



**MITCON**  
CONSULTANCY & ENGINEERING  
SERVICES LTD.

**2017-18**



36<sup>th</sup>  
**ANNUAL REPORT**  
2017-2018

*of*



**Registered Office :**

Kubera Chambers, Shivajinagar,  
Pune - 411 005. Maharashtra (India)  
Tel. : 91-020-2553 4322, 2553 3309.  
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CIN : L74140PN1982PLC026933

## BOARD OF DIRECTORS

<b>Mr. Jagannath Dange</b>	Chairman & Independent Director
<b>Dr. Pradeep Bavadekar</b>	Managing Director
<b>Mr. Subodh Kumar</b>	Non-Executive Director (Upto 29.05.2018)
<b>Mr. Ajit Nath Jha</b>	Non-Executive Director (w.e.f. 29.05.2018)
<b>Mr. Chiman Deshmukh</b>	Non-Executive Director (Upto 09.04.2018)
<b>Mrs. Archana Lakhe</b>	Independent Woman Director
<b>Mr. Aniruddha Joshi</b>	Independent Director
<b>Ms. Maya Sinha</b>	Non-Executive Director

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### Bankers

Bank of Baroda  
Bank of Maharashtra  
ICICI Bank Ltd.  
HDFC Bank Ltd.  
State Bank of India  
IDBI Bank  
YES Bank  
Axis Bank  
Kotak Mahindra Bank

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### Auditors

**M/s. Joshi & Sahney**  
Chartered Accountants  
1913, Natu Baug, Sadashiv Peth, Pune -411 030.  
Tel. : 91-020-24471521, 24471699

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Tel. : 91-020-2553 4322, 2553 3309. Fax : 91-020-2553 3206  
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**36<sup>th</sup>**  
**ANNUAL REPORT**  
2017-2018

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## BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 36<sup>th</sup> Annual Report on the business and operations of your Company along with the Audited Standalone and Consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2018.

### 1. COMPANY'S PERFORMANCE :

Your Company's financial performance for the year under review has been encouraging. During the year under review, the Company has achieved a gross turnover of Rs. 6,236.28 Lakhs in comparison to previous year's turnover which amounted to Rs. 4,701.48 Lakhs which represents an increase of 32.65% over the previous year. Key aspects of Consolidated and Standalone Financial Performance of your company for the current financial year 2017-18 along with the previous financial year 2016-17 are tabulated below:

### 2. FINANCIAL HIGHLIGHTS :

(Rs. in Lakhs)

Particulars	CONSOLIDATED		STANDALONE	
	As on 31.03.2018	As on 31.03.2017	As on 31.03.2018	As on 31.03.2017
Revenue from Operations	5,837.62	4,402.93	5,837.62	4,402.93
Other Income	398.66	298.55	398.66	298.55
<b>Total</b>	<b>6,236.28</b>	<b>4,701.48</b>	<b>6,236.28</b>	<b>4,701.48</b>
Profit Before Depreciation & Amortization	653.70	810.58	654.01	810.58
Depreciation & Amortization	252.27	238.88	252.27	238.88
Extraordinary items	43.33	18.25	43.33	18.25
Provision For Tax - Current	91.00	181.50	91.00	181.50
- Deferred	(13.11)	(27.81)	(13.11)	(27.81)
Excess Provision for Taxation of Earlier Years	(2.15)	(42.67)	(2.15)	(42.67)
Profit after tax for the year (before adjustment for Minority Interest)	282.36	442.43	282.67	442.43
Add: Share of Loss of Minority Interest transferred	0.31	--	--	--
Less: Unrealised Profit out of transactions with Associate	(185.13)	(149.93)	--	--
Add / Less : Share in Profit / (Loss) of Associate Companies				
Krishna Windfarms Developers Pvt Ltd	(112.00)	0.14	--	--
Mitcon Megaskill Centers Pvt Ltd	(0.26)	--	--	--
<b>Profit for the Year</b>	<b>(14.72)</b>	<b>292.64</b>	<b>282.67</b>	<b>442.43</b>

### 3. DIVIDEND AND RESERVES :

#### Dividend

The Directors recommend for your consideration a final dividend of 10% (Rs. 1 per Equity Share) for the Financial Year 2017-18. The proposed dividend (including Dividend Distribution Tax) will absorb Rs. 145.87 Lakhs. (Previous year Rs. 1 per Equity Share).

#### Reserves

During the year under review, no amount was transferred to General Reserves.

