



SUNIL HITECH ENGINEERS LIMITED

[Registration Number: 11-115155]

[Originally incorporated as a Private Limited Company under the provisions of the Companies act, 1956 on 29th May, 1998 as Sunil Hitech Engineers Private Limited" vide certificate of incorporation issued by the Registrar of Companies, Mumbai. The Company was converted to a Public Limited Company under section 31 and 44 of the Companies Act, 1956, vide fresh Certificate of Incorporation dated 18th August 2005 issued by the said Registrar of Companies Mumbai.]

Registered Office: Ratnadeep, Jainagar, P.O. Parli – Vajinath – 431520, District - Beed, Maharashtra, India (The Registered Office was earlier located at 13 Satya Sai Apartment, Near Somalwar High School Pratapnagar Road, Khamla Road, Nagpur 440025 and was shifted to Ratnadeep, Jainagar, P.O. Parli-Vajinath-431520 w.e.f. 22nd August, 2000)

Tel.: +91-2446-222 868, Fax: +91-2446-222 544 **Website:** www.sunilhitech.com, **Corporate office:** 97, East High Court, Ramdaspath, Nagpur-440010 **Tel No.:** +91-712-2562087, 3957434, 3959214, +91-9890164777, +91-9890164778,

Fax No: +91-712-2562091 **Email:** info@sunilhitech.com, **website:** www.sunilhitech.com **Contact Person:** Mr. Tarun Kumar Singh, Company Secretary and Compliance officer **E-Mail ID:** tarunkumarsingh@sunilhitech.com

PUBLIC ISSUE OF 34,75,000 EQUITY SHARES OF RS.10/- EACH FOR CASH AT A PREMIUM OF RS. 90/- (ISSUE PRICE RS. 100/-) PER EQUITY SHARE AGGREGATING RS. 34,75,00,000. THE OFFER CONSTITUTES 34.66% OF THE POST ISSUE PAID UP CAPITAL OF SUNIL HITECH ENGINEERS LIMITED. THE FACE VALUE OF THE EQUITY SHARE IS RS. 10/- AND THE ISSUE PRICE IS 10 TIMES THE FACE VALUE.

RISK IN RELATION TO FIRST ISSUE



This being the first issue of Equity Shares of the Company, there has been no formal market for its Equity Shares. The face value of the shares is Rs. 10/- and the issue price is 10 times of the face value. The Issue Price (as determined by the Company in consultation with the Lead Manager, on the basis of assessment of market demand for the Equity Shares) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. The attention of the investors is drawn to the 'Risk Factors and Management Perceptions Thereof' appearing on page number vii to xiv of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p>CENTRUM CAPITAL LIMITED Khetan Bhavan, 5th Floor, 198, J. Tata Road, Churchgate, Mumbai 400 020 Tel: +91-22-2202 3838; Fax: +91-22-2204 6096 E-mail: sunilhitech@centrum.co.in Website: www.centrum.co.in SEBI Regn. No.: INM 000010445 UIN: 100016915.AMBI Reg no.: AMBI/087. Contact Person: Mr. Mayank Dalal.</p>	 <p>BIGSHARE SERVICES PRIVATE LIMITED E/2. Ansa Industrial Estate, Saki Vihar Road, Andheri (E), Mumbai-400 072. Tel: +91 -22 2847 0652; Fax: +91 -22 2847 5207 E-mail: ipo@bigshareonline.com Website: www.bigshareonline.com SEBI Regn. No.: INR000001385 UIN: 100003467 Contact Person Mr N.V.K. Mohan</p>

ISSUE SCHEDULE

ISSUE OPENS ON MONDAY, JANUARY 30, 2006

ISSUE CLOSURES ON FRIDAY, FEBRUARY 3, 2006

LISTING

The Equity Shares issued through this Prospectus are proposed to be listed on Bombay Stock Exchange Limited, Mumbai (BSE) (also the Designated Stock Exchange) and the National Stock Exchange of India Limited (NSE) The Company has received the in-principle approvals from these Stock Exchanges for the listing of the Equity Shares pursuant to letters No. List/Smg/sm/2005 dated December 12, 2005 and NSE/LIST/19128-9 dated December 16, 2005 respectively.

Sunil Hitech Engineers Limited

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SECTION: I: DEFINITIONS AND ABBREVIATIONS

I. CONVENTIONAL / GENERAL TERMS:

TERM	DESCRIPTION
Articles / Articles of Association / AoA	Articles of Association of Sunil Hitech Engineers Limited
Companies Act	The Companies Act, 1956, as amended from time to time for the time being in force.
Depository	A depository registered with SBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time for the time being in force.
Depository Participant	A depository participant as defined under the Depositories Act.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations framed there under for the time being in force.
Financial Year/FY / Fiscal	Period of twelve months ended March 31 st of that particular year.
Fis	Financial Institutions
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India
Indian GAAP	Generally Accepted Accounting Principles in India
IT Act	The Income-Tax Act, 1961, as amended from time to time and for the time being in force
Memorandum/ Memorandum of Association / MoA	The Memorandum of Association of Sunil Hitech Engineers Limited.
NRI / Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under FEMA (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000.
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
SCRR	Securities Contracts (Regulations) Rules, 1957 as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time and for the time being in force
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time

II. OFFERING-RELATED TERMS:

TERM	DESCRIPTION
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus.
Application Form	The Form in terms of which the investors shall apply for the Equity Shares of the Company.
Allotment	Unless the context otherwise requires, issue of equity shares pursuant to this Issue.

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Allottee	The successful applicant to whom the Equity Shares are being / or have been issued.
Banker(s) to the Issue	The Bank with which the Account for the Public Issue will be opened and which act as such, in terms of this Prospectus.
Issue Closing Date	The date after which the investors will not be allowed to apply for shares under this issue.
Issue Opening Date	The date on which the investors can apply for equity shares being offered under this issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective investors can submit their application.
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the applicants who have been allocated Equity Shares in the Issue.
CDSL	Central Depository Services (India) Limited
D/E Ratio	Debt-Equity Ratio
Designated Stock Exchange	Designated Stock Exchange shall mean BSE
DP	Depository Participant
Equity Shares	Equity shares of face value Rs.10 each of the Company unless otherwise specified in the context thereof.
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
Face Value	Face Value of equity shares of the Company being Rs. 10/- each.
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India.
GIR Number	General Index Registry Number
INR/ Rs	Indian National Rupee
IPO	Initial Public Offering
Issue	The Public Issue of 34,75,000 Equity Shares of Rs.10/- each at the Issue Price by the Company under this Prospectus.
Issuer/ Company/ Sunil Hitech/ SHEL	Sunil Hitech Engineers Limited
Lead Manager/ Lead Manager to the Issue	Being the Lead Manager appointed for the Issue. In this case being Centrum Capital Limited.
PAN	Permanent Account Number
RoC	Registrar of Companies, Maharashtra at Mumbai.
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited, having its registered office as indicated on the cover page of this Prospectus.
Retail Individual Investor	Means an investor who applies for securities of or for a value of not more than Rs. 1,00,000/-.
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited

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III. COMPANY/ INDUSTRY-RELATED TERMS:

TERM	DESCRIPTION
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Auditors	The statutory auditors of the Company: M/s. Vivek G. Randad & Co., Chartered Accountants.
CFM	Cubic Feet per Minute
Board of Directors	The Board of Directors of Sunil Hitech Engineers Limited or a committee thereof.
Compliance Officer	Compliance Officer of the Company in this case being Mr. Tarun kumar Singh, Company Secretary of the Company.
Director(s)	Director(s) of the Company unless otherwise specified.
EGM	Extraordinary General Meeting of the Company
Equity Shares	Equity shares of face value of Rs.10 each of the Company unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity shares of the Company unless otherwise specified in the context otherwise.
EPS	Earnings Per Equity Share
Face Value	Value of paid-up Equity Capital per Equity Share, in this case Rs. 10/- each.
MCB	Main Circuit Breaker
MPT	Magnetic Particle Test
MT	Metric Ton
NA/ N.A./na	Not Applicable
Promoters	Mr. Ratnakar Gutte, Mrs. Sudhamati Gutte and Mr. Sunil Gutte.
P&H	Pnematic and Hydraulic
Registered Office of the Company	Registered Office of the Company situated at Ratandeeep, Jaynagar, P.O. Parli Vajjnath – 4314520, Dist: Beed, Maharashtra, India.
RT	Radiography Test
Sunil Hitech/ SHEL/ the Company	Unless the context otherwise indicates or implies refers to Sunil Hitech Engineers Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956 with its registered office at Ratandeeep, Jaynagar, P.O. Parli Vajjnath – 4314520, Dist: Beed, Maharashtra, India.
SR	Stress Relieving
SG	Steam Generator
SAW	Submerged Arc Welding
STPS	Super Thermal Power Station
SEPCO	Shandong Electric Power Construction Company
TG	Turbine Generator
TPS	Thermal Power Station
TIG	Tungstun Inert Gas
UT	Ultrasonic Test
USD/\$/US\$	United States Dollar

In the section entitled “Main provision of Articles of Association of Sunil Hitech Engineers Limited”, defined terms have the meaning given to such terms in the Articles of Association of the Company.

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IV. ABBREVIATIONS:

ABBREVIATION	FULL FORM
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
AY	Assessment Year
AGM	Annual General Meeting
BALCO	Bharat Aluminium Company Limited
BHEL	Bharat Heavy Electrical Limited
CFM	Cubic Feet per Minute
Centrum	Centrum Capital Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEGB	Central Electricity Generating Board.
CPP	Captive Power Plant
D/E Ratio	Debt Equity Ratio
DP	Depository Participant
ESP	Electro Static Precipitator
ESPs	Electro Static Precipitators
EPC	Engineering Procurement & Construction
EBDITA	Earnings Before Depreciation, Interest, Tax and Amortization
EGM	Extraordinary General Meeting
EMD	Earnest Money Deposit
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
EPS	Earnings Per Equity Share i.e. profit after tax divided by outstanding number of Equity Shares at the year-end.
EGSI	Economic Growth Society of India
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations and amendments thereto.
Fis	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws.
FIPB	Foreign Investment Promotion Board
FY / Fiscal	Financial year ending on March 31
GMAW	Gas Metal Arc Welding
GIR Number	General Index Registry Number
Gol	Government of India

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GoM	Government of Maharashtra
HR	Human Resources
HUF	Hindu Undivided Family
INR/ Rs	Indian National Rupee
IOCI	Indian Organisation for Commerce & Industry
IPO	Initial Public Offering
IT	Information Technology
LSTK	Lum Sump Turn key
MNC	Multi National Company
MP	Management Perception
MSPGCL	Maharashtra State Power Generation Company Limited
MW	Mega Watt
MIG	Metal Inert Gas
N. A.	Not Applicable
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depositories Limited
NAV	Net Asset Value being paid-up Equity Share Capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit & Loss account, divided by number of issued Equity Shares.
NSE	National Stock Exchange of India Ltd
NTPC	National Thermal Power Corporation
NIT	Notice Inviting Tender
OCB	Overseas Corporate Bodies
O & M	Overhauling and Maintenance
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
P&M	Plant & Machinery
P&H	Pneumatic and Hydraulic
RT	Radiography Test
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra situated at 100, Everest, Marine Lines, Mumbai – 400 002.
RoNW	Return on Net Worth
REL	Reliance Energy Limited

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R & M	Rehauling and Maintenance
SR	Stress Relieving
SG	Steam Generator
SAW	Submerged Arc Welding
STPS	Super Thermal Power Station
SEPCO	Shandong Electric Power Construction Company
Sec.	Section
TG	Turbine Generator
TPS	Thermal Power Station
TIG	Tungsten Inert Gas
UT	Ultrasonic Test
USD/\$/US\$	United States Dollar

SECTION: II: RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF

1. FORWARD-LOOKING STATEMENTS AND MARKET DATA:

Forward-looking Statements:

This Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “expect”, “estimate”, “intend”, “may”, “plan”, “project”, “shall”, “will” or other words or phrases of similar import.

Similarly, statements that describe Company’s objectives, strategy, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company’s ability to successfully implement its strategy and its growth and expansion plans;
- Factors affecting Engineering - Turnkey Services activity;
- Increasing competition in the Engineering - Turnkey Services industry;
- Increases in labour costs, raw materials prices, prices of machinery and insurance premia;
- Manufacturers’ defects or mechanical problems with Company’s machinery or incidents caused by human error;
- Changes in the value of the Indian rupee and other currencies, in particular, the U.S. Dollar;
- Cyclical or seasonal fluctuations in the operating results;
- Amount that the Company is able to realize from the clients;
- Changes in laws and regulations that apply to the Engineering - Turnkey Services industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighbouring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

For further discussion of factors that could cause our actual results to differ, please see “Risk Factors” on page vii to xiv of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. None of the Company or any of their respective affiliates has any obligation to update or otherwise revise any statements to reflect circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Lead Managers will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

Market Data

Market data used throughout this Prospectus was obtained from industry publications and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes market data used in this Prospectus is reliable, it has not been independently verified. Similarly, data provided by the Company, while believed by the Company to be reliable, has not been verified by any independent sources.

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All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India.

II. RISK FACTORS:

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Prospectus including the risks described below, in addition to the other information contained in this Prospectus, before making any investment decision relating to the Equity Shares. If any of the following risks actually occur, the Company’s business, results of operations and financial condition could suffer, the trading price of the Company’s Equity Shares could decline, and the investor may lose all or part of his investment.

Note: Unless specified or quantified in the relevant risk factors below, the Company is not in a position to quantify the financial or other implication of any risks mentioned herein under:

Materiality:

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- a) Some events may not be material individually, but may be found material collectively.
- b) Some events may have material impact qualitatively instead of quantitatively.
- c) Some events may not be material at present but may be having material impacts in future.

The risk factors are as envisaged by the management along with the proposals to address the risk, if any. Wherever possible, the financial impact of the risk factors has been quantified.

Neither the Company, it’s Directors and Officers, any member of the Issue Management Team nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, for purposes of the Issue, the Company and the Lead Manager to the Issue will ensure that investors in India are informed of material developments relating to the business until such time as the grant of listing and trading permission by the Stock Exchanges.

A. RISK FACTORS SPECIFIC TO THE PROJECT AND INTERNAL TO THE COMPANY

1. OUTSTANDING LITIGATION

The following litigations are outstanding against the Company:

Against the Company:

Litigation: Labour Cases

Sr. No.	Name of the Opposite Party	Issue	Place of Litigation	Court before which Litigation is Pending	Case No/ Date Instituted	Present status	Claim Amount (Rs. In Lakhs)	Provision made in the Balance sheet
1.	Vakil Mazi	Workman Compensation Claimed by workman	Nagpur	Labour Court	21/2001	Case is pending before the court for evidence and next date of hearing is 17/02/2006	2.3647	Nil

Background of the cases:

Mr. Vakil Mazi was employed with the company as a contract labour. While working at Khaparkheda thermal power station at MSEB, Khaper kheda district Nagpur, on 17th November 2000, he met with an accident at the site. The company provided him with the requisite medical treatment from 17.11.2000 to 02.01.2001 bearing the entire medical expenditure of Rs. 1,01,113. The said worker however lodged the case with Workmen Compensation Commissioner at labour court at Nagpur. As on the date, the case is pending before the Labour court, Nagpur.

Apart from above case, the Company has filed one Tax dispute and one Civil case, details of which are appearing on page no. 86 to 87 of this Prospectus, The total claim involved is Rs. 22.31 Lakhs.

Also, the promoters of the company/ ventures promoted by the promoters of the Company have filed two Criminal cases and one Civil case details of which are appearing on page no. 88 of this Prospectus. The total claim involved is Rs. 1.80 Lakhs including interest.

2. PROMOTERS ARE FIRST GENERATION ENTREPRENEURS:

Company is promoted by First generation entrepreneurs.

MP: Promoters have been involved in the present business and running it successfully since last 20 years. They possess the necessary expertise and requisite skills to execute large projects and have set a good track record of completion of projects well ahead the targeted date.

3. PENALTY FOR TIME OVERRUN IN EXECUTION OF THE PROJECTS:

The Company's activities comprise of fabrication, erection, testing and commissioning of power projects, under infrastructure. The Company typically enters into high value contracts for the aforesaid activities, which provide for levy of penalty normally for time-overrun cases. In case the Company is unable to meet the performance criteria as prescribed by the respective client and if penalties are levied, the financial performance of the Company may be affected.

MP: The Company has a previous track record of completing the projects without levy of substantial liquidated damages and it envisages the same for projects to be completed in future.

4. DEPENDENCE ON IPO PROCEEDS:

The funding of working capital and capital expenditure is dependent significantly on the IPO proceeds. Delay in IPO/unsuccessful IPO will have an impact on the growth plans of the Company.

MP: The Promoters will make alternate arrangements for growth of business in case of delay/unsuccessful IPO.

5. DELAY IN RECEIPT OF RAW MATERIALS:

The Company's fabrication, testing and commissioning contracts are primarily dependent on adequate and timely supply of raw materials such as cement, steel and consumables at competitive prices. The Company faces stiff competition from larger and well-established players for procuring these raw materials. In case the Company is unable to procure the requisite quantities of raw materials well in time and at competitive prices, the performance of the Company may be affected.

MP: The Promoters are engaged in the present activities for the last 20 years and have established relationship with the supplier of raw materials. Besides, the Company has set-up a procurement team, which is responsible for tracking the prices and monitoring of all raw materials requirements.

6. IMPROPER HANDLING OF MACHINERIES COULD RESULT IN ACCIDENTS:

Improper handling of materials and machines used in the business line of the Company can result into accidents and the Company could face liabilities that may adversely affect its profits.

MP: The Company has been executing the variety of projects using modern techniques and state-of-the-art plant & equipment. The Company is having sufficient insurance policy cover and undertake adequate safety measures, which have minimized the loss of three crucial Ms viz. men, material and machines. Also, the Company employs skilled manpower to handle materials and machines and provide requisite in-house training for the same.

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7. REVENUES DEPEND ON SUCCESS OF BIDS MADE:

The Company's revenues largely depend upon success of the bids submitted by it with prospective clients for the projects. The performance of the Company could be affected in case majority of the bids are not accepted.

MP: The Company has been bidding for the projects in past and has been able to procure contracts inspite of competition from various industry players.

8. INABILITY TO MANAGE THE GROWTH:

Any inability to manage Company's rapid growth could disrupt its business.

MP: The Company has an experienced Board and qualified staff to match with its pace of growth. The Company has registered a CAGR of 91.65% in its turnover for the period FY2000 to FY2005.

9. COMPETITION IN THE INDUSTRY:

The Company is smaller in size compared to the market leaders, which act as deterrent for very large projects. Also, smaller firms create competition to the Company.

MP: The Company has bid for large projects in past and bagged a few large projects inspite of big companies in fray like L&T, Alstom India Limited, Simplex Concrete Piles Limited and National Building construction Corporation Limited. Also, considering the size and entry norms for the contracts, for which the Company is bidding, the competition from smaller proprietary firms is minimal.

10. END USE OF FUNDS:

The Company is raising part of the funds to repay high cost debts.

MP: Of the total funds raised less than 15% is being utilized to repay high cost debt. Company is confident that repaying high cost debt will strengthen the bottomline by saving on interest costs.

11. RESTRICTIVE COVENANTS IN AGREEMENTS:

There are restrictive covenants in the agreements for short term and long-term borrowings from banks, among other things, which require the Company to obtain the approval of these banks or provide restrictions, namely, for issuing new securities (debt or equity), change in management, effecting mergers, consolidations or sale of assets, incurring capital expenditure beyond certain limits, declaring dividend at any time while the Company is in default, undertaking material diversification in the business of other companies or creating subsidiaries or making certain investments. Some of these borrowings also contain financial covenants, which may limit Company's ability to borrow additional money. The Company cannot assure the shareholders that its lenders will provide it with these approvals in the future.

12. CHANGES IN KEY MANAGERIAL PERSONNEL:

Any significant change in the key managerial personnel of the Company may affect the performance of the Company.

MP: The top management of the Company is technically qualified and has wide experience in the field, which will reduce the impact of sudden change in the key managerial personnel. Besides, the Company has been maintaining a second line to take charge in case of crisis.

13. FUND REQUIREMENT NOT APPRAISED:

The fund requirement and funding plan for the Project are Company's own estimates, and have not been appraised by any bank / financial institution. The deployment of funds in the project is entirely at the discretion of the Company and will not be monitored by any independent agency.

MP: The Company has been sanctioned various credit limits by various Banks. Therefore, the overall performance of the Company will be a subject matter of continuous monitoring by the Banks.

14. REQUIREMENT OF MACHINERY BASED ON BUSINESS OPPORTUNITY:

The requirement of Machineries and expansion plans drawn by the Company are based on business opportunities in these fields. Any deviation in the market conditions could adversely affect the profitability of the Company.

MP: The requirement of Machineries and expansion plans drawn by the Company has been crystallized considering the prospective projects. Further, Company's ability to diversify its client profile and easy availability of equipment as per the specific requirement of the project would reduce the adverse effect of any deviation in the market conditions.

15. ORDERS FOR SOME OF THE MACHINERIES NOT YET PLACED:

The Company has not placed orders for Machineries aggregating Rs. 313.20 Lacs (including Escalation & Contingencies), which is 5.35% of the total requirement for the Project.

MP: The Company has estimated the requirement of Machineries aggregating Rs. 552.78 Lacs out of which the Company has already acquired and taken possession of Machineries aggregating Rs. 183.09 Lacs till November 30, 2005. The Company has received quotations and orders placed for an amount of Rs 56.98 Lacs. For balance requirement of Machinery, the orders will be placed only after availability of Public Issue proceeds for utilization. The Machinery proposed to be acquired is easily available and can be put in operation at any of the working sites after the procurement. Further, as per our past experience, once order placed, these machineries are delivered within two months thereof.

16. CONTINGENT LIABILITIES:

The Company has not provided for the following contingent liability as on September 30, 2005:

Contingent Liability not provided for	Amount (Rs. in Lakhs)
Counter Guarantees given to bankers in respect of Bank Guarantees	2168.99

MP: The nature of infrastructure project requires furnishing of bank guarantees to the clients. These guarantees are in the nature of EMD guarantee, performance guarantees, etc. which get released on completion of the work under contract. In the past, the Company has completed the projects well ahead the estimated time. The Company enjoys the non-fund based limits in the nature of Bank Guarantees to the extent to Rs. 30 Crores.

17. DEPLOYMENT OF FUNDS PENDING UTILISATION:

Pending utilisation of funds, the investor may incur opportunity cost for its funds.

MP: Pending utilisation of the Issue proceeds, the funds will be invested in non-productive assets such as bank Deposits and/or Gilt Edged Securities, either directly or indirectly or through Government Securities based funds and other high liquid instruments in short and medium term. This deployment may not result in adequate returns to the company.

18. NON-DECLARATION OF DIVIDEND IN PREVIOUS YEARS:

The Company has not declared any dividend in previous five years.

MP: Keeping in view the need to conserve and plough-back the resources to meet the enhanced demand of the funds, we have not declared any dividend in the previous 5 years.

19. ALLOTMENT OF SHARES IN PREVIOUS ONE YEAR:

The Company has allotted 19,500 equity shares to Employees and 5,500 equity shares to friends and associates at a price of Rs 50/- in the previous one year. The Issue Price is less than the price at which shares are being issued under this Prospectus.

The Company has allotted shares to the employees, friends and associates as a gesture of appreciation for their loyalty and commitment.

Sunil Hitech Engineers Limited

20. FORAY INTO INVESTMENT WITH TURNKEY AND LUMP SUM JOBS ARE RISKY, WHICH HAS GREATER FINANCIAL STAKES:

MP: Turnkey and Lumpsum.. Thereafter, the monthly running account bills are raised on the respective client. This ensures the company maintain a healthy cash flow and mitigates the anticipated risk. Also, in such jobs, the Company strictly follows the structured mode of receipt.

21. PROJECT DEPENDENCE ON SUB-CONTRACTOR'S PERFORMANCE:

The Projects sub-contracted by the company could get delayed on account of the sub-contractors' performance resulting in delayed payments

MP: The company usually sub-contracts insignificant work to other contractors. In the event of any delay on the part of a sub-contractor work, the company would receive delayed payments from the client as also the company may be required to pay penalty for such delay. However, our company has identified skilled sub-contractors which meet our expectation, In large value sub-contracts, the company generally incorporate a penalty clause to ensure completion of the works in time with the desired quality.

22. DEPENDENCE ON JOINT VENTURES:

Some projects require higher capital adequacy and technical expertise for efficient and effective execution. In order to meet these pre-qualification, the company enters into joint ventures/ Memorandum of Understanding with other companies. In case the company is unable to forge alliance with other companies to satisfy the pre-qualification requirements, the company may loose on the opportunity to bid.

MP: In the present line of business, the company is confident of executing the projects independently. However, in case of diversified project, it may require a joint venture partner. In the backdrop of its brilliant performance in the past, the credentials and credibility of Management and the expertise at the disposal, the Company is sure that in such an eventuality, finding a joint venture partner will pose no significant problem.

23. SUBSTANTIAL REQUIREMENT OF WORKING CAPITAL:

The company business needs substantial working capital and financing in the form of debt and equity to meet its requirements.

MP: The business demands substantial working capital in the form of fund and non-fund based working capital facilities. The Company has a borrowing in the form of loan for an amount aggregating Rs. 783.50 Lacs and cash credit facilities from banks for an amount aggregating Rs. 885.29 lacs as on November 30, 2005. Working capital is partially met through internal accruals. Generally, payments from clients are linked to completion of milestones. Payments are spread out over the execution period of the contracts. Consequently, there could be situation where the total funds available may not be sufficient to fulfil the commitments in which case additional fundings can be raised through commercial borrowings, vendor financing or issue of fresh capital, In such event the interest obligation would increase and the company may be subject to additional covenants. In case the company decide to raise additional capital, the shareholding pattern also may undergo changes.

24. TANGIBLE ASSETS OUT OF PROJECT COST:

The Project Cost is Rs. 5853.17 Lakhs whereas the company would be investing in the fixed assets only to the tune of Rs. 926.33 Lacs (i.e. 15.83% of the Project Cost). Thus, the tangible assets that would be created will be less than 40% of the Project cost.

25. LOSS MAKING VENTURE OF THE PROMOTER:

Trimurty Engineering Works, a proprietorship firm of Mr. Sunil Gutte, one of the promoters of the Company has made Net Loss of Rs. 0.90 Lakhs for the Financial Year ending on March 31, 2005.

B. RISKS EXTERNAL TO THE COMPANY:

Certain factors beyond the control of the Company could have a negative impact on the Company's performance, such as:

1. Infrastructure growth prospects are highly dependent on Government Policies.
2. The Company's performance is highly dependent upon the growth of business and economy in the Country, which generates the demand for construction and development. An economic down turn may negatively impact the operating results of the Company.
3. Various incentives are offered by the Government for development of infrastructure, particularly in development of roads. Adverse change in the focus of the Government may affect the future business prospects of the Company.
4. Changes in technology may render Company's current Machinery obsolete or require it to make substantial capital investments for latest Machinery.
5. Increasing employee / labour compensation in India may erode some of Company's competitive advantage and may reduce its profit margins.
6. Any change in the regulatory environment may have an impact on the business of the Company.

Apart from above, following can be the Risks external to the Company and beyond its control:

1. PERFORMANCE LINKED TO STABILITY OF POLICIES & POLITICAL SITUATION IN INDIA:

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and the deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt the Company's business and economic conditions in India. South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries.

MP: The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support the continued economic liberalization.

2. CHANGES IN THE DOMESTIC TAX LAWS:

Any changes in the tax laws in India particularly income tax might lead to increased Tax Liability of the Company thereby putting pressures on profitability.

MP: Change in tax laws, particularly income tax, can have an impact on the post-tax profits of the Company.

3. POST-ISSUE VOLATILITY IN PRICES OF THE SCRIPT:

The price of the Company's equity shares in Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

- a) Volatility in the Indian and Global securities market;
- b) The results of operations and performance;
- c) Perceptions about the Company's future performance or the performance of other Indian companies in the same industry;
- d) Performance of the Company's competitors in the industry and market perception of investments in the sector;
- e) Adverse media reports on the Company or on the industry;
- f) Change in the estimates of the Company's performance or recommendations by financial analysts;
- g) Significant development in India's economic liberalization and deregulation policies; and
- h) Significant development in India's fiscal and environmental regulations.

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There can be no assurance that an active trading market for the equity shares will develop or be sustained after this Issue, or that prices at which the Company's equity shares are initially offered will correspond to the prices at which the Company equity shares will trade in the market subsequent to this Issue. The Company's share price could be volatile and may also decline.

MP: There has been no public market for the Company's equity shares till now and the prices of the Company's equity shares may fluctuate after this Issue. There can be no assurance that an active trading market for the equity shares will develop or be sustained after this Issue, or that prices at which the Company's equity shares are initially offered will correspond to the prices at which the Company equity shares will trade in the market subsequent to this Issue. The Company's share price could be volatile and may also decline.

NOTES:

1. Pre-Issue Net worth of the Company as on September 30, 2005 is Rs. 1403.62 lakhs. The Book Value/ NAV per share on the same date is Rs 21.24.
2. The Investors are advised to refer to the section on "Basis of Issue Price" on page number 23 before making an investment in this issue.
3. Size of the present Issue of 34,75,000. Equity shares of Rs.10/- each for cash at premium of Rs 90/- per share aggregating Rs. 3475 lakhs.
4. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in consultation with the Bombay Stock Exchange Limited, the Designated Stock Exchange.
5. The average cost of acquisition of existing shares of the promoters is as under

Name of the Promoter	Average Cost of Acquisition Per Equity Share (in Rs.)
Mr. Ratnakar Manikrao Gutte.	4.00
Mrs. Sudhamati .Ratnakar Gutte	7.61
Mr. Sunil Ratnakar Gutte	12.62

6. For any complaint/ clarification/ information pertaining to the Issue, the investors may contact the Lead Manager or the Compliance Officer who will be obliged to attend to the same.
7. Since inception, the Company has made a Bonus issue of 37,50,000 Equity shares. The said bonus shares were issued in the ratio of three equity share for every two Equity shares held by the Equity Shareholders as on the record date i.e. 22nd March 2005, this Bonus shares was made through Capitalisation of profits transferred from General Reserve & Securities Premium Account .The allotment of these Equity shares was made on 22nd March, 2005.
8. Diminution in Value of Quoted Investments: As per the audited accounts dated September 30, 2005, the company has no investments in quoted securities.
9. The Lead Manager and the Company shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports, etc.

10. Related Party Transactions Disclosures:

Details of related party transaction for last five years are given under the heading "financial, information" of this prospectus on page 69.

11. Details of remuneration paid to directors are given under the heading " Managerial Remuneration of this prospectus on page 48.

SECTION: III: INTRODUCTION

1. SUMMARY:

A. SUMMARY OF THE INDUSTRY AND BUSINESS OF SUNIL HITECH ENGINEERS LIMITED:

Summary of the Industry:

Power is the fulcrum on which rests the future pace of growth of economy. The Indian economy is poised for high growth in the years to come. Last year witnessed a promising GDP growth rate of 6.9%. The overall growth of manufacturing sector during 2004-05 was estimated at 9.2% as against 6.9% in the previous year. This reflects a high growth in industrial and allied sectors, thereby spurring a higher demand for power.

There are about approx 1,627 factories in India with captive power plants at an installed capacity exceeding 20,000MW in aggregate. It is estimated that demand for power from captive power plants will reach an additional 1,500 MW to 2,000 MW per year.

Currently, there are 17 State Electricity Boards (SEB) in operation and generates over 70% of electricity supplied in the country. Apart from own generation, SEB's receives power from joint venture projects, private sector utilities and from its share in central public sector units. Despite having an installed capacity of about 1,18,419MW as on 31st March, 2005, the power sector is plagued by energy and peak shortages of 7.3% and 11.7% respectively, indicating that the existing infrastructure is not sufficient to meet the country's current demand.

The sector requires an integrated growth in generation, transmission and distribution. With distribution being the weakest link, greater emphasis on transmission and distribution strengthening, along with rapid capacity addition is required. Accordingly, to remove the bottlenecks, a perspective plan has been developed to build *1,00,000 MW by 2012. (Source 10th Five Year Plan)

Power and Infrastructure has gained greater importance in the last three years after a decade of slackness. Opening of the economy and second generation of reforms has fuelled growth in the entire nineties and the same is happening in the current decade.

The company has to be sensitive to the market dynamics and economic changes taking place and some of these aspects are of interest to foresee the future and revise the company's growth plans:

Summary of Business:

Sunil Hitech Engineers Limited is an ISO 9001:2000 Company that has established its name as one of the leading infrastructure development company that is firmly focused in the ever-growing Power Sector. The company specializes in Fabrication, Erection, Testing & Commissioning of Thermal Power Plants with high precision quality and timeliness. The Company has come a long way and has stabilized its operations with an annual turnover of around Rs. 690 million. It has also acquired sufficient assets by way of heavy construction equipment and best of the human resources with adequate experience enough to compete with large Corporates.

The clientele of Sunil Hitech Engineers Limited includes heavy weights like Bharat Heavy Electricals Limited, Mahatrasra State Power Generation Company Limited, Rajasthan Viduyt Utpadan Nigam, National Thermal Power Corporation, Reliance Energy Limited, Jindal Steel & Power Ltd., Madhya Pradesh State Elect Board, Chattisgarh State Elect Board, Tamilnadu State Elect Board, Ahmedabad Electricity Co Ltd, Hindusthan Steel Construction Co, Gammon India Ltd, Larsen & Toubro Ltd, Punj Lloyd, Gannon Dunkerly & Co Ltd, UB Engineering Ltd, Simplex Concrete Piles (India) Ltd, Skoda Export (India) Limited, Engineers Project India Limited, Sterlite Industries, BALCO, etc.

B. OFFERING DETAILS IN BRIEF:

Equity Shares Offered:	
Total Equity Shares	34,75,000 Equity Shares of Rs. 10/- each
Of which:	
Firm Allotment to Lead Manager to the Issue.	10,000 Equity shares of Rs 10 / each at a Premium of Rs.90./- per share (i.e. at a price of Rs 100. per share)
NET OFFER TO PUBLIC IN PUBLIC ISSUE	34,65,000 Equity Shares of Rs. 10/- each at a Premium of Rs.90./- per share (i.e. at a price of Rs 100. per share).
Retail Investors (50% of the net Offer to public)	17,32,500 Equity Shares of Rs. 10 each (allocation on Proportionate Basis)
Other than Retail Investors (50% of the Net Offer to the Public)	17,32,500 Equity Shares of Rs. 10/- each (Allocation on Proportionate Basis)

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Equity Shares prior to the Issue	65,50,000 Equity Shares of Rs. 10/- each
Equity Shares after the Issue	1,00,25,000 Equity Shares of Rs. 10/- each

For use of issue proceeds, please see section entitled "object of the issue" on page 14 of this Prospectus for additional information.

C. SUMMARY FINANCIAL, OPERATING AND OTHER DATA:

Summary of Financial Data under Indian GAAP

The Summary of financial and operating information presented below should be read in conjunction with the financial statements, the notes thereto included in financial statements and Management and Discussion of financial condition and the result of operation on page no. 81 and page no. 82 respectively on prospectus.

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

Particulars	AS AT 31st MARCH					Half year ended 30.09.2005
	2001	2002	2003	2004	2005	
A) Fixed Assets:						
Gross Block	567.48	693.31	933.99	1341.82	2029.18	2449.84
Less: Depreciation	241.50	310.46	389.51	514.08	720.93	848.42
Net Block Total (A)	325.98	382.85	544.48	827.75	1308.25	1601.42
B) Investments Total (B)	35.00	50.00	51.00	51.00	51.00	76.54
C) Current Assets, Loans & Advances						
Inventories	67.48	64.47	103.60	168.29	432.09	481.4
Sundry Debtors	382.05	651.03	783.39	940.68	1626.78	2300
Cash & Bank Balances	121.59	135.76	170.36	241.69	428.21	474.39
Other Current Assets	68.38	2.54	20.28	49.01	58.73	38.49
Loans & Advances	57.13	86.00	313.83	339.27	760.17	922.41
Total (C)	696.63	939.80	1391.46	1738.94	3305.99	4216.69
Deferred Tax Assets	0.00	0.00	0.00	0.00	0.00	11.69
Total (D)	696.63	939.80	1391.46	1738.94	3305.99	4228.38
E) Liabilities & Provisions						
Secured loans	148.57	127.30	180.68	282.02	993.07	1684.48
Unsecured loans	58.57	157.97	194.44	375.27	527.63	292.51
Current Liabilities & Provisions	645.17	837.77	1269.60	1469.99	1945.41	2487.90
Deferred Income Tax Liability	0.00	0.00	11.15	23.94	37.84	37.84
Total (E)	852.31	1123.04	1655.87	2151.22	3503.94	4502.72
NET WORTH (A+B+C+D-E)	205.30	249.61	331.07	466.47	1161.30	1403.62
NET WORTH REPRESENTED BY:						
Share Capital	125.00	125.00	175.00	175.00	652.50	655
Share Application Money	0.00	0.00	0.00	0.00	0.00	0.45
Reserve & Surplus	80.30	124.59	157.22	292.06	508.82	748.17
Total	205.30	249.59	332.22	467.06	1161.32	1403.62
Less: Misc. Expenditure (to the extent Not written off)	0.00	0.00	1.17	0.59	0.00	0
NET WORTH	205.30	249.59	331.05	466.47	1161.32	1403.62

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STATEMENT OF PROFIT & LOSS ACCOUNT AS RESTATED

(Rs. in Lacs)

Particulars	YEAR ENDED ON 31ST MARCH					Half Year ended 30.09.2005
	2001	2002	2003	2004	2005	
Income:						
Project Site	1,595.03	1270.72	1208.47	1693.15	5390.39	5019.16
O & M Site	499.37	682.23	1002.64	1851.65	1403.37	859.65
Turnover	2094.40	1952.95	2211.11	3544.80	6793.76	5878.81
Other income	33.30	24.70	19.73	29.44	59.24	29.70
Increase/(Decrease) of stock	0.00	0.00	23.08	8.94	30.92	34.84
Total Income	2127.70	1977.65	2253.92	3583.18	6883.93	5943.35
Expenditure						
Direct Contract Expenses	1644.09	1564.79	1713.16	2771.69	5480.53	5020.76
Administrative Expenses	304.62	248.18	345.56	465.89	666.13	347.35
Interest & Financial Charges	34.14	26.82	28.10	72.58	145.96	118.22
Depreciation	97.39	68.34	79.05	124.03	205.46	127.24
Extra ordinary items (Expenses)	0.00	0.62	0.00	0.00	0.00	0.00
Total Expenditure	2080.24	1908.75	2165.87	3434.19	6498.08	5613.57
Net Profit Before Tax	47.46	68.90	88.05	148.99	385.85	329.77
Provision for Income Tax						
Current	18.77	24.60	34.92	53.64	147.57	112.11
Deferred			11.21	12.78	13.90	(11.69)
Profit after Tax	28.69	44.30	41.92	82.57	224.38	229.34
Add: Extra ordinary items (Income)	0.00	0.00	0.00	0.00	24.07	0.00
Add/Less: Income Tax adjustment related to earlier years			(9.35)	(14.68)	(17.79)	0.00
Net profit after Tax	28.69	44.30	32.57	67.89	230.66	229.34
Balance of Profit brought forward	0.00	80.29	124.59	150.65	201.57	259.15
Dividend	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Tax on Dividend	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to General Reserves	28.69	44.30	6.51	16.97	23.06	22.93
Balance Carried to Balance sheet	0.00	124.59	150.65	201.57	409.17	465.56

Sunil Hitech Engineers Limited

2. GENERAL INFORMATION:

SUNIL HITECH ENGINEERS LIMITED

[Registration Number: 11-115155]

[Originally incorporated as a Private Limited Company under the provisions of the Companies act, 1956 on 29th May, 1998 as Sunil Hitech Engineers Private Limited” vide certificate of incorporation issued by the Registrar of Companies, Mumbai. The Company was converted to a Public Limited Company under section 31 and 44 of the Companies Act, 1956, vide fresh Certificate of Incorporation dated 18th August 2005 issued by the said Registrar of Companies Mumbai.]

Registered Office

Ratnadeep, Jainagar, P.O. Parli – Vajinath – 431520, District - Beed, Maharashtra, India

(The Registered Office was earlier located at 13 Satya Sai Apartment, near Somalwar High School Pratapnagar Road, Khamla Road, Nagpur 440025 and was changed to Ratnadeep, Jainagar, P.O.Parli-Vajinath-431520 w.e.f.22nd August, 2000)

Tel.: +91-2446-222 868, **Fax:** +91-2446-222 544

Website: www.sunilhitech.com, **Contact Person:** Mr.Tarun Singh; **E Mail ID:** tarunkumarsingh@sunilhitech.com

Corporate office: 97, East High Court, Ramdaspath, Nagpur - 440010

Tel.: +91-72-2562087, 2562088, 2562089, 2562090, **Fax-:** +91-712-2562091

Registered with Registrar of Companies, 100, Everest, Marine Lines, Mumbai – 400 002, Maharashtra.

AUTHORITY FOR THE ISSUE:

Pursuant to Section 81(1A) of the Companies Act, 1956, the present issue of equity shares has been authorized vide Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 27th August 2005 and a resolution passed by the Board of Directors at its meeting held on 19th August, 2005.

BOARD OF DIRECTORS:

The overall management of the company is looked after by the Board of Director consisting of three promoter directors, two employee directors, and five independent directors, aggregating to ten members.

NAME OF THE DIRECTOR	DESIGNATION	STATUS
Mr Ratnakar M. Gutte	Managing Director	Executive Director
Mrs Sudhamati R. Gutte	Whole time Director	Executive Director
Mr Sunil R. Gutte	Whole Time Director	Executive Director
Mr M. N. Mohanan	Whole Time Director	Executive Director
Mr S.K. Kodandaramaiah	Whole Time Director	Executive Director
Mr Ashok V. Sakalikar	Director	Non Executive, Independent
Mr B.B Thombare	Director	Non Executive, Independent
Mr. Pramod Mitkary	Director	Non Executive, Independent
Mr. K.G.Holkar.	Director	Non Executive, Independent
Ms. Sarita Rathi	Director	Non Executive, Independent

PROFILE OF THE MANAGING DIRECTOR & WHOLE TIME DIRECTORS OF THE COMPANY IS GIVEN BELOW:

➤ MR. RATNAKAR MANIKRAO GUTTE: MANAGING DIRECTOR:

Mr. Ratnakar Manikrao Gutte, 47 years, brings in 29 years of rich experience in Project execution i.e. Fabrication, Erection, Testing & commissioning of Power Plants. He started his career in the Power Sector, working as a helper to a contractor engaged in rendering contractorship services to State Electricity Board, he rose to the present rank by virtue of his sheer hard work and great clairvoyance. Being a first generation starter, with his working knowledge of engineering, finance, banking, taxation, general management and commercial matters, he credited the company with the necessary direction towards its growth and vision. He has skilfully nurtured the company since its inception and has established it as one of the leading companies specialized to undertake thermal power plants work. His key strength is delivering qualitative and timely services. His forte is strong liasoning in the industry. Recently, he was honoured with National Awards “Life Time Udyog Achievement Award 2004” and “Great Achiever in Industrial Excellence Award 2004” by EGSI and IOCI respectively.

➤ **MRS. SUDHAMATI RATNAKAR GUTTE: WHOLE-TIME DIRECTOR:**

Mrs. Sudhamati Ratnakar Gutte, 42 years, has more than 12 years of working experience looking after the overall management and administration of the company since its incorporation. 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 team building, motivation and managing administration and back office functions. She is equally responsible for nurturing the organization to its present rank and file.

➤ **MR. SUNIL RATNAKAR GUTTE: WHOLE-TIME DIRECTOR:**

Sunil Gutte, 23 years, has completed his Engineering with majors in Mechanical from Pune, Maharashtra and joined the company as a Management Trainee. To hone his skills he had taken up a rigorous training in BHEL's Welding Research Institute in Tiruchirapalli on Welding Technology. He had also done an intensive training program in Finance and Taxation to have a broader perspective towards the functioning of the company. By virtue of his strong inter-personal relation and strong ability to motivate members of the board on the one hand and the work force on the other hand has helped to synergise human resource asset in the company and has permeated zeal and creativity. By his sheer performance in the company he was been elevated to the post of General Manager, and in the month of June 2005 he was promoted as the Executive Director reporting to the Board of Directors of the company. He brought in a wave of infrastructural changes with technological advancements bracing the company future. He has pioneered in bringing in the necessary change in the management structure, reporting standards, structured decision-making and HR policy.

➤ **MR. MATTATHIL NARAYANAN MOHANAN: WHOLE-TIME DIRECTOR:**

Mr.M.N. Mohanan, 47 years, has 27 years of rich experience and is the execution man in the company. A Mechanical Diploma dropout has wide experience in the Power Sector projects. He has been working with the Company more than a decade, having inbuilt capabilities to handle quantum of large volume projects at a time. He is having 27 years of core experience in the field of fabrication and erection of Heavy Steel Structures, Erection of Boilers & Auxiliaries, Erection of Electrostatic Precipitators, equipments, Power cycle Piping, LP Piping etc. 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. S.K. KODANDARAMAIAH : WHOLE TIME DIRECTOR:**

Mr.S.K. Kodandaramaiah, 55 years, is a post graduate in Mechanical Engineering and has more than 30 years of experience in power sector. He has worked for 21 years in Bharat Heavy Electricals Ltd (BHEL) and also worked for 5 years as Executive Director (Commercial) in General Electric Power Services Ltd, (GE) Delhi. He also worked as Advisor for one year to Dhamwari Sunda Hydro Electric Co in the development of 70mw Hydro Power Project in Himachal Pradesh. He has to his credit a training program at Oslo University, Norway in "Energy Planning and Environment". He was part of marketing team for export marketing and helped BHEL Western Region to implement 120mw turnkey export job in Malaysia. He was involved in the execution of installing power plants of more than 4000MW capacity and wide exposure in BHEL working in various areas of Project Management, Construction Management, Commercial, Contracting, and Overseas Marketing etc.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr.Tarun Kumar Singh

Company Secretary & Compliance Officer,
Sunil Hitech Engineers Limited,
97, East High Court Road,
Ramdaspath, Nagpur -: 440 010. Maharashtra.
Fax No : +91-712-2562091
Tel No : +91-712-2562087
E-mail: tarunkumarsingh@sunilhitech.com

Investors can contact the Compliance Officer in case of any pre- Issue or post- Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

LEGAL ADVISORS TO THE ISSUE

Mrs. Sharda Wandile, M. A. (ENG), LLM
Plot 82, Arambha Apartment,
S.E.Railway Colony, Pratap Nagar, Nagpur.
Tel: +91-712-222 7096
E-mail: shardaw@sify.com
Contact person: Mrs. Sharda Wandile

Sunil Hitech Engineers Limited

BANKERS TO THE COMPANY

UCO BANK

Mount Road Extension, Sadar Branch, Nagpur.
Tel: +91-712-2534886 Fax: +91-712-2534886
Email ID: ro.nagpur@ucobank.co.in
Website: www.ucobank.com
Contact Person: Mr A. Despande

ICICI BANK LTD.

