exists a huge infrastructure deficit across almost facets of the industry, be it healthcare delivery, real estate, roads, railways, ports or airports. Besides, the Indian solar energy sector has been growing consistently and is now projected to grow faster due to tax exemptions and subsidies. Besides, the sharp decline in the cost of solar power generation has made it more competitive than diesel, more so because the prices of the liquid fuel are being raised by almost ₹0.50 per litre every month. The Indian solar energy industry provides a huge potential to become one of the top global producers of solar energy especially with a stronger government emphasis now visible.

Guided by its vision and rooted in its values, Sunil Hitech is emerging as a major participant in nation building. The Company is continuing with its broad-based objectives of capacity development, enriching and widening its service offerings, securing resource availability and implementing high standards of corporate governance. In line with these objectives, there is significant action on the ground with the Company deeply engaged across 40 project sites across 12 states. Besides, we have regular capex plans, since we have a lot of machinery already installed

with the objective of strengthening our resource base and comprehensively tapping emerging opportunities.

Infrastructure creation and economic development go hand-in-hand and this reality will continue to strengthen our relevance across market cycles. Sunil Hitech is in the right sectors at the right time with the right mix of talent and technology to emerge as a diversified future-facing enterprise. Our commitment to the highest standards of governance is reflected in transparent stakeholder communication and the underlying element of trust that we have been able to create among local residents in the multi-cultural locations of our presence through corporate and community engagement.

As we move ahead to the next frontier of growth, I seek the support and encouragement of all our stakeholders. I am optimistic that we will sustain a topline growth of 15-20% in 2014-15, strengthening our value creation.

With my very best regards,

**Ratnakar Gutte**

Chairman and Managing Director,  
Sunil Hitech Engineers Limited

### Capacities commissioned year-on-year (MW)

2007-08

250

2008-09

3,435

2009-10

4,090

2010-11

1,675

2011-12

3,784

2012-13

8,060

2013-14

5,720



## Sunil Hitech is a leading core sector engineering enterprise...

...Engaged in the BOP (balance-of-plant) and EPC (engineering-procurement-construction) services for power plants with one of India's largest commissioned power plant portfolios of 37,409 MW (as on 31 March 2014).

## Leveraging its strong engineering base, the Company has diversified...

...Into other integrated infrastructure verticals comprising the construction of roads and bridges and involvement in solid waste management projects, solar power projects, and in the construction of correctional homes (*sudhaar ghar*).

## We promote sustainable development...

...Through the highest safety standards for our employees and through a steadfast focus on the prosperity of communities around which we operate and across which our plants are located.

## We are in business of value creation...

...And this focus has helped us create long-term shareholder value, reflected in cumulative dividend disbursements of ₹5.65 cr over the past five years.