### 4. HIGHLIGHTS OF IMPORTANT ASSIGNMENTS :

#### ■ POWER DIVISION :

During the year under review, continued negative policy framework in power & sugar sectors, both at the Centre & States levels delayed Cogeneration power projects under execution in turn affected performance of the Power Division in terms of business & revenue. Although, several achievements were observed in the Strategic Business Units including pre-investment, project engineering, sugar & ethanol, macro & events, highlighted as below:

- TDDs for biomass linkage & integrated biomass peletization & power projects for Technology Development Bank, New Delhi; TDD for 60 MW coal fired power plant in Orissa for M/s. Agritrade, Singapore; TDD for 24.5 MW BOOT cogen power plant at Ajinkyatara SSKL for Shree Renuka Sugars were completed successfully
- DPRs / AVR / TDDs / TEVs for municipal waste to energy & industrial waste heat recovery projects established.
- TEVs / DPRs successfully completed for municipal Waste to Energy (WtE) projects for Surat Municipal Corporation, Nagpur Municipal Corporation, Bhopal Municipal Corporation & 4 municipal corporations at Ananthapur, Kadapa, Tadepalligudem & Vizianagram in Andhra Pradesh for M/s. Essel Infra Projects Ltd.
- Asset Valuation / TDDs for waste heat recovery project in iron & manganese (Axis Bank / Sandur) & municipal waste to energy projects (IL&FS Urban Infrastructure)
- Successful commissioning of Parag Agro sugar / captive power plant in a record time of 9 months and achievement of 3.5 lakh MT crushing in the maiden season, 2017-18.
- Successful implementation of Krishna SSKL distillery modernization project, also in a record time of 10 months (through dismantling of existing distillery & installation of new plant at the same premises)
- Participation in MNRE Biomass Power group for revision of scheme & follow up for pending subsidy cases of MITCON clients.
- Business meets for FLSmidth, a gearbox vendor at Belgavi & Kolhapur, new business line established.
- Policy break through efforts in Maharashtra for power purchase from Cogen India platform, helped generate consulting business for DPRs for cogen power plants & ethanol projects, as well as helped receive recoveries & improved outreach to sugar factory clients

- Business development efforts in international markets have started generating results (IFC-Deloitte-MITCON study for Nepal sugar mills & engineering services for cogen power plant at Butali Sugar Mills Ltd. in Kenya)

#### ■ ENERGY & CARBON SERVICES DIVISION :

During the year under review, it continued executing assignments from Government as well as Private Sectors. Its Key achievements include :

##### It's Key achievements include:

- 1<sup>st</sup> price at 12<sup>th</sup> Maharashtra State Level Award for Excellence in Energy Conservation & Management.
- Energy conservation & efficiency studies for high end clients like Praxair, Makino, EESL, GSK, Cadila/ Zydus Group, Electrotherm, TATA Power, etc.
- Energy audit of distribution network of New Delhi Municipal Council (NDMC) for Delhi Electricity Regulatory Commission (DERC) ongoing.
- MOU with HMS Group, Damman, Saudi Arabia for promotion and execution of energy conservation and efficiency studies in Gulf Cooperation Council (GCC) countries - Saud-Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman.
- Project management consultancy services to (commissioned projects) -
  - 20 MW solar power project by M/s Shri Keshav Cements & Infra Ltd. at Karnataka,
  - 1 MW solar power project by Rajbhavan at Maharashtra.
- Project management consultancy services to ( ongoing projects) -
  - 15 MW solar power project by M/s Gujarat Alkalies & Chemicals Ltd. at Gujarat.
  - 10 MW captive solar power project by M/s TIDEL Park Ltd. at Tamil Nadu.
  - 10 MW captive solar power project by Shri Saibaba Sansthan Trust at Maharashtra.
  - 10 MW solar power project by M/s Dynasty Oil & Gas Pvt. Ltd. (Jaguar Group) at Kandahar, Afghanistan.
- Lenders' Independent Engineer Services to Rural Electrification Corporation Ltd. for 15 MW Solar PV Project by M/s Mytrah Akshaya Energy Pvt. Ltd. at Karnataka (ongoing).
- Lenders' Independent Engineer Services to Union Bank of India for 8.26 MW & 8.00 MW Solar PV Projects by M/s PV Line Power One Pvt. Ltd. at Karnataka (ongoing).
- Successfully commissioned 10 MW solar power project for M/s Krishna Windfarms Developers Private Limited (KWFDPL) at Maharashtra as EPC.
- Registration with the Ministry of New & Renewable Energy (MNRE) as Channel Partner (Grade 2B: High Performance Capability & Financial Strength) to take up solar rooftop EPC work.
- Bagged order from M/s WIKA Instruments India Private Limited, Pune (German Group) for 400 KW Roof Top Solar Project for Design, Engineering, Manufacture, Supply, Transport, Storage, Erection, Testing & Commissioning and Operation & Maintenance for 5 years.

- LOL from M/s Pudumjee Paper Products Limited, Pune to install, maintain and supply Power from 4.90 MW Solar Power Project, under Group Captive Mechanism.
- Executed Power Supply Agreement with Brahma Exuberance A, B, D & E Cooperative Housing Society Ltd., Pune to install, maintain and supply Power from 90 KW Roof Top Solar Power Project (KWFDPL project).
- Executed Power Supply Agreement with Smt. Kesarbai Soni Hospital, Bhilwara to install, maintain and supply Power from 50 KW Roof Top Solar Power Project (KWFDPL project).