222, Palm Road, Civil Lines, Nagpur.
Tel: +91-712-3093852 Fax: +91-712-2535318
Email ID: info@icicibank.com
Contact Person: Mr. Siddharth

HDFC BANK LTD.

204, "Bhagyashree", 1st Floor,
Cement Road, Shankar Nagar Square,
Dharampeth Extension, Nagpur - 440010
Tel: +91-712-2551741 Fax: +91-712-2551745
Email ID: info@hdfcbank.com
Contact Person: Mr Sudhir Sarkar

LEAD MANAGER

CENTRUM CAPITAL LIMITED

SEBI Regn No. INM000010445
UIN No. 100016915
Khetan Bhavan, 5th Floor,
198, J Tata Road, Churchgate,
Mumbai: 400 020.
Tel: +91-22- 2202 3838 Fax: +91-22- 2204 6096
Email: sunilhitech@centrum.co.in
Website: www.centrum.co.in
Contact Person: Mr. Mayank Dalal

REGISTRAR TO THE ISSUE

BIGSHARE SERVICES PRIVATE LIMITED,

SEBI Regn No. INR 000001385
UIN No100003467
E/2, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (W), Mumbai
Tel: +91 - 22-2847-0652 Fax: +91 -22-2847-5207
Website: www.bigshareonline.com
Email: ipo@bigshareonline.com
Contact Person: Mr. N.V.K. Mohan

BANKERS TO THE ISSUE:

Deutsche Bank AG
SEBI Regn No. INBI000000003
Kodak House,
222, Dr. D. N. Road, Fort,
Mumbai - 400 001.
Tel.: +91-22-5658 4000, +91-22-5658 4045
Fax: +91-22-2207 6553
Website: www.db.com
E-mail: shyamal.malhotra@db.com
Contact person: Mr. Shyamal Malhotra

ICICI Bank Limited
SEBI Regn. No.: INBI 00000004
Capital Markets Division,
30, Mumbai Samachar Marg,
Fort, Mumbai - 400 001.
Tel.: +91-22- 2265 5285
Fax: +91-22-2261 1138
Website:www.icicibank.com
E-mail: sidhartha.routray@icicibank.com
Contact person: Mr. Sidhartha Routray

BROKERS TO THE ISSUE:

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

AUDITORS:**M/S. VIVEK. G. RANDAD & CO.,**

Chartered Accountants,
'Suyog' Teacher's Colony,
Post Ambajogai – 431517.
Dist: Beed, Maharashtra, India.
Fax: +91-0240-2470145
Tel: +91-0240- 5602060
Email: vivekrandad@yahoo.co.in

CREDIT RATING:

As this is an Issue of Equity Shares, there is no requirement of credit rating for this Issue.

TRUSTEES:

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

MONITORING AGENCY:

UCO Bank has been appointed as a Monitoring Agency which will monitor the deployment of funds raised through this Prospectus.

UNDERWRITING:

Underwriting being optional, the Company does not propose to underwrite the issue.

INTER ALLOCATION OF RESPONSIBILITIES:

Centrum Capital Limited is the sole Lead Manager to the Issue.

INITIAL PUBLIC ISSUE OF SUNIL HITECH ENGINEERS LIMITED:

Public issue of 34,75,000 Equity shares of Rs 10/- each issued for cash at a premium of Rs. 90/- per share aggregating Rs. 34,75,00,000.

Sunil Hitech Engineers Limited

3. CAPITAL STRUCTURE OF THE COMPANY

The Capital Structure of the Company as on November 30, 2005 is as follows:

(All figures in Rs.)

	NUMBER OF SHARES	NOMINAL VALUE	AGGREGATE VALUE
A.	AUTHORISED CAPITAL: 1,20,00,000 Equity Shares of Rs. 10/- each	12,00,00,000	
B.	ISSUED, SUBSCRIBED AND PAID UP CAPITAL: 65,50,000 Equity Shares of Rs. 10/- each fully paid up.	6,55,00,000	
C.	PRESENT OFFER TO THE PUBLIC IN TERMS OF THIS PROSPECTUS 34,75,000 Equity Shares of Rs. 10/- each at a Premium of Rs.90./- per share (i.e. at a price of Rs100. per share)	3,47,50,000	34,75,00,000
	OUT OF WHICH: Firm Allotment of 10,000 Equity shares of Rs. 10 /- each at a Premium of Rs.90./- per share (i.e. at a price of Rs100/- per share) to the Lead Manager to the Issue.	1,00,000	10,00,000
D.	NET OFFER TO PUBLIC IN PUBLIC ISSUE: 34,65,000 Equity Shares of Rs. 10/- each at a Premium of Rs.90./- per share (i.e. at a price of Rs100. per share).	3,46,50,000	34,65,00,000
E.	SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE: 1,00,25,000 Equity Shares of Rs. 10/- each fully paid up.	10,02,50,000	
F.	SHARE PREMIUM AMOUNT: - Before the Issue - After the Issue	1,47,50,000 32,75,00,000	

Notes Forming Part of the Capital Structure

- As per SEBI Guidelines, a minimum of 50% of the Issue to the public is reserved for allotment to individual investors applying for equity shares of or for a value of not more than Rs.1, 00,000/-. The remaining 50% of the offer to the public is reserved to individuals applying for equity shares of or for a value more than Rs.1, 00,000/- and corporate bodies/institutions etc.; unsubscribed portion in either of these categories shall be added to the other category interchangeably.
- In the event of over-subscription, Allotment will be made on proportionate basis (subject to minimum allotment being equal to the minimum application size) as detailed under 'Basis of Allotment'.
- An over-subscription to the extent of 10% of the Issue size can be retained for the purpose of rounding off to the nearer multiple of while finalising the allotment.
- The Company/Promoters/Directors/Lead Managers have not entered into buyback/standby or similar arrangements for purchase of securities offered by the Company.
- No single applicant can make an application for number of securities that exceeds the net issue to the public
- Details of increase in Authorised Share Capital:

Sr. No.	Particulars of the Increase	AGM/ EGM	Date of Meeting
1.	Rs 10,00,000/-	Since Incorporation	-----
2.	From Rs.10,00,000/- To Rs. 50,00,000/-	EGM	12.10.1999
3.	From Rs. 50, 00,000 To Rs 75,00,000	EGM	01.12.1999
4.	From Rs. 75, 00,000 To Rs1,25,00,000	EGM	21.03.2001
5.	From Rs. 1, 25,00,000 To Rs1,75,00,000	EGM	27.03.2003
6.	From Rs. 1, 75,00,000 To Rs 5,00,00,000	EGM	03.01.2005
7.	From Rs. 5,00,00,000 To Rs 7,00,00,000	EGM	01.03.2005
8.	From Rs. 7,00,00,000 To Rs 12,00,00,000	EGM	27.08.2005

Sunil Hitech Engineers Limited

* The Company was incorporated with an Authorised capital of Rs. 10,00,000/- comprising of 10,000 equity shares of Rs. 100/- each. The Authorised capital was reorganised as Rs. 10,00,000/- comprising of 100,000 equity shares of Rs 10/- each vide resolution passed in extra ordinary General meeting held on 04th March, 1999.

7. **CAPITAL BUILDING:** The existing Share Capital of the Company has been subscribed and allotted as under.

Date of allotment/ fully Paid Up	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Value (Rs.)	Cumulative Paid-up Capital (Rs.)	Consideration (Cash, Bonus, kind etc.)	Remarks
29.05.1998*	200	100	100	20,000	20,000	Cash	–
01.04.1999	98,000	10	10	9,80,000	10,00,000	Takeover of Proprietorship firm named Sunil Engineering Works	–
13.10.1999	4,00,000	10	10	40,00,000	50,00,000	Cash	–
01.12.1999	2,50,000	10	10	25,00,000	75,00,000	Cash	–
28.09.2001	5,00,000	10	10	50,00,000	125,00,000	Cash	–
31.03.2003	5,00,000	10	10	50,00,000	175,00,000	Cash	–
20.01.2005	5,75,000	10	40	2,30,00,000	2,32,50,000	Further allotment of shares---	–
25.02.2005	5,000	10	40	2,00,000	2,33,00,000	Further allotment of shares	–
02.03.2005	1,70,000	10	40	68,00,000	2,50,00,000	Further allotment of shares	–
22.03.2005	37,50,000	10	Nil	NIL	6,25,00,000	Bonus issue 3:2	–
30.03.2005	2,75,000	10	50	1,65,00,000	6,52,50,000	Further allotment of shares	–
01.09.2005.	11,500	10	50	5,75,000	6,53,65,000	Further allotment of shares	–
09.09.05	13,500	10	50	6,75,000	6,55,00,000	Further allotment of shares.	–
Total	65,50,000						

*There was Sub-division of Authorised and paid-up Share Capital of the Company from face value of Rs. 100/- each to face value of Rs. 10/- each vide resolution passed at EGM dated 04/03/1999.

8. Shares Issued for Consideration other than Cash

- a) The Company has issued 98,000 Equity shares of Rs, 10/- each to Mr. Ratnakar M. Gutte and Mrs. Sudhamati R Gutte, i.e. 49000 equity shares each ,against the consideration of take over of sole proprietor firm named Sunil Engineering Works
- b) The Company has made a bonus issue of equity shares in the ratio of 3 Equity shares for every 2 Equity shares to the equity shareholders holding equity shares as on the record date i.e. 22nd March 2005. The Bonus shares were issued through Capitalisation of profits transferred from General Reserve & Securities Premium Account. The allotment of these Equity shares was made on 22nd March, 2005.

9. As on the date of filing of this prospectus with SEBI, the issued capital of the Company is fully paid-up.

Sunil Hitech Engineers Limited

10. PROMOTERS CONTRIBUTION AND LOCK IN REQUIREMENTS

The following equity shares shall be locked in for a period of three years as a part of promoter's contribution

Name of Promoter	Date on which Equity shares were allotted and made fully paid up	No. of Equity Shares	Face Value (Rs.)	Nature of Payment of Consideration	% of Paid up Capital Pre Issue	% of Paid up Capital Post Issue
Mr. Ratnakar M. Gutte	22.03.2005	6,68,334	10	Bonus	10.20	6.67
Mrs. Sudhamati Ratnakar Gutte	22.03.2005	6,68,333	10	Bonus	10.20	6.66
Mr. Sunil Ratnakar. Gutte	22.03.2005	6,68,333	10	Bonus	10.20	6.67
	Total	20,05,000				20.00

11. Promoter's Share holding

Name of Promoter	Date on which Equity shares were allotted and made fully paid up	No. of Equity Shares	Face Value (Rs.)	Issue Price	Nature of Payment of Consideration	Percentage of Paid up Capital Pre- Issue	Percentage of Paid up Capital Post-issue	Lock in Period (in Years)
Mr. Ratnakar M. Gutte	29 th may -98	1,000	10	10	Cash	33.62%	21.97%	6,68,334 shares shall be locked for 3 years, balance for 1 yr.
	1 st April-99	49,000	10	10	Consideration other than cash			
	13 th Oct- 99	4,00,000	10	10	Cash			
	28 th Sept-01	2,00,000	10	10	Cash			
	31 st Mar-03	2,31,000	10	10	Cash			
	22 nd Mar-05	13,21,500	10	Bonus	Bonus			
	Total	22,02,500						
Mrs. Sudhamati R. Gutte	29 th may-98	1,000	10	10	Cash	30.05%	19.64%	6,68,334 shares shall be locked for 3 years, balance for 1 yr.
	1 st Apr-99	49,000	10	10	Consideration other than Cash			
	1 st Dec.-99	2,50,000	10	10	Cash			
	28 th Sept-01	1,50,000	10	10	Cash			
	20 th Jan-05	1,75,000	10	40	Cash			
	2 nd -Mar-05	62,500	10	40	Cash			
	7 th -Mar-05	1,00,000	10	10	Cash			
	22 nd -Mar-05	11,81,250	10	Bonus-	Bonus			
Total	19,68,750							
Mr. Sunil R. Gutte	28 th Sep-01	1,49,997*	10	10	Cash	25.62%	16.75%	6,68,334 shares shall be locked for 3 years, balance for 1 yr.
	31 st Mar-03	39,000	10	10	Cash			
	20 th Jan-05	3,75,000	10	40	Cash			
	2 nd Mar-05	1,07,499	10	40	Cash			
	22 nd Mar-05	10,07,244	10	—	Bonus			
Total	16,78,740							

* 1,50,000 Equity shares were allotted on September 28, 2001 to Mr. Sunil Gutte. Out of this, three equity shares were transferred during year 2001-2002. As a result, net equity shares held is 1,49,997.

Note: There was Subdivision of Shares From Rs. 100/- each to Rs. 10/- each vide resolution passed at EGM dated 04/03/1999. On 29.05.98, Mr. Ratnakar M Gutte and Mrs. Sudhamati R Gutte were allotted 100 equity shares of Rs. 100 each and as a result of subdivision of shares, their respective shareholding increased to 1000 shares each.

- ❖ The Promoters Mr. Ratnakar Gutte, Mrs. Sudhamatti R. Gutte and Mr. Sunil R. Gutte have given their approval for lock-in of their shareholding as specified above vide their letters dated 10/10/2005. The entire Pre-capital, other than that lock-in as minimum promoters' contribution shall be locked in for a period of one year from the date of allotment.
- ❖ The equity shares held by persons other than Promoters prior to public issue which are locked in may be transferred to any other person holding shares which are locked in subject to the continuation of lock in with transferees for the remaining period and in compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
- ❖ The equity shares held by the promoters under lock in period shall not be sold/ hypothecated/transferred during the lock in period. However, the equity shares held by promoters, which are locked in, may be transferred to/ and among promoter/promoter group or to a new promoter or persons in control of the Company, subject to the continuation of lock in with the transferees for the remaining period and in compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. The Promoters may pledge their Equity Shares with banks or financial institutions, as collateral security for loans whenever availed by them from banks or financial institutions provided pledge of shares is one of the terms of sanction of loan.
- ❖ Specific written consents have been obtained from Promoter(s)/ Promoter Group for inclusion of their securities as part of Promoter/Promoter Group subject to lock-in.
- ❖ The Securities forming part of Promoters contributions that are issued last have been locked in first.
- ❖ The Securities which are subject to lock in carry the inscription "non transferable"

The Promoter's Contribution has been brought in is not less than the specified minimum lot of Rs 25,000/-per application form from each individual promoter.

Out of the total issue of 34,75,000 Equity Shares of Rs.10/- each, 10,000 Equity shares of Rs. 10/- each will be allotted to the Lead Manager to the Issue viz. Centrum Capital Limited.No further application for subscription to the public from such person will be entertained. The lead manager to whom firm allotment is proposed to be made if withdraws partially or fully from the offer made to him after filing prospectus with the ROC, the extent of shares proposed to be allotted shall be taken up by the promoters and the subscription amount shall be brought in atleast one day prior to issue opening date. Securities issued on firm allotment basis shall be locked in for a period of one year from the date of commencement of commercial production or the date of allotment in the public issue , whichever is later. In the event that the promoters have to take/ acquire the shares as above, such shares will be locked-in for a period of 3 years

No payment direct or indirect in nature of discount, commision allowance or otherwise shall be made either by the issuer company or the promoters in any public issue to the persons who received firm allotment in such public issue.

12. Equity Shares held by Top Ten Shareholders

(A) Top Ten* Shareholders as on two years prior to the date of filing of Prospectus with the ROC:

Sr. No.	Name	No of Shares	Percentage holding
1.	Mr. Ratnakar M. Gute	881000	50.34
2.	Mrs. Sudhamati R.Gutte	4,50,000	25.71
3.	Mr. Sunil R Gutte	1,88,997	10.79
4.	Mr. Vijay R. Gutte	1,30,000	7.42
5.	Mr. K. N. Bhandari	1,00,001	5.71
6.	Mr. N. T. Vadalkar	1	—
7.	Mr. M. N. Kundu	1	—
	Total	17,50,000	100

*Two years prior to the date of filing the Prospectus with the RoC, the Company had only 7 Shareholders.

Sunil Hitech Engineers Limited

(B) Top-Ten shareholders 10 days prior to the date of filing the Prospectus with ROC

Sr. No.	Name	No. Of shares	Percentage holding
1	Mr. Ratnakar M. Gutte	22,02,500	33.62
2	Mrs. Sudhamati R. Gutte	19,68,750	30.05
3	Mr. Sunil R. Gutte	16,78,740	25.62
4	Mr. Vijay R. Gutte	4,00,000	6.10
5.	Mr. Rajabhau Shriram Phad	46,668	0.71
6	Mr. K. B. Anil	33,333	0.50
7	Mr. E. Saudhan Singh	33,333	0.50
8	Mr. Mohan	25,000	0.38
9	Mr. Sanyasi Rahul	20,000	0.30
10	Mr. Sisha Singh	16,667	0.25
	Total	64,24,991	98.03

(C) Top ten shareholders as on the date of filing of prospectus with the ROC:

Sr. No.	Name	No. Of shares	Percentage holding
1	Mr. Ratnakar M. Gutte	22,02,500	33.62
2	Mrs. Sudhamati R. Gutte	19,68,750	30.05
3	Mr., Sunil R. Gutte	16,78,740	25.62
4	Mr.Vijay R. Gutte	4,00,000	6.1
5	Mr., Rajabhau Shriram Phad	46,668	0.71
6	Mr. K. B. Anil	33,333	0.50
7	Mr. Saudhan Singh	33,333	0.50
8	Mr. Mohan	25,000	0.38
9	Mr. Sanyasi Rahul	20,000	0.30
10	Mr. Sisha Singh	16,667	0.25
	Total	64,24,991	98.03

13. Details of the shareholding of the Promoter, relatives of the promoter, Promoter Group, Directors of the Promoter Group in the company as on November 30, 2005:

Shareholding Pattern - Pre and Post Offer

Sr. No.	Category	Pre-issue as on 30.11.2005		Post-issue	
		No. of Shares	% of holding	No. of Shares	% of holding
A.	Promoter's Holding:				
1	Promoters				
	- Indian Promoters	58,49,990	89.31	58,49,990	58.35
	- Foreign Promoters	NIL	NIL	NIL	NIL
2	Persons acting in concert (Friends and Associates)	2,80,500	4.29	2,80,500	2.80
	Sub-Total	61,30,490	93.60	61,30,490	61.15
B.	Non-Promoter holding:	-	-	-	-
1.	Institutional Investors	NIL	NIL	NIL	NIL
	a. - Mutual Funds and UTI	NIL	NIL	NIL	NIL
	b. - BFSI (Central/ State Govt. Institutions/ NGO)	NIL	NIL	NIL	NIL
	c. - FIIs				

Sunil Hitech Engineers Limited

Sr. No.	Category	Pre-Issue as on 30.11.2005		Post-Issue	
		No. of Shares	% of holding	No. of Shares	% of holding
	2. Employees*	4,19,510	6.40	4,19,510	4.19
3.	Others				
	a. - Private Corporate Bodies				
	b. - Indian Public	NIL	NIL	34,75,000	34.67
	c. - NRIs / OCBs	NIL	NIL	NIL	NIL
	d. - Others	NIL	NIL	NIL	NIL
	Sub-Total	4,19,510	6.40	38,94,510	38.85
	GRAND TOTAL	65,50,000	100%	1,00,25,000	100%

* 4,19,510 Equity Shares held by the employees include 4,00,000 Equity Shares held by Mr. Vijay R. Gutte and 6,000 Equity Shares held by Ms. Swati R. Gutte. Apart from being the employees of the Company, they are also the relatives of the promoters.

14. The promoters/Promoter Group and Directors have not purchased or sold any securities during the period of six months preceding the date on filing the Prospectus with ROC. However there have been fresh allotment to the promoter and promoter group and director as follows:

Date of allotment	Name of Allotee	No of shares	Issue Price	Category
01.09.2005	Ms Swati R Gutte	6000	50	Employee and relative of the promoters
09.09.2005	Mr M.N Mohanan	1000	50	Director and Employee of the Company
09.09.2005	Mr S.K Kodandaramaiah	1000	50	Director and Employee of the Company
	Total	8000		

15. As on the date of filing of Prospectus, the Shareholders of the Company do not hold any warrant, options, convertible loan or any debenture, which would entitle them to acquire further shares of the Company.
16. The Company has not issued any shares out of revaluation reserves. or for consideration other than cash, except 98000 Equity shares of Rs 10 each to the Promoters against takeover of Proprietorship Firm named Sunil Engineers Works which were made out of free reserves and 37,50,000 bonus issue as equity shares in the ratio of 3 Equity shares for every 2 Equity shares held as on the record date i.e. 22nd March, 2005. which were made out of free Reserves.
17. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Prospectus with SEBI until the Equity Shares offered through this Prospectus have been listed.
18. There shall be only one denomination of the Equity Shares of the Company, unless otherwise permitted by law. The Company shall comply with disclosure and accounting norms as may be specified by the SEBI from time to time.
19. The Company has 71 shareholder members as on the date of filing the Prospectus with ROC.
20. Further, presently the Company does not have any proposal, intention, negotiation or consideration to alter the capital structure by way of split/ consolidation of the denomination of the shares/ issue of shares on a preferential basis or issue of bonus or rights or public issue of Equity Shares or any other securities within a period of six months from the date of opening of the present Issue. However, if business needs of the Company so require, the Company may alter the capital structure by way of split/ consolidation of the denomination of the shares/ issue of shares on a preferential basis or issue of bonus or rights or public issue of shares or any other securities during the period of six months from the date of listing of the Equity Shares offered under this Prospectus from the date the application moneys are refunded on account of failure of the Offer, after seeking and obtaining all the approvals which may be required for such alteration. Also, if the Company goes in for Acquisition and Joint Ventures, the Company might consider raising additional capital to fund such activity or use shares as currency for acquisition and/or participation in such Joint Ventures.
21. The Company has not availed of any bridge loans against the proceeds of the Issue.
22. No shares have been allotted through a public issue in the last two years nor has the Company bought back its equity shares in the last six months.
23. Securities issued on firm allotment basis shall be locked –in for a period of one year from the date of allotment.
24. Issue opens on Monday, January 30, 2006 and closes on Friday, February 3, 2006.

Sunil Hitech Engineers Limited

4. OBJECTS OF THE ISSUE:

The Company proposes the present Issue to:

1. To meet the Incremental Long Term working capital requirement.
2. To acquire capital assets for carrying on the existing business
3. To partly repay the existing term loan
4. To meet the expenses of the issue
5. To list the equity shares of the company to be issued through the prospectus on BSE & NSE

The main object clause and object incidental or ancillary to the main object of Memorandum of Association of the company enables the company to undertake the existing activities and the activities for which the funds are being raised through present issue, the company further confirm that the activities of the company carried out until now are in accordance with the object of the Memorandum of Association.

1. Cost of the project & Means of Finance:

Sunil Hi-tech Engineers Ltd has estimated funds requirements as under:

Sr No	Description	Amount (Rs in Lacs)
1.	Long Term incremental Working Capital	4455.21
2.	Acquisition of Fixed Assets	926.33
3.	Foreclosure of Term Debt	284.13
4.	Public Issue Expenses	187.50
	TOTAL	5853.17

Funding Plans (Means of Finance):

The funding plan proposed by the Company is as under:

Sr. No.	PARTICULARS	AMOUNT (Rs.in lakhs)
1	Net proceeds from Public Issue	3475.00
2.	Internal Accruals	558.86
3	Shares issued to employees and associates	12.50
4.	Borrowings from Banks	
	- Term Loan	806.81
	- Working Capital	1000.00
	Total	5853.17

Notes:

- 1) The Company has received sanction for term loan from the following Banks to part finance the Expansion Projects, details of the same are as mentioned below.

A) TERM LOAN FROM HDFC BANK:

HDFC Bank vide letter 1748465 Dt. 16.09.2005 & Dt 20.09.2005, No. Nil Dt. 30.09.2005 had given sanction to part finance the expansion project.

DETAILS REGARDING TERM LOAN FROM HDFC BANK

Name of the Borrower	Sunil Hitech Engineers Limited
Amount of loan	78.64 Lacs
Currency	INR
Purpose	Finance to Machinery
Rate of interest	8.25% to 9.5%
Avalaibility period	12 - 35 Months
Repayment	Rs. 10.87 Lacs p.m.

Sunil Hitech Engineers Limited

Name of the Borrower	Sunil Hitech Engineers Limited
Processing Fees	Nil
Documentation fees	Nil
Service Fees	Nil
Primary Security	Nil
Collateral Security	Hypothecation on Machinery
Additional interest by way of liquidated damages (in case of default)	NA
Pre disbursement condition	NA
Other Conditions	NA
Interim disbursement	NA

AS ON 30.11.2005, THE TOTAL LOAN AVAILED FROM HDFC BANK IS RS 78.64 LACS

(B) TERM LOAN FROM ICICI BANK

ICICI Bank Ltd. vide letter 3394749 Dt. 07.03.2005, 3511448 Dt. 07.04.2005, 3707333 Dt. 07.05.2005, 3928079 Dt. 01.06.2005, 4046326 Dt. 01.08.2005, 4203900 Dt. 07.08.2005, 4413124 Dt. 22.09.2005, 4413165 Dt. 22.09.2005, 4413173 Dt. 22.09.2005, 4548708, No.4599076 Dt. 20.09.2005, 4685394 Dt. 17.01.05, 4784658 Dt. 22.11.05, 4768099 Dt.22.11.05 and 4748927 Dt.22.11.05 has sanctioned term loan to part finance the expansion project.

DETAILS REGARDING TERM LOAN FROM ICICI BANK

Name of the Borrower	Sunil Hi-tech Engineers Limited
Amount of loan	117.75 Lacs
Currency	INR
Purpose	Finance to Machinery & Vehicles
Rate of interest	4% to 9.5%
Availability period	35 Months – 36 Months
Repayment	Rs. 8.68 Lacs p.m.
Processing Fees	Nil
Documentation fees	Nil
Service Fees	Nil
Primary Security	Nil
Collateral Security	Hypothecation on Machinery & Vehicles
Additional interest by way of liquidated damages (in case of default)	NA
Pre disbursement condition	NA
Other Conditions	NA
Interim disbursement	NA

AS ON 30.11.2005 THE TOTAL LOAN AVAILED FROM ICICI BANK IS RS. 177.75 LACS.

(C) TERM LOAN UCO BANK

UCO Bank Ltd. Bank vide letter MIS/27/05-06 Dt.08.06.2005.have sanctioned term loan to part finance the expansion project.

DETAILS REGARDING TERM LOAN FROM UCO BANK

Name of the Borrower	Sunil Hi-tech Engineers Limited
Amount of loan	630 Lacs
Currency	INR
Purpose	Housing Loan & Term Loan of Machinery
Rate of interest	7.5 %, 7.75% & 11 %
Availability period	60 Months
Repayment	Rs. 15.47 Lacs p.m. + Interest Charged on Monthly Basis

Sunil Hitech Engineers Limited

Name of the Borrower	Sunil Hi-tech Engineers Limited
Processing Fees	2 Lacs
Documentation fees	Nil
Service Fees	Nil
Primary Security	Charges on Fixed Assets
Collateral Security	Hypothecation on Building & Machineries
Additional interest by way of liquidated damages (in case of default)	NA
Pre disbursement condition	NA
Other Conditions	NA
Interim disbursement	NA

AS ON 30.11.2005 THE TERM LOAN AVAILED IS RS. 527.11 LACS

Thus the Company has made firm arrangement through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through public issue

The substantial amount of funds requirements is proposed to be funded through public issue. In case of any shortfall in meeting the project cost, the same shall be met through further internal accruals. Excess money, if any will be utilised for general corporate purpose including but not restricted to repayment of loan.

No parts of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group Companies

(I) INCREMENTAL LONG TERM WORKING CAPITAL REQUIRMENT: (4455.21 LACS)

The order book position as on November 30, 2005 is Rs. 28552.64 lacs. With the large value addition to the contracts on hand and SHELs plan to grow further, the Company has estimated its Long Term incremental Working Capital requirement, as under, which has not been assessed by any bank or financial institution:

The Company already has the sanctioned Cash Credit limits of Rs. 900 Lacs & Rs. 100 lacs Letter of credit both inter changeable with each other aggregating to Rs. 1000 lacs from the banks.

The Working Capital to be funded out of the proposed issue has been computed as below.

Working capital	Product name	Period	Amount (Rs. In Lacs)	Base
CURRENT ASSETS:				
Raw material	Steel, Gratings, Scaffolding, Bolts	2 Months	1086.76	Cost of raw material consumed
Stores	Electrodes, Gases, Paints,	Months		Cost of stores consumed
WIP	Semi Fabricated / Constructed Structures	0.10 Months (3 Days)	185.26	Cost of production
Finished Goods	Fabricated / Constructed Structures	Months		Cost of sales
Other Current Assets	–	–	2455.46	–
Debtors	–	64 Days	3539.00	Gross sales
Total Current Assets (A)			7,266.48	
CURRENT LIABILITIES:				
Creditors for RM	–	30 Days	363.26	Cost of raw material consumed
Creditors for Petty Contractors	–	60 Days	958.53	Cost of raw material consumed
Creditors for others	–	30 Days	209.49	Cost of Purchases
Other Current Liabilities	–	–	1279.99	–
Total Current Liabilities (B)			2,811.27	
Working Capital (A) – (B)			4,455.21	

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The working capital requirement is estimated at Rs. 4,455.21 Lakhs. The assessment of working capital has been made on the basis of Fiscal 2007 and it is required till September 30, 2006. The quarter-wise amount deployed and amount estimated/projected to be deployed of the assessed working capital is as follows:

(Figures in Rs. Lacs)

Particulars	Upto November 30, 2005	December 1 to December 31, 2005	January 1, 2006 to March 31, 2006	April 1, 2006 to June 30, 2006	July 1, 2006 to September 30, 2006	Total
Long Term Working Capital	1580.62	125.64	1200.00	1150.00	398.95	4455.21

II - ACQUISITION OF FIXED ASSETS (926.33 LACS)

The company is into the business of Fabrication, Erection & Commissioning of Bunkers, ESPs, Boilers; TG sets in the Power Plants. The company requires heavy equipments like Heavy crawler cranes and mobile cranes like Hydra Cranes, plant and machinery and other heavy equipments for execution of the contracts. It is presently carrying out its activities at around 20 sites, spread across the length and breadth of the country where these capital equipments are being mobilized and managed. The growing needs of capital equipments necessitates taking them up on lease basis with high lease rentals. Acquisitions of these capital goods would help in substantial cost reduction in terms of lease rentals, improving the bottom-line further.

The Company has estimated the requirement of Capital Assets aggregating Rs. 926.33 Lacs. The Company has already acquired and taken possession of Capital Assets aggregating Rs. 556.64 Lacs till November 30, 2005. Further, the Company has received quotations for the balance requirement of Capital Assets aggregating Rs 369.69 lacs (including Escalation & Contingencies), the orders for which will be placed only after availability of Public Issue proceeds for utilization. The Capital Assets proposed to be acquired are ready to use and can be put in operation at any of the working sites after the procurement. Further, the expected date of supply of these Capital Assets is within four months from the date of placement of orders.

BREAK UP OF FIXED ASSETS IS AS FOLLOWS

Sr No	Details	Total Cost (Rs in lacs)
1	Office Residential Bldg	107.93
2	Land	44.23
3	Machinery	552.78
4	Vehicles and heavy equipment	189.06
5	Office Equipments	10.53
6	Furniture / Fixture	11.60
7	Computer Printer	10.20
	Total	926.33

Quarter wise details of Fixed Assets already purchased

(Rs. in lacs)

Sr.No.	Particulars	Qty Nos.	Jan 1, 2005 to March 31, 2005	April 1, 2005 to September 30, 2005	October 1, 2005 to November 30, 2005	Total Amount
1.	Office Residential Bldg	2	32.23	75.70	0	107.93
2.	Land	2	0	44.23	0	44.23
3.	Plant & Machinery	Lots	44.27	126.80	12.02	183.09
4.	Vehicles and heavy equipments	Lots	38.83	150.23	0	189.06
5.	Office Equipments	Lots	8.89	1.64	0	10.53
6.	Furniture / Fixture	Lots	10.34	1.26	0	11.60
7.	Computer Printer	21	5.58	4.62	0	10.20
	Total		140.14	404.48	12.02	556.64

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DETAILS OF OFFICE BUILDING ALREADY PURCHASED (107.93 lacs)

The Office Building is situated at Swami Plaza, 97, at High Cout Road, Ramdaspath, Nagpur – 440 010

Date of Agreement	24.09.2004
Plot Area	921.96 Sq Mtrs
Permissible built up area	722.62 Sq Mtrs
Total Proposed built up Area	722.62 Sq Mtrs
Cost on Interior & Decoration(Rs. in Lacs)	44.93

Note: In the year 2005, Rs 44.93 Lacs spend on Office Building for interior and automation.

Certificate dated 24th October 2005, issued by M.B.Malewar Designs Pvt. Ltd., Nagpur, Architects, Planners and Interior Designers, certify that cost of Rs. 44,93, 000/- (Rupees Forty Four lakhs ninty three thousands only) incurred for the interior work of Company's Office at Nagpur.

The Flat is situated at Abdul Court Co-operative Housing society Limited, Plot No. 1161, Suryawanshi Kshatriya Sabhagraha Marg, Veer Savarkar Marg, Dadar (West), Mumbai – 400 028.

Date of Agreement	31.05.2005
Plot Area	N.A.
Permissible built up area	N.A.
Carpet Area	800 Sq. Ft.
Total Proposed built up Area	658 Sq. Ft.
Cost (Rs in lacs)	63.00

DETAILS OF LAND ALREADY PURCHASED (Rs. 44.23 Lacs)

The land is an agricultural land and is situated at Mouza Bhokara, Nagpur

Cost	36.75 lacs
Plot Area	2.5 Acre
Date of Agreement	27th April, 2005

The Company has purchased another plot (Area 2.5 acres) vide agreement date 27th April 2005, adjacent to the above mentioned Land situated at khasra no.110 of mouza, Bhokara, P.H. No 12-A, of 3.31 Hectres Nagpur and as on 25.09.2005 the expenses incurred by the company towards the plot is Rs 4.8 lacs towards stamp duty and Rs 2.68 lacs towards registration charges. The said land was co-owned by Mr. Ashok J. Job, Mr. Kishor J. Job, Dr. (Mrs.) Rekha H. Strom and Ms. Sheela J. Job. The land acquired is free from all encumbrances and has a clear title.

MACHINERY (Rs. 552.78 lacs)

Details of Machinery already purchased and in possession of the Company:

S.No.	Equipment Name	Bill No.	Date	Qty.	Name Of The Supplier	Amt. (Rs. in Lacs)
1	Boom for Crawler Crane	18	28.02.05	1	Omax Industries	5.89
2	Chainpully & Block	1753,63,30,2446, 1724,1716,1725, 1430,1770,924, 1726,4895,2903	29.01.05 to 27.08.05	169	Heptoola & Sons, Indian Engineering Corpn., Punjab Mill Stores, Republic Engineering Stores	21.1578
3	K400 Complete Set	363,406, 303,305	05.07.05 to 30.07.05	25	Indian Engineering Corporation	21.63
4	Mahindra Tractor	1810	01.05.05	1	Govind Motors	4.55
5	Regulator	107, 3506	31.01.05, 08.08.05	20	Sarang Rectifier, Alif Traders	5.2
6	Welding Machine	102, 227A, 4259, 46, 40	09.05.05 to 21.10.05	15	Indian Engineering Corpn., Rolex Trading Agency, Bagadia Engineering Co., Akash Engg. Sales, Sarang Rectifier	11.0614

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S.No.	Equipment Name	Bill No.	Date	Qty.	Name Of The Supplier	Amt. (Rs. in Lacs)
7	Welding Rectifier	9,14,15,110,2,17, 24,21,18,23, 37, 49, 39, 47	07.02.05 to 22.11.05	100	Sarang Rectifier	39.3187
8	Winch Machine (Electric)	74,125,108,1,109, 111,4,120,18,2, 10	01.02.05 to 20.07.05	19	Pneumatic Tools Entt, Sarang Rectifier, Sarang Engineering, Samarth Engg. Industry	28.9171
9.	Angle Grinder	32,333, 1224, 1146, 1142, 1136, 950,983, 112, 124, 158, 172, 5417, 765, 136, 389, 5429	23.12.04 to 27.07.05	70	J. K. Supply Agencies, Indian Engineering Corpn., Punjab Mill Stores, S. R. Enterprises, Jai Hind Trading Corporation	4.8118
10.	Drill Machine	280, 171, 3318, 3388, 54	05.05.05 to 25.08.05	6	Jai Hind Trad. Corpn., Punjab Mill Stores, Alif Traders, Monoram Engineers	1.1489
11.	Grinding Machine	Various Bills	01.04.05 to 29.09.05	85	Siddhi Entt., J. K. Supply Agencies, S. R Enterprises, Pradeep Suppliers, Insian Engg. Corpn., Alif Traders, Republic Engg. Stores, Punjab Mill Stores, Jai Hind Trad. Corpn.	4.9907
12.	Welding Generator	27,24,10,5, 7,4,3	28.04.05 to 06.08.05	19	Pneumatic Tools Entt., Sarang Rectifier	8.8707
13.	Pug Cutting Machine With Rail	60,170,168, 32,3395, 263, 384,367,19038, 394,520	28.04.05 to 01.08.05	12	Shri Pabuji Trading, Jai Hind Trading Corpn., Alif Traders, Pradeep Suppliers, Weld-On International, Kishore Traders	1.6082
14.	Pulling & Lifting Machine	1205	30.3.05	10	Indian Engineering Corp	1.1762
15.	Wire Rope With Pully	1716, 1759	27.06.05 to 30.07.05	1225	Heptoola & Sons	1.78382
16.	Miscellaneous (including Spares and transportation, etc.)	Various Bills			Various Suppliers	20.9713
	TOTAL					183.09

Details of Machinery for which Quotation has been Received and Orders has been Placed:

(Rs in Lacs)

Sr No	Equipment name	Qty	Name of the Supplier	Unit Rate	Budgeted price (Rs)	Basic amount (Rs,)	P.O No and date
1	Welding Rectifiers	75	Sarang Rectifier Mumbai	0.39	29.25	26.35	SHE:NGP:05/0030/ DT. 19/04/2005 SHE:NGP:05/PO0919006/ DT. 19/09/2005
2	MIG Welding Machines	47	—do—	0.59	27.73	25.86	SHE: NGP:05/0030/ DT. 19/04/2005 SHE: NGP:05/PO0919006/ DT. 19/09/2005
	Total				56.98	52.21	

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DETAILS OF MACHINERY FOR WHICH QUOTATIONS HAS BEEN RECEIVED BUT ORDERS HAS NOT BEEN PLACED

(Rs in Lacs)

Sr. No.	Equipment name	Qty	Name of the supplier	Unit Rate	Budgeted price	Basic amount	Quotation No/ P.O. No and date
Heavy Equipment							
1	150 t Crawler crane	1	Machinery Supply Agencies, Kol.	208	208	200.00	13-09-05
2	Tube bending machine	4	Parag Trading Co., Mumbai	0.69	2.76	2.46	12-09-05
3	Electric Winch 3t/5t	13	Sarang Engineering Works, Mumbai	1.94	25.22	24.25	13-09-05
Welding & other Equipment							
1	Welding Generators	14	Fineweld Systems, Nagpur	1.34	18.74	17.50	12-09-05
2	Argon Welding Sets	22	Republic Engg. Stores, Nagpur	0.05	1.17	1.04	12-09-05
3	Diesel Gen Sets	1	Fineweld Systems, Nagpur	6.15	6.15	5.75	12-09-05
4	Diesel Power Generator 80kva	2	—do—	4.23	8.46	7.90	12-09-05
5	Plasma cutting machine	3	—do—	0.80	2.41	2.25	12-09-05
6	Compressor 140cfm	4	Sarang Engg., Mumbai	2.86	11.44	11.00	13-09-05
	Escalation & Contingencies including transportation etc.				28.36		
	TOTAL				312.71	272.15	

4. DETAILS OF VEHICLE & HEAVY EQUIPMENTS PURCHASED BY THE COMPANY(Rs. 189.06 Lacs)

A. HYDRA CRANE

S. No.	Model No.	Company	Bill No. & Date	Amount (Rs. In Lacs)
1	2005/ 1374995321	Escort Const. Equipment Ltd.	943/08.02.05	9.3
2	1374122114	Escort Const. Equipment Ltd.	604/21.07.05	9.30
3	1374123815	Escort Const. Equipment Ltd.	791/29.08.05	10.40
4	1374123515	Escort Const. Equipment Ltd.	790/29.08.05	10.40
5	1694011315	Escort Const. Equipment Ltd.	792/29.08.05	22.98
6	1934048411	Escort Const. Equipment Ltd.	144/26.04.05	12.00
7	Insurance + Transportation			3.96
	TOTAL			78.34

B. SUMITOMO / TFC / TATA/ HM (Imported)

S. No.	Model No.	Bill No/ Date	Company	Amount Rs. In Lacs	Cost in US\$
1	P&H335AS - J19658 - J20001 - J20506	1084A/04/E dt. 05.02.05	Advance Equipment Service	22.10	36,000
2	65 TONES- - 18539	INV- 0504-IND-02 dt. 11.04.05	CRANEKOREA	24.24	32,000
3	P&H- 440S, 335AS - J10949 - J9883 - J18322 - J13380 - J16569 - J17342	1310/05/E Dt.12.7.05 1313/05/E Dt.12.7.05 1321/05/E Dt.12.7.05 1311/05/E Dt.12.7.05 1320/05/E Dt.12.7.05 1319/05/E Dt.12.7.05	Advance Equipment Service - do - - do - - do - - do - - do - - do -	43.11	12,000 11,000 11,000 11,000 11,000 11,000
4	INSURANCE			0.46	
	TOTAL			89.91	

Note: Amount of total expenditure incurred in rupees includes other expenses.

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C. JEEP/ MOTORCYCLE / SCOOTER

S.No.	Model No.	Company	Amount Rs. In Lacs	Bill No./ Date
1	MAHINDRA JEEP 2005/ MA1BP2ABA42K19457	Auto Centre	4.31	464/5.3.05
2	MAX FASTRA / 42K118860	Indomobil	4.33	15.4.05
3	JEEP MAX / MAINWZABA22C14479	From Mr. Abdul Majjid H Siddiqui	2.60	–
4	BOLERO CAMPER / GA51E53506	Indomobil	4.13	370/29.6.05
5	JEEP MAX / AB22C15214	From Mr. Sayyed Raisali Abbasali	2.00	–
6	MAHINDRA JEEP / DW123255	From Partha Sarathi Pana	1.25	–
7	INS. + REGISTRATION	0.78	–	
8	CD DAWN / 3115	Kamal Enterprises	0.33	7.4.05
9	CD 100 / 55270	Rohit Motors	0.37	7.6.05
10	BOXER / DUF-BLF 31671	Munna Auto Agency	0.37	15.10.04
11	CD Dawn	Deep Agency	0.34	29.8.05
	TOTAL		20.81	

5. DETAILS OF OFFICE EQUIPMENT ACQUIRED BY THE COMPANY (Rs. 10.53 Lacs)

S.NO.	PARTICULARS	BILL NO.	DATE	QTY.	NAME OF THE SUPPLIER	AMT. (RS. IN LACS)
1	AIR COOLER AND AIR CONDITIONERS (4 NOS.)	Various Bills	08.12.04 to 11.02.05	–	ACHAL CORPORATION, K.K. NAG LTD., ETA GENERAL PVT. LTD.	6.66
2	VOICE DISA CARD ETC.	–	30.12.04	–	ACCORD COMMUNICATIONS LTD.	0.85
3	LCD PROJECTOR	14	08.02.05	–	VALIANT AUTOMATIONS P LTD.	0.99
4	MISCELLANEOUS				VARIOUS SUPPLIERS	2.03
	TOTAL					10.53

6. DETAILS OF FURNITURE & FIXTURE (Rs. 11.60 Lacs)

S. NO.	PARTICULARS	BILL NO.	DATE	QTY.	NAME OF THE SUPPLIER	AMT. (RS. IN LACS)
1	CHAIR, TABLE, CRISTAL	9	03.03.05	123	AMBIENCE INTERIOR MALL	5.43
2	BOSS TABLE, C-TABLE, SOFA	12	03.03.05	8	AMBIENCE INTERIOR MALL	3.11
3	OFFICE TABLE	34	10.03.05	4	AMBIENCE INTERIOR MALL	0.53
4	MISCELLANEOUS	2.53				
	TOTAL	11.60				

7. DETAILS OF COMPUTER & PRINTERS (Rs. 10.20 Lacs)

S.NO.	PARTICULARS	BILL NO.	DATE	QTY.	NAME OF THE SUPPLIER	AMT. (RS. IN LACS)
1	COMPUTER SET (32 Nos.) AND ACCESSORIES	Various Bills	22.01.05 to 22.09.05	–	SOFT IMAGE COMPUTER SYSTEMS	9.00
2	COMPUTER SET	356	25.06.05	1	COMPU PLAZA	0.25
3	XEROX MACHINE	14	08.02.05	1	VALIANT AUTOMATIONS (P) LTD.	0.95
	TOTAL	10.20				

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III. FORECLOSURE OF TERM DEBTS:

The company proposes to foreclose an amount of Rs. 284.13 lacs, being the part amount of term debt portfolio, which is having a carrying cost of 11% p.a. currently outstanding with their present Bankers UCO Bank, Nagpur. A foreclosure would help in cutting down the cost of funds, and improving the bottom-line.

Details of term debt From UCO BANK is as follows:

Name and Address of the lender	UCO Bank, Mount Road Extn. Sadar, Nagpur.
Sanction limits loan	Rs. 630 Lacs
Availed Limits	Rs. 527.11 lacs
Purpose	For the Procurement of Fixed Assets
Rate of Interest	7.5% & 11%
Repayment period	6 Months
Primary Security	Charges on Fixed Assets
Collateral Security	Hypothecation on Building & Machineries

The Company proposes to repay an amount of Rs. 284.13 Lacs during the quarter ended March 2006

IV. PUBLIC ISSUE EXPENSES

The Company estimates that overall Public Issue expenses will not be more than Rs.187.50 Lacs. The detailed break-up of Public Issue Expenses is as follows:

Sr No	Description	Amount Rs in Lacs	% of the total Issue Expenses	% of the total Issue size
1.	Lead Manager's Fees & Brokerage	65.00	34.67	1.87
2.	Advertising & Marketing Expenses	30.00	16.00	0.86
3.	Printing & Stationery/Despatch	25.00	13.33	0.72
4.	Brokerage and Selling Commission	52.50	28.00	1.51
5.	Other Expenses (listing fees, Depository charges etc.)	15.00	8.00	0.43
	Total	187.50	100.00	5.39

This works out to 5.39 % of the total issue size of Rs. 3475 Lacs, which appears to be reasonable for an issue of this size.