#### ■ **ENVIRONMENT MANAGEMENT AND ENGINEERING SERVICES DIVISION :**

Environment Management and Engineering Division provides the services like Environment Impact Assessment (EIA) of developmental projects, Obtaining Consents to Establishment & Operate, Environmental Clearances, Preparation of Environment Management Plan (EMP), Environment Audit, Environmental Risk Assessment. This division has Ministry of Environment Forests and Climate Change (MoEF&CC) approved laboratory through which testing & analysis of Water, Air & Soil etc. is being carried out. The division has also accreditation from Quality Council of India (QCI)-NABET to carry out EIAs in various sectors.

The laboratory accreditation and QCI accreditation have helped the division to maintain healthy client base of over 200 plus which includes corporates like Adient India Private Limited, Amcor Flexibles India Pvt. Ltd., Autoline Industrial Parks Ltd., B.G. Shirke Construction Technology Pvt. Ltd., Bajaj Auto Limited, Bhimashankar Sahakari Sakhar Karkhana Ltd, Bridgestone India Private Limited, Carraro India Pvt. Ltd., Cipla Ltd, City Realty & Development Pvt Ltd., Cummins India Ltd, Deenanath Mangeshkar Hospital & Research Center, Elantas Beck India Ltd., Enkei Wheels In Ltd., Exide Industries Limited, Fine Organic Industries Limited, GE India Industrial Pvt. Ltd., Malpani Group, Godrej & Boyce Mfg. Co. Ltd., Hawa Valves (India) Pvt. Ltd., Hindustan Petroleum Corporation Limited., Horizon Services., Ina Bearing India Pvt Ltd., Jabil Circuit India Pvt. Ltd. Kokan Education Society, Praj Industries Limited, Rites Limited, Sona Alloys Pvt. Ltd, Tata Autocomp Systems Limited, Tata Consultancy Services Ltd, Thermax Limited, Volkswagen India Pvt. Ltd. etc.

This year division has offered consultancy services to Maharashtra Metro Rail Corporation Limited for Pune Metro Rail project and Tata Institute for Fundamental Research for 'India Based Neutrino Observatory (INO).

During the year under review, the performance of Consultancy Services has improved. The division continued to maintain performance of Environmental Testing Laboratory. The Division has maintained accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL) and OHSAS 18001:2007 certification.

#### ■ **BANKING & FINANCIAL SOLUTIONS DIVISION :**

During the year under review, this division have achieved total revenue of Rs.4.40 crore & is a profit making vertical of Mitcon Consultancy & Engineering Services Ltd. This division extends variety of technical consultancy services covering both pre & post sanction activities. To name a few are Feasibility Study, Techno Economic Viability Study, Detailed project report, Technical & financial due diligence, Lender's Independent Engineer's report (LIE), Asset & Business Valuation, Traffic Study & Loan Syndication etc.

- Some of the clients served across India include all public, private banks & co-operative banks, IP professionals, SME/Mid & Large corporate, Government Agencies, Technology & Industrial Parks etc. Though the division is headquartered in Pune, it has a huge client list from other states too.

- In FY 2018, the division has issued more than 150 reports covering almost all aspect of technical consultancy services related to Banking & Finance.

Some of the prestigious assignments handled are as follows:

Sr. No.	Name of the company/ assignment	Type of services rendered	Industry	Business Client
1	Jaypee Infratech Ltd.	Liquidation Valuation	Real Estate, Infrastructure & Hospital	RP Anuj Jain
2	Indian Oil Adani Gas Pvt. Ltd.	LIE Services	City Gas Pipe Line	State Bank of India
3	Vihaan Networks Ltd.	LIE Services	Telecom Towers	Canara Bank
4	Jayaswal Neco Industries Ltd.	TEV for Resolution plan for restructuring	Casting of Iron Ore	State Bank of India
5	Lulu Lucknow Shopping Mall Pvt. Ltd.	LIE Services	Shopping Mall (CRE)	Bank of Baroda
6	Indospace Industrial Park Pune Pvt. Ltd.	LIE Services	Warehousing	Axis Bank
7	DBL Hassan Periyapatna Tollways Limited	LIE Services	Infrastructure	United Bank of India
8	Rajahmundry Godavari Bridge Ltd.	Resolution plan for restructuring	Infrastructure (Bridges)	Canara Bank
9	Gayatri Projects Ltd.	TEV for Resolution plan for restructuring	Infrastructure (Roads)	Bank of Baroda
10	Hindusthan Speciality Chemicals Ltd.	LIE services	Speciality Chemicals	State Bank of India
11	Ozone Group	TEV & LIE services	Real Estate	Union Bank of India
12	Sobha Ltd.	TEV & LIE services	Real Estate	Oriental Bank of Commerce
13	Maharashtra Transmission Communication Infrastructure Ltd. (Sterlite Group)	LIE services	Telecommunication	Bank of India
14	Vijay Suraksha Realty LLP	LIE services	Real Estate	Yes Bank
15	Concast Steel & Power Ltd.	TEV for Resolution plan for restructuring	Steel	State Bank of India
16	BRG Iron & Steel Company Pvt. Ltd.	TEV for Resolution plan for restructuring	Steel	UCO Bank
17	NDR Infrastructure Ltd.	TEV & LIE services	CFS, Logistics, Warehousing	Punjab National Bank
18	Shriram EPC	LIE services	Infrastructure	Oriental Bank of Commerce