Funds Deployed

The break up of funds already deployed and year-wise balance funds requirement is mentioned hereunder:

(Rs. in Lacs)

Particulars	Already Deployed till 30.11.2005)
Long Term Working Capital	1580.62
Acquisition of Capital assets	556.55
Foreclosure of Term Debt	NIL
Public Issue Expenses	18.04
Total	2155.21

Sources of Financing of Funds already deployed (Rs. 2155.21 Lacs):

The Company has already deployed Rs. 2155.21 Lacs upto November 30, 2005 towards the proposed project as envisaged in the present Issue. The same has been certified by Vivek Randad & Co., Chartered Accountants; vide their certificate-dated December 26, 2005. The details of funds already deployed are as under:

Particulars	(Rs. In Lacs)
Net proceeds from Public Issue	0.00
Internal Accruals	473.92
Shares issued to employees and associates	12.50
Borrowings from Banks	
- Term Loan	783.50
- Working Capital	885.29
TOTAL	2155.21

DETAILS OF BALANCE FUND DEPLOYMENT

The remaining amount is proposed to be incurred by the company in the fiscal 2006 and fiscal 2007 .The quarter-wise break up of the funds deployment is as follows:

Fund Required

(Rs. In Lacs)

Description	Cost Already incurred	Fiscal 2005-06		Fiscal 2006-07		TOTAL
		Upto November 30, 2005	December 1 to December 31, 2005	January 1, 2006 to March 31, 2006	April 1, 2006 to June 30, 2006	
Long Term incremental Working Capital	1580.62	125.64	1200.00	1150.00	398.95	4455.21
Acquisition of Fixed Assets	556.55	0.00	190.00	95.00	84.78	926.33
Foreclosure of Term Debt	0.00	0.00	284.13	0.00	0.00	284.13
Public Issue Expenses	18.04	37.67	131.79	0.00	0.00	187.50
TOTAL	2155.27	163.31	1805.92	1245.00	483.73	5853.17

APPRAISAL:

The funds requirement and funding plans are Company's own estimates, and have not been appraised by any bank /financial institution

INTERIM USE OF FUNDS:

Pending utilisation in the projects in the manner as referred above, the proceeds of the public issue will be invested in Bank Deposits and/or Gilt Edged Government Securities, either directly or through Government Security based funds.

BASIC TERMS OF ISSUE

The Equity shares proposed to be issued are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, the terms of this Prospectus, application form and other documents / certificates that may be executed in respect of the issue. The Equity shares shall also be subjected to laws as applicable, guidelines, notifications and regulations relating of the issue. The Equity shares shall also be subjected to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and/or other authorities as in force on the date of issue and to the extent applicable.

BASIS OF ISSUE PRICE

Investors should read the following summary with the Risk Factors included from vii to xiv and the details about the Company and its financial statements included in this Prospectus. The trading price of the Equity Shares of the Company could decline due to these risks and the investor may lose all or part of his investment.

Qualitative Factors:

- 1 The Company promoters are professional with requisite industrial and technical experience.
- 2 Company received National Awards "Life Time Udyog Achievement Award 2004" by EGSI & "Great Achiever in Industrial Excellence Award 2004" by OICI at India Habitat Centre, New Delhi.
- 3 M/s NTPC has awarded the certification for excellence in Safety at their Rihand Super Thermal Power Station
- 4 Customer profile includes well-known public sector undertakings.
- 5 Timely completion of service contracts.
- 6 Reliable relationship with customers.
- 7 The Company has order Book worth Rs. 28552.64 Lacs as on November 30, 2005.
- 8 The Company has a competent professional Management team.

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Quantitative Factors:

1. Adjusted earning per share (EPS) weighted:

Year	EPS	Weightage
12 Months Ended 31 st March 2003	0.59	1
12 Months Ended 31 st March 2004	1.23	2
12 Months Ended 31 st March 2005	4.11	3
Weighted average	2.56	

Note: Earning per share (EPS) is calculated after adjusting 37,50,000 bonus shares issued on 22nd March, 2005 with retrospective effect as provided in Accounting standard 20.

2. Price Earning ratio (P/E ratio) in relation to the Issue Price of Rs. 100/- per share:

	Issue Price of Rs. 100/- per share
Based on EPS of 12 Month Ended 31 st March 2005	28.33
Based on weighted average (EPS)	39.06
PE Multiple of Engineering - Turnkey Services Industry	
Highest	98.00
Lowest	9.30
Average	30.5

Source: Capital Market Volume XX/21, dated Dec. 19 – Jan 1, 2006; Category: Engineering and Turnkey Service.

The Company is in the business of fabrication, erection and commissioning of power plants business. The accounting ratios of companies in the Industry Group (Engineering – Turnkey Services) are as follows:

Company	EPS (Rs.)	P/E Ratio	RONW (%)	NAV (Rs.)
Sunil Hitech Engineers Limited (As on 31 st March 2005)	4.11	24.33	19.86	17.80
Alstom Project	4.8	33.3	13.30	42.50
Petron Engineering	10.00	16.9	17.40	62.10

@ Source: Capital Market Volume XX/21, dated Dec. 19 – Jan 1, 2006 ; Category: Engineering – Turnkey Services..

3. Return on Net worth:

Rs in lacs

Year	RONW (%)	Weight age
12 Months Ended 31 st March 2003	9.84	1
12 Months Ended 31 st March 2004	14.55	2
12 Months Ended 31 st March 2005	19.86	3
Weighted Average	16.42	

Note: The average return on net worth has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of material adjustments /regroupings pertaining to earlier years.

Minimum return on total Net worth after issue required to maintain pre-issue EPS of Rs 4.11 is 8.86 %

4. Net Asset Value (NAV) per share (Rs.):

As on March 31 st 2004		26.66
As on March 31 st 2005		17.80
After Issue		46.48
Issue Price		100.00

SHEL achieved an EPS of Rs3.50 per share and return on net worth of 16.34%, not annualized, for the six months ending September 30,2005.

The Face value of shares is Rs.10/- and the Issue price is 10 times of the Face value.

The lead managers believe that the issue price of Rs. 100/- are justified in view of the above qualitative and quantitative parameters. The investor may want to pursue the risk factors and financial of the company including important profitability and return ratios, as set out in auditors reports in the Prospectus to have more informed view of the investment proposition.

TAX BENEFITS:

The Statutory Auditors of the company M/s. Vivek Randad & Co., Chartered Accountants who vide their letter dated 10th September 2005 have stated the possible tax benefits available to Sunil Hitech Engineers Limited (the "Company") and its shareholders under the current tax laws presently in force in India. They have stated that several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws Hence the ability of the Company or its shareholders to derive the tax benefits is dependent is upon fulfilling such conditions, which based on business imperatives the company faces in the future, the company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. Their statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequence, the changing tax laws and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. The auditors do not express any opinion or provide any assurance as to whether:

- I. the company or its share holders will continue to obtain these benefits in future; or
- II. the condition prescribed for availing the benefits have been/would be met with.

The contents of their annexure are based on information, explanation and representation obtained from the company and on the basis of their understanding of the business activities and operation of the Company.

As per the existing provisions of the Income Tax, Act, 1961(the Act) and other laws as applicable for the time being in force, the following tax benefits and deduction are and will *interalia* be available to M/s. Sunil Hitech Engineers Limited and its shareholders:

A. TO THE COMPANY:

Under the Income Tax Act, 1961 ("Act"):

1. As per the provisions of section 80-IB(10) of the Act, the Company is eligible to claim 100% tax benefit with respect to profit Derived from "Developing and Building Housing Projects". However, the benefit is available subject to fulfilment of Conditions prescribed under the section.
2. The Company is eligible under section 35D of the Act to a deduction equal to one-fifth of certain specified expenditure, including specified expenditure incurred in connection with the issue for the extension of the industrial undertaking, for a period of five successive years subject to the limits provided and the conditions specified under the said section.
3. As per the provisions of section 10(34) of the Act, dividends received from domestic companies are exempt in the hands of company.
4. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
5. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).

B. TO THE RESIDENT MEMBERS OF THE COMPANY

Under the Income Tax Act, 1961 ("Act"):

1. Members will be entitled to exemption, under section 10(34) of the Act, in respect of the income by way of dividend received from the Company.
2. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
3. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).

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Under Wealth Tax Act, 1957:

Assets as defined under section 2 (ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

C. TO THE NON-RESIDENT INDIAN MEMBERS OF THE COMPANY:

Under the Income Tax Act, 1961 (“Act”):

1. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
2. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational Cess).
3. Under section 115E of the Act, capital gains arising to a Non-Resident on transfer of shares in the Company, subscribed to in convertible foreign exchange and held for a period exceeding 12 months shall be concessionaly taxed at the flat rate of 10% (without indexation benefit plus surcharge as applicable).
4. Under section 115F of the Act, long-term capital gains arising to a Non-Resident on transfer of shares in the Company, subscribed to in convertible foreign exchange shall be exempt from income tax, if net consideration is invested in specified asset within six months of the date of transfer. If only part of the consideration is so invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax, if the specified assets are transferred or converted within three years from the date of their acquisition.
5. Under provision of section 115G of the Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
6. Under provision of section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of chapter XII-A for any Assessment Year by furnishing his Return of Income under section 139 of the Act declaring therein that the provision of this chapter shall not apply to him for that Assessment Year and if he does so, the provisions of this chapter shall not apply to him for that assessment year; instead the other provision of the Act shall apply.
7. Non-Resident shareholders will be entitled to exemption, under section 10(34) of the Act, in respect of the income by way of dividend received from the Company.
8. Where any Double Taxation Avoidance Agreement [DTAA] entered into by India with any other country provides for a concessional tax rate or exemption in respect of income from the investment in the Company's shares, those beneficial provisions shall prevail over the provisions of the Act in that regard.
9. Section 88E provides that where the total income of a person includes income chargeable under the head "Profit and Gains of business or profession" arising from purchase or sale of an equity share in a company entered into a recognized stock exchange i.e. from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax. Under Wealth Tax Act, 1957 Assets as defined under section 2 (ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

D. TO FOREIGN INSTITUTIONAL INVESTORS

1. According to the provisions of section 10(38) of the Act, long-term capital gain on sale of equity shares where the transaction of sale is charges to STT shall be exempt from tax.
2. As per provisions of section 111A of the Act, short-term capital gain on sale of equity shares where the transaction of share is chargeable to STT shall be subject to tax @ 10% (plus applicable surcharge and educational cess).
3. Under Section 115AD(1)(b)(ii) of the Act, Income by way of Short Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 2 above) held in the Company for a period of less than 12 months will be taxable @ 30% (plus applicable surcharge and education cess).
4. Under Section 115AD(1)(b)(iii) of the Act, Income by way of Long Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 1 above) held in the Company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by Section 45 of the Act are not available to Foreign Institutional Investors.

5. Income by way of dividend received on shares of the Company is exempt u/s 10(34) of the Act.
6. Where any Double Taxation Avoidance Agreement (DTA) entered into by India with any other country provides for a concessional tax rate or exemption in respect of income from the investment in the Company's shares, those beneficial provisions shall prevail over the provisions of the Act in that regard.
7. Section 88E provides that where the total income of a person includes income chargeable under the head "Profit and Gains of business or profession" arising from purchase or sale of an equity share in a company entered into a recognized stock exchange i.e. from taxable securities transactions, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

E. TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax. Subject to conditions as the Central Government may by modification in the official Gazette specify in this behalf.

F. VENTURE CAPITAL COMPANIES/FUND

In terms of section 10(23FB) of the Income Tax Act, 1961 all venture capital companies/funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from Income Tax on all their income, including dividend from and income from sale of shares of the company.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2005.
2. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
3. In respect of Non-Residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the Non-Resident has fiscal domicile.
4. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the Issue.

Sunil Hitech Engineers Limited

SECTION IV: ABOUT SUNIL HITECH ENGINEERS LIMITED

1. INDUSTRY OVERVIEW:

INDUSTRY SCENARIO AND MARKET POTENTIAL

Power is the fulcrum on which rests the future pace of growth of economy. The Indian economy is poised for high growth in the years to come. Last year witnessed a promising GDP growth rate of 6.9%. The overall growth of manufacturing sector during 2004-05 was estimated at 9.2% as against 6.9% in the previous year. This reflects a high growth in industrial and allied sectors, thereby spurring a higher demand for power.

There are about approx 1,627 factories in India with captive power plants at an installed capacity exceeding 20,000MW in aggregate. It is estimated that demand for power from captive power plants will reach an additional 1,500 MW to 2,000 MW per year.

Currently, there are 17 State Electricity Boards (SEB) in operation and generates over 70% of electricity supplied in the country. Apart from own generation, SEB's receives power from joint venture projects, private sector utilities and from its share in central public sector units. Despite having an installed capacity of about 1,18,419MW as on 31st March, 2005, the power sector is plagued by energy and peak shortages of 7.3% and 11.7% respectively, indicating that the existing infrastructure is not sufficient to meet the country's current demand.

The sector requires an integrated growth in generation, transmission and distribution. With distribution being the weakest link, greater emphasis on transmission and distribution strengthening, along with rapid capacity addition is required. Accordingly, to remove the bottlenecks, a perspective plan has been developed to build *1,00,000 MW by 2012. (Source: www.Powermin.gov.in:10th five year planning.)

Power and Infrastructure has gained greater importance in the last three years after a decade of slackness. Opening of the economy and second generation of reforms has fuelled growth in the entire nineties and the same is happening in the current decade.

MARKET DYNAMICS AND THE GREAT PARADIGM SHIFT IN POWER SECTOR:

1. Addition of 1,00,000mw planned in 10th and 11th plans (up to 2012)
2. GOI and Power Finance Corporation planning massive investments in Rehab to upgrade old units.
4. NTPC intends to have a capacity of 46000 MW by 2012, a hike of nearly 50% in its expansion plans for 11th plan.
3. Reliance Energy is planning 20000 MW of power generation capacity in the next 5 to 7 years
4. Reliance Energy has got a breakthrough to undertake EPC jobs with a Rs 2000.00 Crores order for 2x300mw Yamunanagar Project.
5. New Electricity Act 2003 can fuel both captive and IPP sectors for additional power generation.

DEMAND AND SUPPLY POSITION:

Power sector still continues to face weaknesses such as poor distribution and sub-transmission networks, high technical and commercial losses, skewed tariffs and shortages. Demand for power is expected to continue to increase over the medium to long-term insisting on significant increase in capacities.

The 16th Electric Power Survey has projected the demand for power at 2,12,725MW for the year 2016-17. The per capita consumption of power in India stood at 526 units at the end of FY 03-04. However, consumption of electricity has grown at a CAGR of 7% during the period of 1970-2002 and demand is expected to increase at a CAGR of 6.3% over the next fifteen years.

All India Power Generation Capacity (MW) *

	1985	1990	1995	1999	2003
Thermal	27031	43764	58110	68585	76532
Hydro	14460	18307	20829	22443	26948
Nuclear	1095	1565	2005	1840	2694
Total	42586	63636	80944	92868	106174

(Source: UCO Bank- Industry Report State Power Sector)

* 16th Electric Power Survey

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The Ministry of Power has set a target of providing electricity to all villages by 2007 and all households by 2012. In order to meet this target capacity addition and the associated transmission and distribution set-up, we need to galvanise investment to the tune of 8,00,000 crores., creating an immense business opportunity.

Year	Demand	Supply	Deficit
2000	480430	450494	29936
2001	507216	467400	39816
2002	522537	483530	39007
2003	545983	497890	48093
2004	559246	519398	39848

Total power generation during FY'04 was 558 billion kWh as compared to 534 kWh in FY'03, indicating an increase of 4.5%. Power generation during Q1 FY 2004-05 have increased by 5.8% compared to the previous quarter Q1 FY 2003-04 due to increased plant load factor and higher generation capacity. Even though generation of power has increased, there is still deficiency in meeting energy demand and many states have energy deficits exceeding 20% of energy demand. Power shortage in FY 03-04 was at 11.2%.

Energy Requirement (million kWh)				
Region	2001-02	2006-07	2011-12	2016-17
North	157466	220820	308528	429480
West	168401	224927	299075	395859
South	142980	194102	262718	354599
East	53586	69467	90396	117248
North East	6404	9501	14061	20756
Total	528837	718817	974778	1317942
Peak load				
Region	2001-02	2006-07	2011-12	2016-17
North	25307	35540	49674	69178
West	26502	35223	46825	61966
South	22784	31017	42061	56883
East	9229	11990	14664	20416
North East	1272	1875	2789	4134
Total	85094	115645	157013	212577

(Source: UCO Bank- Industry Report State Power Sector)

Aggregate Demand Supply Gap:

Year	Energy (billion kwh)				Peak (MW)			
	Demand	Supply	Deficit	Deficit%	Demand	Supply	Deficit	Deficit%
1991-92	289	266	23	7.8	48055	39027	9028	18.8%
1992-93	305	280	25	8.3	54805	41984	10821	19.7%
1993-94	323	299	24	7.3	54875	44830	10045	18.3%
1994-95	352	327	25	7.1	57530	48066	9464	16.5%
1995-96	390	354	36	9.2	60981	49836	11145	18.3%
1996-97	413	365	48	11.5	63853	52376	11477	18.0%
1997-98	425	389	36	8.1	65435	58042	7393	11.3%
1998-99	447	421	26	5.9	67905	58445	9460	13.9%
1999-00	480	450	30	6.2	72669	63691	8978	12.4%
2000-01	507	467	40	7.8	78037	67880	10157	13.0%
2001-02	523	484	39	7.5	81555	71262	10293	12.6%

(Source: UCO Bank- Industry Report State Power Sector)

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2. BUSINESS OVERVIEW:

Company and its Present Business

The Company has been incorporated on 29th May 1998. The Company was established with an objective to engaged in the business of fabrication, erection and commissioning related works required for power plants. The company was formed with taking over of proprietorship concern M/s. Sunil Engineering Works (SEW) with Shri Ratnakar M. Gutte as a proprietor, which was in existence since 1984. The company is registered with the Registrar of Company, Mumbai, and Maharashtra having registration no 11-115155. The company was converted into Sunil Hitech Engineers Ltd (“SHEL” or “The Company”) on, 18th August 2005.

The Registered office of the company is situated at Parli-Vajinath, Maharashtra and its Corporate Office at 97, East High Court Road, Ramdaspath, Nagpur, and Maharashtra. The company also has its site offices situated at the sites at which it carries out its activities.

The company is engaged in the niche segment of Fabrication, Erection & Testing and Commissioning of Bunkers, ESPs, Boilers, TG sets in the Power Plants, both in Private & Public sector.

In simple terms, the company receives the orders for the construction of thermal power plants. The orders provide the design of the proposed thermal power plant. The Company executes the order, supplies the labour and materials, construct the plant, install the plant, conduct the testings and hand-over the plant in working condition to the customer. The company is also engaged in Overhauling and Maintenance of the plant. This ensures the proper functioning of the plant post-installation. SHEL is amongst very few companies which is tightly focused in the ever-growing Power Sector, for the last two decades.

SHEL has to its credit many projects executed varying from 30 MW Parli TPS to 500 MW like Korba STPS (Super Thermal Power Station), Chandrapur STPS, Vindhachal STPS, Talcher STPP (Super Thermal Power Plant), Rihandh STPP and also 250 MW Suratgarh, 210 MW Kharperkhedha to name a few. The major projects executed by the company are given in

During the last two decades major features of business growth has been as under:

- Transformation into a principal contractors for NTPC, BHEL, Jindal, Sterlite and major State Electricity Boards to name a few, from being a mere Labour Contractor in 1984 .
- Undertaking installation of Boilers for major players in EPC for Power Sector.
- Spreading in all directions, with jobs under execution at around 20 sites, spread across the length and breadth of the country.
- Forging new relationships with major players like Punj Lloyd Ltd.
- Entry with foreign EPC contractors like SEPCO for undertaking power plant construction work.
- Undertaking lump sum jobs with material supply for Boiler Rehab work.

The company has substantially expanded both in service and project profile and also customer base with greater geographical penetration.

Factors providing our Business growth:

- Growth in the power generation to augment generation capacity by 1,00,000 mw in 10th and 11th plans.
- New investment in steel industry to increase the capacity addition to more than 100mn tons.
- New investment in Aluminium industry.
- Large Gas based projects coming in public and private sector.
- Expansion of refining capacity.
- Rehab of old power plants.
- Captive Power Plants for Process Industry.

Power crisis/shortage in many of the states is forcing entry of private players and increasing the capacities of the existing power plants. The Government initiative to bring in Power Sector Reforms would usher in a sharp growth in this sector.

The future business to be tuned to these growths plans and also identifies the diversification measures to be undertaken area wise to strengthen the investments made by the company.

SWOT ANALYSIS:

S – STRENGTHS

❖ Professional Management

The Company has to its advantage the Promoters experience of more than 25 years in Engineering and construction activities. Further the Management team is also supported by Board of Directors of the company having experience in power sector Industry for more than 25 years.

❖ Skilled Manpower

Company at present has Strength of skilled manpower of around 446 employees, which includes engineers, supervisor having wide experience in the present activity of the Company. In-house Training facility which takes care of good HR requirement via various courses.

❖ Competitive Advantage

The company has necessary capital equipments and technical expertise, which enables the company to undertake major civil and structural jobs and thus have an edge over its competitors.

❖ Order Book Position

As on November 30, 2005, the order book position of the company is Rs. 28552.64 Lacs.

❖ Client Profile:

The existing client base of the company includes client's from both Private and public sector Which includes companies like NTPC, MSEB, BHEL, Reliance Energy etc.

W – WEAKNESS

- ❖ Foray into investment with turnkey and lump sum jobs are risky, which has greater financial stakes.
- ❖ Greater share of material content can affect the bottom line with any fluctuation in material costs.
- ❖ Increased Accounts receivables can lead to pressure on working capital management.
- ❖ Contract performance issues for turn key jobs can affect business prospects
- ❖ Human Resource Intensive

O – OPPORTUNITY

- ❖ Proposed addition of 1,00,000 mw planned in 10th and 11th plans (up to 2012).
- ❖ NTPC intends to have a capacity of 46000 MW by 2012, a hike of nearly 50% in its expansion plans for 11th plan.
- ❖ Reliance Energy is planning 20000 MW of power generation capacity in the next 5 to 7 years Power shortage in all most all the states offers a tremendous growth opportunity.
- ❖ Massive investment for upgradation of old units.
- ❖ Expansion of power generation capacity and setting up a new plants by existing private and public sector undertakings.

T – THREAT

- ❖ Competitions from Indian Companies in similar service segment.
- ❖ Entry of foreign players especially from countries like China.

Future prospects:

Engineering activities are greatly dependent on capital investments and capacity additions in power and process sectors. At present the major share of business for the company is in the power sector and very little in the process sector. The growth in the power sector in the last 3 years has seen additional capacity addition and also entry of foreign players in the field for EPC jobs. New Electricity Act is also facilitating greater investments with investment coming up in the private sector. Business growth will be driven by growth in the following areas:

- Growth in the power generation to augment generation capacity by 1,00,000 mw in 10th and 11th plans
- New investment in steel industry to increase the capacity addition to more than 100m tons

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- New investment in Aluminium industry
- Large Gas based projects coming in public and private sector
- Expansion of Refining capacity
- Rehab of old power plants
- Captive Power Plants for Process Industry

Power crisis/shortage in many of the states is forcing entry of private players and increasing the capacities of the existing power plants. The Government initiative to bring in Power Sector Reforms would usher in a sharp growth in this sector.

The future business to be tuned to these growths plans and also identifies the diversification measures to be undertaken area wise to strengthen the investments made by the company.

The power sector has experienced many changes in terms of priority, which has shifted to efficiency, economy and quality supply of power at competitive rates. Optimization of energy and cost-benefit analysis is the result of increasing number of players and high competition in the sector. The planning and operation phase of the sector has shifted from centralized to market based in areas of generation, transmission and distribution. Encouraging competition and increasing efficiency will make the industry attractive by creating new opportunities.

Looking at its larger mandate, The Company has since articulated statement of purpose.

“To contribute to the task of development in power and process industry and related infrastructure areas meeting the benchmark set by customers in terms of quality, price, and schedules and satisfy our customers on consistent basis.

We have sought to achieve this purpose through ethical operation and the highest standards of corporate governance .Our most significant core value is “ transparency”, which is well recognised by our business partners and other stake holders .Our mission is to develop and implement innovative construction methods and on site implementation methods meeting the best standards and to continuously improve on cycle time reduction and modernisation of construction methods applicable for power, process and infrastructure industry.

INFRASTRUCTURE

Location of the project:

Considering the nature of Company's business i.e. Fabrication, Erection & Testing and Commissioning of Bunkers, ESPs, Boilers, TG sets in the Power Plants The location of projects depend upon the contracted site which usually varies from project to project Currently, the Company is having 20 on going contracts scattered at various locations through out the Country and is working with various Valuable Customers like NTPC, BHEL, State Electricity Boards etc.

Plant and Machinery, Technology, Process etc.

Existing Capital Assets already acquired from January 2005 till June 2005

SR. NO.	PARTICULARS	QTY NOS.	JAN TO MARCH	APRIL TO JUNE	TOTAL AMOUNT IN RS lacs
1	Office Residential Bldg	2	32.2302	71.7704	104.0006
2	Plant & Machinery	Lots	44.2854	57.3452	101.6306
3	Hydra Crane	2	9.0677	10.8426	19.9103
4	Sumi Tumo/T.F.C./TaTa/H.M	1	25.0921	0.0000	25.0921
5	Office Equipment	Lots	8.8875	1.1778	10.0653
6	Jeep	2	4.3100	1.2746	5.5846
7	Motor Cycle/Scooter	3	0.3618	0.7098	1.0716
8	Furniture / Fixture	Lots	10.3387	1.0196	11.3583
9	Computer Printer	15	5.5848	3.1485	8.7333
10	Land	2	0.0000	44.2295	44.2295
11	Motor Car	0	0.0000	0.0000	—
	TOTAL		140.1582	191.5180	331.6762

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Existing Capital Assets already acquired from July 2005 to November 30, 2005

Rs in Lacs

SR. NO.	PARTICULARS	QTY NOS.	JULY TO SEPTEMBER, 2005	OCTOBER TO NOVEMBER, 2005	TOTAL AMOUNT
1	Office Residential Bldg	–	3.93	—	3.93
2	Plant & Machinery	Lots	69.45	12.02	81.47
3	Hydra Crane	4	58.42	0	58.42
4	Sumi Tumo/T.F.C./TaTa/H.M	9	64.82	0	64.82
5	Office Equipment	Lots	0.27	0	0.27
6	Jeep	4	14.01	0	14.01
7	Motor Cycle/Scooter	1	0.34	0	0.34
8	Furniture / Fixture	Lots	0.24	0	0.24
9	Computer Printer	3	1.47	0	1.47
10	Land	–	0	0	0
11	Motor Car	–	0	0	0
	TOTAL		212.95	12.02	224.97

Equipment for which Quotation has been received and order has been placed and Equipments for which Quotation received but Orders not placed, please refer to page no. 20 of this Prospectus.

Summary:

Sr No.	Particulars	Budgeted price (Rs. in Lacs)	P.O price /quotation price/budgeted price/ price paid (Rs. in Lacs)
1.	Existing Capital Assets already acquired from January 2005 till June 2005		331.67
2.	Existing Capital Assets already acquired from July 2005 to November 30, 2005		224.97
3.	Equipment for which Quotation has been received and order has been Placed:	56.98	52.21
4.	Equipments for which Quotations has been received but orders has not been placed:	312.71	272.15

No second hand Machinery is proposed to be purchased

KEY PROCESS AND TECHNOLOGY

Process

It consists of Bidding, Execution, and Testing & Commissioning:

Bidding:

- The tenders are floated in various publications; electronic media by various Customers or the limited tenders are informed by way of Notice Inviting Tenders.
- The eligibility Criteria mentioned in the NIT's, the enquiries are purchased from the Customers and further process of preparing the offer begins.
- The required statutory documents as per the requirement of the Customers along with credentials in the desired formats are prepared for submission of the Technical Part of the Tender Enquiry.
- The most important part of the process is analysis of the technical specification, general terms & conditions, special terms & conditions, commercial conditions etc and evaluation of the same in terms of rates for competing with other competitors.
- The Technical & Price part is submitted in the separate envelops.
- Once the Customer find the bidder technical qualified the Price Part of the bidder is opened and the lowest amongst the bidders is decided.

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Execution:

- Once the job is awarded the Best Effort Schedule i.e. the detailed program depicting the various milestones & stages for successful completion of the project so called L1 & L2 Schedules are planned in consultation with Customers according to the time allotted for completion of project.
- Mobilization of various resources like Skilled Manpower including staff and workers, required major & minor Plant and machineries, raw materials along with bought out items required for the job is planned.
- Detail drawings are prepared from Scheme Drawings through the approved detailer and checker and submitted to the Customer for Approval.
- Once the Approval is granted by the Customer the process of fabrication get started.
- The fabricated components are then transported to the erection site and erected as per the drawings.
- After erection, alignment of components are carried out and thereafter the process of welding is carried out.
- The required Non Destructive Testing is carried on the weld joints and examined for their appropriateness.

Testing, Commissioning & Handing Over:

- The best efforts are made to execute the job as per the schedule and discrepancies in meeting the schedule is reviewed in every week and the shortfalls are tried to achieve in the next schedule.
- Once the execution is over the site is handed over to the Customer or main Client for Testing & commissioning activities and all the required assistance is provided to the Customer from the Companies side.

Technology:

The Company is using latest Technology in Welding & Non-Destructive Testing Methods, Hydro testing, Testing & Commissioning etc. as required and desired by the Customers for successful completion of the Projects. Following are the latest welding technology used in the organization.

1. TIG Welding: Tungsten Inert Gas welding.
2. MIG / MAG Welding: Metal Inert Gas / Metal Active Gas welding.
3. SAW: Submerged Arc Welding.
4. GMAW: Gas Metal Arc Welding.

Non Destructive-Testing like:

1. RT: Radiography testing.
2. UT: Ultra sonic testing.
3. MPT : Magnetic Partical testing.
4. LPT : Liquid Penetrant Test.

Joint Venture/Collaboration/MOU:

The Company has entered into joint venture agreements with Technofab Engineering Ltd. (TEL) and M/s. Bholu Singh Jaiprakash Construction Ltd.. For details, please refer details given on Joint Venture on page No. 46 to 47.

Infrastructure Facilities:

The following basic facilities are required for execution of the job. In some cases the Customer is used to provide such facilities whereas in some cases these have to be arranged by the company itself.

Utilities:

The main utilities required in construction activities are.

1. Electric Power Supply: Required for various activities for fabricating various components by means of welding equipments and erection of the components by means of field welds. Diesel Generator sets are also used for welding at site. The construction projects are not power intensives.
2. Construction Water
3. Land for Fabrication shop, Workers colony, Stores.

Raw Materials:

1. Steel in the form of
 - a. Plates
 - b. Angles
 - c. Channels
 - d. Rolled sections etc.
2. Electroforged & hand made gratings.
3. Bearings
4. Reinforcement Steel
5. Cement
6. Sheetting Material

Consumables:

1. Industrial Gases
2. Electrodes
3. Insulation Material
4. Paints
5. Scaffolding Materials

The company has evolved a system of centralized purchases for bulk and valuable materials. Additionally, it has set up a procurement team that is responsible for tracking the prices and monitoring of all raw material requirements.

Manpower

The present strength of the Company is 446 Employees including skilled and managerial as on November 30, 2005

The existing manpower is though sufficient to handle the estimated growth of the Company, it may change from time to time as per need of the hour. Besides, most of the labour requirements at Construction sites are met through petty contractors.

PRODUCTS/ SERVICES OF THE COMPANY:

The diversification and enlargement of product profile has enabled the company to acquire better business profile and increase the product basket. The present product and service profile is as under:

a) Structures Fabrication & Erection:

Mainly for the Thermal Power plant segment for the plant units of up to 500mw capacity. The requirement in each site is in the range of 10000 to 15000T per unit.

b) Boiler Erection:

Erection of main equipment required for 100-210mw units and auxiliaries required for 120/ 250/500/660 mw units

c) Civil Works:

Related to Thermal power plants of up to 500mw capacity and also similar industrial projects.

d) Piping Works:

Erection of various piping systems required for interconnecting the Boiler and the Steam Turbine and also the yard piping.

e) Ash Handling Piping:

The main piping for the disposal of Ash to the Ash bund of the Power plant.

f) Chimney Flue:

The concrete Chimney has internal flues to carry the flue gas discharge from the power plant, and these flues are fabricated out of steel for installation inside the Concrete Chimney

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g) Large Dia cooling water piping fabrication and erection

Site fabrication of large dia pipes for cooling water and other water supplies using semi automatic welding process

h) Renovation of Boilers

To undertake the replacement of main boiler parts which have worn out due to long service as part of life extension.

i) Major Maintenance:

Related to annual overhauls of equipment and also scheduled and unscheduled maintenance jobs related to thermal power plants of up to 500mw unit capacity.

j) Rehab of Old Power Plants:

The other area of importance is the rehab and modernization of old power plants

DIVERSIFICATION IN PRODUCT PROFILE:

The company's operations had tripled its top-line since FY 02-03 achieving a turn over of Rs 6793.76 Lacs in FY 04-05. This growth in the last 3 years has given the confidence to embark on a higher growth path and also to have a re-look at the customer and product base. The recent experience of working directly for customers like NTPC, Reliance Energy Ltd, majority of the State Electricity Boards has shown that it is possible to undertake both product and customer diversification. The ever-increasing demand for greater installed base in power sector and the massive investment in other infrastructure areas has provided more opportunities for companies like SHEL. It has been demonstrated that with an aggressive marketing approach and a matching customer support service function it is possible to go for higher growth profile and sustain the same.

From the business perspective it is noted that the major share is coming from the Civil and Structural areas with support from Erection jobs related to Boiler and Auxiliaries. The real growth has been in the Overhaul and Maintenance activities related to Boiler modification and rectification. These are quick turn over jobs with immediate cash flows and closing of the contractual responsibilities unlike major construction jobs related to Civil and Mechanical jobs.

Major diversification areas can be as under:

- EPC (Engineering, Procurement, Construction) Contracts.

Looking at the captive requirement in the present market, mainly in the range of 5 MW to 60MW, company should take up these projects on EPC contract basis. Looking at the present power scenario, development in this segment will be massive. Based upon the past experience in this power sector field company can successfully manage to execute such EPC based Contracts contributing majority to its Top-line& bottom-line growth.

- Industrial Projects and Co Generation

The industrial projects related to captive power plants and Co-Generation plants are expected to grow for more self-generation and also to meet the steam requirements for the plants. The captive power plants and industrial co generation is expected to grow to reduce the cost of purchased power from Utilities.

Competition/Key players/and market share

The bid is called by the Customers from various bidders / competitors by means of an Open Tender or by Limited Tenders. The bid is evaluated in terms of soundness of technicality, financials and competitive rates of the bidder. It happens many times that a competitor may be a Customer to the Company in some other contract or Bid.

Key Players

Some of the competitors of the company are listed below.

1. Tata Projects Limited
2. L&T
3. Bridge & Roof
4. Simplex Concrete Piles (I) Ltd.,
5. National Building construction Co.
6. Dowel Erectors
7. Petron
8. Indwell Construction Co.
9. Power Mech Project Pvt. Ltd.,

Market share:

The Engineering – Turnkey Services construction industry is highly fragmented, wherein larger number of players is operating in an unorganized sector and only few of them are in organized sector. Some of the key players in the Engineering – Turnkey Services industry are Tata Projects Limited, L&T , Bridge & Roof, Simplex Concrete Piles (I) Ltd., National Building construction Co, Dowel Erectors, Petron, Indwell Construction Co, Power Mech Project Pvt. Ltd.,

Due to industry's fragmented nature, there is no authentic data available to the Company on total industry size and market share of the Company vis-à-vis the competitors.

Approach to marketing and proposed Marketing Set Up:

Sunil Hitech Engineers Limited follows a multi pronged strategy for business development and marketing as briefly stated below:

- All pre-qualification applications for tenders are centrally prepared by the Business Development Cell headed by the Dy.General Manager / Contracts, supported by subordinates and the department functions directly under the guidance of the Chairman and Functional Directors, considering the importance and sensitive nature of the department.
- The Business Development Cell peruses tenders from various states in the country meticulously to ensure that no tender notification/advertisement miss from its attention.
- Depending upon the pre-qualifying criteria specified in the Request for Qualification ("RFQ"), decision for forming a JV with a suitable partner is taken by the Business Development Head & MD, Shri Ratnakar Gutte with the support of the divisional heads.

BUSINESS STRATEGY

There are huge opportunities and challenges to cope with a demanding and expanding market. Massive investments in power generation, infrastructure will certainly keep the market on bullish note in the next few years. Business outlook can be good at this time, and it is essential to keep a constant watch on the long term and short-term scenarios.

Considering the existing Market dynamics and Customer expectations the Company has focused on the following business strategies.

➤ **Leverage specialisation to tap growth in related areas.**

The Company with its existing skilled manpower strength and its previous experience is constantly looking at its internal capabilities and thereby plans to undertake fabrication and erection work for hydro mechanical works, to provide construction support in welding and pipe laying, to act as a civil and structural contractors for growing steel, metal and aluminium industry, to undertake fabrication and erection work for raw water piping

➤ **Strengthening Pre-qualification**

Pre qualification is a critical stage in this industry because it qualifies the bidder to participate in the financial bidding for projects. Therefore it is necessary that bidder should have requisite qualification in terms of capital, experience, infrastructure, manpower, value of projects executed in the past, etc

Company has in existence joint ventures with three companies and will also attempt to enter into further joint ventures so as to qualify for the projects.

➤ **Financial Management**

The Company monitors its cash flow of the project on a project to project basis, this ensures that there is no "over investments " in any projects and at the same time that cash flows never dampen progress rate of the projects.

The company gives importance to the capital funds and therefore it constantly negotiates cost of debt to reduce overall cost of capital for the business.

➤ **Diversification and Backward Integration**

The company envisage that in future the major contract will be in LSTK and EPC mode, the same required timely procurement and installation of machinery, the same can be achieved through greater control over time and monetary requirement and hence the company has incorporated a subsidiary company which will work as a backward integration of Sunil Hitech Engineers Limited.

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Capacity and Capacity Utilisation

The company operates into infrastructure creation business, which includes Fabrication, Erection and Testing and Commissioning of Bunkers, ESPs, Boilers, TG Sets in the power in Private and Public Sector.

PROPERTIES:

As per the audited Balance Sheet for the period ending on September 30, 2005, the company owns the following properties:

(Rs. In Lacs)

Particulars of Property With address	Area in Sq.Mtrs	Leased or Owned	Residential /Commercial	Amount of Lease /Price	Date of agreements	Period of Lease	Deposit (Rs)	Name of Lessor	Lease rent p.m.
*Swami Plaza, 97, East High Court Road, Ramdaspath, Nagpur - 440 010	722.62 Sq.Mtr	owned	Commercial	Cost Price: 100.00 Add: Cost of Interior - 44.93 Total - 144.93	24-09-2004	N.A.	N.A.	N.A.	N.A.
*13, Satya Sai Apartment 4/S/1, Pratap Nagar Road, Khamla, Nagpur - 440 025	55.04 Sq.Mtr.	Owned	Residential	3.20	16-10-1997	N.A.	N.A.	N.A.	N.A.
*13, Satya Sai Apartment 4/S/2, Pratap Nagar Road, Khamla, Nagpur - 440 025	55.04 Sq.Mtr.	owned	Residential	3.20	16-10-1997	N.A.	N.A.	N.A.	N.A.
*13, Satya Sai Apartment Shop No 14, Pratap Nagar Road, Khamla, Nagpur - 440 025	18.58 Sq.Mtr.	owned	Commercial	2.65	22-07-1999	N.A.	N.A.	N.A.	N.A.
*13, Satya Sai Apartment Shop No 13, Pratap Nagar Road, Nagpur 440 025	18.58 Sq.Mtr.	owned	Commercial	2.65	22-07-1999	N.A.	N.A.	N.A.	N.A.
Agricultural Land -Bokaro, Tah. Distt. Nagpur	2.5 Acres	owned	Agri. Land	36.75	27-04-2005	N.A.	N.A.	N.A.	N.A.
*Abdul Court Co-operative Housing Society Ltd., Plot No. 1161, Suryavanshi, Kshatriya Sabhagruha Marg, Veer Sawarkar Marg, Dadar (W) -Mumbai-28	658 Sq.Ft.	owned	Commercial	63.00	31-05-2005	N.A.	N.A.	N.A.	N.A.
*Ratnadeep, Jaynagar, Parli Vajjnath	450 Sq.Mtr.	owned	Commercial	107.00	14-01-1997	N.A.	N.A.	N.A.	N.A.
*Ratnadeep, 561-A, Lendra, Central Bazar Road, Ramdaspath, Nagpur - 440 010	178.54 Sq.Mtr.	Owned	Residential	38.50	07-04-2001	N.A.	N.A.	N.A.	N.A.

Note : * These properties are mortgage with UCO Bank as collateral securities for availing various credit facilities.

Key Industrial Regulation

The company is engaged in the business of Fabrication, Erection, Testing & Commissioning of Thermal Power Plants. Such projects are awarded through tender quotation issued by government, semi-government agencies and by private parties. In order to execute the various works by the company, the company is required to obtain necessary approvals depending upon the prevailing state laws and regulation where the work is carried out. For details of such approvals, kindly see the section of Government Approvals / Licensing Arrangements on Page No. 89 of Prospectus.

Project related insurance

The Contract terms require that projects need to be insured. There are 3 (Types) of Insurance policies namely

- 1) Workman Compensation Policy.
- 2) Contractor Plant Machinery policy.
- 3) Group Personal Accident Policy.

The Aggregate sum under the above type of policy is Rs. 1237.05 Lacs as on November 30, 2005.

3. HISTORY AND CORPORATE STRUCTURE OF THE COMPANY

HISTORY:

Background

The Company has been incorporated on 29th May 1998. The Company was established with an objective to engaged in the business of fabrication, erection and commissioning related works required for power plants. The company was formed with taking over of proprietorship concern M/s. Sunil Engineering Works (SEW) with Shri Ratnakar M. Gutte as a proprietor, which was in existence since 1984. The company is registered with the Registrar of Company, Mumbai, and Maharashtra having registration no 11-115155. The company was converted into Sunil Hitech Engineers Ltd (“SHEL” or “The Company”) on, 18th August 2005.

The Registered office of the company is situated at Parli-Vajinath, Maharashtra and its Corporate Office at 97, East High Court Road, Ramdaspath, Nagpur, and Maharashtra. The company also has its site offices situated at the sites at which it carries out its activities.

Sunil Hitech Engineers Limited is an ISO 9001:2000 Company that has established its name as one of the leading infrastructure development company that is firmly focused in the evergrowing Power Sector. The company specializes in Fabrication, Erection, and Testing & Commissioning of Thermal Power Plants with high precision quality and timeliness. The Company has come a long way and has stabilized its operations with an annual turnover of around Rs. 690 million. It has also acquired sufficient assets by way of heavy construction equipment and best of the human resources with adequate experience enough to compete with large Corporate.

The clientele of Sunil Hitech Engineers Limited includes heavy weights like Bharat Heavy Electricals Limited, Mahatrasra State Power Generation Company Limited, Rajasthan Viduyt Utpadan Nigam, National Thermal Power Corporation, Reliance Energy Limited, Jindal Steel & Power Ltd., Madhyapradesh State Eelct Board, Chattisgarh State Elect Board, Tamilnadu State Elect Board, Ahmedabad Electricity Co Ltd, Hindusthan Steel Construction Co, Gammon India Ltd, Larsen & Toubro Ltd, Punj Lloyd, Gannon Dunkerly & Co Ltd, UB Engineering Ltd, Simplex Concrete Piles (India) Ltd, Skoda Export (India) Limited, Engineers Project India Limited, Sterlite Industries, BALCO, etc.

Details of changes in registered office of the company:

Shifted from	Shifted to	Date of Change	Reason
13, Satyasai Apartments Near Somalwar High School, Pratap Nagar Road, Khamla, Nagpur – 440025	Ratnadeep, Jaynagar, P.O. Parli, Vajinath – 431 520 Dist- Beed. (MS).	22-08-2000	Contracts Bagged bythe Company in and around Nagpur. And Expected to get High Value Contract in Parli – Vajinath.

1. Changes in MoA:

Since Incorporation of the Company, The following changes have been incorporated in the Memorandum, after approval of members

Particulars	Date of Meeting	Type of Meeting
Subdivision of Shares Of Rs. 100/- in to 10 Equity Shares of Rs. 10/- Each- Cl. V Of MOA.	04.03.1999	EGM
Increase in Authorised Capital. – Cl. V MOA	12.10.1999	EGM
Increase in Authorised Capital. – Cl. V MOA	1.12.1999	EGM
Increase in Authorised Capital. – Cl. V MOA	21.03.2001	EGM
Increase in Authorised Capital. – Cl. V MOA	27.03.2003	EGM
Increase in Authorised Capital. – Cl. V MOA	03.01.2005	EGM
Increase in Authorised Capital. – Cl. V MOA	01.03.2005	EGM
Increase in Authorised Capital. – Cl. V MOA	27.08.2005	EGM

Major Events:

Year	Event
2005	The Company declared and disbursed Bonus in the ratio 1:1.5 to all their employees
2005	The Company has logged a turnover of Rs.690M in 04-05 which is a remarkable growth @ 96% than previous year performance. In 2003-04 the growth rate was 68% than the previous financial year 02-03.