19	Chiripal Group	TEV & LIE services	Textile	Bank of Baroda
20	Welspun India Ltd.	TEV & LIE services	Textile	Union Bank
21	D Y Patil Education Trust	TEV & LIE services	Education	Oriental Bank of Commerce
22	Bharti Vidyapeeth	TEV & LIE services	Education	Syndicate Bank
23	Sunstar Overseas Ltd.	TEV for Resolution plan for restructuring	Steel	Karur Vysya Bank
24	Himatsingka Seide Ltd.	LIE services	Textile	Canara Bank
25	Steel Exchange India Ltd.	TEV for Resolution plan for restructuring	Steel	State Bank of India

#### ■ INFRA CONSULTING DIVISION :

During the year under review, this division was awarded PMC for dumpsite Land reclamation project for Mulund, by Brihan Mumbai Municipal Corporation. It is the largest such project in the World. Some of the key assignments and achievements of this division includes :

- Independent Engineering Services for collection & Transportation of Waste for entire Jaipur City with 3 million population by way of competitive bidding.
- Won Solapur project for Designing of Information, education & Communication for improvement of Solid Waste Management in the City.
- Won Design Consultancy & PMC for Central warehouse at Shirdi in competitive bidding.
- MITCON is now empaneled with NBCC-National Building Construction Corporation
- MITCON is empaneled in DMA -Directorate of Municipal Administration for any project in Municipal Councils all across Maharashtra.

A complete tendering cell is formed and active. Have undergone 360 deg review of about 150 tenders last 60 days.

#### ■ AGRO INFRA AND FOOD PROCESSING DIVISION :

**Key achievements include:**

- Approval of Food Processing Project Proposal of Ajanta Raaj Proteins Pvt. Ltd. near Agra, Uttar Pradesh by Ministry of Food Processing Industries, GOI, New Delhi.
- Approval of Ice Plant Project Proposal of Shree Bhavani Ice at Saldure near Dapoli, Dist. Ratnagiri, Maharashtra Plant by Department of Fisheries, Maharashtra and National Fisheries Development Board (NFDB).
- Started to provide Pre-Engineering Services for Food Processing Units.

#### ■ TEXTILES, CLUSTERS - INFRA CONSULTING & MARKET RESEARCH DIVISION :

This Division offers total Consultancy Solution from Concept to Commissioning for Textiles Projects in

Spinning, Weaving, Processing, Garments & Technical Textiles Sector.

Key achievements include establishing Textiles Business by offering consultancy to the Client from various Textile centres from India viz. Ahmedabad, Surat, Mumbai, Bhilwara, Ludhiana, Bangalore, Bhuj, Jamnagar & Rajkot etc. It serviced Prestigious Client such as:

- Radiant Wovenplast Pvt Ltd.
- Himatsingka Seide Limited
- Vishal Fabrics Ltd
- Welspun Flooring Limited
- Lagnam Spintex Pvt Ltd
- Nandan Industries Private Limited

#### ■ CLUSTER DEVELOPMENT

Under Cluster Development this Division provides consultancy for enhancing productivity, competitiveness as well as capacity building of small enterprises under the schemes of Government of India and Government of Maharashtra and also provides handholding support to MSME's.

#### ■ MARKET RESEARCH

Under Market Research segment, this division provides a wide spectrum of services in the field of Marketing & Social Research and also assist clients by providing solutions at all phases of planning & development. This division conducted various assignments in social research, industrial research and consumer research.

Key achievements of the Division in the year 2017-18 includes:

- Successful entry in Port Development sector
- Designed, Marketing Strategy for MSKVIB funded units in Maharashtra.

Completed Assignments in 2017-18 includes:

- Designing, Marketing Strategy for MSKVIB funded units in Maharashtra.
- Preparation of DPR for setting up of Defence Engineering Cluster at Pune by MESCO.
- Report on Setting up of Satpati Port near Palghar, Dist. Palghar.
- Report on Assessment of Technical Feasibility for setting up of Textiles Unit at the existing premises of The Swadeshi Mills Company Ltd. Mumbai.
- DPR for setting up of common facility centre for Banjara Arts Cluster.
- DPR for setting up of common facility centre for Bhadravati Pottery Cluster Dist. Chandrapur.

There are various ongoing assignments which were taken up during the year 2017-18.

#### ■ ENTREPRENEURSHIP & VOCATIONAL TRAINING AND BIO-TECHNOLOGY DIVISION :

- Certificate of Appreciation awarded by NISE for Valuable Contribution in Suryamitra Skill Development Programmes in India.

- Developing skilled manpower in the Solar PV Sector (Suryamitra) in 6 States viz. Maharashtra, Madhya Pradesh, Rajasthan, Chhattisgarh, Jharkhand, & Goa.
- Developed Online Job Portal for providing Industry ready skilled manpower to Solar Industry (www.mitconsolarjobs.com).
- Published book on success stories in CSR and Solar Sector.

#### ■ **MITCON TECHNOLOGY BUSINESS INCUBATION CENTRE :**

- Three new innovative ideas approved under NMCP scheme & one idea of previous year already commercialized.
- Track record of above 90% placement in Diploma in Clinical Research & Pharma Regulatory Affairs
- More than 65 new tie-ups with companies for placement of our Clinical Research candidates.

#### ■ **MITCON CENTRE FOR CSR AND SKILL DEVELOPMENT:**

##### **Performance of division in F.Y. 2017-18 :**

MITCON Center for CSR & Skills Division (MCCSD) is involved in the vocational and skills based training as well as various activities under Corporate Social Responsibility initiatives of various companies. MCCSD has conducted vocational and skills based training of about different 40 needs based trades and trained 1674 nos. of participants in the F.Y. 2017-18.

##### **Achievements and Completion of special assignments :**

In F.Y. 2017-18 our major Corporate / Institutional clients were Gulf Oil Lubricants India Limited, Pankh NGO, Hope for the Children Foundation, Teamlease Services Ltd, Jubilant Bhartia Foundation.

##### **Affiliations :**

We are affiliated with NSDC (National Skill Development Corporation) for various sector. We are also affiliated and with IIBF for training DRA (Debt Recovery Agent).

#### ■ **MITCON e-SCHOOL :**

- During the year , MITCON e-School continued its various IT trainings Viz. CAD, Web Designing, DTP, Graphic Designing Hardware and Networking and Programming Languages through its centers in Shivajinagar, Balewadi, Chinchwad.
- MITCON e-School continued their association with MKCL as a Training Provider for MS-CIT and KLiC course.
- MITCON e-School completed MS-CIT and Tally training assignment (Screen Girl Project) for beneficiaries of WAGGGS (World Association of Girl Guides & Girls Scouts). Under this program 65 nos. of women beneficiary were trained.
- MITCON e-School entered into affiliation with Autodesk as authorized training center for various CAD related courses at Shivajinagar & Chinchwad Center.

#### **5. DIRECTORS :**

Pursuant to Article 171 of the Articles of Association of the Company Ms. Maya Sinha (DIN: 03056226) who retires by rotation and being eligible, offers herself for re-appointment.

Your Board recommends re-appointment of Ms. Maya Sinha (DIN: 03056226) at the ensuing Annual General Meeting. A brief resume, nature of expertise, details of directorships held in other companies and other information of Ms. Maya Sinha (DIN: 03056226) proposing re-appointment pursuant to the

provisions of the Companies Act, 2013 and Listing Obligations & Disclosure Requirement Regulations 2015 is appended as an annexure to the notice of ensuing Annual General Meeting.

Dr. Pradeep Bavadekar (DIN: 00879747) was re-appointed as a Managing Director of the Company for a period of five years from 1st July, 2013 to 30th June, 2018.

It is proposed to renew the term of Dr. Pradeep Bavadekar (DIN: 00879747) for a period of three years w.e.f. 01st July, 2018 to 30th June, 2021. A brief resume, nature of expertise, details of directorships held in other companies and other information of Dr. Pradeep Bavadekar (DIN: 00879747) proposing re-appointment pursuant to the provisions of the Companies Act, 2013 and Listing Obligations & Disclosure Requirement Regulations 2015 is appended as an annexure to the notice of ensuing Annual General Meeting.

Your Board recommends re-appointment of Dr. Pradeep Bavadekar as a Managing Director of the Company for a period of 3 years w.e.f. 1st July, 2018 to 30th June, 2021.

Mr. Chiman Deshmukh (DIN: 07131406) resigned from the post of Directorship of the Company w.e.f. 09th April, 2018. The Board places on record the sincere appreciation for his valuable contributions.

The Board also appointed Mr. Jagannath Dange, (IAS, Retd.) (DIN: 01569430) as Chairperson of the Board w.e.f. 9th March, 2018.

Mr. Ajit Nath Jha (DIN: 07336889) has been appointed as a Nominee Director of Small Industries Development Bank of India (SIDBI) in place of Mr. Subodh Kumar (DIN: 02570037) w.e.f. 29th May, 2018.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

## 6. BOARD EVALUATION :

Pursuant to the provisions of the Companies Act, 2013, the Board Members evaluated the performance of individual directors based on their participation in the Board Meetings and Meeting of the Committees of the Board and also as per criteria laid down in policy for evaluation of performance of Board Members.

Independent Directors also evaluated the performance of the Non-Independent Directors in their separate meeting held on 25<sup>th</sup> January, 2018.

## 7. MEETINGS OF THE BOARD :

During the financial year 2017-18, five (5) Board Meetings were convened on 30.05.2017, 08.09.2017, 28.09.2017, 10.11.2017 and 09.03.2018.