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Year	Event
2005	At NTPC, Vindhyachal STPS, Sunil Hi Tech is carrying out the fabrication of large dia piping to the tune of dia 3220mm for BHEL, Piping Centre, and Chennai with automatic Submerged Arc Welding at site. The value of Contract is Rs.406 Lacs.
2005	The Managing Director, on behalf of the Company received National Awards "Life Time Udyog Achievement Award 2004" by ECSI & "Great Achiever in Industrial Excellence Award 2004" by IOCI at India Habitat Centre, New Delhi
2005	The Company also entered into supply of pressure parts and recently bagged the contract for supply of reheater coils and bends at TNEB, Tuticorin by competing with giants in the industry like BHEL & ALSTOM. The value of the Contract is Rs.362 Lacs
2005	The Company also entered into EPC Contract by bagging the job of Fuel Oil Unloading and storage tank system at MSPGCL, Paras. The value of the contract is Rs.568 Lacs
2005	M/s NTPC has awarded the certification for excellence in Safety at their Rihand Super Thermal Power Station
2004 & 2005	The company bagged the contracts of Structural works with supply of Steel at Parli & Paras TPS, 1X250MW each through M/s MSPGCL, Mumbai. The value of Contract is Rs.7992 Lacs.
2004	The Company bagged a direct contract from M/s NTPC for SG Area Civil works package, Stage-II of 2x500MW at NTPC, Sipat. The value of Contract is Rs.2452 Lacs.
2004	Carried out the job of Modernisation of Boiler at Ennore TPS through M/s SKODA EXPORT, CZECH Republic. The job is first of its kind in India.
2004	M/s SEPCO honoured the Company for remarkable and splendid safety performance at BALCO, CPP Korba.
2004	Bagged the contract from M/s SEPCO, a Chinese firm for erection of 2x135MW Boilers for BALCO, CPP, and Korba. The value of Contract is Rs.1174 Lacs
2003	M/s DET NORSKE VERITAS Certified Sunil Hi-Tech Engineers Pvt. Ltd., as ISO 9001:2000 Company for their quality management system in March 2003. The validity of certification is March'2006.
2002	The Company bagged the structural job from M/s REL at Panipat TPS & Completed 8500MT of fabrication & 8500MT of erection in a year. The value of contract is Rs.687 Lacs.
1999	At Suratgarh 250MW, Unit-4, Structural works, the company have completed 9256MT of fabrication & 9346MT of erection in a single year. The value of contract is Rs.577 Lacs
1998	The Company bagged the Structural work with supply of steel at MSEB, Khaperkheda. The value of contract is Rs. 1907 Lacs.
1998	Converted to Sunil Hi-Tech Engineers Pvt. Ltd., from Sunil Engineering Works
1998	At Suratgarh 250MW, Boiler auxiliaries work completed to suit fast track commissioning program. The value of the contract is Rs.201 Lacs.
1996	At Vindhyachal STPS, Unit 7&8, 500MW Units bunker structure was completed ahead of completion schedule. The value of the contract is Rs.589 Lacs
1995	At Chandrapur 500MW Boiler auxiliaries work completed to suit fast track commissioning program. The value of contract is Rs.165 Lacs.

Major Projects Executed

1. Major projects executed by the company:

- ❖ Fast Track construction of 500 MW, 7th unit at Chandrapur, completed 8500 MT of Power House Structures in 18 months against 24 months schedule- Rs. 285 Lacs.
- ❖ Structural work-Fabrication & Erection at Suratgarh in a single month of 2340 MT & 1800 MT respectively. Fabrication & Erection in a single year of 9400 MT and 9100 MT respectively.- Rs.846 Lacs.
- ❖ 500 MW & 250 MW at Chandrapur and Suratgarh respectively, for Boiler Aux work completed to suit fast track commissioning program.- Rs.366 Lacs.
- ❖ Completion of 8500 MT of fabrication and 7500 MT of erection at Panipat TPS in 10 months- Rs. 687 Lacs.
- ❖ Structural work-Fabrication and erection at NTPC Talcher (2 x 500 MW) of 1947 MT and 1879 MT respectively. Fabrication & Erection in a single year of 15478 MT and 13447 MT respectively Rs. 2017 Lacs.
- ❖ Completion of 500 MW unit's Bunker Structure (10500 MT) at Vindhyachal STPS(NTPC) Unit 7 & 8.- Rs. 589 Lacs.
- ❖ Completion of major rehabs involving 7000 field joints of pressure parts work of repairing and reversing of economizer coils in less than 40 days at NTPC Korba- Rs. 54 Lacs.
- ❖ Completed Reheater replacement at U-2 Chandrapur STPS within the scheduled time of 25 days.
- ❖ Completed total replacement at Nasik TPS of Economiser and LTSH Coils in a record time of 35 days Rs. 66 Lacs.
- ❖ Completion of 210 MW Boiler erection work to suit the fast track program at MSEB Khaparkheda 3rd unit- Rs. 482 Lacs.
- ❖ Completed replacement of CRH and HRH Coils in U-4 at TPS Nasik which was first time in India Rs. 64 Lacs.

2. Present Business Operation And Projects On Hand.:

As stated the Company is engaged in Fabrication, Erection, Testing & Commissioning. The company normally enters in to high value contracts for the aforesaid activities, which sometime provide for levy of penalty, normally for time over-run cases. The relevant details of some of the major projects on hand as on 25th September 2005 are as under:

Order Book Position as on 30/11/2005								
Sl. No.	Name and Address of client	Description of work	Value of contract in Rs. lakhs	Commencement date	Sch. Compl.	% Complete as on 30/11/2005	Completed value as on 30/11/2005 (Rs. in Lakhs)	Remarks
1	Gannon Dunkerley & Co. Ltd., Bombay Mutual Annexe. 2nd Floor, Rustom Sidhwa Marg, Post Box No. 1227 Fort, Mumbai - 400 001	Contract for Transporting of pipes from NTPC stores, Erection including enabling works, painting, commng. & Testing of 450 dia Ash Slurry Piping at NTPC/ Talcher Angul.	190.00	01.07.2002	20.12.2004	82	156	—
2	Bharat Heavy Electricals Ltd., HRDI & PSNR Complex Plot No. 25 Sector - 16-A P.B.no.55 Noida - 201 301 (UP)	Erection,testing commissioning, Trial Operation and Handing Over of 2x250MW Boiler (Part-B) at TDL TPS, Panipat. (Haryana)	398.98	01.01.2003	17.04.2005	100	399	-
3	Bharat Heavy Electricals Ltd., PSWR, 345, Kingsway, Nagpur- 440 001	Handing at Site Stores / Storage Yard, Transporting to site of work, Pre-Assembly, Erection, Testing, Commissioning and Handing Over of Electrostatic Precipitators from BOF to Chimney of 1X500 MW, Unit-4 at NTPC, Rihand. (UP)	287.00	05.03.2003	12.07.2005	93	267	-
4	Bharat Heavy Electricals Ltd., PSWR, 345, Kingsway, Nagpur- 440 001	Fabrication and Erection of Structural steel works for pipe and cable rack, Ventilation gallery, maintenance / Misc. platforms, equipment handling structure etc complete at NTPC, Rihand. (UP).	190.74	22.08.2003	02.12.2004	90.00	172	—
5	Bharat Heavy Electricals Ltd., HRDI & PSNR Complex Plot No. 25 Sector - 16-A P.B.no.55 Noida - 201 301 (UP)	Erection, Testing, Commissioning trial operation & handing over of 2x210MW Boiler (Part - B) at Parichha TPS. Parichha near Jhansi	267.55	01.08.2003	06.04.2005	59.00	158	—
6	Hidustan STEEL Works Construction Ltd., Shaktinagar Dist. Sonebhadra (UP)	Structural work (Part) of SG area civil work Package / VSTPP Stage - III NTPC Vindhyachal	985.73	22.01.2004	15.11.2006	71.00	699	—

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Sl. No.	Name and Address of client	Description of work	Value of contract in Rs. lakhs	Commencement date	Sch. Compl.	% Complete as on 30/11/2005	Completed value as on 30/11/2005 (Rs. in Lakhs)	Remarks
7	National Thermal Power Corporation Ltd., Engg. Office Complex Plot No. A-8A, Sector - 24 P.B.No.13 Noida (UP)	SG area civil works Package for Sipat STPP, Stage - II (2x500 MW) at NTPC Sipat Dist. Bilaspur.	2469.67	18.02.2004	15.08.2007	28.00	682	—
8	Bholasingh Jaiprakash Construction Ltd. D/7367, Sector -D, pocket No.7, vasant kunj New Delhi - 110 070	TG area civil works Package for Sipat STPP, Stage - II (2x500 MW) at NTPC Sipat Dist. Bilaspur.	1480.28	25.06.2004	26.10.2007	43.00	637	—
9	Rajasthan Rajya Vidyut Utpadan Nigam Ltd., Shed no. 10, Vidyut Bhawan, Jyoti Nagar Jaipur - 302 005	Fabrication & Erection of Structural Steel works in Super Structure of Main Power house building at Giral Lignite Based Thermal Power Project, (1x125 MW), Dist. Barmer, (Raj.)	349.71	10.03.2004	10.02.2006	70.00	245	—
10	Shandong Electric Power Construction Corporation Balco Nagar Korba, (CG)	Construction of Boiler Island Erection work of 4x135MW CPP, Unit 2&3, Balco, Korba (CG)	1174.06	07.06.2004	20.08.2005	90.00	1057	—
11	Reliance Energy, Ltd., A-2, Sector - 24 Noida - 201 3 01 (UP)	Fabrication & Erection of Structural steel works in Power house Building and Bunker / MillBay at 2X210 MW TPS Parichha Dist. Jhansi (UP)	455.83	27.08.2004	26.08.2005	80.00	365	—
12	Maharashtra State Electricity Board, Dharavi Road, Matunga, Mumbai - 400 019	Structural steel work for Main Plant building, Bunker bay and Misc. structure for 1x250MW at New Parli Power Project.	3989.65	01.09.2004	13.09.2005	72.00	2872	—
13	Bharat Heavy Electricals Ltd., PSWR, 345, Kingsway, Nagpur- 440 001	Erection, Testing & Commissioning, Trial operation and handing over of Boiler and Auxiliares Including ESP, Rotating, Duct & Dampers, Boiler Piping Etc. New Parli TPP. MSEB Parli-Vajnath	1190.64	19.10.2004	15.07.2006	28.00	333	—
14	Bharat Heavy Electricals Ltd., HRDI & PSNR Complex Plot No. 25 Sector - 16-A P.B.no.55 Noida - 201 301 (UP)	Erection, Testing, Commissioning & Trial Operation for Boiler (Part-B) NTPC x210MW Unit # V (Part - B) at NTPC Unchahar TPS	290.95	15.12.2004	20.06.2006	67.00	195	—

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Sl. No.	Name and Address of client	Description of work	Value of contract in Rs. lakhs	Commencement date	Sch. Compl.	% Complete as on 30/11/2005	Completed value as on 30/11/2005 (Rs. in Lakhs)	Remarks
15	Bharat Heavy Electricals Ltd., HRDI & PSNR Complex Plot No. 25 Sector - 16-A P.B.no.55 Noida - 201 301 (UP)	Structural steel work of Power House Building of Turbine bay & electrical / Control room bay at 2x250 MW at GHTP (ST-II), Lehra Mohabbat Bhatinda. (Punjab)	779.88	15.05.2005	17.04.2007	24.00	187	—
16	Maharashtra State Electricity Board, Dharavi Road, Matunga, Mumbai - 400 019	Structural steel work for Main Plant building, bunker & Misc Structure of 1X250 MW at Paras Expansion Project. Paras dist Akola.	4006.39	01.04.2005	05.07.2006	38.00	1533	—
17	BHEL, Piping Centre, 80, G.N. Road, T. Nagar Chennai-600 017	Conversion job of Plate Formed Pipes with Coating, Edge Preparations and providing spiders from BHEL free issued Plates. of C.W.Piping at NTPC Vindhyachal STPP	296.08	01.04.2005	31.08.2005	100.00	296.08	—
18	Maharashtra State Power Generation Co. Ltd., Prakashgad, 3rd Floor, Bandra (East), Mumbai - 400 051	Design, Engg., Manufacture, assembly, Testing at work, Supply, Installation, Testing & Commissioning of Fuel Oil Unloading and storage tank system, including supply of mandatory spares for Paras TPS Expn. Project. 1x250MW Unit # 1	568	Yet to start	01.05.2006	—	0	—
19	M/s Punj Lloyds Ltd., 17-18, Nehru Place New Delhi - 110 019	Structural Steel works for Building & Facilities of 4x250MW TPP At Tamnar, Raigarh, (C.G)	1415.35	20.05.2005	19. 04.2007	26.00	368	—
20	BHEL, PSSR, 474, Anna Salai, Nandanam, Chennai -600 035	Handing at Site Stores /Storage Yard, Transporting to site of work, Pre-Assembly, Erection, Testing, Commissioning and Handing Over of Electrostatic Precipitators of 2X500 MW, Unit - II NTPC, Bilaspur . (C.G)	403.00	Yet to start	25.12.2006	—	0	—
21	East Coast Metals & Minerals Pvt. Ltd. Sree Nilayam, 7-1-32/ A/9/1, Leela Nagar Ameerpet, Hyderabad- 500 016	Structural Fabrication and Erection of Mechanical Equipments with accessories and Coal Handling Plant, for MSEB New Parli Power Project.	294.71	14.05.2005	01.02.2006	34.00	100	—

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Sl. No.	Name and Address of client	Description of work	Value of contract in Rs. lakhs	Commencement date	Sch. Compl.	% Complete as on 30/11/2005	Completed value as on 30/11/2005 (Rs. in Lakhs)	Remarks
22	Bharat Heavy Electricals Ltd., PSWR, 345, Kingsway, Nagpur- 440 001	Erection,Supply (Excepting BHEL supplied Materials) Collection of materials from BHEL / Client's Stores/Storage yard Transportation to Fabrication yard / Fabrication, Erection, Alignment, Bolting / Welding / Fastening, Grouting, Testing and Handing over of Bunker Structure and Raw Coal Bunker of 4x250MW Unit #1&2 PH-1 and Unit # 3&4 of PH-II at Raigarh TPP of Jindal Power Limited Raigarh (CG)	1383.96	07.11.2005	15.07.2007	2.00	25.74	—
23	Bharat Heavy Electricals Ltd., PSWR, 345, Kings way, Nagpur- 440 001	Supply (Excepting BHEL supplied Materials) Collection of materials from BHEL / Client's Stores/Storage yard Transportation to Fabrication yard / Fabrication, Erection, Alignment, Bolting / Welding / Fastening, Grouting, Testing and Handing over of Bunker Structure and Raw Coal Bunker of 4x250 MW Unit #1&2 PH-1 and Unit # 3&4 of PH-II at Raigarh TPP of Jindal Power Limited Raigarh (CG)	181.72	07.11.2005	15.07.2007	14.00	25.58	—
24	Reliance Construction Pvt.Ltd., Reliance Energy Center, 3rd Floor Western Express Highway Santacruz (E) Mumbai - 4000 055	Fabrication & Erection of Structural steel in Power House, Mill & Bunker for Unit # II for 2x300 MW DCRTTP at Yamuna Nagar (Haryana)	1104.68	28.11.2005	21.06.2006	—	0	—
25	Shankaranarayana Construction Co. 7, Residency Road Banglore - 560 025.	Fabrication & Erection of Structural steel work for 1x210MW at Amarkantak (MP)	1048.67	28.10.2005	26.09.2006	0.81	8.5	—
26.	Hindustan Steel Works Construction Ltd., Bhillai (Chattisgarh)	Fabrication & Erection of Structural steel work of SG Pacakage 2 (3x660 MW) at NTPC Sipat, Chattisgarh	3349.41	Yet to Start	15.02.2008	—	0	
		TOTAL	28552.64				10780.90	
		BALANCE	17771.74					

2. Main Objects:

The Main Objects of the Company as given in Memorandum of Association of the Company are reproduced below as per the Memorandum and Articles of the Company are as under;

1) To carry on business of civil, mechanical electrical and consulting engineers, agriculture engineers, aviation engineers, construction engineers, and engineers in all branches of work whatsoever known to engineers, erectors, mechanics, manufactures of agricultural implements and any other kind of machinery which is used for the purpose of agriculture or for any other purpose whatsoever and/or any part thereof or accessories thereto; boiler makers; millwrights; wire drawers, tube makers, iron and steel converters; smiths, wheel wrights, wood workers, metallurgists,, galvanisers, insulators, Japanese, enamellers, electroplaters, silver-platters, nickel-platers, varnishers,vulcanisers,water supply and hydraulic engineers, marine engineers, motor engineers, painters, and packing and hydraulic engineers, marine engineers, motor engineers, painters, and packing case makers; manufactures of all other instruments used in or in connection with any of the above business ; and of motors, machinery and scientific appliances. Apparatus and devices of every description whatsoever stock, timber goods, iron, steel, and every kind to Carry on the business of engineers, mechanist, fitters, mill wrights, founders, wire drawers tube make metallurgists, saddlers, galvanisers, jappeners, annealers, enameller selectropaters, painters.

2) Takeover

To acquire, purchase, amalgamate, barter, exchange, join control, hold manage, participate, undertake or otherwise to takeover the running business as a going concern of any partnership firm, proprietorship firm, person, association of persons body of individuals, corporate bodies, companies or other organisation together with assets, liabilities, rights godwills, entitlement, licenses, registration priveldge, trademark, patents, designs, know how,secrets, obligations, assignments, book contracts, commitments, goods articles, and things, in general and those of proprietorship concern/S Sunil Engineering works, in particular, and to discharge the takeover consideration either in form of cash,kind,release, transfer,extinguishment,relimguishment,surrender, or by issue of fresh shares, of the Companies, and to do incidental acts and things necessary for attainment of foregoing objects.

The Present business is in line with the main objects of the company.

Subsidiaries of the Issuer Company and their Business

Name of the Company

Sunil Hi Tech Engineers & Manufactures Private Limited.

Date of incorporation

The Company was incorporated on 17th May 2005, as subsidiary of Sunil Hitech Engineers Limited with an authorised capital of Rs. 50 Lacs.

Activities of the subsidiary Company:

The company is into the business of manufacturing of Pressure Parts used by Power Plants, Petrochemicals Sector, Sugar Industry, Heavy Engineering Industry etc. and Technological Structures for Heavy Engineering Industry. There are only few such units in the country catering to this ever-growing sector.

Shareholders' Agreement

There are no Shareholders' Agreement existing as on date.

Other Agreements

Except the Agreements, as mentioned under the sub-heading "Joint Venture/Collaborations" appearing on page 46 to 47 of this Prospectus and the Contracts / Agreements entered into the ordinary course of the business carried on or intended to be carried on by the Company, the Company has not entered into any other Agreement / Contract.

Financial Partners

There are no financial partners of the Company.

Strategic Partners Agreements

The Company has entered into Agreement withTechnofab Engineering Limited, and Bhola Singh Jaiprakash Construction Ltd.

Sunil Hitech Engineers Limited

Details of Joint Ventures/Collaboration:

1) With Technofab Engineering Ltd., (TEL):

The Company has entered into the technical collaboration with M/s Technofab Engineering Ltd., having its registered office at 507, Eros Apartments, 56 Nehru Place, New Delhi 110 019 for the work of Fuel Oil System of New Paras Expansion Project Unit No.1, 1x250MW for MSPGCL's Paras Thermal Power Station, Paras.

Brief Details of Collaboration

- ❖ Date of MOU: 10th March 2005.
- ❖ Period of MOU: Till completion of work.
- ❖ Place of Registration: Nagpur.
- ❖ Year of Incorporation: 2005.
- ❖ Issued Share Capital: N.A.

Important Provision/terms and condition of Collaboration Agreement

Sunil Hitech as a partner in Charge shall be wholly responsible for the following:

- ❖ Procurement of Bid documents.
- ❖ Preparation and submission of bid bonds.
- ❖ Attending preaward discussions with Customer.
- ❖ Attending Post award kick off meeting.
- ❖ Project Management.
- ❖ Procurement of required equipments and materials.
- ❖ Construction & Construction Management.
- ❖ Submission of all securities.
- ❖ Erection and commissioning.

TEL's responsibility and scope of work shall consist of and be limited to the following:

- ❖ Preparation of basic overall designs and design calculations and shall advice and provide necessary technical assistance for detailed design of the equipment and shall exercise their quality, surveillance over detailed design.
- ❖ To depute technical experts from time to time with a view to achieve the successful performance of the equipment system as stipulated in the Purchaser's contract specification and in accordance with contract.
- ❖ In case of failure of successful performance of the fuel oil system then TEL shall advise proper revised design and appropriate corrective measures in order to ensure successful performance.
- ❖ Participation in preaward discussions with Customer.
- ❖ Participation in post award kick off meeting.
- ❖ Engineering co-ordination
- ❖ Assistance for Erection & commissioning.
- ❖ Providing O&M manuals.

Turnover of the last financial year of Operation: Nil

2) With M/s. Bhol Singh Jaiprakash Construction Ltd.:

The Company has entered into the technical & commercial collaboration with M/s Bholasingh Jaiprakash Construction Ltd., having its registered office at Murli Bhavan, 1st Floor, 10-A, Ashok Marg, Lucknow-226001 for execution of Civil Portion of SG Area Civil works Package of NTPC, 2X500MW, Stage-II, Sipat Super Thermal Power Project, Sipat.

Brief Details of Joint venture/Collaboration

- ❖ Date of MOU: 19th October 2003.
- ❖ Period of MOU: Till completion of work.
- ❖ Place of Registration: Nagpur.
- ❖ Year of Incorporation: 2004.
- ❖ Issued Share Capital: N.A.

Important Provision/terms and condition of Collaboration Agreement

Sunil Hitech as a partner in Charge shall be wholly responsible for following:

- ❖ Shall be the technical and commercial leader and shall be responsible as the single point contact with Customer.
- ❖ Execution of all works relating to Structural Works
- ❖ Undertake all the correspondence with customer with help of inputs from BJCL.
- ❖ Provide the bid guarantee as required for the submission of the bid with no liability with BJCL.
- ❖ Provide Bank Guarantee towards the advance and Security Deposit

BJCL's responsibility and scope of work shall consist of and be limited to the following:

- ❖ Shall be responsible for complete work related to Civil Portion of Contract.
- ❖ Provide all the inputs, clarifications and documents related to Civil Portion of Contract.
- ❖ Follow-up of quality assurance provisions of Customer for Civil portion of work.
- ❖ Submission of securities and guarantees towards BJCL portion of work.
- ❖ Complete execution of Civil Part of the Contract.

Turnover of the last financial year of Operation: Rs. 563.01 Lacs

Sunil Hitech Engineers Limited

4. MANAGEMENT OF THE COMPANY

The Company is a professionally managed organization. The Company functions under the control of a Board consisting of professional Directors. The day-to-day matters are looked after by qualified key personnel, under the supervisions of Shri. Ratnakar M. Gutte

Name, Age, Address, Designation and Occupation	Qualifications	Date Of Appointment	Compensation for Fy 2004-2005	Other Directorships
Mr. Ratnakar M. Gutte, 47 years, Managing Director, 561/A "Ratnadeep", Lendra, Central Bazar Road, Ramdaspath, Nagpur- 440010 Business	Non-Matriculate	Since Incorporation	Rs. 1 Lac P.M. and Perquisites	Sunil Hitech Engineers & Manufacturer Pvt. Ltd.
Mrs. Sudhamati R. Gutte, 42 years, Director, 561/A "Ratnadeep", Lendra, Central Bazar Road, Ramdaspath, Nagpur- 440010 Business	Non-Matriculate	Since Incorporation	Rs. 40,000/- P.M. and Perquisites	NIL
Mr. Sunil R. Gutte, 23 years, Director, 561/A "Ratnadeep", Lendra, Central Bazar Road, Ramdaspath, Nagpur- 440010 Business	B. E. Mechanical	01-06-2005 *	Rs. 52,000/- P.M. and Perquisites	Sunil Hitech Engineers & Manufacturer Pvt. Ltd.
Mr. M.N.Mohanan, 47 years, Director, 104, "Ratnagiri", East High Court Road, Ramdaspath, Nagpur 440010 Service	Diploma in Mechanical Engineering	01-06-2003 #	Rs. 40,000/- P.M. and Perquisites	Nil
Mr. S.K.Kodandaraimah, 56 years, Director, 104, "Ratnagiri", East High Court Road, Ramdaspath, Nagpur 440010. Service	Post Graduation in Mechanical Engineering	05-02-2004 @	Rs. 30,000/- P.M. and Perquisites	Nil
Mr Ashok Vinayak Sakalihar, 55 years, Director, 307, Girish Heights, L.I.C. Square, Near Bharat Talkies, Kamptee Road, Nagpur 1, Retired	Graduation in Mechanical Engineering	01-09-2005 **	Only Sitting Fees for the Meetings	Nil
Mr. Bhairavnath B. Thombare, 52 years, Director, C/o Natural Sugar & Allied Industries Ltd., Textile Complex, A 70/3, MIDC, Latur Business	MBA in Finance	01-09-2005 **	Only Sitting Fees for the Meetings	Natural Sugar & Allied Industries Ltd.

Sunil Hitech Engineers Limited

Name, Age, Address, Designation and Occupation	Qualifications	Date Of Appointment	Compensation for Fy 2004-2005	Other Directorships
Mr. Pramod Mitkary, 50 years, I Director, M-5, "Surmayee" Near V. T. Convent, Modern Society, Pratap Nagar, Nagpur – 440 022 Professional	Chartered Accountant	01-09-2005 **	Only Sitting Fees for the Meetings	Nil
Ms Sarita Rathi, 37 years, Director Meditation Centre, Sujay Garden, A/901, Mukund Nagar, Gultekadi Road, Pune – 37 Professional	D.B.M.	01-09-2005 **	Only Sitting Fees for the Meetings	Nil
Mr. Kamlakar G. Holkar, 64 years, Director B2, Paradise Apartment, Kachipura, Ramdaspath, Nagpur 440010. Business	Bsc. In Engineering	01-09-2005 **	Only Sitting Fees for the Meetings	E.M.Services (I) Pvt. Ltd.

* Mr. Sunil R. Gutte was appointed as an additional director in the Board Meeting held on 01.06.2005. In the A.G.M. held on 30th August 2005 he was reappointed as a Regular Director.

Mr. M. N. Mohanan was appointed as an additional director in the Board Meeting held on 01.06.2003. In the A.G.M. held on 08.08.2003, he was regularised as Director of the Company.

@ Mr. S. K. Kodandaramaiah was appointed as an additional director in the Board Meeting held on 05.02.2004. In the A.G.M. held on 30.09.2004, he was regularised as Director of the Company.

** Mr. Ashok V. Sakalihar, Mr. Pramod H. Mitkary, Mr. Kamlakar G. Holkar, Ms. Sarita Rathi and Mr. Bhairavnath. Thombare have been appointed as additional directors in the Board Meeting held on 01.09.2005.

PROFILE OF THE DIRECTORS OF THE COMPANY IS GIVEN BELOW:

Brief Profile of Mr. Ratnakar Gutte, Mrs. Sudhamati Gutte, Mr. Sunil Gutte, Mr. M. N. Mohanan and Mr. S. K. Kodandaramaiah appear under the head "Profile of Whole time and Managing Director of the Company" on page number 4 to 5 of this Prospectus.

Brief Profile of Other Directors of the Company is as follows:

Mr. Ashok V. Sakalihar: Independent Director:

Mr. Ashok Vinayak Sakalihar, 59 years, has done his Graduation in Mechanical Engineering in 1968. He has undergone training with Advance Power Station Management with CEGB in UK in the year 1987 and also had a training in "Financial & Economic Analysis of Energy Projects" with Institute of International Education" USA in 1995.

Previously, he was working with Maharashtra State Electricity Board as Technical Director - Generation. He was employed with MSEB since 1968 and has a rich experience of 36 years in Power Sector. He has worked in various capacities, in varied fields of Operation, maintenance, Planning, Project construction, complete execution, Erection-Testing-Commissioning-Performance trial of Power Projects i.e. full implementation of the "Power Project" in the capacity as Project Head. He is having wide exposure of working in various areas of Project Management, Construction Management, Commercial & Contracting. He significantly contributed to the growth of MSEB while heading its various Projects. Many of the MSEB Projects headed by him were completed well in advance / ahead of the schedule.

He also worked as a member on the standardizing Committee, appointed by Central Electric Authority (CEA), and Government of India for Project implementation Schedule.

Sunil Hitech Engineers Limited

Mr B. Thombare: Independent Director:

Mr.B.Thombare, 52 years, has done an MBA in Finance and Marketing, having an experience of over 29 years. Previously, he held the post of Managing Director for many corporates, to name a few, M/s Vaidyanath S.S.K. Ltd. (winner of seven National Award), M/s Manjara S.S.K.Ltd., Natural Sugar And Allied Industries Ltd.

At present, he is member of numbers of committees few of those are: Sub committee of Planning Dept. of Maharashtra, Committee for Standardization of Accounting Norms, Sub Committee of Sick Sugar Factories of Maharashtra etc.

During his life time, he was honoured with "Marathwada Udyog Ratna Award" from Maratha Chamber of Commerce, and "Priyadarshini Rashtriya Udyog Award" from the hands of Hon'bl Mr. G.V.G.Krishnamurthy- Ex Rajyapal.

He is also a director of National Sugar and Allied Industries Limited.

Mr. Pramod Mitkary: Independent Director:

Mr. Pramod Mitkary, 50 years, is a Chartered Accountant and a qualified Lawyer. He is also a Bachelor in Chemistry Honours from Fergusson College, Pune. He has put in 12 years of service with Western Coalfields Ltd., a subsidiary of Coal India Ltd., and later took voluntary retirement. He is co-founder of a premier educational outfit, Central Academy for Professional Studies (CAPS) imparting training to professional courses to ICAI, ICSI, and ICWAI.

Ms. Sarita Rathi: Independent Director:

Sarita Rathi, 37 years, is diploma in Business Management, she has done intensive program on Self Managing Leadership conducted for Entrepreneurs & Managers at Mount Abu By Experts from Paris and Australia. She has done a value based education training at Oxford Retreat, London.

She also provides Human resource and Development training in many companies, to name a few: Thermax Limited , KSB Pumps Limited,etc.

Mr. Kamlakar G. Holkar: Independent Director:

Mr. Kamlakar Gopal Holkar, 64 yrs., is a Graduate in Engineering from Ujjain University. He has hands-on experience of about four decades in Power Sector with BHEL, esteemed organization in the field. He retired from BHEL as General Manager (Western Region). During his tenure, he also had undergone a specialized training programme at UK in GEC (General Electric Company) UK. He has a sound experience in Manufacturing Erection, Testing commissioning, repair and services in Power Sector. He has to his credit Erection, Testing and Commissioning of 500 MW Thermal Power Plant at Chandrapur for MSEB in a record time. His key strengths are Powerful Leadership through efficient and effective administration resulting in fast track completion of big projects.

Relationship Between Directors Of The Issuer Company:

None of the Directors are related to each except Mr Ratnakar Gutte and Mrs Sudhamati Gutte who are husband and wife and Mr. Sunil Gutte who is their son.

Details of the Borrowing Powers:

Vide a resolution passed at the Extraordinary General Meeting of the Company held on 30th August, 2005, pursuant to section 293 1(d), the members accorded the consent to the Board of Directors of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of money which together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), provided the borrowing shall not exceed in the aggregate at any one time Rs. 10000.Lacs (Rupees Ten Thousand Lacs only) over and above the paid up capital and free reserves of the company.

Compensation of Managing Directors / Whole time Director

Mr. Ratnakar Gutte, Mrs. Sudhamati Gutte, Mr. M.N. Mohanan & Mr. S.K. Kodandaramaiah appointed director of the company and their remuneration were fixed on 14.05.03, 22.03.05, 11.04.05 and 04.03.03 respectively and the same were regularized in the EGM held on 27.08.2005 and the remuneration is as per Schedule XIII of the Companies Act, 1956.

Remuneration of Mr RatnakarM Gutte (Managing Directors):

Pursuant to the powers given by Shareholders of the Company, the Board of Directors at their Meeting held on 14th May, 2003 approved the remuneration of Mr. Ratnakar M. Gutte. The details are as follows:

- a) Salary : Rs. 100,000/- per month.
- b) Perquisites : subject to maximum of Rs. 9,66,885/- per annum.

Remuneration of Mrs Sudhamati R Gutte (Wholetime Director):

Pursuant to the powers given by Shareholders of the Company, the Board of Directors at their Meeting held on 22nd March, 2005 approved the remuneration of Mrs. Sudhamati R. Gutte. The details are as follows:

- a) Salary : Rs. 40,000/- per month.
- b) Perquisites : subject to maximum of Rs.24, 58,582/- per annum.

Remuneration of Sunil R. Gutte (Whole time Director)

Pursuant to the powers given by Shareholders of the Company at the Annual General Meeting held on 30th August 2005, the Board of Directors at their Meeting held on 1st September 2005 approved the remuneration of Mr. Sunil R. Gutte. The details are as follows:

- a) Salary : Rs. 6,24,000/- per annum.
- b) Perquisites : subject to maximum of Rs. 20,00,000/- per annum.

Remuneration of Mr M.N Mohanan (Whole time Director)

Pursuant to the powers given by Shareholders of the Company, the Board of Directors at their Meeting held on 11th April, 2005 approved the remuneration of Mr. M. N. Mohanan. The details are as follows:

Salary : Rs.40, 000/- per Month.

In addition to the above stated salary, Mr. Mohanan is also entitled to the following perquisites as classified into three categories:

CATEGORY -"A"

- 1. Housing i) apart from the above Company is providing free Furnished accommodation.
- 2. Medical Re-imburement Expenses incurred for self as per actual bills.

CATEGORY -"B"

- 1. Gratuity Not exceeding half month's salary for each completed year of service.
- 2. Leave Travel Concession For self and family once in a year incurred in accordance with the Rules specified by the Company, subject to ceiling of maximum of one month's basic salary.

CATEGORY -"C"

- 1. Conveyance Reimbursement Reimbursement of actual expenses incurred on conveyance.
- 2. Bonus payment Shall be entitled to bonus payment subject to the maximum of 17% of basic salary.

Remuneration of MR S.K. Kondandaramaih (Whole time Director)

Pursuant to the powers given by Shareholders of the Company, the Board of Directors at their Meeting held on 4th March, 2003 approved the remuneration of Mr. Kondandaramaih. The details are as follows:

Salary : Rs.30, 000/- per month

In addition to the above stated salary, Mr. Kondanandaramaih is also entitled to the following perquisite:

CATEGORY -"A"

- 1 Housing i) Apart from the above Company is providing free furnished accommodation.

Sunil Hitech Engineers Limited

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Guidelines issued by SEBI in respect of corporate Governance will be applicable to the Company immediately upon our applying for the in-principal approval for listing of the Equity Shares on the Stock Exchanges. On our part, we stand committed to good corporate governance practices like transparency, disclosures and independent supervision to increase the value of stakeholders. The Company has complied with SEBI Guidelines in respect of Corporate Governance specially with respect to broadbasing of Board, Constituting the Committees such as Shareholding/ Investor Grievance Committee, etc. The Corporate Governance framework is based on the effective independent Board, separation of the Board's supervisory role from the executive management and the constitution of the Board Committees, majority of them comprising of Independent directors. Committee of the Board have been constituted in order to look into the matters in respect of compensation, shareholding, audit etc., details of which are as follows:

Committees of Board

The Board of Directors of the Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Accordingly not less than 50% of the Board of Directors comprises of non-executive and independent Directors.

Sr. No.	Name of the Director	Status*
1.	Mr. Ratnakar Gutte	Managing Director
2.	Mrs. Sudhamati R. Gutte	Executive Director
3.	Mr. Sunil R. Gutte	Executive Director
4.	Mr. M N. Mohan	Executive Director
5.	Mr. S.K. Kodandaramaiah	Executive Director
6.	Mr. Ashok Saklikar	Independent Director
7.	Mr. Pramod H. Mitkary	Independent Director
8.	Ms. Sarita Rathi	Independent Director
9.	Mr. B.B.Thombare	Independent Director
10.	Mr.Kamlakar G. Holkar.	Independent Director

* As per Clause 49 of the Listing Agreement

There is no service contract between the Company and its Executive Directors, which provides for benefits upon termination of employment.

Our Company has the following Committee formed out of the Members of the Board. The Committees were constituted on 09-09-2005.

Audit Committee:

Audit Committee is constituted by Board of Directors. It consist of 3 directors, 2 of them are Non-executive independent Directors, namely Mr. Pramod H. Mitkary, Mr. Ashok Sakalika and Mr. Sunil R Gutte, Executive Director.

Mr. Pramod H. Mitkary acts as the Chairman of the Committee.

Scope and function:

The Audit Committee provides directions to and reviews functions of the Audit Department. The Committee evaluates internal audit policies, plans, procedures and performance and reviews the other functions through various internal audit reports and other year-end certificates issued by the statutory auditors. Quarterly and Annual Accounts will be reviewed by the Audit Committee, prior to their presentation to the Board along with the recommendations of the Audit Committee. Besides, Audit Committee will be authorized to exercise all such powers as are required under the amended Clause 49 of the Listing Agreement.

Composition:

Sr. No	Name of the Director	Designation	Nature of Directorship
1.	Mr. Pramod H. Mitkary	Chairman	Independent Director
2.	Mr. Ashok Sakalika	Member	Independent Director
3.	Mr. Sunil R. Gutte	Member	Executive Director

Powers:

1. It shall have the authority to investigate into any matter in relation to the items specified in section 292A of the Companies Act 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary;
2. To investigate any activity within its terms of reference;
3. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
4. Reviewing with the management the annual financial statements.
5. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
6. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Reviewing the Company's financial and risk management policies.
8. It shall have discussion with the Auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submissions to the Board.

The constitution of the Audit Committee is in compliance with the corporate governance requirements under clause 49 of the Listing Agreement.

Shareholders/ Investors Grievance Committee-

The Shareholders/ Investors Grievance Committee constituted by Board of Directors consist of 3 directors; all of them are Non-executive independent Directors.

Scope and functions:

The Committee interalia, approves issue of Duplicate share certificates & reviews all matters connected with the Securities transfer. The Committee also looks into redressing of Shareholders/Investors Compliance like transfer of shares, Non receipt of Balance sheet, Non-receipt of Dividend warrants & also handles the queries/ complaints relating to dematerialisation of shares etc. The committee oversees the performance of the Registrar & transfer agent & recommends measures for the overall improvement of the quality of Investors services.

Composition of Shareholders/ Investors Grievance Committee

Sr. No	Name of the Director	Designation	Nature of Directorship
1.	Mr. Ashok Sakalikar	Chairman	Independent Director
2.	Mr. B.B.Thombare	Member	Independent Director
3.	Mr. Pramod H. Mitkary	Member	Independent Director.

Remuneration Committee:

The Remuneration Committee constituted by Board of Directors consist of 3 directors; all of them are Non-executive independent Directors.

Scope and functions:

The Remuneration Committee determines the Company's on specific packages for Executive Directors.

Composition:

Sr. No	Name of the Director	Designation	Nature of Directorship
1.	Mr. Ashok Sakalikar	Chairman	Independent Director
2.	Ms. Sarita Rathi	Member	Independent Director
3.	Mr. Pramod H. Mitkary	Member	Independent Director.

Sunil Hitech Engineers Limited

SHAREHOLDING OF DIRECTORS

Sr. No	Name of the Directors	No of Equity shares held
1.	Mr. Ratnakar M. Gutte	22,02,500
2.	Mrs. Sudhamati R. Gutte	19,68,750
3.	Mr. Sunil R. Gutte	16,78,740
4.	Mr. M.N.Mohanan	1,005
5.	Mr. S.K.Kodandaramaiah	1,005
6.	Ms. Sarita Rathi`	Nil
7.	Mr. Ashok V Sakalika	Nil
8.	Mr. B.B.Thombare	Nil
9.	Mr. Pramod H. Mitkary	Nil
10.	Kamlakar G. Holkar	Nil

INTERESTS OF DIRECTORS (OTHER THAN THE PROMOTER DIRECTORS):

Except as stated in "Related Party Transactions" on page 61 of this Prospectus , and to the extent of shareholding in the Company, the directors do not have any other interest in the business. The directors are interested to the extent of shares allotted to them. Except to the extent of their compensation as mentioned on page 48 of this Prospectus , and their shareholding or shareholding of companies they represent, the Directors, other than the Promoters who are also Directors, do not have any other interest in the Company.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Except as stated otherwise, in this Prospectus, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Offer Document in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Though the Director has an interest as a firm or a member of other company, the said firm or company has no interest in Sunil Hitech Engineers Limited. There are no sums paid or an agreement to pay any sum to the directors of the company in cash or shares or otherwise by any person either to induce him to become or qualify him as director or otherwise for service rendered by him or by the company in connection with the promotion or formation of the company.

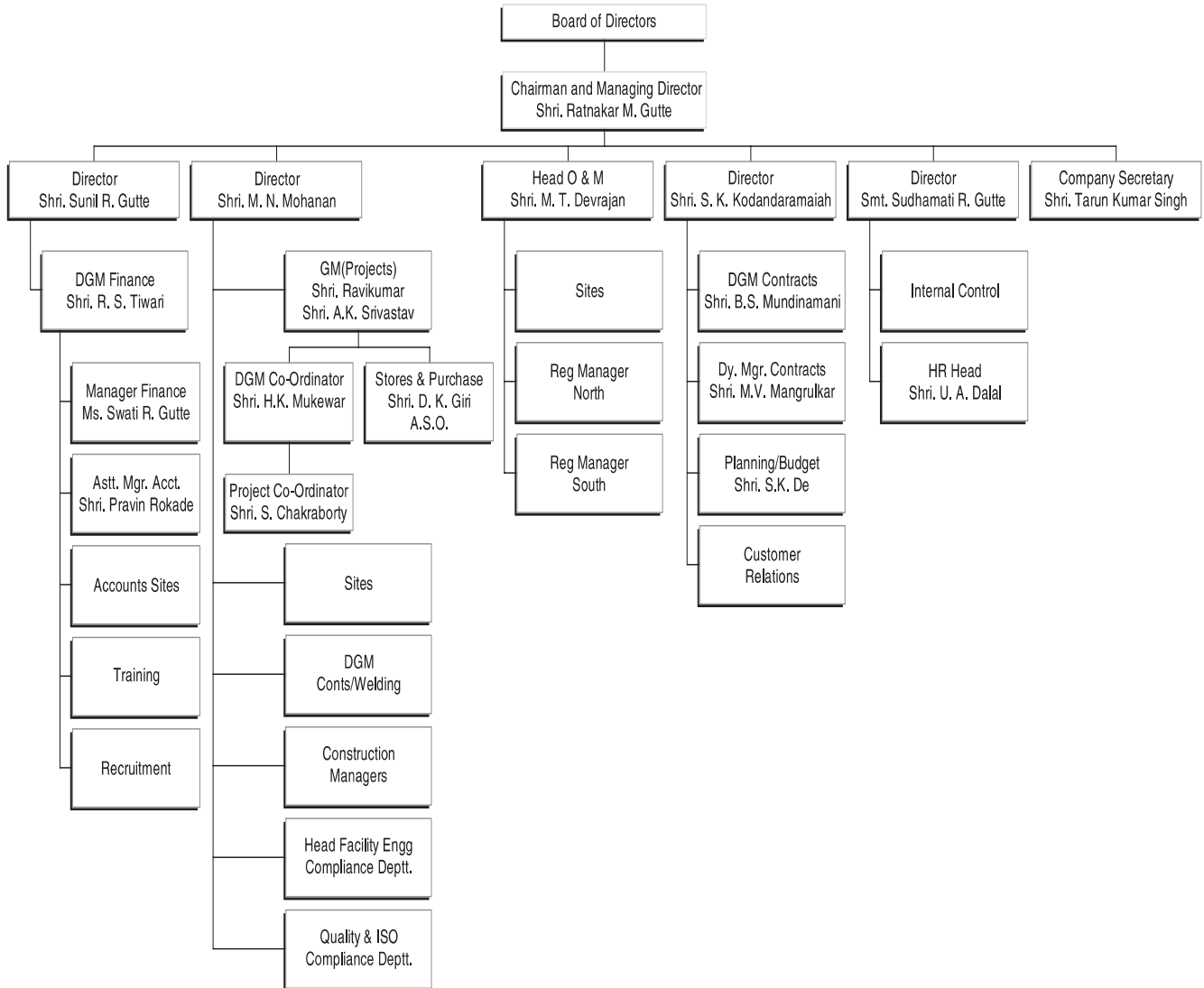
The Articles of Association provide that the Directors and officers shall be indemnified by the Company against loss in defending any proceeding brought against Directors and officers in their capacity as such, if the indemnified Director or officer receives judgment in his favour or is acquitted in such proceeding.

Changes in the Board of Directors in the last 3 years

The following are the changes in the Board of Directors in the last 3 years and no changes thereafter have taken place:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Mohanlal Kundu	14.08.02	31.10.03	Resigned as Director.
Mr. M.N.Mohanan	01.06.03	N.A	N.A.
Mr. S.K.Kodandaramaiah	05.02.04	N.A.	N.A.
Mr. Sunil R. Gutte	01.06.05	N.A.	N.A.
Mr Kamlakar G Holkar	01.09.05	N.A	N.A
Mr Ashok V. Sakalika	01.09.05	N.A	N.A
Mr Bhairavanath Thombare	01.09.05	N.A	N.A

MANAGEMENT ORGANISATION CHART:



Sunil Hitech Engineers Limited

KEY MANAGEMENT PERSONNEL:

The Company Management team is made up of qualified professionals with expertise in Management in their respective fields. The Managing Director and Whole time directors are assisted in their day-to-day responsibilities by the team of professionals as under:

Sr. No	Name	Designation	Age (Yrs)	Qualification	Experience (Years)	Date of Joining	Functional Responsibility	Salary Paid During 2004 -2005 (Rs.)	Previously Employed
1.	Mr.Tarun Singh	Company Secretary	31	ACS	8	01.09.2005	Secretarial & Legal Compliances.	NIL	M/s. Al-Zasia Apparels India Pvt. Ltd., (Howrah–W.B.)
2.	Mr.Ashok Kumar Shrivastava	General Manager, Project 1	56	B. Tech (Mech)	30	26.09.2004	Over all Project Monitoring & Planning.	1,20,000	M/s. Rengali Irrigation Project., Delhi
3.	Mr. S. Ravikumar	General Manager, Project 2	52	B.Tech. (Mech)	30	13.06.2005	Over all Project Monitoring & Planning.	Nil	M/s. TPS Buliders Limited, Chennai
4.	Mr.M.T. Devarajan	General Manager (O & M)	46	Diploma In Mechanical.	22	12.09.1997	Incharge Overhauling & Maintenance	2,94,968	M/s. Kurup Engg. & Co., Chandrapur
5.	Mr. Ashutosh Vijay Dahihandikar	Dy General Manager (O&M)	37	B.E. (Electrical & Power)	13	12.04.2002	Incharge Overhauling & Maintenance	1,68,297	M/s. U.B. Engineering Ltd., Pune
6.	Mr. Basavaraj Mundinamani	Dy General Manager	45	B.Sc.	24	01.06.1997	Head Contract Department	2,17,866	M/s. Bharat Industrial Works, Nagpur
7.	Mr. Mangesh Mangrulkar	Dy Manager Contracts	33	B.E.(Mech)	11	01.09.2001	M.R. ISO	1,37,098	U.B. Engineering Ltd.
8.	Mr. Radheshyam Rajbanshi Tiwari	Dy General Manager (Accounts & Finance)	42	I.C.W.A.I. (Enter) B.Sc.& B.Com.	18	15.06.1994	Incharge Finance & Accounts	1,96,272	N.A.
9.	Mr. Pravin Rokde	Asst Manager Accounts	32	M.Com.& Diploma in Fin. Mang.	10	29.06.1999	Dy. Incharge Finance & Accounts	77,475	Sahil Prakash Electrical (P) Ltd.
10.	Mr. Ranjay K. Singh	Cost Analyst	33	B.Com (Hons.), ICWAI	6	06.09.2005	Cost Analysis	Nil	BSES (Rajadhani & Yamuna), New Delhi

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL:

Mr. Tarun Singh, 31 years, is B.Com. (Hons.), LL.B. and an Associate Member of the Institute of Company Secretaries of India. He has a hands-on Experience of about 8 years in finalization of accounts, Tax Planning and other financial areas. He is the Company Secretary and Compliance Officer of the Company and reports to the Board of Directors. His key strengths are die-hard dedication, zeal and competence. Prior to joining our Company, he was employed with Al-Zasia Apparels India Pvt. Ltd. (Howrah – W.B.).