The attendance of the Board Members at the said meetings are as under:

Sr. No.	Name of the Board Member	Attendance record of the Members				
		30.05.2017	08.09.2017	28.09.2017	10.11.2017	09.03.2018
1.	Dr. Pradeep Bavadekar	Yes	Yes	Yes	Yes	Yes
2.	Mr. Chiman Deshmukh	Yes	No	Yes	Yes	No
3.	Mrs. Archana Lakhe	Yes	Yes	Yes	Yes	Yes
4.	Mr. Aniruddha Joshi	Yes	No	No	Yes	Yes
5.	Mr. Jagannath Dange	Yes	Yes	Yes	Yes	Yes
6.	Ms. Maya Sinha	Yes	Yes	Yes	Yes	No
7.	Mr. Subodh Kumar	No	Yes	No	No	No

## 8. COMMITTEES OF THE BOARD :

### i. Audit Committee

As on 31<sup>st</sup> March 2018, the Committee comprised of the following:

Name of the member	Category
Mr. Jagannath Dange (Member) -Chairperson*	Non Executive - Independent Director
Mr. Chiman Deshmukh (Member)	Non – Executive Director
Ms. Maya Sinha (Member)	Non Executive – Independent Women Director
Mrs. Archana Lakhe (Member)	Non Executive – Independent Women Director
Mr. Aniruddha Joshi (Member)	Non Executive – Independent Director

\*Appointed as a chairperson w.e.f 09.03.2018.

The audit committee meetings are usually attended by the Managing Director, Chief Financial Officer, the representatives of Statutory Auditors and Internal Auditors as and when necessary. The Company Secretary acts as a Secretary of the Committee.

The previous Annual General Meeting of the Company was held on 23.08.2017, which was attended by Ms. Maya Sinha, then Chairperson of the Audit Committee.

The dates on which the Audit Committee Meetings were held and the attendance of the Members at the said meetings are as under:

Sr. No.	Dates on which Audit Committee Meeting was held	Attendance record of the Members				
		Ms. Maya Sinha	Mr. Aniruddha Joshi	Mr. J. P. Dange	Mrs. Archana Lakhe	Mr. Chiman Deshmukh
1.	30.05.2017	Yes	Yes	Yes	Yes	Yes
2.	28.09.2017	Yes	No	Yes	Yes	Yes
3.	10.11.2017	Yes	Yes	Yes	Yes	Yes
4.	09.03.2018	No	Yes	Yes	Yes	No

### ii. Nomination and Remuneration Committee

As on 31<sup>st</sup> March 2018, the Committee comprised of the following :

Name of the member	Category
Mrs. Archana Lakhe (Chairperson)	Non Executive - Independent Woman Director
Mr. Aniruddha Joshi (Member)	Non Executive – Independent Director
Mr. Jagannath Dange (Member)	Non Executive – Independent Director
Ms. Maya Sinha (Member)	Non Executive Director
Mr. Chiman Deshmukh (Member)	Non Executive Director

The previous Annual General Meeting of the Company was held on 23.08.2017 which was attended by Mrs. Archana Lakhe, Chairperson of the Nomination and Remuneration Committee.

The dates on which the Nomination and Remuneration Committee Meetings were held and the attendance of the Members at the said meetings are as under:

Sr. No.	Dates on which Nomination and Remuneration Committee Meeting was held	Attendance record of the Members				
		Mrs. Archana Lakhe	Mr. Aniruddha Joshi	Mr. J. P. Dange	Ms. Maya Sinha	Mr. Chiman Deshmukh
1.	30.05.2017	Yes	Yes	Yes	Yes	Yes
2.	10.11.2017	Yes	Yes	Yes	Yes	Yes
3.	09.03.2018	Yes	Yes	Yes	No	No

### iii. Corporate Social Responsibility (CSR) Committee

As on 31<sup>st</sup> March 2018, the Committee comprised of the following :

Name of the member	Category
Mr. Aniruddha Joshi (Chairman)	Non-Executive-Independent Director
Dr. Pradeep Bavadekar (Member)	Managing Director
Mr. Subodh Kumar (Member)	Non-Executive Director
Mrs. Archana Lakhe (Member)	Non-Executive-Independent Woman Director

Sr. No.	Dates on which CSR Committee Meeting was held	Attendance record of the Members			
		Mr. Aniruddha Joshi	Dr. Pradeep Bavadekar	Mr. Subodh Kumar	Mrs. Archana Lakhe
1.	30/05/2017	Yes	Yes	No	Yes
2.	09/03/2018	Yes	Yes	No	Yes

### iv. Stakeholders Relationship Committee :

As on 31<sup>st</sup> March 2018, the Committee comprised of the following:

Name of the member	Category
Mrs. Archana Lakhe (Chairperson)*	Non-Executive-Independent Woman Director
Dr. Pradeep Bavadekar (Member)	Managing Director
Mr. Chiman Deshmukh	Non-Executive Director
Ms. Maya Sinha (Member)	Non-Executive Director
Mr. Subodh Kumar (Member)	Non-Executive Director

\*Appointed as a Chairperson w.e.f. 09.03.2018

During the year, the Committee meeting was held on 09.03.2018 which was attended by all members except Mr. Chiman Deshmukh, Ms. Maya Sinha and Mr. Subodh Kumar.

## 9. KEY MANAGERIAL PERSONNEL (KMP) :

During the year under review, the following persons were Key Managerial Personnel :

Sr. No.	Name of the Person	Designation
1.	Dr. Pradeep Bavadekar	Managing Director
2.	Mr. Ram Mapari	Chief Financial Officer
3.	Mr. Abhijeet Modak*	Company Secretary

During the year, Mr. Madhav Oak resigned as a Company Secretary w.e.f. 14<sup>th</sup> November, 2017 and Mr. Abhijeet Modak was appointed as a Company Secretary w.e.f. 19<sup>th</sup> December, 2017.

## 10. NOMINATION AND REMUNERATION POLICY :

The Board of Directors have framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy is annexed hereto and form an integral part of this Report.

## 11. WHISTLE BLOWER POLICY :

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The whistle blower policy has been posted on the website of the Company ([www.mitconindia.com](http://www.mitconindia.com)).

## 12. AUDITORS :

The appointment of the Statutory Auditors of the Company M/s. Joshi & Sahney, Chartered Accountants, Pune shall be required to be ratified at the ensuing annual general meeting for the Financial Year 2018-19.

M/s. Joshi & Sahney, Chartered Accountants, Pune is an independent audit firm and none of your Directors, KMP's are related or interested in it, directly or indirectly.

Auditors have stated that, they have neither come across any instance of fraud on or by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

### **Auditors Remark**

The comments of the Auditors read together with the Notes to Accounts are self-explanatory. Management comments for emphasis of matter referred in the Audit Report under point a and b are as follows.

### **Management Comments:**

a) The Bank Guarantees issued to Jharkhand Skill Development Mission Society (Government of Jharkhand) amounting Rs. 12,72,47,200/- has been returned by the JSDMS and cancelled by the Bank. Hence, there is no financial exposure.

b) 10 MW Solar Power Project promoted by Krishna Windfarms Developers Pvt. Ltd. has been successfully commissioned and started generating revenue and the project itself is serving the debt in time. Hence, we do not foresee any financial exposure.

## 13. SHARE CAPITAL :

During the year under review, there was no change in the Authorised and paid-up share capital of the Company.

## 14. DEPOSITS :

During the year under review, the Company has not accepted any deposit under Chapter V of the Companies Act, 2013.

## 15. CORPORATE GOVERNANCE :

The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated and applicable under various regulations are complied with.

## 16. EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed hereto and forms an integral part of this Report.

## 17. SECRETARIAL AUDIT :

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s SVD & Associates, a firm of Company Secretaries in Practice to undertake Secretarial Audit of the Company. The Secretarial Audit Report is annexed hereto and forms an integral part of this report.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

There is no remark from the secretarial auditor for the year under review except the following:

“Company has provided Bank guarantee on behalf of related party to the Jharkhand Skill Development Mission Society (Government of Jharkhand) and Rajasthan Skill and Livelihood Development Corporation (Government of Rajasthan) which was not approved by the Board of Directors and the same was not placed before the audit committee before execution.”

**Management Reply :**

The Company had given a Bank Guarantee on behalf of its Associate Company to Jharkhand Skill Development Mission Society (Government of Jharkhand) and on behalf of a related party to Rajasthan Skill and Livelihood Development Corporation (Government of Rajasthan) purely as a temporary arrangement. Currently all those Bank Guarantees have been released by the respective authorities and cancelled by the Bank.

**18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

In accordance with the provisions of the Companies Act, 2013 and listing agreement requirements, the Management Discussion and Analysis report is annexed hereto and forms an integral part of this report.

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis and also under section highlights of important assignment.

**19. CORPORATE SOCIAL RESPONSIBILITY :**

During the year, your Company has not contributed towards Corporate Social Responsibility (CSR). During the year 2017-18, the CSR Committee did not find any viable option for spending amount on CSR. A detailed report on CSR activities carried out by the Company is annexed hereto and forms an integral part of this report.

**20. PARTICULARS REQUIRED TO BE FURNISHED BY COMPANIES :**

The provisions relating to disclosure of details regarding Energy Consumption, both total and per unit of production and technology absorption are not applicable as the Company is engaged in the business of providing consultancy services and conducting training programmes.

Your Company carries out its operations in an environmental friendly manner and is on the look-out for different ways & means to reduce the consumption of energy in its operations.

**21. FOREIGN EXCHANGE EARNINGS & OUTGO**

An amount of Rs. 11.96 Lakhs (US\$ 18,491) were received during the year on account of Professional fees and reimbursement of expenses. (Previous Year Rs. 27.70 Lakhs (US\$ 27970, Euro 8742.40, BHD1500)

Expenditure in Foreign Currency during the year was Rs. 9.48 Lakhs (US \$ 14,698) (Previous Year Rs. 1.08 Lakhs (US \$ 1,605.14).