Mr. Ashok Kumar Shrivastava, 56 years, holds a Bachelor Degree in Technology (Mechanical) from renowned Banaras Hindu University. He has with him a rich experience of over 30 years across planning of men, material, machine and money. He is designated as General Manager, Project 1. He also looks after the Site administration; Monitoring of work execution, Off-loading of work to vendors, Interaction with Customers for Technical and commercials matters etc. He has to his credit Country's biggest Batching plant system at Sardar Sarovar Project and Country's 1st mobile powder conveying equipment for conveying alumina powder.

Mr. S. Ravikumar, 52 years, first class graduate in Mechanical Engineering from Madras University. He is designated as General Manager Project 2. He has over 30 years of experience in fabrication of pressure vessels, Specialized Technological Structures, Baily Bridges and machinery for sugar, Steel & Power Projects. He is looking after Project Procurement, Commercial Activities and actively pursuing setting up of Heavy Engineering Manufacturing Unit. He has secured Training in Germany at Babcock Borsig Company in Power Projects testing and commissioning and also at BHEL in Welding and NDT (Non Destructive Testing).

Mr.M.T. Devarajan, 46 years, is General Manager (Overhauling and Maintenance (O&M)). He is diploma holder has over 25 years of industrial experience. He started his career in power sector at Trombay with first 500MW thermal power plant by TATA electric company in 1980. He is looking after Erection, Testing Commissioning and overhauling and maintenance of various Thermal Power Station situated at various sites of the company. His practical experience in overhauling and maintenance of power plants and ability to liaison with authorities has charted to growth trajectory in Rehab of old plants. He has to his credit the backward integration of the company through its subsidiary Sunil Hitech Engineers and Manufacturers Pvt Ltd.

Mr. A.V. Dahihandikar, 37 years, is Dy General Manger (O&M). He is a first class graduate in electrical and power engg, has vide experience of working for large power generation and distribution of national and international level. Working in different environment has enriched his knowledge regarding boilers, steam turbines, and their auxiliaries involved in thermal power plants of installed capacities ranging from 110 MW to 500MW.

Mr. Basavaraj S. Mundinamani, 45 years, Dy General Manager, NDT & Contracts. He is B.Sc. from Karnataka. He has undergone various Training programmes like Industrial Radiography and Safety Aspects conducted by BARC, Mumbai, Welding Technology conducted by WRI/BHEL, Trichy, Training on RT Level-3 conducted by Hindustan Shipyard Ltd., with BARC, Mumbai at Vishakapattanam. He has done certification courses like Level-II in LPT, MPT RT, UT at Institute of Testing technology at Mumbai and in accordance with ASNT. He has a wide experience in carrying out & monitoring the Non Destructive Testing methods at various power projects in India. He also worked as a Welding & NDT In charge and having a hands on experience in Welding Technology. He also shoulders the responsibility of Head of the NDT Department in the Company and completed various Power Projects through out the Country. With exposure to the site related activities, he is heading the department of Contracts at Head Office with his skills and experience. He is a good analyst and his analysis used to produce transparent & best offers.

Mr. Mangesh V. Mangrulkar, 33 years, is designated as Dy Manager Contracts. He is a young, dynamic Post Graduate, MBA in Financial Management has done Graduation in Mechanical Engineering in 1993.He has an experience 12 years in various Thermal Power Stations in India. He was in Middle East Region for 4 years for Erection of HRSG, Desalination plants & maintenance of the same. His at par practical experience in executing various works in thermal power plants gives him strength and a very transparent picture for preparation of offer & contractual documents, correspondence with Customers, discussions, negotiations with Customers regarding the Offer submitted, Planning & documentation of the project related activities etc. He is also responsible as a Management Representative for implementation of ISO 9001:2000 Quality System standards within the Organisation at various Project & O&M sites.

Mr. Radheshyam Rajbanshi Tiwari, 42 years, is designated as Dy General Manager (Accounts & Finance). He has over 24 years of experience in Accounting and Finalisation of Balance Sheet, Taxation Matter like Sales Tax, Income Tax, Service Tax, Provident Fund, Liaising with Bank and customers of the company. He has earlier worked with companies like L & T. He is with SHEL since its inception.

Mr. Pravin Rokde, 32 years, is designated as Asst Manager Accounts. He is young, innovative and creative support to the Accounts team. A post Graduate in M.Com with diploma in finance management has about 10 yrs of hands on experience in core accounting and banking. His key strengths are team building and motivation.

Mr. Ranjay Kumar Singh, 33 years, is young dynamic, innovative and creative, supports to the Costing team. A Graduate in Commerce and qualified ICWAI, has about 6 yrs of experience in cost analysis. His key strengths are team building and motivation.

All the key managerial personnel mentioned above are the permanent employees of the Issuer Company.

Sunil Hitech Engineers Limited

Shareholding of the Key Managerial

Name of the Key Managerial Personnel	No. of equity shares held
1. Mr.Tarun K. Singh	150
2. Mr.Ashok Kumar Shrivastava	200
3. Mr. S. Ravikumar	Nil
4. Mr.M.T. Devarajan	1000
5. Mr. A.V. Dahihandikar	100
6. Mr. B. S. Mundinamani	300
7. Mr.Mangesh Mangrulkar	300
8. Mr. Radheshyam Rajbanshi Tiwari	400
9. Mr Pravin Rokde	1200
10. Mr. Ranjay K. Singh	500
TOTAL	4150

Bonus or Profit Sharing Plan for the Key Managerial Personnel: -

There is no Profit Sharing Plan for the Key Managerial Personnel. The company makes bonus payments to all its employees as required by law.

Payment or benefits to officers of the issuer company (non-salary related) (Certificate)

Except shares issued to the employees at the rate of Rs. 50/- which is lesser than shares issue to public in this present offer, there are no any non - salary amount or benefits paid or given

Changes in the Key Managerial Personnel in the last one years:

Other than the following there has been no changes in the Key Managerial Personnel of the Company during the last 1 year:

Sr. No.	Name	Designation	Date of Joining	Date of Leaving	Remarks
1.	V.B. Malve	G.M. (Proj)	15.06.03	08.05.05	Resigned
2.	S.Chatterjee	G.M. (Proj)	30.12.04	20.08.05	Resigned
3.	A.K. Shrivastav	G.M. (Proj)	17.03.05	N.A.	Appointed
4.	T. K. Singh	C.S.	01.09.05	N.A.	Appointed
5.	R. K. Singh	Cost Analyst	07.09.05	N.A.	Appointed

EMPLOYEES

The total manpower directly employed by the Company as on November 30, 2005 is 446 including site staffs. For entire labour requirement, the Company banks mainly on its labour contractors.

Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme

Till date the company has not introduced any employee stock option Scheme /stock Purchase scheme as required by the guidelines or regulation of SEBI relating to Employee Stock Option Scheme and employee Stock Purchase Scheme.

5. PROMOTERS OF THE COMPANY:

DETAILS OF PROMOTERS BEING INDIVIDUALS:

NAME: MR. RATNAKAR M. GUTTE. MANAGING DIRECTOR



Permanent Account Number	ABPPG7367Q
Passport Number	B0327953
Voter ID Number	MT/34/202/129358
Driving License Number	MH341993/C-10
Address:	561-A, LENDRA PARK RAMDASPETH. NAGPUR.

Brief Profile of the Promoter:

MR. RATNAKAR MANIKRAO GUTTE: MANAGING DIRECTOR:

Ratnakar Manikrao Gutte, 47, brings in 29 years of rich experience in Project execution i.e. Fabrication, Erection, Testing & commissioning of Power Plants. A School drop out at the age of 18, he started his career in the Power Sector, working as a helper to a contractor engaged in rendering contractor ship services to State Electricity Board, he rose to the present rank by virtue of his sheer hard work and great clairvoyance. Being a first generation starter, with his working knowledge of engineering, finance, banking, taxation, general management and commercial matters, he credited the company with the necessary direction towards its growth and vision. He has skilfully nurtured the company since its inception and has established it as one of the leading companies specialized to undertake thermal power plants work. His key strength is delivering qualitative and timely services and strong liasoning in the industry. Recently he was honoured with National awards " Life Time Udyog Achievement award 2004 and great achiever in Industrial Excellence award 2004, by EGSI and IOCI respectively.

NAME: MRS. SUDHAMATI R. GUTTE: DIRECTOR



Permanent Account Number	ACMPG5349N
Passport Number	B0327952
Voter ID Number	MT/34/202/129317
Driving License Number	NOT APPLIED FOR
Address:	561-A, LENDRA PARK RAMDASPETH. NAGPUR.

Brief Profile of the Promoter:

MRS. SUDHAMATI RATNAKAR GUTTE:

Mrs Sudhamati Ratnakar Gutte, 42, has more than 12 years of working experience looking after the overall management and administration of the company since its incorporation. 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 team building, motivation and managing administration and back office functions. She is equally responsible for nurturing the organization to its present rank and file.

NAME: Mr. SUNIL R. GUTTE: DIRECTOR



Permanent Account Number	AFAPG3984L
Passport Number	E0940168
Voter ID Number	NOT APPLIED FOR
Driving License Number	MH31/05/337061
Address:	561-A, LENDRA PARK RAMDASPETH. NAGPUR.

Sunil Hitech Engineers Limited

Brief Profile of the Promoter:

MR SUNIL RATNAKAR GUTTE

Sunil Gutte, 23 years has completed his Engineering with majors in Mechanical from Pune, Maharashtra and joined the company as a Management Trainee. To hone his skills he had taken up a rigorous training in BHEL's Welding Research Institute in Tiruchirapalli on Welding Technology. He had also done an intensive training program in Finance and Taxation to have a broader perspective towards the functioning of the company. By virtue of his strong inter-personal relation and strong ability to motivate members of the board on the one hand and the work force on the other hand has helped to synergise human resource asset in the company and has permeated zeal and creativity. By his sheer performance in the company he was been elevated to the post of General Manager, and in the month of June 2005 he was promoted as the Executive Director reporting to the Board of Directors of the company. He brought in a wave of infrastructural changes with technological advancements bracing the company future. He has pioneered in bring in the necessary change in the management structure, reporting standards, structured decision making and HR policy.

Declaration

It is confirmed that the PAN, Bank Account details and Passport Number of Mr. Ratnakar M. Gutte, Mrs. Sudhamati R. Gutte and Mr. Sunil R. Gutte is being submitted to the Stock Exchanges on which Equity Shares are proposed to be listed, at the time of filing of Prospectus with them.

COMMON PURSUITS:

There are no common pursuits among the company and other venture promoted by the venture.

FULL PARTICULARS OF THE NATURE AND EXTENT OF THE INTEREST, IF ANY, OF EVERY PROMOTER:

Except as stated on page no. 61 of Prospectus under Heading Related Party Transactions, neither the promoters nor the firms or the Companies in which they are members have any interest the business of the Company.

None of the Promoters or the firms or Companies in they are members has any Interest in any property acquired by the Company within two years of the date of this Prospectus or proposed to be acquired by it. No Director or Promoter of the Company is a Member of any firm though a Director or Promoter has an interest as being a Member of other Company; the said Company has no interest in Sunil Hitech Engineers Limited. There are no sums paid or an agreement to pay any sum to the Director or promoter or to company in cash or shares or otherwise by any person either to induce him to become or qualify him as a Director or otherwise for services rendered by him or by the Company, in connection with the promotion or formation of the company.

PAYMENT OR BENEFIT TO PROMOTERS OF THE ISSUER COMPANY:

Other than the salary and remuneration of the Promoter Directors, referred to in the section titled "Compensation and Perks to Managing Director/ Whole-time Directors" on page 48 of this prospectus, there are no payment or benefit to promoters of the Company.

6. RELATED PARTY TRANSACTIONS:

For the details of related party transactions please refer to Annexure III of Financial Statement on page 69 to 70 of this Prospectus.

7. CURRENCY OF PRESENTATION:

In this prospectus, all references to “Rupees” and “Rs.” and “Indian Rupees” are to the legal currency of the Republic of India.

In this prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Sunil Hitech Engineers Limited

8. DIVIDEND POLICY:

The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders, at their discretion, and will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition. The Board may also from time to time pay interim dividend.

The company has not paid any dividend during the last year.

SECTION: V: FINANCIAL STATEMENTS

We the lead Managers to the issue confirm that all notes to the Accounts, Significant accounting policies as well as Auditors qualification has been incorporated.

FINANCIAL INFORMATION OF SUNIL HITECH ENGINEERS LIMITED AUDITORS' REPORT

To,

The Board of Directors
SUNIL HITECH ENGINEERS LIMITED
97, East High Court Road, Ramdaspath,
Nagpur – 440 010.

We have examined the following financial information of SUNIL HITECH ENGINEERS LIMITED. ("the Company") as attached to this report stamped and initialled by us for identification and as approved by the Board of Directors which has been prepared in accordance with Paragraph B-1 Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("the Guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19,2000, in pursuance to Section 11 of the Securities and Exchange Board of India Act,2002 and related clarifications and in accordance with the instructions dated 20.12.2005 issued by the Company in connection with the Offer Document to be issued by the Company in connection with its proposed Equity Shares.

Annexure I	Statement of Assets and Liabilities as at half yearly ended 30th September 2005, 31st March 2005, 31st March 2004, 31st March 2003, 31st March 2002 & 31st March 2001.
Annexure II	Statement of Profit & Loss Account for the half yearly ended 30th September 2005, 31st March 2005, 31st March 2004, 31st March 2003, 31st March 2002 & 31st March 2001.
Annexure III	Significant Accounting Policies and Standard Notes on accounts as per the audited accounts.
Annexure IV	Statement of Accounting Ratios.
Annexure V	Capitalization Statement
Annexure VI	Statement of changes in Share Capital
Annexure VII	Statement of rate of dividend
Annexure VIII	Statement of Unsecured loan
Annexure IX	Statement of other income.
Annexure X	Statement of Tax Shelter.
Annexure XI	Statement showing Age-wise analysis of Sundry Debtors & Details of Loans and Advances.
Annexure XII	Principal terms of loans & assets charged as security.

Based on examination of the above statements with the respective audited financial statement and on the basis of information and explanations given to us, we report as under:

The statements referred to as Annexure I to XII read with the respective Significant Accounting Policies and read together with the notes thereon and after making such adjustments, regrouping and disclosures as were, in our opinion, appropriate and required have been prepared out of audited financial statements for the years.

- i) Restatement of financial information in respect of years earlier to 31st March, 2005 has not been considered necessary since (a) changes in the accounting policies made pursuant to applicability of new mandatory accounting standards are prospective in nature; and (b) on grounds of materiality.
- ii) We confirm the calculations of (a) Accounting ratios in Annexure IV; (b) debt / equity ratios mentioned in the Annexure V; and (c) statement of tax shelter in Annexure X.

For Vivek Randad & Co.
Chartered Accountants

Vivek Randad
Proprietor

Membership No.116014

Place: Nagpur
Dated: 26/12/05

Sunil Hitech Engineers Limited

ANNEXURE: I

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

Particulars	AS AT 31st MARCH					Half Yearly 30.09.2005
	2001	2002	2003	2004	2005	
A) Fixed Assets:						
Gross Block	567.48	693.31	933.99	1341.82	2029.18	2449.84
Less: Depreciation	241.50	310.46	389.51	514.08	720.93	848.42
Net Block Total (A)	325.98	382.85	544.48	827.75	1308.25	1601.42
B) Investments Total (B)	35.00	50.00	51.00	51.00	51.00	76.54
C) Current Assets, Loans & Advances						
Inventories	67.48	64.47	103.60	168.29	432.09	481.4
Sundry Debtors	382.05	651.03	783.39	940.68	1626.78	2300
Cash & Bank Balances	121.59	135.76	170.36	241.69	428.21	474.39
Other Current Assets	68.38	2.54	20.28	49.01	58.73	38.49
Loans & Advances	57.13	86.00	313.83	339.27	760.17	922.41
Total (C)	696.63	939.80	1391.46	1738.94	3305.99	4216.69
Deferred Tax Assets	0.00	0.00	0.00	0.00	0.00	11.69
Total (D)	696.63	939.80	1391.46	1738.94	3305.99	4228.38
E) Liabilities & Provisions						
Secured loans	148.57	127.30	180.68	282.02	993.07	1684.48
Unsecured loans	58.57	157.97	194.44	375.27	527.63	292.51
Current Liabilities & Provisions	645.17	837.77	1269.60	1469.99	1945.41	2487.90
Deferred Income Tax Liability	0.00	0.00	11.15	23.94	37.84	37.84
Total (E)	852.31	1123.04	1655.87	2151.22	3503.94	4502.72
NET WORTH (A+B+C+D-E)	205.30	249.61	331.07	466.47	1161.30	1403.62
NET WORTH REPRESENTED BY:						
Share Capital	125.00	125.00	175.00	175.00	652.50	655
Share Application Money	0.00	0.00	0.00	0.00	0.00	0.45
Reserve & Surplus	80.30	124.59	157.22	292.06	508.82	748.17
Total	205.30	249.59	332.22	467.06	1161.32	1403.62
Less: Misc. Expenditure (to the extent Not written off)	0.00	0.00	1.17	0.59	0.00	0
NET WORTH	205.30	249.59	331.05	466.47	1161.32	1403.62

Sunil Hitech Engineers Limited

ANNEXURE: II

STATEMENT OF PROFIT & LOSS ACCOUNT AS RESTATED

(Rs. in Lacs)

Particulars	AS AT 31st MARCH					Half Yearly 30.09.2005
	2001	2002	2003	2004	2005	
Income						
Project Site	1,595.03	1270.72	1208.47	1693.15	5390.39	5019.16
O & M Site	499.37	682.23	1002.64	1851.65	1403.37	859.65
Turnover	2094.40	1952.95	2211.11	3544.80	6793.76	5878.81
Other income	33.30	24.70	19.73	29.44	59.24	29.70
Increase/(Decrease) of stock	0.00	0.00	23.08	8.94	30.92	34.84
Total Income	2127.70	1977.65	2253.92	3583.18	6883.93	5943.35
Expenditure						
Direct Contract Expenses	1644.09	1564.79	1713.16	2771.69	5480.53	5020.76
Administrative Expenses	304.62	248.18	345.56	465.89	666.13	347.35
Interest & Financial Charges	34.14	26.82	28.10	72.58	145.96	118.22
Depreciation	97.39	68.34	79.05	124.03	205.46	127.24
Extra ordinary items (Expenses)	0.00	0.62	0.00	0.00	0.00	0.00
Total Expenditure	2080.24	1908.75	2165.87	3434.19	6498.08	5613.57
Net Profit Before Tax	47.46	68.90	88.05	148.99	385.85	329.77
Provision for Income Tax						
Current	18.77	24.60	34.92	53.64	147.57	112.11
Deferred			11.21	12.78	13.90	(11.69)
Profit after Tax	28.69	44.30	41.92	82.57	224.38	229.34
Add: Extra ordinary items (Income)	0.00	0.00	0.00	0.00	24.07	0.00
Add/Less: Income Tax adjustment related to earlier years			(9.35)	(14.68)	(17.79)	0.00
Net profit after Tax	28.69	44.30	32.57	67.89	230.66	229.34
Balance of Profit brought forward	0.00	80.29	124.59	150.65	201.57	259.15
Dividend	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Tax on Dividend	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to General Reserves	28.69	44.30	6.51	16.97	23.06	22.93
Balance Carried to Balance sheet	0.00	124.59	150.65	201.57	409.17	465.56

Sunil Hitech Engineers Limited

ANNEXURE: III

(Rupees in lakhs)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1) GENERAL

The Company generally follows the mercantile system of accounting except in case of leave encashment, HRA and gratuity, which are accounted for on cash basis. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2) CONVENTION

The Accounts are prepared under historical cost convention and on the basis of going concern.

3) REVENUE RECOGNITION

- I) The Company follows the percentage of completion method as per Accounting Standard-7 to recognize revenue in respect of Contracts executed.
- II) Subject to (i) above, Contract receipt are accounted for on the basis of Bills submitted to clients/bills certified by clients and do not include material supplied by clients free of cost.
- III) Revenue from work in progress is recognized on estimated basis as certified by technical officers.

4) FIXED ASSET

Fixed Assets are recorded at cost of acquisition inclusive of relevant levies. They are stated at historical cost less accumulated depreciation.

5) DEPRECIATION

Depreciation has been provided on the basis of WDV Method as per Schedule XIV of the Companies Act, 1956 and on addition / Sale during the year, on pro-rata basis.

6) CAPITAL WORK IN-PROGRESS

Advances paid towards the acquisition of fixed assets and cost of assets not put to use before the year end will have disclosed under capital Work-in-Progress but it is nil during the period.

7) INVESTMENTS

Investments are stated at the cost of acquisition. Provisions for diminution in the value of investments are made only if such decline is other than temporary, in the opinion of the management.

8) INVENTORIES

Raw materials, stores and spares and are valued at the lower of cost and the net realizable value.

9) CUSTOM DUTY

Custom Duty payable on materials and machineries are accounted for on clearing of goods from custom warehouse.

10) FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of the transactions. In the case of liabilities incurred for the acquisition of fixed assets, the loss or gain on conversion (at the rates prevailing at the period end) is included in the carrying amount of the related fixed assets. In the case of current assets and current liabilities, there were no such transactions

11) RETIREMENT BENEFITS

- I) Contribution to Provident Fund is accounted for on accrual basis. The Company continues to make contribution to Provident Fund plan administered by the Government of India.
- II) Leave encashment and gratuity are charged to Profits & Loss account on incurred basis.

12) PUBLIC ISSUE EXPENSES

Public Issue expenses have been amortised in accordance with Section 35-D of the Income Tax Act, 1961.

13) INCOME TAX

Income Tax is computed using the tax effect accounting method where taxes are accrued in the same period, as the related revenue and expenses to which they relate. The difference that result between profit offered for income tax and the profit as per financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing difference, namely differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. Deferred tax assets and liabilities are measured using tax rates and tax laws enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only if their respective carrying values at each Balance Sheet date. Provision has been made for income tax on an yearly basis, under the tax payable method, based on the tax liability as computed after taking credit for allowances and exemptions. In case of matters under appeal, if any, due to disallowances or otherwise, full provision is made when the said liabilities are accepted by the Company.

B. Contingent Liability not provided for in respect of as at :

(Rs. In lacs)

Particulars	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	Half yearly 30.09.05
Counter Guarantees given to Bankers in respect of Guarantees	400	400	379.38	911.93	1872.87	2168.99
Estimated amount of Contracts remaining to be executed on capital account and not provided for.	Nil	Nil	Nil	Nil	Nil	Nil
Estimated amount of Contracts received by the company and awaiting for erection.	2796	2173	Nil	9909	15608	18129.87
Guarantees and Letter of Credits issued by Banks.	Nil	Nil	Nil	10.05	Nil	140

C. Notes for the year ended on 31st March, 2005

Issued and paid up share capital includes 37,50,000 Equity Shares of Rs. 10/- each allotted as fully paid up bonus shares by capitalization of Revenue Reserve and share premium.

D. Notes for the half yearly ended on 30th September, 2005

- 1) Company has not acknowledged claims amounting to Rs. Nil lacs as debts as in the opinion of the management, these claims are frivolous. Company has also lodged counter claims of Rs. Nil Lacs against these claims.
- 2) Secured loans are secured:
 - a) Term Loan from ICICI Bank, HDFC Bank & Cholamandalam Investment & Finance Company Ltd., Nagpur is secured by way of hypothecation of movable fixed assets of the Company, created out of Term Loan.
 - b) Working capital facilities from Banks (UCO Bank secured by way of hypothecation of stock and book-debts both present and future of the Company through pari passu charge).
 - c) Working capital facilities from banks are further secured by way of first pari passu charge on movable and immovable fixed assets of the company, both present and future.
 - d) Term Loan and Working Capital facilities from Banks are further secured by equitable mortgage of certain assets of chairman/their associates/ relatives and further by personal guarantee of chairman and relatives.
 - e) Mobilisation Advances from clients are secured against Bank Guarantees.
 - f) Hire purchase finance in secured by way of hypothecation of respective assets.
- 3) Market value of Quoted Investments as on half yearly ended 30th September 2005 is Rs. Nil Lacs (Previous Year : Rs. Nil)
- 4) Parties' balances are subject to confirmation from them.

Sunil Hitech Engineers Limited

- 5) The Company has not given any loans or advances in nature of loans, which are required to be disclosed pursuant to Clause 32 of the Listing Agreement.
- 6) Maximum amount due at any time during the year from Concern / Companies in which Directors and / or their relatives are interested.

Name	Half Year ended 30.09.2005	31.03.2005	31.03.2004
Essar Engineering Works	2.66 Lacs	Nil	Nil
Trimurti Engineering	20.57 Lacs	Nil	Nil

- 7) A provision for diminution in the value of quoted investment has not been made, as there are no such investments as on date.
- 8) Estimated amount of Contracts remaining to be executed on Capital Account (Net of Advances) Rs. 116.35 lacs for Half Year ended 30th Sept 05, (P.Y 04-05. Rs. 81.50 lacs)
- 9) Managerial Remuneration paid / payable to the Directors

(Rs. In Lacs)

	Half Yearly 30.09.2005	31.03.2005	31.03.2004
i) Remuneration	14.38	24.36	24.09
ii) Allowances & perquisites	14.25	12.08	12.00
	28.63	36.44	36.09

- 10) Amount paid/payable to Auditors

	Half yearly 30.09.2005	31.03.2005	31.03.2004
a) Audit Fee/Taxation/Certification	1,50,000.00	2,00,000.00	1,00,000.00
b) Audit Expenses	20,588.00	47,000.00	40,000.00
c) Service Tax	—	20,000.00	10,000.00
	1,70,588.00	2,67,000.00	150000.00

- 11) 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.
- 12) Profit for the year has been arrived after adjusting prior period debits of Rs. Nil (P.Y 04-05.Rs.17.78 lacs) (P.Y 03-04.Rs.15.04 lacs) and prior period credits of Rs. NIL (P.Y. 03-04.Rs.0.36) charged / credited to Profit & Loss account.
- 13) In accordance with the Accounting Standard 22 relating to accounting for taxes on income issued by the institute of Chartered Accountant of India, made applicable w.e.f. 1st April 2001, Income taxes for the current year have been provided for using tax effect accounting method and deferred tax assets/liability has been recorded.
- 14) Breakup of Deferred Tax Assets and Deferred Tax Liabilities :

	Half yearly 30.09.2005	31.03.2005	31.03.2004
Deferred Tax Assets			
a) Fixed Assets and Depreciation	11,69,051.00	—	—
b) Others	—	—	—
Deferred Tax Liabilities			
a) Fixed Assets and Depreciation	37,83,985.00	3783985	23,93,706
b) Others	-	-	-

Sunil Hitech Engineers Limited

15) Segment Reporting:

The Company is operating in construction industry. Since there is only one segment in which company is operating, segment reporting as required under Accounting Standard-17 issued by the institute of Chartered Accountants of India is not applicable.

16) Earning Per Share:

Calculation of earning per share – Basic & Diluted

Sr. No.	Particulars	Equivalent No. of Shares		
		Half yearly 30th Sept, 05	Year ended March 31,2005	Year ended March 31,2004
1.	Opening number of shares	65,25,000	17,50,000	17,50,000
2.	Allotted during the year	25,000	47,75,000	–
3.	Outstanding number of shares at the year end	65,50,000	65,25,000	17,50,000
4.	Adjusted number of shares	65,27,083	56,10,416	55,00,000
5.	Net Profit after Tax (Rs.)	2,29,34,675.00	2,30,64,965.00	67,89,307.00
6.	Earning Per Share (Rs.)	3.51	4.11	1.23

17) Related Party Disclosures (As identified and certified by the Management)

A. Related party disclosures as required under Accounting Standard-18 on “Related Party Disclosures” issued by the Institute of Chartered Accountants of India of for the period half yearly ended 30th September, 2005 are given below:

a) Individuals exercising significant influence, key management personnel and their relatives.

Sh. R.M. Gutte, Mrs S.R.Gutte, Sh. Sunil R. Gutte, Sh.Vijay Gutte Ku.Swati R. Gutte, Mr.M .N. Mohanan, S.K.K Ramaih

b) Enterprises over which personnel referred in (a) above mentioned exercise significant influences:

Essar Engineering Works, Trimurti Engineers, Vijay Construction Company.

Figures in Lacs)

Particulars	Group		Total
	(a)	(b)	
- Interest paid	-	-	-
- Lease/hire charges paid	-	3.15	3.15
- Rent, Secretarial & other charges recovered	-	19.05	19.05
- Purchase of assets	-	-	-
- Salary paid	18.28	-	18.28

Balances as on 30th Sept 2005

Due from 3.00

Due to 1.89

B. Related party disclosures as required under Accounting Standard-18 on “Related Party Disclosures” issued by the Institute of Chartered Accountants of India of for the year ended 31st March 2005 are given below:

a) Individuals exercising significant influence, key management personnel and their relatives.

Sh. R.M. Gutte, Mrs S.R.Gutte, Sh. Sunil R. Gutte, Sh.Vijay Gutte Mr.M .N. Mohanan, S.K.K Ramaih

b) Enterprises over which personnel referred in (a) above mentioned exercise significant influences:

Essar Engineering Works, Trimurti Engineers, Vijay Construction Company.

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Figures in Lacs)

Particulars	Group		Total
	(a)	(b)	
- Interest paid	-	20.70	20.70
- Lease/hire charges paid	-	8.12	8.12
- Rent, Secretarial & other charges recovered	-	7.80	7.80
- Purchase of assets	-	-	-
- Salary paid	32.25	-	32.25

Balances as on 31.03.2005

Due from 2.10

Due to 1.32

C. Related party disclosures as required under Accounting Standard-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India for the year ended 31st March 2004 are given below:

a) Individuals exercising significant influence, key management personnel and their relatives.

Sh. R.M. Gutte, Mrs S.R.Gutte, Sh. Sunil R. Gutte, Mr.M .N. Mohanan, , Sh. M.L. Kundu.

b) Enterprises over which personnel referred in (a) above mentioned exercise significant influences:

Essar Engineering Works, Trimurti Engineers, Vijay Construction Company.

Figures in Lacs)

Particulars	Group		Total
	(a)	(b)	
- Interest paid	-	-	-
- Lease/hire charges paid	-	-	-
- Rent, Secretarial & other charges recovered	-	-	-
- Purchases and other Work	-	9.84	9.84
- Salary paid	24.04	-	24.04

Balances as on 31.03.2004

Due from 0.65

Due to 9.25

D. Related party disclosures as required under Accounting Standard-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India for the year ended 31st March 2003 are given below:

a) Individual exercising significant influence, key management personnel and their relatives.

Sh. R.M. Gutte, Mrs S.R.Gutte, Sh. M.L. Kundu.Sh. N.T.Vadalkar

b) Enterprises over which personnel referred in (a) above mentioned exercise significant influences:

Essar Engineering Works, Trimurti Engineers, Vijay Construction Company.

Figures in Lacs)

Particulars	Group		Total
	(a)	(b)	
- Interest paid	-	-	-
- Lease/hire charges paid	-	-	-
- Modification and overhauling contracts.	-	389.58	389.58
- Purchases	-	22.56	22.56
- Salary paid	5.95	-	5.95

Balances as on 31.03.2003

Due from 0.03

Due to 331.18

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18) Information relevant to outstanding dues to Small Scale Industrial undertaking as define under clause (j) of Section 3 of the Industrial (Development and Regulation) Act., 1951, is not available except M/s. Maruti Weld Limited.

19) Additional information pursuant to provisions of paragraph 4D of part II of the Companies Act, 1956.

	Half yearly Ended 30th September, 2005	Previous Year (Rs. In Lacs)
Value of Import on CIF basis Raw Material (Electro Forge Gratings from M/s. Web Forge, Singapore)	25.08	Nil

20) Expenses incurred in Foreign Currency:

(Rs. In Lacs)

Particulars	half yearly Ended 30th September, 2005	Previous Year
Travelling	Nil	1.26

Notes for the year ended on 31st March 2002

1. In accordance with the Accounting Standard-22 relating to accounting for taxes on income issued by The Institute of Chartered Accountants of India, made applicable w.e.f. 1st April 2001, income tax for the current year has been provided for using tax effect accounting method and deferred tax assets/liability has been recorded. Whereas in the earlier years income tax provisions were made using tax payable method. Accordingly net profit after tax for the current year is not comparable with the previous year to the extent of deferred tax liability.

2. Breakup of Deferred Tax Assets and Deferred Tax Liabilities:

Deferred Tax Assets	March 31, 2003	March 31,2002
a) Fixed Assets	—	6039.00
b) Others	—	—
Deferred Tax Liabilities	March 31,2003	March 31,2002
a) Fixed Assets & Depreciation	11,21,394.00	—
b) Others		

Sunil Hitech Engineers Limited

ANNEXURE : IV

STATEMENT OF ACCOUNTING RATIOS

(Rs. in Lacs)

PARTICULARS	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	Half yearly ended 30.09.2005
Basic Earning per Share						
A Profit After Tax (Rs. in Lacs) (a)	28.69	44.30	32.57	67.89	230.66	229.34
B No. of Shares (in Lacs) (b)	12.50	12.50	17.50	17.50	65.25	65.50
C Weighted Average No. of Shares (in Lacs)	12.50	12.50	17.50	17.50	56.10	65.27
D Basic EPS (in Rupees) (a)/(c)	2.30	3.54	1.86	3.88	4.11	3.51
RETURN ON NETWORTH						
E Profit after Tax (Rs. in Lacs)	28.69	44.30	32.57	67.89	230.66	229.34
F Net Worth (Rs. in Lacs)	205.30	249.59	331.05	466.47	1161.32	1403.62
G RETURN ON NETWORTH-% (e)/(f)	13.97%	17.75%	9.84%	14.55%	19.86%	16.34%
H NET ASSETS VALUE PER SHARE						
I Total Assets (Rs. in Lacs)	1057.61	1372.65	1986.94	2617.69	4665.24	5906.34
J Total Liabilities (Rs. in Lacs)	852.31	1123.04	1655.87	2151.22	3503.94	4502.73
k Assets Value (i)-(j) (Rs. in Lacs)	205.30	249.61	331.07	466.47	1161.30	1403.62
L Less: Share Application Money received	0.00	0.00	0.00	0.00	0.00	0.45
m Net Assets Value (k)-(l) (Rs. in Lacs)	205.30	249.61	331.07	466.47	1161.30	1403.16
Less:Revaluation Reserve	—	—	—	64.94	65.56	65.56
Net Assets Value excluding revaluation reserve	205.30	249.61	331.07	401.53	1095.74	1337.60
n No of shares (in Lacs)	12.50	12.50	17.50	17.50	65.25	65.50
o Net Assets Value Per Share (Rs.) (m/n)	16.42	19.97	18.92	22.94	16.79	20.42
p Basic EPS	2.30	3.54	1.86	3.88	4.11	3.51
q Weighted EPS						
r Weights	1.00	2.00	3.00	4.00	5.00	6.00
s Weighted EPS (p x r)	2.30	7.09	5.58	15.52	20.56	21.06
T Weighted EPS	3.43					
u Adjusted EPS						
v No. of Shares (in Lacs)	50.00	50.00	55.00	55.00	56.10	65.50
w Adjusted EPS (a/v)	0.57	0.89	0.59	1.23	4.11	3.50

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Notes:

1 The ratios have been computed as per the following formula:

<p>a Basic Earning per share (Rs.)</p>	$\frac{\text{Net Profit After tax}}{\text{Weighted average No. of shares}}$
<p>b Return on Network</p>	$\frac{\text{Net Profit After tax}}{\text{Net Worth}}$
<p>c Net Assets value per share</p>	$\frac{\text{Net Worth excluding Revaluation Reserves}}{\text{Total No. of Equity shares}}$
<p>d Adjusted EPS</p>	$\frac{\text{Net Profit attributable to Equity Shareholders}}{\text{Adjusted no. of shares*}}$

* Adjusted No. of Shares are inclusive of Bonus Issue (37,50,000 Shares) issued in FY 2004-05 (Date 22.03.2005)

* Adjusted No. of Shares are inclusive of shares allotted on 1st September & 9th September, 2005 (25,000 shares).

2 Net Profit, as restated and appearing in the statement of Profit and losses has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of restated financial statement of the company.

3 Earning per share calculations have been done in accordance with Accounting Standard -20 Earning Per Share of Institute of Chartered Accountants of India.

ANNEXURE : V

SUNIL HI-TECH ENGINEERS LIMITED CAPITALISATION STATEMENT

(Rs. In Lacs)

Particulars	Pre-Issue as at 30.09.2005	Post Issue *
Loans-Secured & Unsecured		
Working Capital Loans	917.58	1000.00
Short Term Debt	210.12	71.13
Long Term Debt	556.78	262.17
Shareholder's Funds:		
Share Capital	655.00	1002.50
Share Application Money	0.45	0.00
Reserves & Surplus	748.17	3875.67
Miscellaneous Expenditure not Written Off	0.00	0.00
Total Shareholder's Funds	1403.62	4878.17
Long Term Debt/Shareholder's Funds	0.39	0.05

Note: Post issue figures are based on estimated basis.

Working Capital Loan represents cash credit from Bank.

Short Term Debt represents term loan from Bank payable within one year from the Date of reporting.

Long Term Debt represents term loan from Bank payable after one year from the Date of reporting.

Long Term Debt / Equity Ratio has been calculated as per following formula:

= $\frac{\text{Long Term Debts}}{\text{Share Holders Funds}}$

Share Holders Funds

Sunil Hitech Engineers Limited

ANNEXURE: VI

STATEMENT OF CHANGE IN SHARE CAPITAL BALANCE SHEET AS AT

PARTICULARS	31.03.04	31.03.05	30.9.2005
Share Capital			
Authorised Share Capital			
No of Shares of Rs. 10 Each	1,750,000	7,000,000	12,000,000
Amount (Rs. in Lacs)	175	700	1,200
Issued Subscribed & Paid Up			
No. of Shares of Rs. 10 Each	1,750,000	6,525,000	6,550,000
Amount (Rs. Lacs)	175	652.50	655

ANNEXURE: VII

STATEMENT OF RATE OF DIVIDEND

PARTICULARS	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05
EQUITY SHARES					
Rate of Dividend	NIL	NIL	NIL	NIL	NIL
Dividend Amount (Rs. in Lacs)					

No of Equity Shares of Rs. 10 Each

*Proposed

Note :- Since we have not declared dividend in any financial year.

ANNEXURE : VIII

STATEMENT OF UNSECURED LOANS AS ON HALF YEARLY ENDED 30TH SEPTEMBER 2005

(Rs. In Lacs)

PARTICULARS	AMOUNT	RATE OF INTEREST	TERM OF REPAYMENT
Short Term Loan from Customers			
a. SEPCO Korba	21.77	Nil	Recoverable from RA Bills @10%
b. MSPGCOL Paras	46.77	Nil	Recoverable from 3 RA Bills
c. NTPC Sipat	80.26	12%	Recoverable from RA Bills @10%
d. Punj Loyds New Delhi	141.54	Nil	Recoverable from RA Bills @10%
e. Hindalco –Dahej	2.16	Nil	Recoverable from RA Bills @10%

Sunil Hitech Engineers Limited

ANNEXURE: IX

STATEMENT OF OTHER INCOME

(Rs. In Lacs)

PARTICULARS	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	Half Yearly 30.09.05
Profit Before Tax	47.45	68.9	88.06	148.99	385.84	329.77
Other Income During the period / year	33.29	24.7	19.73	29.44	59.24	29.70
Other Income Details						
Interest on FDR / Others	5.24	6.36	8.78	13.90	16.08	18.72
Miscellaneous Income	0.67	5.05	4.51	4.34	2.12	7.28
Transportation Receipts	0.60	-	-	-	-	-
Income from Stores Overheads	26.78	13.29	6.24	-	-	-
Hire Charges of Cranes	-	-	-	11.20	2.00	3.69
Cenvat Credit	-	-	-	-	39.04	-
Surplus on Sale of Assets / Investment	-	-	0.20	-	-	-
TOTAL :	33.29	24.7	19.73	29.44	59.24	29.70

ANNEXURE: X

SUNIL HI-TECH ENGINEERS LIMITED

TAX SHELTER STATEMENT

(Rs. In Lacs)

PARTICULARS	31.03.01	31.03.02	31.03.03	31.03.04	31.03.05	Half Yearly 30.09.05
Profit as per Books of Account – Before Tax	47.45	68.90	88.06	148.99	385.84	329.77
Tax Rate (including surcharge) %	40.00	36.00	40.00	36.00	38.00	33.66
Notional Tax Payable - (A)	18.77	24.60	34.92	53.64	147.56	109.81
B) Permanent Difference						
1. Impact in respect of Depreciation on Fixed Assets	8.66	(0.06)	(11.21)	(12.78)	(13.90)	11.69
2. (Profit) / Loss on Sale of Assets (Different treatment in tax)	-	-	-	-	4.45	-
3- Other Adjustments	-	0.08	9.35	14.68	17.78	2.30
Total (B)	8.66	0.02	(1.86)	1.90	8.33	9.39
Tax Burden / (Savings) thereon						
Total Tax	27.43	24.62	33.06	55.54	155.89	119.20

Sunil Hitech Engineers Limited

ANNEXURE : XI

STATEMENT SHOWING AGE-WISE ANALYSIS OF SUNDRY DEBTORS & DETAILS OF LOANS & ADVANCES AS AT HALF YEARLY ENDED 30TH SEPTEMBER, 2005

PARTICULARS	(Rupees in Lacs)
Sundry Debtors (Unsecured, Considered Goods) (Unless otherwise stated)	
Exceeding Six Months	72.47
Others	2227.53
Total	2300.00
Loans & Advances, Unsecured, Good (Unless otherwise stated)	
Advances recoverable in cash or in kind or for value to be received	563.18
Security Deposits, Earnest Money Deposit, Retention Money, withheld with customers	
Deposits	79.70
Prepaid Taxes	273.55
Other Advances	5.98
Total	922.41

ANNEXURE : XII

PRINCIPAL TERMS OF LOANS & ASETS CHARGES AS SECURITY DIRECT FINANCIAL ASSISTANCE SANCTIONED TO THE COMPANY

A. Facility from the UCO Bank, Mount Road, Sadar, Nagpur

The Company has been sanctioned the following credit facilities by UCO Bank, Mount Road, Sadar, Nagpur Vide Their letter no. MISC/27/2005-06 dated 8th June 2005

(Rs. In Lacs)

Sr. No.	Credit Facility	Sanctioned Amount	Outstanding as on 30.09.2005	Security #	Fees/Pricing
1	Fund base Cash Credit	900	917.59	1) Hypothecation of Stock and Book Debts 2) First <i>pari-passu</i> Charge (hypothecation) on the fixed assets (3) Personal Guarantee of Chairman, Associates and their relatives	Interest at the Bank's PLR (Presently -1% i.e. 10% p.a. floating with monthly)
2	Letter of Credit	100**	140.00	1) Hypothecation of Stock and Book Debts 2) First <i>pari-passu</i> Charge (hypothecation) on the fixed assets 3) Personal Guarantee of Chairman, Associates and their relatives	Interest at the Bank's PLR (Presently -1% i.e. 10% p.a. floating with monthly) interchangeable with cash credit limits.

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(Rs. In Lacs)

Sr. No.	Credit Facility	Sanctioned Amount	Outstanding as on 30.09.2005	Security #	Fees/Pricing
3	Term Loan	456	300.85	1) Hypothecation of Company Fixed Assets procured out of loan 2) First <i>pari-passu</i> Charge (hypothecation) on the fixed assets (3) Personal Guarantee of Chairman, Associates and their relatives	Interest at the Bank's PLR (Presently 11% p.a. floating with monthly)
4	Housing Loan	280	224.77	1) Equitable mortgage of immovable properties procured out of loan 2) First <i>pari-passu</i> Charge (hypothecation) on the fixed assets (3) Personal Guarantee of Chairman, Associates and their relatives	Interest at the Bank's PLR (Presently -3.25% to 3.50% i.e. 7.50% to 7.75% p.a. with monthly rest)
5	Bank Guarantee	3000	2168.99	1) Hypothecation of Company Fixed Assets procured out of loan 2) First <i>pari-passu</i> Charge (hypothecation) on the fixed assets (3) Personal Guarantee of Chairman, Associates and their relatives	Interest at the Bank's 1.50% p.a. for both financial and performance guarantee

** Interchangeable with Cash Credit Limits

All the above credit facility is secured by the equitable mortgage of immovable properties in the name of company.

B. Facility from ICICI Bank, 222, Plam Road, Civil Lines, Nagpur

The Company has been sanctioned the following Term Loans from time to times by ICICI Bank, 222, Plam Road, Civil Lines, Nagpur.

(Rs. In Lacs)

Sr. No.	Credit Facility	Sanctioned Amount	Outstanding as on 30.09.2005	Security	Fees/Pricing
1	Term Loan	224.83	138.85	1) Hypothecation of Company Fixed Assets procured out of loan 2) First <i>pari-passu</i> Charge (hypothecation) on the fixed assets (3) Personal Guarantee of Directors	Interest at the Bank's 4.4% to 8.00% p.a.

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C. Facility from HDFC Bank, Shankar Nagar, Nagpur

The Company has been sanctioned the following Term Loans from time to times by HDFC, Shankar Nagar, Nagpur

(Rs. In Lacs)

Sr. No.	Credit Facility	Sanctioned Amount	Outstanding as on 30.09.2005	Security	Fees/Pricing
1	Term Loan	137.43	102.42	1) Hypothecation of Company Fixed Assets procured out of loan 2) First <i>pari-passu</i> Charge (hypothecation) on the fixed assets (3) Personal Guarantee of Directors	Interest at the Bank's 4.4% to 6.50% p.a.

D. Facility from Cholamandalam Investment & Finance Company Limited, Nagpur

The Company has been sanctioned the following Term Loans from time to times by Cholamandalam Investment & Finance Company Limited, Nagpur

(Rs. In Lacs)

Sr. No.	Credit Facility	Sanctioned Amount	Outstanding as on 30.09.2005	Security	Fees/Pricing
1	Term Loan	2.8	Nil	1) Hypothecation of Company Fixed Assets procured out of loan 2) First <i>pari-passu</i> Charge (hypothecation) on the fixed assets (3) Personal Guarantee of Directors	Interest at the Bank's flat 5.73% p.a.

Except as stated hereinabove, there are no other material notes to the auditors' report, which have bearing on the financial status of the Company. Further, all notes to the accounts, significant accounting policies as well as auditors, qualifications, if any, have been incorporated in the Prospectus.

2. FINANCIAL INFORMATION OF THE GROUP COMPANIES

3.7 GROUP/ASSOCIATE CONCERNS:

OTHER VENTURE /GROUP /ASSOCIATE COMPANY

1. Sunil Hi Tech Engineers & Manufactures P Ltd

Date of incorporation : It was incorporated on 17th May 2005, as subsidiary of Sunil Hitech Engineers Ltd.

Registered office: 97, East High Court Road, Ramdas Peth, Nagpur - 440010

Nature of Activities: The Company is into manufacturing of Pressure Parts used by Power Plants, Petrochemicals Sector, Sugar Industry, Heavy Engineering Industry etc. and Technological Structures for Heavy Engineering Industry.

Board of Directors of the Company

Name	Designation
Mr Sunil R. Gutte	Executive Director
Mr. Ratnkar M. Gutte	Executive Director
Mr. Vijay R. Gutte	Executive Director

Authorised and Paid up Capital:

The Authorised Capital of the Company is Rs 50 lacs and the Paid up share Capital of the company is Rs 5 lacs as on November 30, 2005.

Shareholding pattern as on November 30, 2005

Name of the shareholders	% of holding
Mr Sunil R. Gutte	10%
Sunil Hitech Engineers Limited.	80%
Mr. Vijay R. Gutte	10%
Total	100%

The Authorised capital & Paid up Capital: The Authorised capital of the Company is Rs. 50 Lakhs consist of 5 lakhs Equity Shares of Rs. 10/- each and Paid up Capital of the Company is Rs. 5 Lakhs consist of 50,000 Equity Shares of Rs. 10/- each.

Financial Performance: The Company has not yet completed one full Financial Year of its operations. Hence, no audited figures are available. The Company is not a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1995.

2. Trimurty Engineering Works:

Trimurty Engineering Works is a proprietorship concern promoted by Mr Sunil R. Gutte. The firm was incorporated on 21st July 2001. The firm is engaged in carrying out structural and construction activities. The financial performance of the concern for last three years are as follows:

(Rs in Lacs)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Gross receipts	0	1.95	221.72
Net Profit/ (Loss) transferred to Proprietor's Capital Account	(0.90)	1.71	8.41
Proprietor's Capital	138.17	18.34	23.46
Reserves (excluding Revaluation reserves)	NA	NA	NA

Since the concern is a proprietorship firm, it does not fall within the ambit of Sick Industrial Companies (Special Provisions) Act, 1995 and hence definition of 'Sick Company' is not applicable to it. The concern has made loss of Rs. 0.90 Lakhs in financial year 2004-05.

Sunil Hitech Engineers Limited

3. Essar Engineering Works:

Essar Engineering Works is a proprietorship concern promoted by Mrs Sudhamati R. Gutte. The firm was incorporated on 21st July 2001. The firm is engaged in execution of on-site contracts. The financial performance of the concern for last three years are as follows:

(Rs in Lacs)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Sales / Gross Receipts	16.15	14.29	14.71
Net Profit/ (Loss) transferred to Proprietor's Capital	2.47	0.08	2.98
Proprietor's Capital	155.53	27.73	20.21
Reserves (excluding Revaluation reserves)	NA	NA	NA

Since the concern is a proprietorship firm, it does not fall within the ambit of Sick Industrial Companies (Special Provisions) Act, 1995 and hence definition of 'Sick Company' is not applicable to it. Also, the concern has not made losses in any of the immediately preceding three financial years.

4. Vijay Construction:

Vijay Construction is a proprietorship concern promoted by Mr Vijay Gutte. The firm was incorporated on 22nd March 2002. The firm is engaged in taking up construction contracts. The financial performance of the concern for last three years are as follows:

(Rs in Lacs)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Sales/ Gross Receipts	2.93	7.83	92.57
Net Profit/ (Loss) transferred to Proprietor's Capital	1.48	2.12	3.39
Proprietor's Capital	11.96	3.77	4.42
Reserves (excluding Revaluation reserves)	NA	NA	NA

Since the concern is a proprietorship firm, it does not fall within the ambit of Sick Industrial Companies (Special Provisions) Act, 1995 and hence definition of 'Sick Company' is not applicable to it. Also, the concern has not made losses in any of the immediately preceding three financial years

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

Disassociation by Promoters

The Promoters have not disassociated themselves from any of the companies / firms during preceding three years.

There are no sales or purchase between companies in the Promoters' group, wherein such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of the Issuer Company. The material items of income or expenditure arising out of transactions in the Promoters' group are disclosed under "Related Party Disclosures" appearing under Section: Financial Information of the Company on page 69 to 70 of this Prospectus.

3. CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS:

There is no change in Accounting Policies in the Last three years and The Company generally follows the mercantile system of accounting except in case of leave encashment, HRA and gratuity, which are accounted for on cash basis. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

STATEMENT IN TERMS OF CLAUSE OF 6.10.3.5 OF DIP GUIDELINES

There has been no sale or purchase between Companies in the Promoter Group, which exceed in value in the aggregate 10% of the total sales or purchase of the issuer Company. The material item of income or expenditure arising out of transaction in the promoters group are disclosed under the Annexure "Related party Disclosure " of the Auditors Report appearing on page 69 to 70 of this prospectus.

4. MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS AS RESTATED IN THE FINANCIAL STATEMENTS.

OVERVIEW:

The Company is in the business of Fabrication, Erection, and Testing & Commissioning of Power Plants for State Electricity Boards, Public Sector Undertaking and Large Private Corporate.

The Company business is spread geographically across the country having site office at around 24 locations. Where the structural and fabrication activities are carried out, the locations are controlled from Head Office situated in Nagpur, Maharashtra.

Material Developments Subsequent after 31.03.2005.

Issue of additional shares:

The Company has issued 19,500 additional Equity Shares to the Employees of the Company at Rs. 50/- per share including a premium of Rs. 40/- per share and 5,500 No of Equity shares to Friends and Associates of Promoters at Rs. 50/- Per Shares including Premium of Rs. 40/- per share. For details, please refer to 'Capital Building' on page no. 9 of this Prospectus.

Details of Contract awarded to the Company after 31st March 2005:

1. Company has been awarded a contract for structure, fabrication and erection work for 2X250 MW from Punj Lloyds Limited, New Delhi amounting to Rs 1415.35 lacs.
2. Company has been awarded a contract for Coal handling Plant from MSEB/ECMM/PARLI amounting to Rs 294.71 lacs.
3. Company has been awarded Contract for Design, Engineering, and erection, of fuel oil unloading and storage tank system at 1X250 MW from MSEB Paras amounting to Rs 568.00 lacs.
4. Company has been awarded Contract for Bunker structure and Raw Coal Bunker of Jindal power limited amounting to Rs 1565.68 lacs.
5. Company has been awarded a contract for structure, fabrication and erection work for 1X300 MW unit from Reliance Energy at Yamuna Nagar.amounting to Rs 1104.68 lacs.
6. Company has been awarded a contract for structure, fabrication and erection work from SMP, MPPGCL, Amar Katak 1X210 MW unit amounting to Rs 1048.67 lacs.
7. Company has been awarded a contract for structure, fabrication and erection work from Hindustan Steel Works Construction Ltd., Bhillai (Chattisgarh) for (3x660 MW) at NTPC Sipat, Chattisgarh amounting to Rs. 3349.41 Lacs.

Factors that may affect the result of operation:

- General economic condition in India and Global Market
- Fluctuation in the rate of exchange between rupee and major currencies
- Changes in interest rate and
- Changes in working capital requirement.

These factors and number of future developments may affect the company results of operation, financial condition and cash flows in future, the company believes that in addition to the foregoing factors, the future developments which may affect the future results of operation, financial conditions and cash flows include the company ability to expand operation, new strategic partnership and funding of working capital requirements.

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RESULTS OF OPERATIONS:

The Revenue has two components viz. Operating Income and Other Income.

An overview of the key financials for the past five years is as follows:

(Rs. In Lacs)

Particulars	FISCAL 01	FISCAL 02	FISCAL 03	FISCAL 04	FISCAL 05	Half year ended on September 30, 2005
Income						
Turnover	2094.40	1952.95	2211.11	3544.80	6793.76	5878.81
Other income	33.30	24.70	19.73	29.44	59.24	29.70
Increase/(Decrease) of stock	0.00	0.00	23.08	8.94	30.92	34.84
Total Income	2127.70	1977.65	2253.92	3583.18	6883.93	5943.34
Expenditure						
Direct Contract Expenses	1644.09	1564.79	1713.16	2771.69	5480.53	5020.76
Administrative Expenses	304.62	248.18	345.56	465.89	666.13	347.35
Interest & Financial Charges	34.14	26.82	28.10	72.58	145.96	118.22
Depreciation	97.39	68.34	79.05	124.03	205.46	127.24
Extra ordinary items	0.00	0.62	0.00	0.00	0.00	0.00
Total Expenditure	2080.24	1908.75	2165.87	3434.19	6498.08	5613.57
Net Profit Before Tax	47.46	68.90	88.05	148.99	385.85	329.77
Provision for Income Tax						
Current	18.77	24.60	34.92	53.64	147.57	112.11
Deferred	0.00	0.00	11.21	12.78	13.90	-11.69
Profit after Tax	28.69	44.30	41.92	82.57	224.38	229.35
Extra ordinary items	0.00	0.00	0.00	0.00	24.07	0.00
Income Tax adjustment related to earlier years	0.00	0.00	(9.35)	(14.68)	(17.79)	0.00
Profit for the year/period	28.69	44.30	32.57	67.89	230.66	229.35

1. Comparison of Half Year ended September 30, 2005 with Fiscal Year 31st March 2005:

SALES:

The Gross Sales for the half year ended 30th September 2005 stood at Rs. 5878.81 Lacs.

On per month basis, the sales for the Half year ended September 30, 2005 stood at Rs. 979.80 Lacs, the average monthly sales for the Fiscal 2004-05 stood at Rs. 566.15 Lacs. There has therefore been an increase of 73% in sales during Half year ended September 30, 2005 as compared to last Fiscal 2005.

OTHER INCOME:

The other income recorded at Rs. 29.70 Lacs for the H-1 05-06, major heads of the receipts were on account of Income earned as Interest with funds parked with Nationalised Banks, Hire Charges received by way of Hiring of Cranes and Heavy Equipments to its customers and CENVAT Credit on procurements.

On per month basis the other income for half year ended 30th September 2005 is Rs. 4.95 Lacs while during Fiscal 2004-05 is Rs. 4.94 Lacs, there has therefore been a marginal increase in other income during Half year ended September 30, 2005 as compared to Fiscal 2005.

EXPENDITURE:

During the Half year ended September 30, 2005, the direct contract expenses are 85.40% of Sales as against 80.67% of sales in Fiscal 2005, showing a marginal increase, which is mainly due to increase in the fabrication and erection expenses, as the cost of inputs have gone up, this rise is within reasonable limits. There has also been decline in the administrative expenses of the company from 9.81% of sales in Fiscal 2005 to 5.91% of sales in Half year ended September 30, 2005, due to economies of scale.

FINANCIAL EXPENSES:

There has been an increase in the financial expenses by 61.99% in the Half year ended September 30, 2005 as compared to last Fiscal 2005, this is mainly due to increase in term liability and working capital facilities. The company was enjoying the credit facilities of Rs. 27.59 Lacs upto May 2005, this has been enhanced to Rs. 47.35 Crores in May 2005 resulting in increase in the Financial Expenses.

DEPRECIATION:

Depreciation has increased on per month basis from Rs. 17.12 Lacs in Fiscal 2005 to Rs. 21.21 Lacs in the Half year ended September 30, 2005 due to addition of fixed assets.

PAT:

On per month basis the profit for the Half year ended September 30, 2005 stood at Rs. 18.70 Lacs. There has therefore been an increase of 104% in Profit during Half year ended September 30, 2005 as compared to last Fiscal 2005. The company has during the year bagged contracts with material with greater profit margin, further more the economies of scale has also helped in improving the bottomline. Therefore the profit for the half-year ended 30th September 2005 has shown an increase

Comparision for the fiscal year 2005 with fiscal year 2004:

SALES:

The gross sales stood at Rs 6793.76 lacs for the fiscal ending 2005.

The growth in the topline has been at a CAGR of 91.65%, from Rs 3544.80 lacs in the fiscal 2004 to Rs 6793.76 lacs in the fiscal 2005. The company has during the year also ventured into larger size structural jobs leading to growth in the topline.

OTHER INCOME:

The company's other income consist Income earned as Interest from funds parked with Nationalised Banks, Hire Charges received by way of Hiring of Cranes and Heavy Equipments to its customers and CENVAT Credit on procurements. It is Rs. 59.24 Lacs for the Fiscal 2005 which is 101% over last Fiscal 2004.

EXPENDITURE:

The Direct Contract expenses are 80.67% of sales in Fiscal 2005, as against 78.19% of sales in Fiscal 2004. There has also been decline in the administrative expenses of the company from 13.14% of sales in Fiscal 2004 to 9.81% of sales in Fiscal 2005.

FINANCIAL EXPENSES:

There has been an increase in financial expenses of 101% as compared to last Fiscal 2004, due to enhancement in the fund and non-fund based limits. The total exposure from their principal bankers, UCO Bank has enhanced from Rs. 15.14 crores to Rs. 27.60 crores, resulting into greater interest outflow.

DEPRECIATION:

The company has charged depreciation of Rs. 205.46 Lacs for the Fiscal 2005. The company has adopted Written Down Value method of depreciation at the rates prescribed by the Companies Act, 1956.

PAT:

There has been an improvement in the PAT of the company. It is recorded at Rs. 230.66 Lacs, denoting a growth of 240% from Rs. 67.89 Lacs in last fiscal. The company also improved billing rates due to award of contracts with higher margin levels. This increase is mainly due to topline growth resulting into the administrative expenses being spread over higher volume of sales and therefore resulting in better profit margins. There has been also a decline in the administrative expenses of the company from 13.14% of sales in Fiscal 2004 to 9.81% of sales in Fiscal 2005.

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On per month basis the profit for the fiscal 2004-05 is Rs.19.22 Lacs and that during fiscal 2003-04 is Rs. 5.66 Lacs. There has therefore been an increase 240% in profit during Fiscal 2005 as compared to Fiscal 2004.

Comparision for the fiscal year 2004 with fiscal year 2003:

SALES:

The gross sales stood at Rs. 3544.80 Lacs for the fiscal ending 2004, which is 60.32% more than that of previous fiscal 2003. The growth has been on account of addition to the order book resulting into a higher topline.

OTHER INCOME:

The other income for the Fiscal 2004 is Rs. 29.44 Lacs while it is Rs. 19.73 Lacs recording a growth of 49% over last fiscal 2003. The other income has been on account of Interest on Funds parked with Banks and Heavy Equipment Charges.

EXPENDITURE:

The Direct Contract expenses are 78.19% of sales in Fiscal 2004, as against 77.48% of sales in Fiscal 2003. There has been decline in the administrative expenses of the company from 15.63% of sales in Fiscal 2003 to 13.14% of sales in Fiscal 2004.

FINANCIAL EXPENSES:

There has been an increase in financial expenses of 158% as compared to last Fiscal 2003. During this year the company has changed its bankers from Oriental Bank of Commerce to UCO Bank, the company was enjoying a total credit facility of Rs. 6.17 crores, enhanced to Rs. 15.14 crores by UCO Bank at better terms and conditions, resulting into greater interest outflow on account of interest and financial charges.

DEPRECIATION:

The company has charged depreciation of Rs. 124.03 Lacs for the Fiscal 2004. The company has followed WDV method of depreciation.

PAT:

The Profit after Tax is Rs. 67.89 Lacs for the Fiscal 2004 registering a growth of 108% over last Fiscal 2003. The higher profits have been predominantly due to higher sales volumes.

Comparision for the fiscal year 2003 with fiscal year 2002:

SALES:

The company's turnover for the fiscal 2003 was Rs. 2211.11 Lacs, while it was Rs. 1952.95 Lacs for the last fiscal 2002, registering a growth of around 13.22% as compared to previous fiscal 2002.

OTHER INCOME:

The other income for the Fiscal 2003 is Rs. 19.73 Lacs while it is Rs. 24.70 Lacs.

EXPENDITURE:

The Direct Contract expenses are 77.48% of sales in Fiscal 2003, as against 80.12% of sales in Fiscal 2002. There has been increase in the administrative expenses of the company from 12.71% of sales in Fiscal 2002 to 15.63% of sales in Fiscal 2003.

FINANCIAL EXPENSES:

There has been an increase in financial expenses of 4.77% as compared to last Fiscal 2003. The increase in the financial expenses occurred due to the reason that the Term Loan facility was availed from various financial institutions.

DEPRECIATION:

The company has charged depreciation of Rs. 79.05 Lacs for the Fiscal 2003.

PAT:

The Profit after Tax of the company is Rs. 32.57 Lacs for the Fiscal 2003, slightly lower than last fiscal 2002.

The decrease in PAT is mainly due to increase in administrative expenses of the company .

Information required as per clause 6.10.5.5 of SEBI

1. Unusual or infrequent events or transaction:

There have been no events, which may be called “unusual” or “infrequent”

2. Significant economic changes that materially affected or likely to affect the income from continuing operations.

There has not been larger economic factors that had materially affected the operations of the company, however the outlook of the government towards the growth in the power sector does have an impact on the topline of the company. The outlook as of now is towards greater private participation and faster investment growth in the power sector.

3. Known trends or uncertainties that have had or expected to have material adverse impact on sales, revenue or income from continuing operations.

Excepting those stated above there are no such known trends.

4. Future changes in the relationship between cost and revenue:

We believe that there is a linear relationship between costs and revenues, however we propose to take up larger sized orders with greater material component, this to some extent would have a bearing on the current cost and revenue structures, however we further believe that the relationship would be a positive growth oriented.

5. Total turnover of each major industry segment in which the company operates:

The company's turnover is only from one segment i.e Fabrication, Erection, Modification and overhauling.

6. Status of any publicly announced new products or business segment:

Introducing new products is an ongoing process in our regular business initiative.

7. Seasonal Character of company's business:

Our company business is not seasonal.

8. Level of dependence on a single or few suppliers or customers:

Our revenue is dependent on large number of customers, and therefore loss of few clients would not affect the revenues adversely.

The inputs are standardized and there are lot of suppliers for the requisite raw material and therefore there is no over-reliance on the suppliers.

9. Competitive Conditions:

We are in the niche segment of structural jobs for Power Sector, we have certain competitors who are large sized, and therefore have comparatively larger overheads, we are therefore competitive in terms of pricing our products during the tenders. Our competencies are however in delivering timely executions well within the quality parameters.

10. Conclusion:

Given the increasing share of revenue from structural jobs, we believe that the topline growth would be achieved by taking up larger sized contracts where we have our expertise, and to take up these contracts with material component. We are encouraged to believe, by our clients that our strength lies in qualitative and timely completion of highly competitive structural jobs requiring expertise. We plan to expand our presence to other important markets in the country to achieve the growth in the top-line.

SUNDRY DEBTORS

None of the sundry debtors are related to the Issuer Company or its directors or promoters.

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SECTION VI: LEGAL AND OTHER INFORMATION

1. OUTSTANDING LITIGATION, DEFAULTS AND MATERIAL DEVELOPMENTS:

The company certifies that except as stated herein, there are no:

- Other pending litigations against the company.
- Outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of the company including prosecution under any enactment in respect of Schedule XIII of the Companies Act 1956 (1 of 1956).
- Such cases of pending litigations, defaults etc in respect of Companies/firms/ventures with which the promoters were associated in the past but are no longer associated, and their names continue to be associated with particular litigation.
- Disciplinary action/ investigation has been taken by Securities and Exchange Board of India(SEBI)/ Stock Exchanges against the Company, its directors , promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956.
- Cases against the Company or its Promoters of economic offences in which penalties were imposed on promoters.
- Pending litigations, defaults, non payment of Statutory dues, proceedings initiated for economic offences/civil offences, any disciplinary action taken by the Board /Stock Exchanges against the Company/Promoters and their business ventures/Directors.
- Promoters, their relatives (as per Companies Act, 1956), issuer, Group Companies, Associated Companies are detained as wilful defaulters by RBI/ Government Authorities.
- Violations of Securities Laws committed by the Promoters, their relatives (as per Companies Act, 1956), issuer, Group Companies, Associated Companies in the past or pending against them.

LITIGATION AGAINST COMPANY

Litigation: Labour Cases

Sr. No.	Name of the Opposite Party	Issue	Place of Litigation	Court before which Litigation is Pending	Case No/ Date Instituted	Present status	Claim Amount (Rs. In Lakhs)	Provision made in theBalance sheet
1	Vakil Mazi	Workman Compensation Claimed by workman	Nagpur	Labour Court	21/2001	Case is pending before the court for evidence and next date of hearing is 17/02/2006	2.3647	NII

Background of the case:

Mr. Vakil Mazi was employed with us as a contract labour. While working at Khaparkheda thermal power station at MSEB, Khaper kheda district Nagpur, on 17th November 2000, The company provided him the requisite medical treatment from 17.11.2000 to 02.01.2001 bearing the entire medical expenditure of Rs. 1,01,113.The said worker however lodged the case with Workmen Compensation Commissioner at labour court at Nagpur. As on the date, the case is pending before the Labour court Nagpur Court.

LITIGATION BY THE COMPANY:

Tax Dispute:

Sr. No.	Name of the Opposite Party	Issue	Place of Litigation	Court before which Litigation is Pending	Case No/ Date Instituted	Present status	Claim Amount (Rs. In Lakhs)	Provision made in theBalance sheet
1	D.C (Admn) Bikaner.	Sales tax Dispute.	Bikaner.	D.C. (appeal).	26.08.05	Appeal rejected by D.C.(Admn.)Now Preparing for Appeal to D.C. (Appeal).	6.3923	NII

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Background:

The company had made the payment towards purchase of materials during the financial year 2000-2001, 2001-2002, and 2002-2003 under the work contract Act with Commercial tax officer district Shri Ganga Nagar, Rajasthan. The Commercial tax officer Shri Ganga Nagar, Rajasthan had assess the tax liability of Rs 6,39,234 for the financial year 2000-2001, 2001-2002 and 2002-2003. Against the said Assesment order, the company preferred to go with an appeal before the assistant commissioner of Sales Tax, at Shri Ganga Nagar, Rajasthan for refund of Rs 6,39,234. However the said appeal has been dismissed by the Assistant Commissioner of sales tax. Further the company has decided to go for further appeal with higher authorities i.e. Deputy commissioner of sales tax appeal at Bikaner Rajasthan against dismissed appeal.

PERTAINING TO CIVIL LAWS:

Sr. No.	Name of the Opposite Party	Issue	Place of Litigation	Court before which Litigation is Pending	Case No/ Date Instituted	Present status	Claim Amount (Rs. In Lakhs)	Provision made in the Balance sheet
1	a) Aksons Engineers and Constructions (pune) b) Walchandnagar Industries Limited c) Pannageshwar Sugar Mills Limited	Suit has been filed by the company with Civil Court Nagpur due to non payment of bills by Aksons Engineers and consultants	Nagpur	3rd Joint Civil Judge (Senior Division, Nagpur)	511/2004	Case is pending before the Court and the next date of hearing is 24/01/2006	15.92	N.A

Background:

Pangeshwar Sugar Mills limited awarded the contract for supply and erection to Walchandnagar Industries limited, Walchandnagar, Pune. Walchandnagar Industries limited further awarded the contract for erection to Akson Engineers and consultants, pune. Further the Akson Engineers and consultant awarded the contract to Sunil Hitech Engineers Limited for erection of said sugar factory i.e. Pangeshwar Sugar Mill Limited. The Company had completed the work with specification and design provided by Akson Engineers and Consultant and raised the bills for payments before Aksons Engineers and consultant, Pune against the work done. However the Akson Engineers and Consultants failed to make the payments within stipulated time and hence the Company had file the suit against all the three parties i.e. Akson Engineer consultant, M/s Walchand Industry limited and Pangeshwar Sugar Mills limited.

(B) Litigations against promoters/Directors

There are no outstanding litigation, disputes, defaults, non payment of statutory dues, overdues to banks and/or FIs, proceedings initiated for economic /civil /criminal or any other offences (including past cases where penalties may/may not have been awarded and irrespective of whether they are specified under paragraph (1) of part (1) of schedule XIII of Companies Act against promoters/Directors of Sunil Hitech Engineers Limited.

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Litigation filed by Promoters/ Directors/ their venture:

Pertaining to Criminal Laws:

Sr. No.	Name of the Opposite Party	Issue	Place of Litigation	Court before which Litigation is Pending	Case No/ Date nstituted	Present status	Claim Amount (Rs. In Lakhs)	Provision made in theBalance sheet
1.	Mr. Deepak Ghuman	Cheque issued by Deepak Ghuman had been dishonoured and case has been filed u/s section 138 of Negotiable instruments Act,	Nagpur	Special Court (Judicial Magistrate of First Class (Nagpur)	262/03	Case decided in our favour. The Court ordered Mr. Ghuman to make the claim payment. Partial payment received.	1.80 (including interest)	NO
2.	Mr. Vaijnath Solanke & Mr. Dilip Bhaggar (Reporter of Samna)	Defamation	Parli-Vaijnath	Judicial Magistrate First 1st Class	S.C.C./ 656/02	Case is pending for hearing	N.A	N.A

Background:

Case No. 1:

Trimurti Engineers had given a loan of Rs. 1,05,000/- to one Mr Deepak Ghuman by cheque in the year 2003. However, Mr. Deepak Ghuman had failed to honour cheque issued by him towards the said loan taken from Trimurti Engineers Hence, Trimurti Engineers has filed a criminal Suit under section 138 of Negotiable Instruments Act before the special Court (Judicial Magistrate first class (Nagpur) for Rs 2.10 lacs(including interest), during the proceeding the case The said Mr Ghuman has submitted a written statement (compromise) before the Court on 13 th May, 2005 for making the final payments of Rs 1,80,000 (including interest) in instalments to Trimurti Engineers. As on November 30, 2005, he has paid Rs 60,000/- to Trimurti Engineers. The Court has issued a bailable warrant against Mr. Ghuman. Next hearing is scheduled on January 13, 2006.

Case No. 2:

Mr. Vaijnath Solanke & Mr. Dilip Bhaggar, reporters of SAMNA Newspaper published defamatory articles in the Newspaper editions of 23.07.2002, 24.07.2005 and 25.07.2005, alleging on Ratnakar M. Gutte to have caused lakhs of rupees of loss to the Government by concocting the Contracts. Mr. Gutte Lodged the claims against the SAMNA paper reporters i.e. Vaijnath Solanke & Dilip Bhaggar for Defamation and the case is pending for hearing.

Pertaining to Civil Laws:

Sr. No.	Name of the Opposite Party	Issue	Place of Litigation	Court before which Litigation is Pending	Case No/ Date nstituted	Present status	Claim Amount (Rs. In Lakhs)	Provision made in theBalance sheet
1	Abhay Ranade	Dispute of title of Property	Nagpur (Senior Division)	Joint Civil Judge	581/98	Case is pending and the next date of hearing is 13/01/2006 for evidence	N.A	N.A

Background:

The originally property situated at 104, East High Court Road, Nagpur was owned by one Smt. Maya w/o Vishwas Ranade. There was a dispute in between Smt. Maya Ranade and her husband Vishwas Ranade. The husband of Smt. Maya Ranade started claiming ownership right over the property owned by Smt. Maya Ranade. Smt. Maya filed civil suit bearing special civil suit no. 581/98 for declaration eviction possession and permanent and mandatory injunction against said Abhay Ranade ie. her Son. The said suit is pending for evidence of the plaintiff before the court of the Joint Civil Judge, Senior Division, Napur. During the pendency of said suit Smt. Maya has also executed a will in favour of her grandsons and another son Anand.

During the pendency of the said suit Smt. Maya died and her grandsons were brought on record as her legal representatives. Said grandsons by name Dhananjay, Anand Ranade & Sanjay, Anand Ranade sold the property bequeathed to them by Smt. Maya, the sale deed in respect of the 2nd Floor came to executed by son of Smt. Maya, Anand is a favours of Ratnakar M. Gutte, Sunil R. Gutte, Smt. Sudhamati R. Gutte & Vijay R. Gutte by difference sale deed dated. 29.07.2003. There is another civil suit pending in the matter which was originally filed by Vishwas Ranade bearing special civil suit no. 468/96 and after death of Vishwas Ranade the said suit being continued by Abhay Ranade who claims to have will in his favour excuted by his father.

Requirement of Clause 6.11.1.5:

None of the aforesaid litigations have arisen after filing the Draft Prospectus with SEBI.

Litigation against Subsidiary Companies /Group Companies /Associates Company

There are no criminal, securities, statutory or other litigations against any of the subsidiary companies /Group /Associates Companies. There are no outstanding litigations, disputes, penalties including tax liabilities economic offences (including past cases where penalties may/may not have been awarded and irrespective or whether they are specified under paragraph (1) of part (1) of Schedule XIII of Companies Act 1956 against the group Companies /Associates Concerns promoted by promoters.

Amounts due to Small Scale Undertakings

There are no outstanding to whom the issuer company owes a sum exceeding Rs. 1,00,000/- which is outstanding for more than 30 days as on November 30, 2005. except M/s. Maruti Weld Limited (Rs. 22,92,326).

Material Developments Subsequent To Last Balance Sheet:

Issue of additional shares:

The Company has issued 19,500 additional Equity Shares to the Employees of the Company at Rs. 50/- per share including a premium of Rs. 40/- per share and 5,500 No of Equity shares to Friends and Associates of Promoters at Rs. 50/- Per Shares including Premium of Rs. 40/- per share. For details, please refer to 'Capital Building' on page no. 9 of this Prospectus.

Details of Contract awarded to the Company after 31st March 2005:

1. Company has been awarded a contract for structure, fabrication and erection work for 2X250 MW from Punj Lloyds Limited, New Delhi. Amounting to Rs 1395.00 lacs.
2. Company has been awarded a contract for Coal handling Plant from MSEB/ECMM/PARLI amounting to Rs 294.71 lacs.
3. Company has been awarded Contract for Design, Engineering, and erection, of fuel oil unloading and storage tank system at 1X250 MW from MSEB Paras amounting top Rs 568.00 lacs.
4. Company has been awarded Contract for Bunker structure and Raw Coal Bunker of Jindal power limited amounting to Rs 1565.68 lacs.
5. Company has been awarded a contract for structure, fabrication and erection work for 1X300 MW unit from Reliance Energy at Yamuna Nagar.amounting to Rs 1104.68 lacs.
6. Company has been awarded a contract for structure, fabrication and erection work from SMP, MPPGCL, and Amar Kantak 1X210 MW unit amounting to Rs 1048.67 lacs.

2. GOVERNMENT APPROVALS/LICENCING ARRANGEMENTS:

The Company has received all the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no further approvals are required by the company for carrying on the present as well as proposed business activities of the Company. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

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Sr No.	Issuing Authority	Registration/ LicenseNo.	Nature of Registration/License	Validity / Date
1.	Registrar of companies, Maharashtra, Mumbai	11-115155	Certificate of Incorporation	NA
2.	Regional PF Commissioner, SRO, Nagpur	MH-61095	Provident Fund Registration	N.A.
3.	A.O. (Systems) Nashik	AAFCS7498N	Income Tax (PAN) No.	N.A.
4.	Sales Tax Officer, Nagpur	440 025/S/257	Registration as a Importer Reseller for Class of goods dealt in Iron Steel Welding, Electrodes, Gases, Consumable & Machinery, etc.	N.A.
5.	Central Sales Tax Officer, Nagpur	440 025/C/116	Maintenance or Repair Services & Construction Services & Erection Commissioning And Installation & Goods Transport Agency.	N.A
6.	Foreign Trade Development Officer	3103011342	Import Export	N.A.
7.	Superintendent (Service Tax- Dn- I) Nagpur	ST/724/NGP/CEX/ MRS/03/CON/ CAI/GTA	Service tax Registration	N.A.
8.	Sales Tax Officer (I) Class-I, Bharuch.	2107001054 (Reseller Work Contract)	Gujarat Sales Tax Registration	N.A.
9.	Commercial Tax Officer, Baitul	051342171 S (Old)Tin No. 23544704217 (New)	Madhyapradesh Sales Tax Registration in Iron Steel Welding, Electrodes, Gases, Consumable & Machinery etc.	N.A
10.	Trade Tax Officer, Sonebhadra	RG 0079276	Uttar Pradesh Central Sales Registration	N.A
11.	Assessing Authority AETO	PNP.12887	1) Haryana Sales Tax2) Haryana Central Sales Tax Registration	31st March, 2007.N.A.
12.	Commercial Tax Officer, Korba.	1103/2045-C	Chattisgarh Central Sales Tax Registration	N.A
13.	Sales Tax Officer, (Prof. Tax) Circle- II, Nagpur	PT/E/416/34/18/28	Professional Tax Under Section (2) or Sub Section (2A) of Section 5 of the MS State Tax on Profession, Trade Callings and Employment Act.1975	N.A
14.	Sales Tax Officer, (Prof. Tax) Circle- II, Nagpur	PT/R/416/26/ 214/18/28	Professional Tax Under Section (1) of Section 5 of the MS State Tax on Profession, Trade Callings and Employment Act.1975	N.A
15.	Sales Tax Officer Orissa Angul	DL-3945	Orissa Sales Tax Registration for use in execution of work contract 1) Electrodes 2) Gases 3) Welding Calble 4) Cutting Tournch & 5) Grinding Wheel.	N.A

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Sr No.	Issuing Authority	Registration/ LicenseNo.	Nature of Registration/License	Validity / Date
16.	Sales Tax Officer Orissa Angul	DLC-1760	Orissa Central Sales Tax Registration for use in execution of work contract 1) Electrodes 2) Gases 3) Welding Cable 4) Cutting Torch & 5) Grinding Wheel.	N.A
17.	Sales Tax Officer Rajasthan	CST/1319/01652 Suratgarh	Rajasthan Central Sales Tax Registration for reseller of Electrodes & Gases	N.A
18.	Central Excise Division Satna (M.P.)	AAFCS7498 NXM001 Dt. 28.07.05	Central Excise Registration (M.P.) For Vindhyanagar Work	N.A.
19.	Maharashtra State Power Generation Co. Ltd., Parli, (MSPGCL)	S.017	Vendor Registration Number	N. A.
20.	Engineers India Limited, New Delhi (EIL)	1) EILC20S1292) EILM05S129	1)For Structural Steel Work (C20)2) Pipint/Equipment/ Machinery Erection (M05) (For non hydrocarbon sector only)	31.08.2007
21.	Welding Research Institute, BHEL, Tiruchirappali	P01035	Privileged Industrial Member Enterprise	16.06.2006
22.	Director of Boilers, Andhra Pradesh, Hyderabad	280/2005, Dt. 20.04.2005	IBR Registration	31.12.2005*
23.	Director of Steam Boiler, Maharashtra	PF/BR/156/1994	IBR, Registration	31.03.2006
24.	Chief Inspector of Boilers, Tamilnadu, Chennai	A&E/8580-M/2004 Dt. 02.03.2005	IBR, Registration	31.12.2005*
25.	Bharat Heavy electricals Limited, Bangalore	1) EDN ELECT I WR 032) EDNELECT I IA.I.063) EDN A.I. C&I I 03	BHEL Electrical Registration	31.08.2007
26.	Electrical License, Maharashtra	12497	Electrical License, Maharashtra	31.12.2005*
27.	Public Works Department, Nagpur	CAT-03/2002/ Depatch No. 133/ Bldg. No. 2 Dt. 01.04.2002	Labour License, Maharashtra	31.03.2007
28.	Labour License, U.P.	429 Dt. 21.12.2004	Contract Labour License (Unchahar)	20.11.2005
29.	Office of the Assistant labour Commissioner, Distt. Korba (C.G.)	1619/KRBA/2005 West Korba (CG)	Contract Labour License, C.S.E.B.	31.12.2005*
30.	Office of the Assistant labour Commissioner, Distt. Korba (C.G.)	1575/KRBA/2004	Contract Labour License, C.S.E.B. East Korba (CG)	31.12.2005*
31.	Office of Licensing, Chandrapur	125 dt. 16.01.2001	Contract Labour License, Chandarpur (MS)	31.12.2005*

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Sr No.	Issuing Authority	Registration/ LicenseNo.	Nature of Registration/License	Validity / Date
32.	Office of Licensing, Nagpur	299/Distt. S/2002 Dt. 28.02.2002	Contract Labour License, Khaperkheda (MS)	31.12.2005*
33	Office of Licensing, Nagpur	300/Distt. N/2002	Contract Labour License, Koradi(MS) Dt. 28.02.2002	31.12.2005*
34.	Office of Licensing, Latur	ACL/LTR/308 Dt. 04.11.2004	Contract Labour License, Latur (MS)	31.12.2005*
35.	Sales Tax Officer, Registration & Returns Branch, Nagpur	W/36/DHP/1527 Dt. 17/07/1999	Register as a Dealer Under Section 7 of Maharashtra Sales Tax on the Transfer of Property in Goods in execution of Work Contract.	N.A.
36.	Central Sales Tax Officer, Bhatinda	CST 866497513	Bhatinda Central Sales Tax Registration for reseller of Building Material, Electrical & Electronic Goods, Machines & ITS Parts & Welding Material Gases & Genral Goods.	N.A.
37.	Office of Licensing, Singrauli	53/L/SGRL/2004 Dt. 27.01.2004	Contract Labour License, NTPC Vindhyachal (MP)	31.12.2005*

* Government Approvals/ Licences since applied for renewal.

SECTION: VII: OTHER REGULATORY AND STATUTORY DISCLOSURES

1. Authority for the Issue:

The issue has been authorised pursuant to a resolution of the Board of Directors of the company passed at its meeting held on 19th August 2005 and a special resolution passed under section 81(1A) of the Companies Act, 1956 at the Extraordinary General Meeting of the company held on 27th August, 2005

2. Prohibition by SEBI

The Company, its directors, any of the Company's Associates or Group Companies, and companies with which the directors of issuer are associated, as directors or promoters, have not been prohibited from assessing the capital market under any order or directions passed by SEBI. The listing of any securities of the issuer has never been refused at anytime by any of the stock exchanges in India.

3. Eligibility for the Issue:

1) The Company fulfils the criteria of eligibility norms for public issue by unlisted company as specified in clause 2.2.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 in the following manner.

a). The Company has a preissue net worth of at least Rs 1 crore in each of the Preceding 3 full years (of 12 months each)

(Rs in lakhs)

Financial year	2004-2005	2003-2004	2002-2003
Share Capital	652.50	175.00	175.00
Reserve & Surplus	508.82	292.06	157.22
Less: Misc Expenditure	0.00	0.59	1.17
Net worth	1161.32	466.47	331.05

b) The Company has a track record of distributable profits in terms of Section 205 of the Companies Act, for at least three (3) out of the immediately preceding five (5) years

(Rs in lakhs)

Financial Year	2004-2005	2003-2004	2002-2003
Profit after Tax	230.65	67.89	32.57

c) The Company's net tangible assets during the last 3 years are given below. The monetary assets in each of these years are less than 50% of the net tangible assets amount.

(Rs in lakhs)

Financial Year	204-2005	2003-2004	2002-2003
Net tangible assets	1426.90	841.02	349.27

Calculation of Net Tangible Assets:

(Rs. in lakhs)

Particulars	Financial Year 2004-05	Financial Year 2003-2004	Financial Year 2002-2003
Fixed Assets (Net)	1308.25	827.75	544.48
Add: Investments	51.00	51.00	51.00
Add Current Assets	2545.83	1399.68	1077.62
Less Current Liabilities	1945.41	1308.47	1322.65
Less : cash credit facility	532.77	128.94	—
Net Tangible Assets	1426.90	841.02	350.45

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(Rs. in lakhs)

Particulars	2004-2005	2003-2004	2002-2003
Cash and Bank Balance	428.21	241.68	170.36
50% of Net tangible Assets	713.45	420.51	175.23

- d) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue net worth as per the audited balance sheet of the last financial year.

(Rs in lakhs)

a)	Proposed issue through offer document	3475
b)	All previous issues made in the same financial year in terms of size (i.e. offer through offer documents + firm allotment promoter contribution through the offer document)	0.00
c)	5 times the net worth results in the company eligible to raise	5806.60

The Company has not changed its name within the last one year.

Disclaimer

SEBI DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (HEREINAFTER REFERRED TO AS SEBI). "IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR FOR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS, CENTRUM CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ISSUER / COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS , THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS CENTRUM CAPITAL LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 14, 2005 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

- a. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARS REFERRED TO IN ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE ;
- b. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

1. THE PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE
2. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AND ALSO THE GUIDELINES, INSTRUCTIONS ETC., ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

3. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.
4. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID

WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS .

THE FILING OF PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED PUBLIC ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER (S) ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.”

DISCLAIMER

The Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisement or any other material issued by or at the instance of the Company and the Lead Manager and that anyone placing reliance on any other source of information, including the Company website, www.sunilhitech.com would do so at their own risk

The Lead Managers accept no responsibility, save to the extent as provided in the Memorandum of Understanding entered into between the lead Managers and the Company.

All information shall be made available by the Company and the Lead Manager to the Public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road shows presentations, in research or sales reports or at bidding centres setc.

GENERAL DISCLAIMER OF THE ISSUER

The Company accepts full responsibility for the accuracy of the information given in this Prospectus and confirms that to the best of their knowledge and belief, there are no other facts, the omission of which make any statement in this Prospectus misleading and they further confirm that they have made all reasonable inquiries to ascertain such facts. The Company further declares that the stock exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of this Proposed Public issue or for the price at which the equity shares are offered or for the correctness of the statements made or opinions expressed in this Offer Document.

The promoters/directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the shares offered in terms of this Offer Document has been suppressed, withheld and/or incorporated in the manner that would amount to misstatement/misrepresentation and in the event of its transpiring at any point of time till allotment/refund, as the case be, that any information/material has been suppressed/withheld and/or amounts to a misstatement/misrepresentation, the promoters/directors undertake to refund the entire application monies to all the subscribers within seven days thereafter without prejudice to the provisions of Section 63 of the Companies Act, 1956. The issuer will update the Prospectus and keep the Public informed of any material changes in the document till the listing and trading

DISCLAIMER IN RESPECT OF JURISDICTION

This present issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks and co-operative banks (subject to RBI permission if any), trust registered under the Societies Registration Act, 1860, as amended from time to time or any other trust law and who are authorised under their constitution to hold and invest in shares., permitted insurance companies and to non resident including NRIs and FIIs as defined under the Indian laws.

This prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this prospectus comes is required to inform himself about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the jurisdiction of appropriate courts at Nagpur, India only.

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No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that this prospectus has been submitted for approval of and has been filed with SEBI. Accordingly, the equity shares represented thereby may not be offered or sold, directly or indirectly, and this prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this prospectus nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Investor may please note that Central Government /RBI do not take any responsibility for the financial soundness or correctness of the statements disclosed in this Prospectus.

DISCLAIMER CLAUSE OF STOCK EXCHANGES – THE DESIGNATED STOCK EXCHANGE.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED, MUMBAI

As required, a copy of the draft prospectus has been submitted to the BSE. BSE (the designated stock exchange. the BSE has given vide its letter dated No. List/Smg/sm/2005 dated December 12, 2005 permission to this Company to use the Exchange's name in this prospectus as one of the Stock Exchange on which the Companies securities are proposed to be listed. The Exchange has scrutinised this prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company.

BSE does not in any manner-

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document,
2. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange, or
3. Take any responsibility for the financial or other soundness of this Company or its promoters, its management or any scheme or project of this Company, and

It should not for any reason be deemed or construed that this Prospectus has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter No dated NSE/LIST/19128-9 dated December 16, 2005 permission to the Issuer to use the NSE name in this Offer Document as one of the stock exchanges on which this Company's securities are proposed to be listed .The NSE has scrutinized this Draft Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way deemed or construed that the Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document nor does it warrant that the Issuer's securities will be listed or will continue to be listed on the Exchange nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquires any of securities of the Company may do so pursuant to independent enquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

FILING

A Copy of the prospectus, along with the documents required has been filed SEBI (Head office) Mittal court, B Wing, 1st Floor, 224 Nariman Point, Mumbai – 400 021. A copy of the prospectus, along with the material Contracts and documents required to be filed under section 60 of the Companies Act would be delivered for registration to the Registrar of Companies, 100, Everest, Marine lines, Mumbai – 400 002

LISTING

An initial listing application has been made to the NSE & Bombay Stock Exchange limited (BSE- Designated Stock Exchange) for permission to list the Equity Shares and for an official quotation of the equity shares of the Company.

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In case the permission for listing of the equity shares is not granted by the above mentioned Stock Exchange, the Company shall forthwith repay, without interest all monies received from the applicants in pursuance of this prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to pay it, then the Company and every director of the Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest as prescribed under Section 73 of the Companies Act, 1956.

The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at NSE & BSE are taken within 7 working days of the finalization and adoption of the basis of Allotment for the issue.

IMPERSONATION

As a matter of abundant caution, attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956 (hereinafter referred to as the Act) which is reproduced below:

“Any person who

- a) Makes in a fictitious name an application to a Company for acquiring or subscribing for any shares therein, or
- b) Otherwise induces a Company to allot, or register any transfer of, shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

CONSENTS

Consents in writing of the Directors, Auditors, Lead Managers to the Issue, Banker to the issue, Bankers to the Company, Company Secretary, Compliance Officer, Legal Advisor and Registrars to the Issue to act in their respective capacities have been obtained and filed along with copy of Prospectus with the Registrar of Companies, Mumbai as required under Section 60 of the Act, and none of them have withdrawn the said consents up to the time of delivery of a copy of this Prospectus for registration with the said Registrar of Companies.

M/s.Vivek G Randad & Company, Chartered Accountants, Auditors of the Company have also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which it appears in this Prospectus and also of the tax-benefits accruing to the Company and to the members of the Company and such consent and report have not been withdrawn up to the time of delivery of a copy of this Prospectus for registration with the Registrar of Companies, Mumbai.

Expert Opinion

Except for the various tax benefits available to the Company and its members expressed by the Auditors of the Company appearing on page 25 in this prospectus, the Company has not obtained any other expert opinion.

Expenses of the Issue

The expenses of the issue include inter alia Management fees, Brokerage selling commission, printing and stationery, legal fees, statutory advertisement expenses and listing fees.

The estimated detailed of Public Issue Expenses is as follows:

Sr No	Description	Amount Rs in Lacs	% of the total Issue Expenses	% of the total Issue size
1.	Lead Manager's Fees & Brokerage	65.00	34.67	1.87
2.	Advertising & Marketing Expenses	30.00	16.00	0.86
3.	Printing & Stationery/Despatch	25.00	13.33	0.72
4.	Brokerage and selling Commission	52.50	28.00	1.51
5.	Other Expenses (listing fees, Depository charges etc.)	15.00	8.00	0.43
	Total	187.50	100.00	5.39

FEES PAYABLE TO THE LEAD MANAGER TO THE ISSUE

The total fees payable to the Lead Manager will be as per the Memorandum of Understanding signed by the Lead Manager and the company dated 30th September, 2005, a copy of which is available for inspection at the Registered Office of the Company.

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FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed by the Registrar to the issue and the Company dated 23rd August, 2005, a copy of which is available for inspection at the Registered Office of the Company.

BROKERAGE & SELLING COMMISSION

Brokerage will be paid by the Company at the rate of 1.51% on the issue price of Equity Shares offered to the public on the basis of Allotment made against applications bearing the stamp of the members of any recognized Stock Exchanges in India in the broker's column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of Allotments made against applications procured by them provided the relevant forms of applications bear their respective stamps in the Broker's column.

In case of tampering or over stamping of Brokers'/Agents' codes on the application forms, the Company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter.

PREVIOUS ISSUE OF CAPITAL DURING LAST FIVE YEARS:

The Company has not made any public issue of equity / debentures during the last five years prior to this issue. The details of issue of capital have been outlined in the paragraph on the build up of the share capital under the capital structure on page No. 8 to 9 of this Prospectus.

ISSUE OTHERWISE THAN FOR CASH

For Details please refer to section entitled "Capital Structure" on page No 8 of this prospectus.

COMMISSION OR BROKERAGE ON PREVIOUS ISSUE

The Company has not made any public or Rights issue in the last five years.

Particulars in regard to SUNIL HITECH ENGINEERS LIMITED and other listed companies under the same management within the meaning section 370 (1)(B) of the Companies Act, 1956 which made any capital Issue during the last three years.

Neither Sunil Hitech Engineers Limited, nor any other listed companies under the same management within the meaning section 370 (1)(B) of the Companies Act, 1956, has made any capital Issue during the last three years.

PROMISES V/S PERFORMANCE

Sunil Hitech Engineers Limited has not made any public or Rights issue since its inception.

LISTED VENTURES OF PROMOTERS

The Promoters does not have any listed ventures and hence information on promises Vis a Vis performance as far as projection is concerned is not available.

OUTSTANDING REDEEMABLE PREFERENCE SHARES AND DEBENTURES

The Company since its incorporation has not issued any redeemable preference shares and Debentures.

Stock Market data for the Company's Equity shares

Nil

Investor Grievances and Redressal Mechanism

Redressal Mechanism

The company has appointed the registrar to the issue, to handle the investor grievances in coordination with the Compliance Officer of the Company. All grievances relating to the present issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of equity shares applied for, amount paid on application and bank and branch. The company would monitor the work of the registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the issue, namely, Big Share Registry Private Limited will handle investors' grievances pertaining to the issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the company. The company would also be co-ordinating with the registrar to the issue in attending to the grievances to the investor. The company assures that the Board of Directors in respect of the complaints, if any; to be received shall adhere to the following schedules:

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	Nature of complaint	Time Table
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Change of Address Notification	Within 7 days of receipt of information
3.	Any other complaint in relation to Public issue	Within 7 days of receipt of complaint with all relevant details

The company has appointed Mr Tarun kumar Singh Compliance Officer who would directly deal with SEBI officer with respect, to implementation/ compliance of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints .The investors may contact the Compliance Officer in case of any issue related . The Compliance Officer would be available at the Registered Office of the Company.

CHANGES IN AUDITORS DURING THE LAST THREE YEARS AND REASONS THEREOF

Except as mentioned herein below there has been no change in Auditors during the last 3 years.

Name	Date of Appointment	Date of Resignation	Reason
G. G. Randad & Co.	15.06.1998	01.04.2004	Due to Age And Health Reasons
Vivek G Randad & Co.	01.04.2004	N.A.	N.A.

CAPITALISATION OF RESERVES OR PROFITS (DURING LAST FIVE YEARS)

During March 2005, the Company has made a Bonus Issue of Equity Shares in the ratio of Three Equity Shres for every Two Equity Shares held as on the record date. This bonus issue was made through capitalisation of share premium account. The allotment of these Equity Shares was made on 22.03.2005.

REVALUATION OF ASSETS, IF ANY DURING LAST FIVE YEARS

.There has been no revaluation of fixed Assets during the last 5 years except revaluation of fixed assets made on 11.11.2003 & 14.11.2003 by Rs.67.48 Lacs, details of which are as below;

- | | |
|---|----------------|
| 1. Land: Plot No. 04, Ratnadeep, Jaynagar, Parlivaijnath | RS. 39.25 Lacs |
| Building: Plot No. 04, Ratnadeep, Jaynagar, Parlivaijnath | Rs. 12.09 Lacs |
| 2. Shop No. 13 & 14, Satyasai Apart, Pratap Nagar, Khamla, Nagpur | Rs. 09.21 Lacs |
| 3. Flat No. 4/S/1 & 4/S/2, Satyasai Apart, Pratap Nagar, Khamla, Nagpur | Rs. 06.93 Lacs |

SECTION VIII: ISSUE INFORMATION

1. TERMS OF THE ISSUE

The Equity shares being issued are subject to the provision of the companies Act, the Memorandum and Articles of the Company, the terms of this prospectus, Application form, and other terms of this prospectus, Application form, and other terms and conditions as may be incorporated in the allotment Advice, and other documents/certificates that may be executed in respect of the issue. The Equity shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, ROC and /or other Authorities, as in force on the date of the issue and to the extent applicable.

Ranking of Equity Shares

The Equity shares being issued shall be subject to the provisions of the Memorandum and Articles of Association of the Company, rank pari passu with the other existing Equity shares of the Company including rights in respect of dividend. The allottee will be entitled to dividend or any other corporate benefits, if any, declared by the company after the date of allotment.

MODE AND PAYMENT OF DIVIDEND

The declaration and payment of dividend will be recommended by our Board of Directors and declared by the shareholders at their discretion and will depend on a number of factors including but not limited to the earning, Capital requirements and overall financial conditions.

FACE VALUE AND OFFER PRICE

Each Equity Share being offered is of face value of Rs. 10 and is offered at a price of Rs. 100/- Per Equity Shares which is 10 times of the Face value.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws the equity shareholders shall have the following rights

- Right to receive dividend, if declared.
- Right to attend general meeting and exercise voting rights unless prohibited by law.
- Right to vote on poll either personally or by proxy.
- Right to receive offer for rights shares and the allotted bonus shares.
- Right to receive surplus on liquidation.
- Such other rights as may be available to a shareholder of a Public Limited Company under the Companies Act, 1956.

Market Lot

In terms of section 68B of the companies Act, the Equity shares of the Company shall be allotted only in dematerialised form. In terms of existing SEBI Guidelines, the trading in the Equity shares of the Company shall be only in dematerialised for all investors

Since trading of the equity shares will be in dematerialised mode, the tradeable lot is one Equity shares. Allocation and allotment of Equity shares through this issue will be done in electronic form in multiple of one-equity shares subject to minimum of 50 shares

NOMINATION FACILITY TO INVESTOR

In accordance with Section 109A of the Act, applicants may nominate any one person in whom, in the event of the death of the applicants, as the case may be, the equity shares allotted if any, shall vest. A person being a nominee, entitled to the equity shares by reason of death of the original holders (s), shall in accordance with Section 109A of the Act be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity shares. Where the nominee is a minor, the holder may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity shares in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity shares by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made on a prescribed form available on request at the registered office of the Company or to the Registrar and Transfer Agents of the company. In accordance with Section 109B of the Act, any person who becomes nominee by virtue of 109A of the Act shall upon production of such evidence as may be required by the Court, elect either:

1. To register himself or herself as holder of Equity Shares or
2. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirement of the notice have been complied with.

In case of allotment in dematerialised form; the nominations registered with the respective depository participants of the applicant would prevail.

MINIMUM SUBSCRIPTION

If the Company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after closure of the issue on account of cheques having returned unpaid or withdrawal of application, the Company shall forthwith refund the entire subscription amount received. If there is delay beyond 8 days after the company become liable to pay the amount, the Company shall pay interest as per section 73 of the Companies Act.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The Company has not made any arrangements for disposal of odd lot of shares arising out of this issue as the tradable lot is ONE.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES AND ON THEIR CONSOLIDATION/ SPLITTING

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer sub-heading "Main Provisions of the Articles of the Association of "Sunil Hitech Engineers Limited appearing on page 109 of this prospectus.

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2. ISSUE PROCEDURE

a. Authority of the Present issue

Pursuant to section 81 1(A) of the Companies Act, 1956 the presentr issue of equity shares has been authorised vide special resolution passed at the EGM of the Company held on 27th August, 2005 and resolution passed by the Board of Directors held on 19th August, 2005

b. Principal Terms and Conditions of the Offer

Availability of Application Forms and prospectus

Application forms with Memorandum containing salient features of the prospectus and copies of the prospectus under Section 56(3) of the Act may be obtained from the Registered Office of the Company, the Lead Manager to the issue and the Bankers to the issue named herein or from their branches as stated on the reverse of the application form.

Who can apply?

Applications may be made by:

1. Indian nationals resident in India who are not minor, in single or joint names (not more than three);
2. Hindu Undivided Families through the Karta of the HUF;
3. Companies, Corporate bodies and Societies registered under the applicable law in India and authorized to invest in the shares;
4. Scientific and/or Industrial Research Organizations, which are authorized to invest in shares;
5. Indian Mutual Funds registered with SEBI, Indian Financial Institution, Commercial Banks and Regional Rural Banks, Co-operative Banks may also apply subject to permission from RBI;
6. Indian Financial Institutions and Banks;
7. Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and which are authorized under their constitution to hold and invest in equity shares of a Company;
8. Non Resident Indians (NRIs) on a non-repatriation basis.
9. Foreign Institutional Investors
10. Permanent and regular employees of the Company
11. Insurance Companies registered with Insurance Regulatory and Development Authority
12. Provident Funds with a minimum Corpus of Rs 25 crore
13. Pension funds with a minimum corpus of Rs 25 crore.

Application not to be made by:

- Minors
- Foreign Nationals
- Partnership firms or their nominees
- Trusts (except as stated above)
- HUFs (except as stated above)
- NRIs (except as stated above)
- Overseas Corporate Bodies (OCBs)

APPLICATIONS BY HINDU UNDIVIDED FAMILIES (HUF)

Application may be made by Hindu Undivided families (HUF) through Karta of the (HUF) and will be treated at par with individual applications

MINIMUM AND MAXIMUM APPLICATION SIZE

Applications should be for a minimum of 50 Equity Shares and in Multiples of 50 Equity Shares thereafter. A single application can be made only for the number of equity shares that are being offered to each respective category.

OPTION TO SUBSCRIBE

As on the date of this document, there are no pending options to subscribe to the Equity Shares or convertible instruments pending conversion into Equity Shares of any kind.

The Investor can seek allotment only in dematerialised mode. However the investor shall have the option to hold the Equity shares in physical form or demat form. After the allotment in the proposed issue allottees may request their respective DP for rematerialisation of shares if they wish to hold the shares in physical shares.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Prospectus together with Application forms and copies of the prospectus may be obtained from the Registered office of the Company, lead Manager to the Issue, Registrar to the Issue, as mentioned on the Application Form.

NRIs/FIIs/Indian Mutual Funds and Indian and Multilateral Development Financial Institutions can obtain the Application Form from the registered office of the Company.

C. Procedure for Application

Application by Resident Indian Public

Application must be:

- a. Made only in the prescribed application form accompanying the memorandum.
- b. Completed in full in block letters in English except signatures in accordance with the instructions contained herein and in the application form. Applications not so made are liable to be rejected.

C For a minimum of 50 equity shares and in multiples of 50 thereafter.

In the name of Resident Indian Individuals, Limited Companies, Statutory Corporations/ Institutions Incorporated in India, Indian Mutual Funds registered with SEBI and Banks. Applications in the name of minors, foreign nationals, Trusts not registered under the Societies Registration Act, 1860, or any other Trust laws, partnership firms or their nominees, OCBs, NRIs on repatriation basis will be treated as invalid.

HUF should specify that the application is being made in the name of the HUF in the application form as "Name of the sole or first applicant: XYZ HUF applying through XYZ, where XYZ is the name of the Karta". Application by HUFs would be considered at par with those from individuals.

Applicants residing at places where no collection centres have been opened may submit / mail their applications at their sole risk along with application money due there unto by Demand Draft to the Registrar to the Issue, Bigshare Services Private Limited super-scribing the envelope " Sunil Hitech Engineers Limited- Public Issue" so as to reach the Registrar on or before the closure of the Subscription List. Such demand drafts should be payable at Mumbai only. The charges, if any, for purchase of the demand draft will have to be borne by the applicant.

Application by Mutual Funds: A separate application can be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications provided the applications made by the Mutual Funds / Trustees / the Custodians clearly indicate their intention as to each Scheme concerned for which application has been made.

Subscription by NRIs/FIIs registered with SEBI: As per the extant policy of the Government of India, OCBs cannot participate in this Issue. Investments made by NRIs/ FIIs are governed by the regulations contained in FEMA 20/2000-RB dated May 3, 2000 read with AP (DIR Series) Circular No.38 dated December 2, 2003 shall be applicable. It is to be distinctly understood that there is no reservation for NRIs and FIIs registered with SEBI and all NRI and FII registered with SEBI applicants will be treated on the same basis with other categories for the purpose of allotment.

All cheques / bank drafts accompanying the application should be crossed " A/c payee only" and made payable to the Bankers to the Issue and lodged at any of their nominated branches and should bear the words " Sunil Hitech Engineers Limited –Public Issue".

Applicants should indicate the application numbers on the reverse of the instrument through which the payment is made.

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All application forms duly completed together with cash / cheques / demand draft drawn on any of the Bankers to the issue mentioned on the prescribed application form for the amount payable on application at the rate of Rs.100/- per equity share, should be lodged with the Bankers to the Issue mentioned in the prescribed application form.

Application by NRI on Non repatriation basis can be made using the form meant for public out of the funds held in Non Resident(Ordinary) Account (NRO). The relevant bank certificate must accompany such forms. Such application will be treated on par with the application made by the public. There is no separate form for NRIs.

Instructions for Payment

- Payments should be made in cash or cheque or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member or a sub-member of the Bankers' "Clearing House" located at the Centres (indicated in the Application Form) where the Application is accepted. A separate cheque / demand draft should accompany each Application.
- Money orders, postal orders, outstation cheques or demand drafts, cheques / draft drawn on banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected.
- In case payment is effected in contravention of the conditions mentioned herein, the application money will be refunded and no interest will be paid thereon.
- Investors will not have facility of applying through stock invest instrument as RBI has withdrawn the stock invest scheme vide notification no.DBOD.NO.FSC.BC.42/24.47.001/2003-04 dated 5/11/2003.

APPLICATION (S) WILL NOT BE ACCEPTED BY THE LEAD MANAGERS OR REGISTRAR TO THE ISSUE EXCEPT AS MENTIONED.

Technical Grounds for Rejections

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

1. Bank account details are not provided
2. Age is not mentioned
3. Application by Minors
4. PAN or GIR number is not given if the value of the application is for Rs.50, 000/- or more.
5. Multiple applications
6. In case of applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted.
7. Applications accompanied by Stock invests
8. Application by OCBs
9. Applications not duly signed by the sole/joint applicants
10. Application forms do not have the applicant's depository account details.
11. Application not for a minimum of 50 shares or multiples of 50 thereafter.

Particulars of Bank Account

All the applicants should mention particulars relating to Savings Bank/Current Account number and the name of the bank and branch with whom such account is held in the appropriate place in the application form to enable the Registrar to print the said details in the refund orders after the name of the payee.

Please note that it is mandatory to provide the afore-mentioned details. Applications without these details would be treated as incomplete and applications are liable to be rejected.

Note:

Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are being made to avoid misuse of instruments submitted along with the applications for equity shares. For further instructions, please read the Application Form carefully.

General Information

- (i) Joint Applications. An application may be made in single or joint names (not more than three) as mentioned in the prospectus. In case of a joint application, refund pay order (if any) and dividend / warrants, etc. will be made out in favour of the first applicant. All communications will be addressed to the applicant whose name appears first and will be dispatched to the first applicant's address stated in the application form.
- (ii) Multiple Applications. An applicant should submit only one application (and not more than one) for the total number of equity shares required. Applications may be made in single or joint names (not more than three). Two or more applications, in single and / or in joint names will be deemed to be multiple applications if the sole and / or first applicant is one and the same.

No separate applications for dematerialised and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

- (iii) Application under Power of Attorney. In case of applications under a Power of Attorney or by limited companies or bodies corporate or societies, the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with a certified true copy thereof along with a copy of Memorandum and Articles of Association and /or bye-laws must be attached to the Application Form at the time of making the application or lodged for scrutiny separately indicating the Serial No. of the Application Form with the Registrar to the Issue at their address, within 10 days from the closure of the Issue, failing which, the Company / Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof.

The Company, in their absolute discretion, reserves the right to relax the condition of lodging of the Power Of Attorney along with the application form subject to such terms and conditions that the Company/Lead Manager may deem fit.

- (iv) Thumb impression or signature in language other than English, Hindi or any other language specified in the 8th Schedule of the Constitution of India must be attested by Magistrate or Notary Public or a special Executive Magistrate under his official seal.
- (v) All communications should be addressed to the Registrar to the Issue.
- (vi) The applicant should mention the Application Form number on the reverse of the instrument through which payment is made.

- (vii) Bank Account Details- Applicants are advised that it is mandatory for them to indicate in the space provided in the application form, details regarding their Savings Bank / Current Account Numbers and the name of the branch of the bank to which they want the proceeds of refund to be credited. Applications not containing such details are liable to be rejected.

The name of the Applicant, Depository participant name, Depository Participant's identification (DPID) number and the beneficiary number provided by the Depository Participants must be correctly mentioned in the Application form at the appropriate place. The Registrar will obtain the Demographic details such as Address, Bank Account details, and Occupation from the Depository participant, the refunds, if, any, will be printed with the Bank details as given by the Depository participant.

- (viii) PAN / GIR Number :Where an application is for Allotment of equity shares for a total value of Rs. 50,000 or more i.e. the total number of securities applied for multiplied by the Issue price is Rs. 50,000/- or more, the applicant or in the case of applicants in joint names, each of the applicants should mention his permanent account number allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR number and the Income Tax Circle / Ward / District should be mentioned. In case where neither the Permanent Account Number (PAN) nor the GIR number has been allotted, the fact of non-allotment should be mentioned in the application form. Application forms without this information will be considered incomplete and will be liable to be rejected.
- (ix) Having regard to provisions of Section 269SS of the Income Tax Act, 1961, the application for subscription to the equity shares for an amount of Rs. 20,000 or more should not be effected in cash and must be offered only by an A/c. payee cheque / bank draft. In case payment is effected in contravention of the provisions, the application is liable to be rejected and application money will be refunded without interest.
- (x) A separate cheque / bank draft must accompany each application form.

Tripartite agreements both dated January 4, 2006 have been signed among the Company, the registrar & CDSL and among the Company, the registrar & NSDL respectively. The ISIN No. allotted to the Company is INE305H01010.

- (xi) Application from any investor, opting for allotments in dematerialised form, without the following details of his or her depository account is liable to be rejected.

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An applicant applying for equity shares must have at least one beneficiary account either of the depository participants of NSDL or CDSL prior to making the Application.

The applicant must necessarily fill in the details (including the beneficiary account number and depository participants identification number) appearing in the application form.

Equity shares allotted to applicant will be credited in electronic form directly to the beneficiary account (with the depository participant) of the applicant.

Names in the application form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the Depository account of the applicants(s). If incomplete or incorrect details are given under the heading applicant Depository account details in the application form it is liable to be rejected.

The applicant is responsible for the correctness of his or her demographic details given in the application form vis-à-vis those with his or her Depository participant.

It may be noted that equity shares in electronic form can be traded only on the Stock exchanges having electronic connectivity with NSDL or CDSL. The stock exchange where our equity shares are proposed to be listed is connected to NSDL and CDSL.

The trading of equity shares would be in dematerialised form only for all investors.

Investors can contact the compliance officer in case of any pre issue related problems. In case of post issue related problems such as non –receipt of letter of allotment/share certificate /credit of securities in depository's beneficiary account /refunds orders etc., investors may contact compliance officer or Registrar to the issue.

Disposal of Application and Application Money

No receipt will be issued for application money. However, the Bankers to the issue receiving the application will acknowledge the receipt of the application by stamping and returning the detachable acknowledgment slip appended to each application.

The sum received in respect of the issue will be kept in separate bank accounts and Company will not have any access to the funds unless approval of The Stock Exchange, Mumbai, the designated Stock Exchange is obtained for the basis of Allotment and listing approval from the Stock Exchanges where listing is proposed or exists.

The Company reserves the full unqualified and absolute right to accept or reject any application in whole or part and in either case without assigning any reason thereof.

Impersonation

Attention of the applicants is specifically drawn to the provision of sub section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

“Any person who:

- a) Makes in a fictitious name, an application drawn to the company for acquiring or subscribing for, any shares therein, or
- b) Otherwise induces a company to allot or register any transfer of shares therein to him, or any other persons in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.

Interest on Excess Application Money

Payment of interest @ 15 percent per annum on excess application money (after adjusting the amount due on allotment) will be made to the applicants, if refunds are not dispatched within 30 days from the date of the closure of the issue as per the Guidelines issued by the Government of India, Ministry of Finance vide their letter no. F-8/6/SE/79 dated July 21, 1983, as amended vide their letter no. F/14/SE/85 dated September 27, 1985 addressed to the Stock Exchanges, and as further modified by SEBI's circular MD/RCG/33/1819/96 dated May 15, 1996.

Basis of Allotment

In the event of the Offer being oversubscribed, the Allotment will be on a proportionate basis subject to market lots as explained below:

- a. A minimum 50% of the net issue to the Indian public will be made available for allotment in favour of those retail individual applicants who have applied for Equity Shares of or for a value not more than Rs. 1,00,000/-. This percentage may be increased in consultation with the Designated Stock Exchange depending on the extent of response to the Issue from

investors in this category. In case allotments are made to a lesser extent than 50% because of lower subscription in the above category, the balance Equity Shares would be added to the higher category and allotment made on a proportionate basis as per relevant SEBI Guidelines.

The Executive Director / Managing Director of The Stock Exchange, Mumbai along with the Lead Manager and the Registrars to the issue shall be responsible to ensure that the basis of Allotments finalized in a fair and proper manner in accordance with the guidelines.

- b. The balance of Net issue to Indian Public shall be made available to investors including corporate bodies/ institutions and individual applicants who have applied for Equity Shares for a value more than Rs.1, 00,000/-.
- c. The Unsubscribed portion of the net issue to any of the categories specified in (a) or (b) shall be made available for allotment to applicants in the other category, if so required.
- d. Applicants will be categorized according to the number of equity shares applied for.
- e. The total number of equity shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category (number of applications in the category multiplied by the number of equity shares applied for) multiplied by the inverse of the over subscription ratio.
- f. Number of equity shares to be allocated to the successful allocatees will be arrived at on a proportionate basis i.e. total number of equity shares applied for by each applicant in that category multiplied by the inverse of the over subscription ratio.
- g. In all the applications where the proportionate allotment works out to less than 50 equity shares per applicant, the Allotment shall be made as follows:
 - (i) Each successful applicant shall be allotted a minimum of 50 equity shares, and
 - (ii) The successful applicants out of the total applicants of that category shall be determined by draw of lots in such a manner that the total number of equity shares allotted in that category is equal to the number of equity shares worked out as per (b) above.
 - (iii) The draw of lots (where required) to finalise the Basis of allotment, shall be done in the presence of a public representative on the Governing Body of the BSE. The basis of allotment shall be signed as correct by the Governing Body of The Stock Exchange Mumbai and the public representative (where applicable) in addition to the Lead Manager and the Registrars to the Issue.
- h. Allotment shall be on proportionate basis within the specified categories, rounded off to the nearest integer subject to a minimum allotment being equal to the minimum application size which is 50 shares

If the equity shares allocated on a proportionate basis to any category is more than the equity shares allocated to the applicants in the category, the balance available equity shares for allotment shall be first adjusted against any other category where the allotted equity shares are not sufficient for proportionate allotment to the successful applicants in that category. The balance equity shares if any, remaining after such adjustment will be added to the category comprising of applicants applying for minimum number of equity shares.

In the event of over subscription, in the process of rounding off to ensure allotment in marketable lots, the Company may make such adjustments in the basis of allotment, as may be necessary, in consultant with Lead Manager.

Issue of Certificates

In terms of Sec 68B of the Companies Act, 1956, the company will not issue any share certificates. Instead, the Company shall give credit to the beneficiary account with Depository participant within 3 working days of finalization of allotment of shares.

Allotment Letters & Refunds

In accordance with The Companies Act, 1956 and the requirement of stock exchanges, the Company shall pay interest @ 15 percent per annum on the entire amount if the Allotment of the Equity Shares has not been made within 30 days from the date of closure of the Issue. This interest will be paid from the 31st day from the closure of the Issue until the actual date of Allotment. Alternatively, in case of any delay in the dispatch of refund order's beyond 30 days from the closure of the Issue, interest @ 15 percent per annum, will be paid on the refund amount from the 31st day from the closure of the Issue until the date of dispatch of the refund orders.

The Company shall ensure dispatch of refund orders of value up to Rs. 1,500 under certificate of posting / Allotment advice and/ or regret letters together with refund orders over Rs. 1,500 by Registered Post only.

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The Company has undertaken to make available necessary funds to the Registrar for the purpose of dispatch of Allotment Letters/ Refund Orders as stated above.

Interest in case of delay on Allotment & dispatch

- a. As far as possible, allotment of securities offered to the public shall be made within 30 days of the closure of this Issue.
- b. The Issuers / Company shall pay interest @ 15 percent per annum for the period of delay beyond 30 days if the Allotment has not been made and / or refunds have not been dispatched to the investors within 30 days from the date of closure of the Issue.

Scope of activities of the Registrars to the Issue.

The Registrars to the Issue shall also be the Share Transfer Agent and would also be responsible for all the post Issue activities pertaining to this offer.

Undertaking by the Company

- (i) That the Complaints received in respect of the issue shall be attended to by the issuer Company expeditiously and satisfactorily
- (ii) That all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within seven working days of finalisation of the basis of allotment.
- (iii) That the issuer company shall apply in advance for the listing of equities on the conversion of debentures/bonds
- (iv) That the funds required for despatch of refund orders /allotment letters/certificates by registered post shall be made available to the Registrar to the issue by the issuer company.
- (v) That the promoters contributions in full, wherever required, shall be brought in advance before the issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public.
- (vi) That the certificates of the securities /refund orders to the non –resident Indians shall be despatched within specified time.
- (vii) That no further issue of securities shall be made till the securities offered through this prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription etc.

Utilisation of issue Proceeds

The Board of Directors of the Company certifies that:

- a) all the monies received out of this issue of Equity shares to public shall be transferred to a separate bank Account other than the bank account referred to in sub-section (3) of section 73.
- b) Details of all monies utilised out of the issue referred to in sub item (a) shall be disclosed under an appropriate separate head in the Balance sheet of the Company indicating the purpose for which such monies has been utilised and,

Details of all unutilised monies out of the issue of equity shares, if any, referred to in sub item (a) shall be disclosed under an appropriate head in the Balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Board of Directors of the Company further certifies that ;

- i. The utilisation of monies received under promoters contributions and reservation shall be disclosed under a appropriate head in the balance sheet of the company indicating the purposes for which such monies have been utilised.
- ii. the details of all unutilised monies out the funds received under promoters contribution and reservation shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.
- iii. The Company undertakes that it shall not access the money raised in the issue till finalisation of basis of allotment or completion of issue formalities.

SECTION: IX: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company inter-alia provide for the following.

ARTICLES OF ASSOCIATION
OF
SUNIL HITECH ENGINEERS LIMITED

1. Table "A" not to apply but Company to be governed by these Articles

The regulations contained in Table "A" in the First Schedule of the Companies Act, 1956, shall not apply to this Company, but the regulations for the Management of the Company and for the observance of the members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution, as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

INTERPRETATION

2. **Interpretation Clause**

In the interpretation of these Articles, the following expressions shall have the following meanings unless repugnant to the subject or context:

The Act

- (a) "The Act" means the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.

These Articles

- (b) "These Articles" means Articles of Association for the time being or as altered from time to time by Special Resolution.

Auditors

- (c) "Auditors" means and includes those persons appointed as such for the time being of the Company.

Board or Board of Directors

- (d) "Board" or "Board of Directors" means the Board of Directors of the Company or the Directors of the Company collectively.

Capital

- (e) "Capital" means the share capital for the time being raised or authorised to be raised for the purpose of the Company.

Chairman

- (f) "The Chairman" means the Chairman of the Board of Directors for the time being of the Company.

Charge

- (g) "Charge" includes a mortgage.

The Company or this Company

- (h) "The Company" or "This Company" means the Company above named.

Debenture

- (i) "Debenture" includes debenture-stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not.

Directors

- (j) "Directors" means the Board of Directors for the time being of the Company or as the case may be, the Directors assembled at a Board or acting under a Circular Resolution under these Articles.

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Dividend

(k) "Dividend" includes bonus

Executor or Administrator

(l) "Executor" or "Administrator" means a person who has obtained Probate or Letter of Administration, as the case may be from a Court of Competent jurisdiction and shall include holder of a Succession Certificate authorising the holder thereof to negotiate or transfer the share or shares of the deceased member and shall also include the holder of a Certificate granted by the Administrator General under Section 31 of the Administrator Generals Act, 1963.

Gender

(m) Words importing the masculine gender shall include the feminine gender and vice versa.

In writing and written

(n) "In Writing" and "Written" includes printing, lithography and other modes of representing or reproducing words in a visible form.

Legal Representative

(o) "Legal Representative" means a person who in law represents the estate of a deceased Member.

Sub headings

(p) The sub-headings hereto shall not affect the construction hereof.

Members

(q) "Members" means the duly registered holders, from time to time, of the shares of the Company and includes subscribers to the Memorandum of the Company.

Meeting or General Meeting

(r) "Meeting" or "General Meeting" means meeting of the Members.

Annual General Meeting

(s) "Annual General Meeting" means a General Meeting of the members held in accordance with the provisions of Section 166 of the Act.

Extra-ordinary General Meeting

(t) "Extra-ordinary General Meeting" means an Extra-ordinary General meeting of the members duly called and constituted and any adjourned holding thereof.

Month

(u) "Month" means a calendar month.

Office

(v) "Office" means the Registered Office for the time being of the Company.

Ordinary Resolution

(w) "Ordinary Resolution" shall have the meaning assigned to it by Section 189 of the Act.

(x) "Paid up" includes credited as paid up.

Persons

(y) "Persons" includes corporation.

Proxy

(z) "Proxy" means an instrument whereby any person is authorised to attend a meeting and vote for a member at the General Meeting or a poll.

The Register of Members

(aa) "The Register of Members" means the Register of Members to be kept pursuant to Section 150 of the Act.

The Registrar

(ab) "The Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.

The Company's Regulations

(ac) "The Company's Regulations" means the regulations for the time being for the management of the Company.

Seal

(ad) "Seal" means the Common Seal for the time being of the Company.

Secretary

(ae) "Secretary" means a Company Secretary within the meaning of clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.

Secretary in Whole-time Practice

(af) "Secretary in Whole-time Practice" means a Secretary who shall be deemed to be in practice within the meaning of sub-section (2) of Section 2 of the Company Secretaries Act, 1980 and who is not in full time employment.

Shares

(ag) "Shares" means share in the share capital of the Company and includes stock where a distinction between stocks and shares is expressed or implied.

Special Resolution

(ah) "Special Resolution" shall have the meaning assigned to it by Section 189 of the Act.

The Statutes

(ai) "The Statutes" means the Companies Act, 1956 and every other Act for the time being in force affecting the Company.

Year

(aj) "Financial Year" shall have the meaning assigned thereto by Section 2 (17) of the Act.

Singular number

(ak) Words importing the singular number include where the context admits or requires the plural number and vice versa.

Expression in the Act to bear the same meaning in Articles

(al) Save as aforesaid, any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.

CAPITAL

3. The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and/or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time, in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.

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4. Increase of Capital by the Company at how carried into effect

The Company may in General Meeting, from time to time by ordinary resolution, increase its capital by creation of new shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new shares shall be issued upon such terms and conditions with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of asset of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

5. New Capital same as existing capital

Except in so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. Redeemable Preference Shares

Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company are liable to be redeemed in accordance with Section 80A of the Act and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

7. Provisions to apply on issue of Redeemable Preference Shares

On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect.

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purposes of the redemption.
- (b) No such shares shall be redeemed unless they are fully paid.
- (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account, before the shares are redeemed.
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits, which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "The Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
- (e) Subject to the provisions of Sections 80 and 80A of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

8. Reduction of Capital

The Company may (Subject to the provisions of Sections 78, 80 and 100 to 105, both inclusive and other applicable provisions, if any of Act) from time to time by special resolution reduce (a) the share capital (b) any capital redemption reserve account or (c) any share premium account in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any Power Company would have, if it were omitted.

9. Consolidation division, sub-division and cancellation of Shares

Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time by an ordinary resolution after the conditions of its Memorandum as follows :

- (a) Consolidate and divide all or any of its share capital in to shares of large amount than its existing shares.
- (b) Sub-divide its shares or any of them into shares of smaller amount than fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on such reduce share shall be the same it was in the case of the share from which the reduced share is derived.

- (c) Cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c), the Company shall within thirty days thereafter give notice thereof to the Registrar as required by Section 95 of the Act, specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.

10. Modification of rights

Whenever the capital, by reason of the issue of the preference shares or otherwise is dividend into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class and all the provisions hereinafter contained as to general meeting shall mutatis mutandis apply to every meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.

The rights conferred upon the holder of the shares (including preference shares if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated dealt with or varied by the creation of issue of further shares ranking pari passu therewith.

SHARES AND CERTIFICATES

11. Restriction on allotment and return of allotment

The Board of Directors shall observe the restrictions to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the returns as to allotment provided for in Sections 75 of the Act.

12. Further issue of shares

Where at the time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then :

- (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right, PROVIDED THAT the Directors may declined, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board if Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.

[1] Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

- (a) If a special resolution to that effect is passed by the company in General Meeting , or
- (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.

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- [3] Nothing in sub-clause (c) of (1) hereof shall be deemed :
- (a) To extend the time within which the offer should be accepted ; or
 - (b) To authorise any person to exercise the right of renunciation for a second time on the ground that person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- [4] Nothing in this Articles shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company :
- (i) To convert such debentures or loans into shares in the Company; or
 - (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans.

13. Shares at the Disposal of the Directors

Subject to the provisions of section 81 of the Act and these Articles, the shares (including any shares forming part of any increased capital of the Company) for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose off the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or in (Subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time, as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

14. Application of premium received, on shares

- [1] Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to an account, to be called "The Share Premium Account" and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in this Article, apply as if the share premium account were paid up share capital of the Company.
- [2] The shares premium account may, notwithstanding anything in clause(1) hereof be applied by the Company :
- (a) in paying up unissued shares of the Company, to be issued to the members of the Company, as fully paid bonus shares;
 - (b) in writing off the preliminary expenses of the Company;
 - (c) in writing off the expenses of or the commission paid or discount allowed on any issue of shares or debentures of the Company; or
 - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

15. Power also to Company in General Meeting to issue shares

In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, by Sepcial Resolution other than Bonus Share Issue, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to any person (whether a Member or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full powers to give any person (whether a Member or

not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such considerations as may be directed by such General Meeting of the Company and General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

16. Shares at a discount

The Company may issue at a discount shares in the Company of a class already issued, if the following conditions are fulfilled namely :

- [1] The issue of the shares at a discount is authorised by a resolution passed by the Company in General Meeting and sanctioned by the Company Law Board.
- [2] The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the shares are to be issued; and
- [3] The shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extend time as the Company Law Board may allow.

17. Installment of shares to be duly paid

If by the conditions of any allotment of any shares the whole or any part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives and shall for the purposes of these Articles, be deemed to be payable on the date fixed for payment and in the case of non-payment the provisions of these Articles as to payment of interest and expenses of forfeiture and like and all the other relevant provisions of these Articles shall apply as if such installments were a call duly made and notified as hereby provided.

18. The Board may issue shares as fully paid-up

Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the Capital of the Company as payment of any property sold or transferred or for services rendered to the Company in the conduct of its business or in satisfaction of any shares, which may be so issued shall be deemed to be fully paid-up or partly paid-up shares.

19. Acceptance of shares

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accepts any shares and whose name is therefore placed on the register shall, for the purpose of this Article, be a member.

20. Deposit and Call to be a debt payable

The money, if any, which the Board of Directors shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

21. Liability of Members

Every member or his heirs, executors or administrators to the extent of his assets which come to their hands shall be liable to pay of the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall from time to time, in accordance with the Company's requisitions, require or fix for the payment thereof.

22. Limitation of time for Issue of Certificates.

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be issued under the seal of the company and shall be signed in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or reenactment thereof for the time being in force and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid up thereon and shall be in

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such form as the directors may prescribe or approve. Such certificate shall be issued only in pursuance of a resolution passed by the Board including any committee thereof and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issue against letters of acceptance or of renunciation or in cases of issue of bonus shares PROVIDED THAT if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence. If any member shall require additional certificates he shall pay for each additional certificate (not being in the marketable lot) such sum not exceeding One Rupee as the Directors shall determine.

In respect of a share or shares held jointly by several person, the company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder.

22A Dematerialization of securities.

Beneficial owner means a persons or persons whose name is recorded as such with a depository.

Depository means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992.

SEBI means Securities and Exchange Board of India.

Security means such security as may be specified by SEBI from time to time.

- (a) Dematerialisation: Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialise its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (b) Options for Investors: Subject to Section 68B of the Act, every Person subscribing to Securities offered by the Company shall have the option to receive security certificates or to hold the Securities with a Depository. Such a Person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Securities in a manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of Securities.

If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

- (c) Securities in Depositories to be in fungible form: All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.
- (d) Rights of Depositories & Beneficial Owners:
 - i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
 - ii. Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
 - iii. Every person holding Shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company.
 - iv. The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (e) Service of Documents: Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (f) Transfer of Securities:
 - i. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

ii. In the case of transfer or transmission of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (g) Allotment of Securities dealt with in a Depository: Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.
- (h) Certificate No. Etc. of Securities in Depository: Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- (i) Register and Index of Beneficial Owners: The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Members and Security holders for the purposes of these Articles.

23. Issue of New Certificate in place of One Defaced, Lost or Destroyed.

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules of regulation or requirements of any stock Exchange or the rules made under the Act or the rules made under Securities contracts (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the company.

24. New certificates to be granted on delivery of the old certificates

New certificates shall not be granted under the provisions of the foregoing Article except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation and upon proof of destruction or loss and upon such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board of Directors may think fit in the case of any certificate having been destroyed, lost or defaced beyond identification.

25. The first named of joint holders deemed sole holder

If any share stands in the name of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notice and all or any other matter connected with the Company except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's regulations.

26. Company not bound to recognise any interest in share other than of registered holder

Except as ordered by a Court of Competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Trust not recognised

[a] Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognise any benami, trust or equity or equitable, contingent, future or partial or other claim or claims or right to or interest in such share in the part of any other person whether or not it shall have express or limited notice thereof. The provisions of Section 153 of the Act, shall apply.

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[b] Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor (except in case where they are fully paid) or in the name of a person of unsound mind or in the name of any firm or partnership.

27. Funds of Company not to be applied in purchase of shares of the Company

No funds of the Company shall, except as provided by Section 77 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by mean of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any share in the Company in its holding Company.

UNDERWRITING AND BROKERAGE

28. Commission may be paid

Subject to the provisions of Section 76 of the Act, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.

29. Brokerage

The Company may on any issue of shares or debentures or on deposits pay such brokerage as may be reasonable and lawful.

30. Commission to be included in the Annual Return

Where the Company has paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any shares or debentures such statement thereof shall be made in the Annual Return as required by part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

31. Interest out of Capital

Where any shares are issued for the purposes of raising money to defray the expenses of the construction of any works or buildings or the provisions of any plant, which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant.

DEBENTURES

32. Debentures with voting rights not to be issued

[a] The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business, Debenture-stock, bonds or other securities with the right to allotment of or conversion into share shall not be issued except with the sanction of the Company in general meeting.

[b] The Company, shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

[c] Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

[d] Certain charges (whether expression includes mortgages) mentioned Section 125 of the Act, shall be void against the Liquidator or Creditors unless registered as provided in Section 125 of the Act.

[e] A contract with the Company to take up and pay any debentures of the Company may be enforced by a decree for specific performance.

[f] Unless the conditions of issue thereof otherwise provide, the Company shall (Subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the

application for the registration of the transfer of any such debentures or debenture-stock have completed and delivered the certificate of all debenture-stock allotted or transferred.

[g] The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of Debenture Trust Deed and inspection thereof.

[h] The Company shall comply with the provisions of Sections 124 to 145 (inclusive) of the Act as regards registration of charges.

CALLS

33. Directors may make call

Subject to the provisions of Section 91 of the Act the Board of Directors may, from time to time by a Resolution passed at a meeting of a Board (and not by a circular resolution), make such calls as it think fit upon the members in respect of all moneys unpaid on the shares whether on account of the nominal value of the shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by instalments. A call may be postponed or revoked as the Board may determine.

34. Notice of calls

Not less than thirty days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

35. When call deemed to have been made

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

36. Directors may extend time

The Board of Directors may from time to time as its discretion, extend the time, fixed for the payment of any call and may extend such time to call on any of members the Board of Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension as of right except as a matter of grace and favour.

37. Amount payable at fixed time or by installments to be treated as calls

If by the terms of issue of any share or otherwise any amount is made payable at any fixed or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

38. When interest on call or installment payable

If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen per cent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.

39. Evidence in actions by Company against shareholders

On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the members in respect of whose shares the money is sought to be recovered and entered on the register of member as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which the money is sought to be recovered that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, not that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

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40. Payment in anticipation of call may carry interest.

The Directors may, if they think fit, subject to the provisions of section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

41. Company's lien on shares/debentures.

The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures wholly or in part to be exempt from the provisions of this clause.

42. As to enforcing lien by sale

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made :

- [a] Unless a sum in respect of which the lien exists is presently payable or
- [b] Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

For the purpose of such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such members.

- [c] The purchaser shall not be bound to see the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

43. Application of proceeds of sale

- [a] The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable; and
- [b] The residue, if any, after adjusting costs and expenses, if any, incurred shall be paid to the person entitled to the shares at the date of the sale (subject to a like for sums not presently payable existed on the shares before the sale.

FORFEITURE OF SHARES

44. If money payable on share not paid notice to be given

If any member fails to pay the whole or any part of any call or any instalment of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

45. Sum payable on allotment to be deemed a call

For the purposes of the provisions of these presents relating to forfeiture of shares the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

46. Form of Notice

The notice shall name a day (not being less than one month from the day of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate not exceeding eighteen per cent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, shares in respect of which the call was made or installment is payable will be liable to be forfeited.

47. In default of payment shares to be forfeited

If the requirements of any such notice as aforesaid are not complied with any share or shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

48. Notice of forfeiture to a member

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

49. Forfeited share to be the property of the Company and may be sold etc.

Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

50. Member still liable to pay money owing at the time of forfeiture and interest

Any member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.

51. Effect of forfeiture

The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in and all claims and demand against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

52. Power to annul forfeiture

The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.

53. Declaration of forfeiture

- [a] A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- [b] The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
- [c] The person to whom such share is sold, re-allotted or disposed off shall thereupon be registered as the holder of the share.
- [d] Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

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[e] Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.

54. Provisions of these Articles as to forfeiture to apply in case of non-payment of any sum

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

55. Cancellation of share certificate in respect of forfeited shares

Upon sale, re-allotment or other disposal, under the provisions of these Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

56. Surrender of Shares

The Directors may, subject to the provisions of the Act, accept a surrender of any share from any member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

57. No transfer to minor etc.

The Board shall not issue or register a transfer of any shares for a minor (except in case when they are fully paid) or insolvent or person of unsound mind.

58. Instrument of transfer.

The instrument of transfer shall be in writing and all provisions of section 108 of the companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

59. Application for transfer

[a] An application for registration of a transfer of the shares in the Company may be either by the transferor or the transferee.

[b] Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

[c] For the purpose of clause (b) above notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

60. Execution of transfer

The instrument of transfer of any share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be attested. The transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

PROVIDED THAT registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

61. Transfer by legal representatives

A transfer of share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

62. Register of Members when closed

The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of Debenture Holders at such time or times and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty five days each year as it may seem expedient to the Board.

63. Directors may refuse to register transfers.

Subject to the provisions of section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Director may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares / debentures in whatever lot shall not be refused.

64. Directors may refuse any application for split or consolidation of Certificate(s)

Subject to the power of the Directors stated in Article 63 and the provisions of this clause, transfer of Shares/Debentures, in whatever lot should not be refused. However, the Company may refuse to split a Share Certificate/Debenture Certificate into several scrips of very small denominations or to consider a proposal for transfer of Shares/Debentures comprised in a Share Certificate/Debenture Certificate to several parties, involving such splitting if on the face of its such splitting/transfer appears to be unreasonable or without a genuine need or a marketable lot.

65. Notice of refusal to be given to transferor and transferee

If the Company refused to register the transfer of any shares or debentures or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was delivered with the Company send notice of refusal to the transferee and the transferor or to the person giving the intimation of the transmission as the case may be giving reasons for such refusal and thereupon the provisions of Section 111 of the Act and statutory modification or re-enactment thereof for the time being in force shall apply.

66. Death of one or more joint holders of shares

In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him with any other person.

67. Titles to shares of deceased member

[a] The executors or administrators of a deceased member or holders of a Succession Certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such members and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 73 shares standing in the name of a deceased member, as a member.

Notice of application when to be given

[b] Where, in case of partly paid shares and application for registration is made by the Transferor, the Company shall give notice of the application to the Transferee in accordance with the provisions of Section 110 of the Act.

68. Registration of persons entitled to shares otherwise than by transfer (Transmission clause)

Subject to the provisions of Article 66, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by the transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing

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such evidence that he sustains the character in respect of which he proposes to act under these Articles or of his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors registered as members in respect of such shares. PROVIDED NEVERTHELESS that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares, this clause is herein referred to as "THE TRANSMISSION CLAUSE".

69. Refusal to register nominee

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

70. Person entitled may receive dividend without being registered as member

A person entitled to a share transmission shall subject to the right of the Directors to retain such dividends or money as is herein after provided be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share.

71. No fee on transfer or transmission.

No fee shall be charged for registration of transfer, transmission, Probate, Succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

72. Transfer to be presented with evidence of title

Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board may, from time to time, prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

73. The Company not liable for discharge of a notice prohibiting registration of a transfer

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.

SHARE WARRANTS

74. Power to issue share warrants

The Company may issue warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identify of the person signing the application and on receiving the certificates (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time require, issue a share warrant.

75. Deposit of Share warrants

[a] The bearer of a share warrant may, at any time, deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising the other privileges of the member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were interested in the Register of Members as the holder of the share included in the deposit warrant.

[b] Not more than one person shall be recognised as depositor of the share warrant.

[c] The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

76. Privileges and disabilities of the holders of share warrant

[a] Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a member at a meeting of the Company or be entitled to receive any notice from the Company.

[b] The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Member as the Holder of the Shares included in the warrant and he shall be a member of the Company.

77. Issue of new share warrant or coupon

The Board may, from time to time, make bye-laws as to the terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

78. Share may be converted into stock

The Company may, by Ordinary Resolution :

[a] convert any paid up share into stock; and

[b] reconvert any stock into paid-up shares of any denomination.

79. Transfer of stock

The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might, before the conversion, have been transferred or as near thereto as circumstances admit.

PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

80. Right of stock holders

The holders of stock shall according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

81. Regulations applicable to stock and share warrant

Such of the regulations of the Company as the applicable to paid up shares shall apply to stock and the words "Share" and "Share-holder" in these regulations shall include "Stock" and "Stock-holder" respectively.

BORROWING POWERS

82. Power of Borrow

Subject to the provisions of Sections 58A, 292 and 293 of the Act and of these Articles the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept, deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

83. The payment or repayment of money borrowed

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board of Directors may think fit and in particular in pursuance of a resolution passed at a

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meeting of the Board (and not by Circular Resolution) by the issue of bonds, debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being and the debentures and the debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

84. Term of issue of debenture.

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a special Resolution.

85. Mortgage of uncalled capital

If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security executed.

MEETING OF MEMBERS

86. Statutory Meeting

The Statutory Meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.

87. Annual General Meeting and the persons entitled to attend

[1] The Company shall in each year held, in addition to any other meeting a General Meeting as its Annual General Meeting in accordance with the provisions of Sections 166 and 210 of the Act and shall specify the meeting as such in the notice calling it, except in the case where the Registrar, has given an extension of time for holding any Annual General Meeting, of the Company and that of the next.

PROVIDED THAT if the Registrar shall have for special reason, extended the time within which any Annual General Meeting shall be held such Annual General Meeting may be held within the additional time.

[2] Every Annual General Meeting shall be called for any time during business hours, on a day that is not a public and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated for the time being.

[3] Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

88. Report Statement and registers to be laid before the Annual General Meeting

At every General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxy register with proxies and the Register of Directors, Shareholdings which latter Register shall remain open and accessible during the continuance of the meeting.

89. Extra-ordinary General Meeting

All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.

90. Requisitionists' Meeting

[1] Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of members as hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists :

(a) give to the members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.

(b) circulate to members entitled to have notice of any general meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that meeting.

[2] The number of members necessary for a requisition under clause (1) hereof shall be :

(a) Such number of members as represent not less than one-twentieth of the total voting power of all the members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred members having the rights aforesaid and holding shares in the Company on which there has been paid up an aggregate sum of not less than rupees one lakh in all.

[3] Notice of any such resolution shall be given and any such statement shall be circulated to members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each member in any manner permitted by the Act for service of notice of the meeting and notice of any such resolution shall be given to any other member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act, for giving him notice of meeting of the Company.

The copy of the resolutions shall be served or notice of the effect of the resolution shall be given, as the case may be, in the same manner and so far as practicable, at the same time as notice of the meeting and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

[4] The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless :

(a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company.

(i) in the case of requisition, requiring notice of resolution, not less than six weeks before the meeting;

(ii) in the case of any other requisition, not less than two weeks before the meeting;

(b) there is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.

PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.

[5] The Company shall also not be bound under this Article to circulate any statement if, on the application either of the Company or of any other person who claims to be aggrieved is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

[6] Notwithstanding anything in these Articles, the business which may be dealt with at an Annual General Meeting shall include any resolution of which notice is given in accordance with this Article and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission, in giving it, to one or more members.

91. Extra-ordinary General Meeting by Board and by requisition

[a] The Directors may, whenever they think fit, convene an Extra-ordinary General Meeting and they shall on requisition of the members as hereinafter provided, forthwith proceed to convene Extra-ordinary General Meeting of the Company.

[b] When a Director or any two members may call an Extra-ordinary General Meeting

If at any time there are not within India sufficient Directors capable of acting to form a quorum or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a general meeting, any Director or any two or more members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call an Extra-ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

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92. Contents of requisition and number of requisitionists required and the conduct of meeting

- [1] In case of requisition the following provisions shall have effect :
- (a) The requisition shall set out the matter for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company.
 - (b) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
 - (c) The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as at that date carries the right of voting in regard to that matter.
 - (d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause is fulfilled.
 - (e) If the Board does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters, proceeds duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called :
 - (i) by the requisitionists themselves; or
 - (ii) by such of requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub-clause (c) of clause (1) whichever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.
- [2] A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them :
- (a) shall be called in the same manner, as nearly as possible, as that in which meeting is to be called by the Board; but
 - (b) shall not be held after the expiration of three months from the date of the deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.
- [3] Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting signed by one or some only of them shall for the purpose of this Article, have the same force and effect as if it has been signed by all of them.
- [4] Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

93. Length of notice of meeting

- [1] A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.
- [2] A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof; if consent is accorded thereto :
- (i) in the case of Annual General Meeting by all the members entitled to vote thereat and
 - (ii) in the case of any other meeting, by members of the Company holding not less than ninety-five per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting.

PROVIDED THAT where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this clause in respect of the former resolution or resolutions and not in respect of the later.

94. Contents and manner of services of notice

- [1] Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
- [2] Subject to the provisions of the Act, notice of every General Meeting shall be given :
 - (a) to every member of the Company in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act.
 - (b) to the persons entitled to a share in consequence of the death or insolvency of a member, be sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or assignee of the insolvent or by like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred and
 - (c) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of members of the Company.
- [3] Any member of a Company entitled to attend and vote at a meeting of Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

PROVIDED THAT unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.

95. Special and Ordinary business and explanatory statement

- [1] (a) In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to :
 - (i) the consideration of the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors.
 - (ii) the declaration of dividend;
 - (iii) the appointment of Directors in the place of those retiring; and
 - (iv) the appointment of and the fixing of the remuneration of the Auditors; and
- (b) In the case of any other meeting, all business shall be deemed special.

- [2] Where any items of business to be transacted at the meeting of Company are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Directors.

PROVIDED THAT where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of registered office of the Company under sub-section (3) of the Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

PROVIDED THAT where any such item of special business at the meeting of the Company relates to or affects any other company, the extent of shareholding interest in that other company of every Directors of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty per cent of the paid up share capital of that other company.

- [3] Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

96. Omission to give notice not to invalidate proceedings

The accidental omission to give such notice as aforesaid to or non-receipt thereof by any member or other person to whom it should be given, shall not invalidate the proceedings of any such meeting.

97. Notice of business to be given

No General Meeting, Annual or Extra-ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.

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98. Quorum

Five members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a member of the Company shall be deemed to be personally present if he is presented in accordance with Section 187A of the Act.

99. If quorum not present when meeting to be dissolved and when to be adjourned

If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present, the meeting if called by or upon the requisition of members shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also a quorum is not present with half an hour from the time appointed for holding the meeting, the member present shall be quorum and may transact the business for which the meeting was called.

100. Resolutions passed at adjourned meeting

Where a resolution is passed at an adjourned meeting of the Company, the resolution for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

101. Chairman of general meeting

The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting or if there be no such Chairman or if any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or shall decline to take the Chair, the Vice-Chairman, if any, shall be entitled to take the chair. If the Vice-Chairman is also not present or is unwilling to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of the members to be a Chairman. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the under the said provision. If some other person is elected Chairman as a result of the poll the shall be the Chairman for the rest of the meeting.

102. Business confined to election of Chairman whilst Chair vacant

No business shall be discussed at any general meeting except the election of a Chairman whilst the Chair is vacant.

103. Chairman may adjourn, meeting

- [a] The Chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- [b] No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- [c] When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting.
- [d] Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

104. How question to be decided at meetings

Every question submitted to a general meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.

105. Chairman's declaration of result of voting on show of hands

A declaration by the Chairman of the meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof, of the number or proportion of votes cast in favour of or against such resolution.

106. Demand of poll

Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

107. Time of taking of poll

A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

108. Chairman's casting vote

In the case of equality of votes the Chairman shall both on a show of hands and a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.

109. Appointment of scrutineers

Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

110. Demand for poll not to prevent transaction of other business

The demand for a poll shall not prevent transaction of other business except on the question of the Chairman and of an adjournment other than the question on which the poll has been demanded.

111. Special notice

Where, by any provision contained in the Act or these Articles, special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

111-A. Passing of resolution by Postal Ballot.

Notwithstanding anything contained in the Articles of Association of the Company, the Company do adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in a General Meeting of the Company:-

- (i) Any business that can be transacted by the Company in General Meeting; and
- (ii) Particularly, resolutions relating to such business as the Central Government, may by notification, declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/ or other ways prescribed by the Central Government in this regard.

VOTES OF MEMBERS

112. Member paying money in advance not to be entitled to vote in respect thereof

A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

113. Restriction on exercise of voting rights of members who have not paid calls

No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

114. Number of votes to which member entitled

Subject to the provisions of Article 112 every member of the Company, holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions before the meeting which directly affect the rights attached to his preference shares. A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period proceeding the date on which the vote is taken.

115. Votes of members of unsound mind

A member of unsound mind or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll vote by proxy.

116. Votes of joint members

If there be joint registered holders of any shares one of such persons may vote at any meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such shares as if he were solely, entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present who stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the holders shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the register in respect of such shares. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

117. Representation of body corporate

[a] A body corporate (whether a Company within the meaning of the Act or not) may, if it is a member or creditor of the Company (including a holder of debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other Governing Body, to act as its representative at any meeting of the Company or any class of members of the Company or at any meeting of the creditors of the Company or debenture holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company. The production of a copy of the resolution referred above, certified by Director or the Secretary of such body corporate before the commencement of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representative's appointment and his right to vote thereat.

[b] Where the President of India or the Governor of a State is a member of the Company, the President or as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President or as the case may be, the Governor could exercise as a member of the Company.

118. Votes in respect of deceased or insolvent members

Any person entitled under the transmission Article to transfer any share may vote any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

119. Voting in person or by proxy

Subject to the provisions of these Articles, vote may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.

120. Rights of members to use votes differently

On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

121. Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right whatever to speak at the meeting. Every notice convening a meeting of the Company shall state that a member entitled or attend and vote is entitled to appoint one or more proxies.

122. Proxy either for specified meeting or for a period

An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and adjournment thereof or it may appoint a proxy for the purpose of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

123. No proxy to vote on a show of hands

No proxy shall be entitled to vote by a show of hands.

124. Instrument of proxy when to be deposited

The instrument appointing a proxy and the Power of Attorney or Authority (if any) under which it is signed or a notarially certified copy of that power of Attorney or Authority, shall be deposited at the Registered Office of the Company forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

125. Form of proxy

Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in the form set out in Schedule IX to the Act and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate be under its seal or be signed by any officer or attorney duly authorised by it.

126. Validity of votes given by proxy notwithstanding revocation of authority

A vote given in accordance with the terms of instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of any Power of Attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not have been revoked.

127. Time for objection to vote

No objection shall be made to the qualification of any vote to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes and such objection made in due time shall be referred to the Chairman of the meeting.

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128. Chairman of any meeting to be the judge of validity of any vote

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.

129. Custody of instrument

If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If embracing other objects, copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

130. Number of Directors

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.

131. The first Directors of the Company shall be :

1. MR. RATNAKAR MANIKRAO GUTTE
2. MRS. SUDHAMATI RATNAKAR GUTTE

132. Debenture Directors

Any Trust Deed for securing debenture or debenture-stocks, may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees or holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

133. Nominee Director

Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Credit and Investment Corporation of India Limited (ICICI) or to any other Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or so long as ICICI or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which ICICI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, Whole-time or non-Whole-time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the committee of which the Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commissions, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director/s in connection with their appointment as Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an Officer of the Corporation, the sitting fee in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI. Limit on number of retiring Directors.

Provided also that in the event of the Nominee Director/s being appointed as Whole-time Directors, such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a Whole-time Director in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

134. Limit on number of retiring Directors

The provisions of Articles 136, 137 and 138 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 137 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

135. Appointment of Alternate Director

The Board may appoint an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held if the terms of office of the Original Director is determined before he returns to as aforesaid. Any provision in the Act or in these Articles for automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and the Alternate Director.

136. Directors may fill vacancies

The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

137. Additional Directors

The Directors shall also have power to at any time and from time to time appoint any other person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall hold his office only up to the date of the next Annual General Meeting but shall be eligible for election at such meeting.

138. Qualification shares

A Director need not hold any qualification shares.

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139. Remuneration of Directors

The remuneration of Directors for his service shall be such sum as may be fixed by the Board of Directors subject to a ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board or a Committee thereof attended by him. The Directors subject to the sanction of the Central Government (if any required) may be paid such further remuneration as the Company in General Meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.

Subject to the provisions of the Act, a Director who is either in the whole time employment of the Company or a Managing Director may be paid remuneration as provided in Sections 198, 309, 310 and 311 of the Act and Schedule XIII of the Act either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Subject to the provisions of the Act, a Directors who is neither in the Whole-time employment of the Company nor a Managing Director may be paid remuneration as provided in Sections 198, 309, 310 and 311 of the Act and Schedule XIII of the Act either :

- (i) by way of a monthly, quarterly or annual payment with the approval of the Central Government; or
- (ii) by way of commission if the Company by special resolution authorise such payment.

A Director may receive remuneration by way of a fee for each meeting of the Board or a committee thereof attended by him as prescribed by Central Government.

140. Extra remuneration to Directors for special work

Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing Share Certificates) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

141. Traveling expenses incurred by Directors on Company's business

The Board of Directors may, subject to the limitations provided by the Act, allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence for the purpose of attending a meeting such sum as the Board may consider fair compensation for traveling, hotel and other incidental expenses properly incurred by him, in addition to his fees for attending such meeting as above specified.

142. Director may act notwithstanding vacancy

The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles, for a meeting of the Board of Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.

143. Board resolution necessary for certain contracts

[1] except with the consent of the Board of Directors of the Company, a Director of the Company or his relatives, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director, is a member or Director, shall not enter into any contract with the Company.

- (a) for the sale, purchase or supply of goods, materials or services; or
- (b) for underwriting the subscription of any share in or debentures of the Company.

[2] Nothing contained in clause (a) of sub-clause (1) shall effect :

- (i) the purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any Director, relative, firm, partner or Private Company as aforesaid for cash at prevailing market prices; or

- (ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or Private Company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, as the Director, relative, firm, partner or Private Company, as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which or services, the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contracts.
 - [3] Notwithstanding anything contained in sub-clauses (1) and (2) hereof, a Director, relative, firm, partner or Private Company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
 - [4] Every consent of the Board required under this Article, shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
 - [5] If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.
144. Disclosure to the Members of Director's interest in contract in appointing Manager, Managing Director or Whole-time Director
- When the Company:
- [a] enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is, whether directly or indirectly, concerned or interested; or
 - [b] varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provision of Section 302 of the Act shall be complied with.
145. Disqualification of Director
- A person shall not be capable of being appointed Director of the Company if:
- [a] he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
 - [b] he is an undischarged insolvent;
 - [c] he has applied to be adjudged an insolvent and his application is pending;
 - [d] he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not been elapsed from the date of expiry of the sentence;
 - [e] he has not paid any call in respect of shares of the Company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call; or
 - [f] as order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that section.
146. Vacation of office by Directors
- [1] The office of a Director shall become vacant if :
 - (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
 - (b) he applies to be adjudged an insolvent; or
 - (c) he is adjudged an insolvent; or
 - (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or

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- (e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a Notification in the official Gazette, remove the disqualification incurred by such failure; or
 - (f) absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or
 - (g) he (whether by himself or by any person for his benefits or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
 - (h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or
 - (i) he becomes disqualified by an order of the Court under Section 203 of the Act; or
 - (j) he is removed by an ordinary resolution of the Company before the expiry of his period of office; or
 - (k) if, by notice in writing to the Company, he resigns his office; or
 - (l) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
- [2] Notwithstanding anything contained in sub-clauses (c), (d) and (i) of clause (l) hereof, the disqualification referred to in these clauses shall not take effect:
- (a) for thirty days from the date of the adjudication, sentence or order;
 - (b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
 - (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.
- [3] Removal of Directors
- (a) The Company may, subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by ordinary resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.
 - (b) Special Notice as provided by Article hereof or Section 190 of the Act, shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
 - (c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
 - (d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and request their notification to members of the Company, the Company shall, unless the representations are received by it too late for it, to do so (a) in the notice of the resolution given to the members of the Company state the fact of the representations having been made and (b) send a copy of the representations or every member of the Company to whom notice of the meeting is sent (before or after the representations by the Company) and if a copy of the representation is not sent as aforesaid because they were received too late or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; provided that copies of the representations need not be sent or read out at meeting if on the application either of the Company or of any other person who claims to be aggrieved the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

- [e] A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 136 or Section 262 of the Act, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (3) hereof. A Director so appointed shall hold office until the date up to which his predecessors would have held office if he had not been removed as aforesaid.
- [f] If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 142 or Section 262 of the Act and all the provisions of that Article and section shall apply accordingly.
- [g] A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.
- [h] Nothing contained in this Article shall be taken:
 - (i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director; or
 - (ii) as derogating from any power to remove a Director which may exist apart from this Article.

147. Disclosure of interest by Director

- [1] Every Director of the Company who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of the Directors in the manner provided in Section 299(2) of the Act.
- [2]
 - (a) In the case of proposed contract or the arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not at the date of that meeting concerned or interested in the proposed contract or arrangement at the first meeting of the Board held after he be so concerned or interested.
 - (b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- [3]
 - (a) For the purpose of clauses (1) and (2) a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
 - (b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in which it would otherwise expires.
 - (c) No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Directors concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
 - (d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Directors of the Company together holds or hold not more than two percent of the paid up share capital in the other company.

ROTATION AND APPOINTMENT OF DIRECTORS

148. Directors may be Directors of the Companies promoted by the Company

If a Director of the Company is appointed a Director of any company promoted by the Company or in which it may become interested as a vendor, shareholder or otherwise, such Director shall not be accountable for any benefits received as Director or Shareholder of such Company except in so far as Section 309(6) or Section 314 of the Act may be applicable.

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149. Rotation of Directors

Not less than two thirds of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement of Directors by rotation and (b) Directors be appointed by the Company in General Meeting.

150. Retirement of Directors

Subject to the provisions of Section 256 of the Act and Articles 135, 136 to 143 at every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, subject to Article 159 Managing Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles, a "Retiring Director" means a Director retiring by rotation.

151. Ascertainment of Directors retiring by rotation and filling of vacancies

Subject to Section 288(5) of the Act, the Directors to retire by rotation under Article 150 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves, be determined by lot.

152. Eligibility for re-election

A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the meeting at which he retires.

153. Company to fill vacancies

Subject to Sections, 258, 259 and 284 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.

154. Provision in default of appointment

- [a] If the place of retiring Directors is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- [b] If at the adjourned meeting also, the place of the retiring Director is not filled up and the meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless;
 - (i) at that meeting or the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost.
 - (ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.
 - (iii) he is not qualified or is disqualified for appointment.
 - (iv) a resolution whether special or ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act; or
 - (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

155. Company may increase or reduce the number of Directors or remove any Director

Subject to the provisions of Sections, 252, 255 and 259 of the Act, the Company may, by ordinary resolution from time to time, increase or reduce the number of Directors and may alter qualifications.

156. Appointment of Directors to be voted individually

- [a] No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- [b] A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of it being, so moved, provided where a resolution so moved is passed, no provisions for the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.

- [c] For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment, shall be treated as a motion for his appointment.

157. Notice of Candidature for office of Director except in certain cases

- [1] No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other member intending to propose him has at least fourteen days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him a Director for that office as the case may be along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as a Director.
- [2] The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place.
- [3] Every person (other than a Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act, signifying his candidature for the office of a Director) proposed as candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
- [4] A person other than :
- [a] a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or
 - [b] an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act appointed as a Director, re-appointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

158. Disclosure by Directors of their holdings of shares and debentures of the Company

Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section. Any such notice shall be given in writing and if it is not given at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board next after it is given.

MANAGING DIRECTOR, WHOLE-TIME DIRECTOR

159. Board may appoint Managing Director or Managing Directors or Whole-time Directors

Subject to the provisions of the Act and these Articles, the Directors shall have power to appoint from time to time one or more of their body to be Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

160. What provisions they will be subject to

Subject to the provisions of the Act and these Articles, the Managing Director or Whole-time Director shall not while he continues to hold that office, be subject to retirement by rotation under Article 150 but he shall be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be Managing Director or Whole-time Director if he chooses to hold office of Director for any cause provided that if at any time the number of Directors (including Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole-time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Article 150 to the extent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

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161. Remuneration of Managing or Whole-time Director(s)

The remuneration of the Managing Director or Whole-time Director shall (subject to Section 309 and other applicable provisions of the Act, including Schedule XIII of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits or by any other mode not expressly prohibited by the Act.

162. Powers and duties of Managing and/or Whole-time Director(s)

Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director(s) or Whole-time Director(s) appointed under Article 159 with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors with such of the power hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such periods and upon such conditions and subject to the such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Director in that behalf and may from time to time revoke withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF THE BOARD OF DIRECTORS

163. Meeting of the Directors

The Directors may meet together as a Board for the dispatch of business from time to time unless the Central Government by virtue of the proviso to Section 285 of the Act otherwise directs, shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit. The provision of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.

164. Notice of meeting

[1] Notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director. At least seven days notice in writing shall be given to Directors specifying the time and place of the meeting.

When meeting to be convened

[2] A Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director.

165. Quorum

[a] Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher. PROVIDED THAT where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of remaining who are not interested) present at the meeting being not less than two shall be the quorum during such time.

[b] For the purpose of clause (a)

(i) 'Total strength', means total strength of the Board of Directors of the Company determined in pursuance of the Act, after deducting there from number of the Directors, if any, whose places may be vacant at the time; and

(ii) "Interested Directors" means any Director whose presence cannot by reason of any provisions in the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

166. Procedure when meeting adjourn for want of quorum

If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.

167. Chairman

The Directors from among their number may elect a Chairman of the Board of Directors. If at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose one of their numbers to be the Chairman of such meeting.

168. Questions at Board Meeting how decided

Subject to the provisions of Sections 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes and in case of any equality of votes, the Chairman shall have a second or casting vote.

169. Powers of Board Meeting

A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or exercisable by the Board of Directors generally.

170. Director may appoint committee

The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act and of these Articles, delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.

171. Meeting of the Committee to be governed

The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. Quorum for the Committee meetings shall be two.

172. Circular resolution

[a] A resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under Article 170 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of the Directors or of a Committee duly called and held.

[b] A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

173. Acts of Board or Committee valid notwithstanding defect in appointment

All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid or that they or any of them were disqualified or had vacated-office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing contained here shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

174. General powers of Management vested in Directors

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company and do all such acts and things as are not by the Act or any other Act or by the Memorandum or by the Articles of Company required to be exercised by the Company in General Meeting. Subject nevertheless to any regulation of these Articles or the provisions of the Act or any other Act and to such regulation being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made, provided that the Board of Directors shall not except with the consent of the Company in General Meeting;

- [a] sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;
- [b] remit or give time for the payment of any debt due by a Director.
- [c] invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- [d] borrow moneys, where moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; or
- [e] contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amount the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately proceeding, whichever is greater, provided that the Company in General Meeting or the Board of Directors shall not contribute any amounts to any political party or for any political purpose to any individual or body :
 - (i) Provided that in respect of the matter referred to in clauses (d) and (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount up to which moneys may be borrowed by the Board under clause (d) or as the case may be, total amount which may be contributed to charitable or other funds in any financial year under clause (e).
 - (ii) Provided further that the expression "temporary loans" in clause (d) above shall means loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

175. Certain powers to be exercised by the Board only at meetings

- [1] Without derogating from the powers vested in the Board of Directors under the Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;
 - (a) the power to make calls on shareholders in respect of moneys unpaid on their shares,
 - (b) the power to issue debentures,
 - (c) the power to borrow moneys otherwise than on debentures,
 - (d) the power to invest the funds of the Company; and
 - (e) the power to make loans.

Provided that the Board may, by resolution passed at a meeting, delegate to any committee of Directors, may the Managing Director or any other principal officer of the Company, the powers specified in sub-clauses (c), (d) and (e) to the extent specified below.

- [2] Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.
- [3] Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- [4] Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount upto which loans may be made by the delegate, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

176. Certain powers of the Board

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding Articles, it is hereby declared that the Directors shall have the following powers, that is to say, power :

- [1] To pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company.
- [2] To pay and charge to the Capital Account of the Company any commission or interest, lawfully payable there out under the provisions of Sections 76 and 208 of the Act.
- [3] Subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit in any such purchase or other acquisition, accept such title as the Director may believe or may be advised to be reasonably satisfactory.
- [4] At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- [5] To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- [6] To accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- [7] To appoint any person to accept and hold in trust for the Company property belonging to the Company or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- [8] To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officer or otherwise concerning the affairs of the Company and also to compound and allow time for payment on satisfaction of any debts due and of and of any claim or demands by or against the Company and to refer any difference to arbitration and observe the terms of any awards made therein either according to Indian Law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein.
- [9] To act on behalf of the Company in all matters relating to bankruptcy, insolvency, winding up and liquidation of companies.
- [10] To make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of the Company.
- [11] Subject to the provisions of Sections 291 (1), 295, 370 and 372 and other applicable provisions of the Act and these Articles, to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investment. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

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- [12] To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon.
- [13] To open bank accounts and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipt, acceptances, endorsements, cheques, dividend warrants, release, contracts and documents and to give the necessary authority for such purpose.
- [14] To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and do give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- [15] To provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the Company and the wives, widows and families of the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuities, allowances, bonus or other payments or by creating and from time to time, subscribing or contributing to provident and other associations, institutions and by providing or subscribing or contributing towards places of instructions and recreation, hospitals, dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provisions of Section 293(1) (e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or the public and general utility or otherwise.
- [16] Before recommending any dividend, to set aside, out of the profits of the Company, such sums as they may think proper for depreciation or the depreciation fund or to an insurance fund or as reserve fund or sinking fund or any special or other fund or funds or account or accounts to meet contingencies or to repay redeemable preference shares, debentures or debenture-stock or for special dividends or for equalising dividends for repairing, improving, extending and maintaining any part of the property of the Company and such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than share of this Company) as they may think fit and from time to time to deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended and to divide the General Reserve or Reserve Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve fund to another Reserve Fund and/or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds including the depreciation fund in the business of the Company or in purchase or repayment of redeemable preference shares, debentures or debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
- [17] To appoint and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to acquire security in such instances and to such amounts as they may think fit and also from time to time provide for the management and transactions of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.
- [18] From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards or managers or agencies and to fix their remuneration.
- [19] Subject to Section 292 of the Act, from time to time and at any time, to delegate to any persons so appoint any of the powers, authorities and discretions for the time being vested in the Board, other than their powers to make calls or to make loans or borrow moneys and to authorise the members for the time being of such Local Board or

any of them to fill up any vacancies therein and to act on such terms subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegation.

- [20] At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointments may (if the Board thinks fit be made in favour of the members of any Local Board established as aforesaid or in favour of any company or the shareholders, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
- [21] Subject to Sections, 294, 297, 300 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and thing in the name and on behalf of the Company as they may consider expedient.
- [22] From time to time make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.
- [23] To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorised to carry on in any part of India.
- [24] To purchase, take on lease for any term or terms of years or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonable satisfactory.
- [25] To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co-jointly, also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- [26] To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant licence for the use of any trade mark, patent, invention or technical know-how.
- [27] To sell from time to time any articles, materials, machinery, plants, stores and other articles and things belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and bye-products.
- [28] From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company or by erecting new or additional building and to expend such sum of money for the purpose aforesaid or any them as may be thought necessary or expedient.
- [29] To undertake on behalf of the Company any payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire the free hold simple of all or any of the hands of the Company for the time being held under lease or for an estate less than free hold estate.
- [30] To improve, manage, develop, exchange, lease, sell, resell and repurchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- [31] To let, sell or otherwise dispose off, subject to the provisions of Section 293 of the Act and of the other Articles. any property of the Company, either absolutely to conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment of satisfaction for the same in cash or otherwise as it thinks fit.

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MINUTES

177. Minutes to be made

- [1] The Company shall cause minutes of all proceedings of General Meetings and of all proceedings of every meeting of the Board of Directors or of every committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.
- [2] Each page of every such books shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed.
 - (a) in the case of minutes of proceedings of a meeting of Board or of a committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - (b) in the case of minutes of proceedings of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman, within that period by a Director duly authorised by the Board for the purpose.
- [3] In no case minutes of proceedings of a meeting shall be attached to any such book as aforesaid by passing or otherwise.
- [4] The minutes of each meeting shall contain a fair and correct summary of the proceedings thereof.
- [5] All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- [6] In case of a meeting of the Board of Directors or a committee of the Board the minutes shall contain :
 - (a) the names of the Directors present at the meeting;
 - (b) in the case of each resolution passed at meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- [7] Nothing contained in clauses (1) to (6) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting :
 - (a) is or could reasonably be regarded as defamatory of any person;
 - (b) is irrelevant or immaterial to the proceeding; or
 - (c) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

178. Minutes to be evidence of the proceedings

The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or of every committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

179. Presumptions

Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

THE SECRETARY

180. Secretary

The Directors may from time to time appoint and at their discretion, remove any individual (hereinafter called 'The Secretary') to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies (Secretary's Qualification) Rules, 1975.

THE SEAL

181. The Seal, its custody and use

- [a] The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being, under such regulations as the Board may prescribe.
- [b] The Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of at least two Directors of the Company or at least one Director and Secretary or any other person duly authorised by the Board, both of whom shall sign every instrument to which the seal is affixed. Provided further that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and their statutory modifications for the time being in force.

DIVIDEND

182. Division of profits

- [a] Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- [b] No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this regulation as paid on the shares.

183. The Company in General Meeting may declare dividends

The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors but the Company may declare a smaller dividend in General Meeting.

184. Dividend out of profits only

No dividend shall be payable except out of profits of the Company arrived at in the manner provided for in Section 205 of the Act.

185. Interim Dividend

The Board of Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

186. Debts may be deducted

- [a] The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Company may retain dividends

- [b] The Board of Directors may retain the dividend payable upon shares in respect of which any person is under the transmission Article entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member or shall duly transfer the same.

187. Capital paid up in advance at interest not to earn dividend

Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

188. Dividends in proportion to amount paid up

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any shares is issued on terms, providing that it shall rank for dividends as from a particular date, such share shall rank for dividend accordingly.

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189. No member to receive dividend whilst indebted to the Company and the Company's right of reimbursement thereof

No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any member, all such sums of money so due from him to the Company.

190. Effect of Transfer of shares

A transfer of shares shall not pass the right to any dividend declared therein before the registration of the transfer.

191. Dividend to joint holders

Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of shares.

192. Dividend how remitted

The dividend payable in cash may be paid by cheque or warrant sent through post direct to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders, to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as the holders or the joint holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost to the member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

193. Notice of dividend

Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of share in the manner herein provided.

194. Reserves

The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for meeting contingencies or for any other purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit.

195. Dividend to be paid within forty two days

The Company shall pay the dividend or send the warrant in respect thereof to shareholders entitled to the payment of dividend, within forty-two days from the date of the declaration unless :

- [a] When the dividend could not be paid by reason of the operation of any law.
- [b] Where a shareholder has given directions regarding the payment of the dividend and those directions can not be complied with.
- [c] Where there is a dispute regarding the right to receive the dividend.
- [d] Where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or
- [e] Where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

196. Unpaid or unclaimed dividend

Where the company has declare dividend but which has not been paid or claimed within thirty days from the date of declaration, to any shareholder entitled to the payment of the dividend, the company shall within seven days from the date of expiry of the said period of thirty days transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days to a special account opened by the company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account of Sunil Hitech Engineers Limited"

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund established under subsection (1) of section 205C of the companies Act, 1956.

No unclaimed or unpaid dividend shall be forfeited by the Board.

197. Set off of calls against dividend

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

198. Dividend in cash

No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing duly paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.

199. Dividend, right shares and bonus shares to be held in abeyance

Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the Company, it shall, notwithstanding any this contained in any other provisions of the Act :

- [a] Transfer the dividend in relation to such shares to the special account referred to in Section 205A unless the Company is authorised by the registered holder of such share in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- [b] Keep in abeyance in relation to such shares any offer of right shares under clause (a) of sub-section (1) of Section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (8) of Section 205.

CAPITALISATION

200. Capitalisation

- [1] The Company in General Meeting may, upon the recommendation of the Board, resolve :
 - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- [2] The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) either in or towards-
 - (i) paying up any amount for the time being unpaid on any shares held by such members respectively;
 - (ii) paying up in full unissued shares of the Company to be allocated and distributed, credited as fully paid up to and amongst members in the proportions aforesaid; or
 - (iii) partly in the way specified in such clause (i) and partly in that specified in sub-clause (ii).
- [3] A share premium account and a capital redemption reserve account may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- [4] The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

201. Fractional certificates

- [1] Whenever such a resolution as aforesaid shall have been passed, the Board shall
 - (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares and
 - (b) generally do all acts and things required to give effect thereto.

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- [2] The Board shall have full power :
- (a) to make such provision, by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions, also
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf, by the application thereof of either respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing shares.
- [3] Any agreement made under such authority shall be effective and binding on all such members.
- [4] That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

ACCOUNTS

202. Books to be kept

The Company shall keep at its registered office proper books of account as would give a true and fair view of the state of affairs of the Company or its transaction with respect to:

- [a] all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
- [b] all sales and purchases of goods by the Company;
- [c] the assets and liabilities of the Company; and
- [d] if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by that Government.

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

203. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transactions effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its registered office or the place referred to in clause 202. The books of account and other books and papers shall be open to inspection by any Director during business hours.

204. Inspection by members

- [a] The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and works of the Company or any of them shall be open to the inspection of members not being Directors.
- [b] No member (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board.

205. Statements of Accounts to be furnished to General Meeting

The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

206. Right of member to copies of Balance Sheet and Auditors' Report

A copy of every balance sheet (including the profit and loss account, the Auditors' Report and every other document required by law to be annexed or attached as the case may be, to the balance sheet) which is to be laid before a Company in general meeting shall not, less than twenty-one days before the date of the meeting, be sent to every member of the Company, to every trustee for the holders of any debentures issued by the Company, whether such

member or trustee is or is not entitled to have notices of general meetings of the Company sent to him and to all persons other than such members or trustees, being persons so entitled. Provided that it will not be required to send a copy of the documents aforesaid :

- [i] to a member or holder of debentures, of the Company, who is not entitled to have notices of general meetings of the Company sent to him and of whose address the Company is unaware;
- [ii] to more than one of the joint holders of any shares or debentures none of whom is entitled to have such notices sent to him;
- [iii] in the case of joint holders of any shares or debentures, some of whom are and some of whom are not entitled to have such notices sent to them, to those who are not so entitled;
- [iv] in the case of a Company whose shares are listed on a recognised stock exchange, if the copies of the documents aforesaid are made available for inspection at its registered office during working hours for a period of twenty one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit, is sent to every member of the Company and to every trustee for the holders of any debentures issued by the Company not less than twenty one days before the date of the meeting.

AUDIT

207. Accounts to be audited

Once at least in every year the accounts of the Company shall be examined, balance and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.

208. Appointment of Auditors

- [1] Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 229 and 231 of the Act.
- [2] The Company shall at each Annual General Meeting appoint at Auditor or Auditors to hold office from conclusion of that meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.
- [3] At any Annual General Meeting a Retiring Auditor, by whatsoever authority appointed, shall be re-appointed unless;
 - (a) he is not qualified for re-appointment;
 - (b) he has given to the Company notice in writing of his unwillingness to be re-appointed;
 - (c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or
 - (d) where notice has been given of an intended resolution to appoint some person or persons in the place of Retiring Auditor and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.
- [4] Where at Annual General Meeting, no Auditors are appointed or re-appointed the Central Government may appoint a person to fill the vacancy.
- [5] The Company shall within seven days of the Central Government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.
- [6] The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- [7] A person, other than a Retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company, not less than fourteen days before the meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to Retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that Retiring Auditor shall not be re-appointed.

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209. Account when audited and approved to be conclusive except as to errors discovered within 3 months

Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected and thenceforth shall be conclusive.

DOCUMENTS AND NOTICES

210. To whom documents must be served or given

Document or notice of every meeting shall be served or given on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the Auditor or Auditors for the time being of the Company. PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company under Article 99, a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

211. Members bound by documents or notices served on or given to previous holder

Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share be bounded by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derived his title to such share.

212. Service of documents

A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.

213. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director or the Secretary or other authorised officer of the Company and need not be under the Common Seal of the Company.

REGISTER AND DOCUMENTS

214. Registers and documents to be maintained by the Company

The Company shall keep and maintain Registers, Books and Documents required by the Act or these Articles, including the following :

- [a] Register of Investments made by the Company but not held in its own name as required by Section 49(7) of the Act.
- [b] Register of Mortgages and Charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act.
- [c] Register and Index of Members and Debenture holder as required by Sections 150, 151 and 152 of the Act.
- [d] Foreign Register, if so thought fit, as required by Section 157 of the Act.
- [e] Register of Contracts with Companies and Firms in which Directors are interested as required by Section 301 of the Act.
- [f] Register of Directors and Secretary as required by Section 303 of the Act.
- [g] Register as to holdings by Directors of shares and/or debentures in the Company as required by Section 307 of the Act.
- [h] Register of Investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act.
- [i] Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

- [j] Register of loans, guarantees or securities given to other companies under the same management as required by Section 370 of the Act.
- [k] Register of renewed and duplicate certificates and required under Rule 7(2) of the Companies Issue of Share Certificates Rules, 1960.

215. Inspection of Registers

The Registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of general meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner, to the same extent and on payment of the same fees as in case of the Register of Members of the Company provided for in clause (c) thereof Copies of entries in the Registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

WINDING UP

216. Distribution of Assets

If the Company shall be wound up and the assets available for distributing among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of winding up, on the shares held by them respectively and if in the winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

217. Distribution in specie or kind

- [a] If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them as the Liquidator, with the like sanction, shall think fit.
- [b] If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except were unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.
- [c] In case any shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

218. Right of shareholders in case of sale

A special resolution sanctioning a sale to any other company duly passed pursuant to Section 494 of the Act may, subject to the provisions of the act, in like manner as aforesaid determine that any shares or other consideration receivable by the Liquidator be distributed against the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential right conferred by the said sanction.

219. Directors and others right to indemnity

Subject to the provisions of Section 201 of the Act, every Director or officer or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company, to pay all costs, charges, losses and damages which any such person may incur or become liable to by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such, if any, as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses and in particular and so as not to limit the generality of the foregoing provisions against all

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liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

220. Director, Officer not responsible for acts of others

Subject to the provisions of Section 201 of the Act, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for confirmity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damages arising from the insolvency or tortous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happens through his own dishonesty.

SECURITY CLAUSE

221. Secrecy Clause

Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matter thereto and shall, by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of provisions in these presents contained.

222. No member to enter the premises of the Company without permission

No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

I. MATERIAL CONTRACTS AND DOCUMENTS

The following contracts and agreements referred to below (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before the date of this prospectus) which are/or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred to below, all of which have been attached to the copy of the prospectus and which have been delivered to the Registrar of Companies, Maharashtra, Mumbai, may be inspected at the Registered Office of the Company between 11.00 a.m. and 3.00 p.m. on any working day from the date of the filing of prospectus with the Registrar until the date of closing of subscription list.

A) Material Contracts:

1. Memorandum of Understanding between the company and Lead Manager, Centrum Capital Limited, dated 30th September, 2005.
2. Memorandum of Understanding dated 23rd August 2005, between the Company and the Registrar, Big Share Services Private Limited.
3. Copy of tripartite agreement entered into between CDSL, the Company and the Registrar dated January 4, 2006.
4. Copy of tripartite agreement entered into between NSDL, the Company and the Registrar dated January 4, 2006.
5. Copies of MOU as mentioned under the heading Joint Ventures as mentioned in the prospectus i.e. Technofab Engineering Ltd., dated 10th March, 2005 and M/s. Bhol Singh Jaiprakash Construction Ltd., dated 19th October, 2003.
6. Resolutions Passed at the EGM dated 27th August, 2005 of the Company for fixing the remuneration of the Whole time Directors namely Mr Ratnakar Gutte, Mrs S.R.Gutte, Mr M. N. Mohanan and Mr S. K. Kodandaraimah and Resolution Passed at Board Meeting for Fixing Remuneration of Mr Sunil R. Gutte.

7. Letter of appointment of 20th October, 2005 of Advocates and Solicitors as Legal Advisor to the issue.
8. Copies of Agreements of Existing Properties owned by the Company in the last two years.
 - i. Agricultural Land Bokaro, Tah. Distt. Nagpur.
 - ii. Abdul Court Co-operative Housing Society Ltd., Plot No. 1161, Suryavanshi, Kshatriya Sabhagruha Marg, Veer Sawarkar Marg, Dadar (W), Mumbai 400 028.
 - iii. Swami Plaza, 97, East High Court Road, Ramdaspath, Nagpur 440 010.

B) Material Documents:

1. Memorandum of Association and Articles of Association of the Sunil Hitech Engineers Limited as amended from time to time
2. Certificate of Incorporation dated 29th May 1998 and fresh certificate of incorporation regarding change in name to Sunil Hitech Engineers Limited dated 18th August, 2005.
3. Copies of all Insurance policies as mentioned under the heading "Insurance Policy" in the Prospectus.
4. Certified true copy of the resolution passed under Section 81(1A) of the Companies Act, 1956 at the EGM of the Company held on 27th August 2005 authorising the issue of shares and a certified true copy of the Board resolution passed at the Board Meeting dated 19th August, 2005 for public issue.
5. Letters from Bombay Stock Exchange Limited, Mumbai (BSE) No. List/Smg/sm/2005 dated December 12, 2005 and The National Stock Exchange Limited (NSE) NSE/LIST/19128-9 dated December 16, 2005 granting the 'in-principle' approval to the Listing of Shares.
6. Reports of Auditors dated December 26, 2005 as mentioned in Prospectus under the heading "Financial Information".
7. Letter dated 10th October 2005 given by Vivek Randad & Co. regarding possible tax benefits available to Sunil Hitech Engineers Limited and its Current shareholders under the Current tax laws presently in force in India.
8. Certificate dated 10th October 2005 from Vivek Randad & Co., Chartered Accountant regarding Compliances of Corporate Governance by the Company as per Clause 49 of the Listing Agreement.
9. Certificate dated December 26, 2005 from Vivek Randad & Co., Chartered Accountant, regarding deployment of funds in the Project.
10. Consent letter dated 10th September 2005 from Vivek Randad & Co., Chartered Accountant for inclusion of his report on Accounts and a statement on tax benefits in the form and in the context in which they appear in the prospectus.
11. Consent letters from the Directors of the Company, Lead Manager to the Issue, Bankers to the Issue, Bankers to the Company, Auditors, Legal Advisor to the issue, Registrar to the Issuer, Company Secretary and Compliance Officer and Monitoring Agency to act in their respective capacities and for inclusion of their names in the Prospectus.
12. Power of Attorney(s) executed by the Directors for signing and making correction in the prospectus on their behalf.
13. Copies of Annual Reports for the last five accounting periods, i.e., FYs 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-05 of the Company
14. Copies of Annual Reports of Group/Associate companies as mentioned in the prospectus.
15. Due diligence certificate dated 14th November, 2005 issued by Lead Manager to the Issue, Centrum Capital Limited.
16. Copy of Confirmation Letter for sanctioned Loans from HDFC Bank dated 25th September and 10th August to part finance the project.
17. Copy of Confirmation Letter for Sanctioned Loan from ICICI Bank Ltd. Dated 25th September 2005 along with copy of Agreement.

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18. Sanction letter from UCO Bank dated 8th June 2005 sanctioning working capital limits of Rs. 4000.00 Lacs by its bankers consisting of fund-based limits of Rs. 900.00 Lacs and non-fund based limits of Rs. 100.00 lacs, which comprises of Letter of Credit issuance limit aggregating Rs. 100.00 Lacs and Bank Guarantee issuance limit aggregating Rs. 3000.00 Lacs alongwith copy of Agreement.
19. SEBI observation letter No. CFD/DIL/PB/AC/55987/2005 dated December 20, 2005.
20. Copies of Quotations received for Fixed Assets for which order has not been placed as mentioned in prospectus and copies of purchase order in respect of fixed assets for which order has been placed.
21. Bills /Purchase orders for Fixed Assets procured.
22. Interior Decorator Certificate dated 24th October 2005 for the cost incurred towards interior decoration on the building situated at 97 East High Court Road, Ramdas peth Nagpur –440010.
23. Resolution dated 27th August, 2005 for Borrowing Powers
24. Copy of the Board resolution dated 1st September 2005 for appointment of Company secretary.
25. Copy of the Board resolution dated 9th September 2005 for appointment of Audit Committee, Shareholders and Investor Grievances Committee and Remuneration Committee.
26. Copies of all Government Approvals /Licences as mentioned in prospectus.
27. Copy of letter dated 7th November, 2005 from Mrs. Sharda Wandile legal Advisor to the issue for vetting and approval of prospectus.

Any of the Contracts or documents mentioned in this prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliances of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION:

This is to confirm that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in this prospectus is contrary to the provisions of the Companies Act, 1956 and rules made there under. All the legal requirements connected with this said offer as also the guidelines; instructions etc., issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

We the Directors of Sunil Hitech Engineers Limited and the Issuer(s), declare and confirm that no information/material likely to have a bearing on the decision of the investor in respect of the equity shares offered in terms of this prospectus have been suppressed/withheld and/or incorporated in a manner that would amount to misstatement/misrepresentation and in the event of it transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed/withheld and/or amounts to misstatement/misrepresentation, we undertake to refund the entire application moneys to all the subscribers within seven days thereafter, without prejudice to the provisions of Section 63 of the Act.

Since the date of last financial statement disclosed in this prospectus, there have been no circumstances that materially and adversely affects or is likely to affect the profitability of the Company or the value of its assets or its ability to pay off its liabilities within a period of next twelve months.

The Directors of the Company certify that all disclosures made in the prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

FOR SUNIL HITECH ENGINEERS LIMITED :

Sd/-
Mr. Ratnakar Gutte,
Chairman and Managing Director

Sd/-
Mr. Pramod H. Mitkary,
Director

Sd/-
Mrs. Sudhamati R. Gutte,
Director

Sd/-
Ms. Sarita Rathi*,
Director

Sd/-
Mr. Sunil R. Gutte,
Director

Sd/-
Mr. B.B.Thombare*,
Director

Sd/-
Mr. M N. Mohanan*,
Director

Sd/-
Mr. Kamlakar G. Holkar,
Director.

Sd/-
Mr. S.K. Kodandaramaiah*,
Director

Sd/-
Mr. Ashok Sakalikar,
Director

Sd/-
Mr. R. S. Tiwari,
Deputy General Manager (Finance)

* Through their constituted Attorney Mr. Sunil R. Gutte

Place : Nagpur

Date : January 16, 2006

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