**22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the year under review, the Company invested 51% of the paid up capital i.e. 5,100 Equity Shares of Rs. 10/- each in MITCON Multiskills Limited by investing Rs. 51,000/-. Consequently, MITCON Multiskills Limited became a Subsidiary Company of your Company.

During the year under review, the Company invested 26% of the paid up capital i.e. 2,600 Equity Shares

of Rs. 10/- each in MITCON Megaskill Centers Private Limited by investing Rs. 26,000/-. Consequently, MITCON Megaskill Centers Private Limited became an Associate Company of your Company.

The Company has duly complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made by the Company. The Company has provided Corporate Guarantee of Rs. 42,00,00,000/- (Rupees Forty Two Crores) to L & T Infrastructure Finance Company Limited on behalf of Krishna Windfarms Developers Private Limited (KWFDPL) for loan availed by KWFDPL, which is an associate company. The Company has also provided Inter Corporate Loan of Rs. 225,309,605/- (Rupees Twenty Two Crores Fifty Three Lakhs Nine Thousand Six Hundred and Five) to Krishna Windfarms Developers Private Limited (KWFDPL), which is covered by Section 186 of the Companies Act, 2013.

### **23. PARTICULARS OF EMPLOYEES :**

None of the employee of the Company was in receipt of remuneration of more than Rs.60 Lakhs per annum or Rs. 5 Lakhs per month if employed for part of the year except Managing Director. At the end of the year, Company had 195 numbers of Staff.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is having policy for the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. In this regard, Internal Complaints Committee has been set up to redress complaints. During the year under review, there were no complaints received pursuant to the aforesaid Act.

### **24. PARTICULARS OF RELATED PARTY TRANSACTIONS :**

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties which was not in the ordinary course of business is being provided separately as Form AOC-2 and which is annexed and forms an integral part of this report. The particulars of arrangements entered into by the Company with Related Parties which in the ordinary course of business are provided in Notes to the Financial Statements.

### **25. RISK MANAGEMENT POLICY :**

The Company has a robust risk management framework comprising risk governance structure and defined risk management processes. The Company identifies all strategic, operational and financial risks that the Company faces, by assessing and analysing the latest trends in risk information available internally and externally and uses the same to plan for risk mitigation activities.

### **26. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY :**

There are no adverse material changes or commitments occurring after 31st March, 2018 which may affect the financial position of the Company or may require disclosure.

During the year under review, the following companies have become subsidiary and associate Companies of your Company:

1) MITCON Megaskill Centers Private Limited in which your Company holds 26% of the paid up capital. This Company was formed as Special Purpose Vehicle for undertaking assignment received from Jharkhand Skill Development Mission Society, Government of Jharkhand for establishing, operating and maintaining Mega Skill Training Centre (s) on PPP Mode. This Company is an Associate Company of your Company. M/s. CMC Skills Private Limited holds 76 % equity in MITCON Megaskill Centers Private Limited.

2) MITCON Multiskills Limited in which your Company holds 51% of the paid up capital and the said company has become Subsidiary Company of your Company. This Company primarily focuses on undertaking training and ancillary assignments of State/Central Government and Local bodies. Clear Maze Consulting Private Limited holds 49 % equity in MITCON Multiskills Limited.

**27. CHANGE IN THE NATURE OF BUSINESS :**

During the year under review, there has been no change in the nature of business of the Company.

**28. INTERNAL FINANCIAL CONTROL :**

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms an integral part of this Report.

**29. SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**30. RESPONSIBILITY STATEMENT :**

On behalf of the Board of Directors, Managing Director hereby states that :

- In preparation of Standalone and Consolidated annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- We had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the company at the end of the financial year and of the Profit of the company for that period.
- We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- We have prepared the Standalone and Consolidated Annual Accounts on a going concern basis.
- Internal Financial Controls as laid down were adequate and were operating effectively.
- A proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**31. ACKNOWLEDGEMENTS :**

Your Directors would like to record their appreciation for the support to the company received from the Shareholders, Banks, Institutions, all our esteemed Customers and Employees of the Company.

**On behalf of the Board of Directors**

**Place: Pune**  
**Date: 17<sup>th</sup> July, 2018**

Sd/-  
**J. P. Dange**  
**Chairman**  
**(DIN 03056226)**

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31<sup>st</sup> March 2018

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014

#### I. REGISTRATION AND OTHER DETAILS :

- i) **CIN** : L74140PN1982PLC026933
- ii) **Registration Date** : 16/04/1982
- iii) **Name of the Company** : MITCON Consultancy & Engineering Services Limited
- iv) **Category/Sub-Category of the Company** : Company Limited by Shares/Indian Non-Government Company
- v) **Address of the Registered Office of the Company and contact details:**  
 First Floor, Kubera Chambers, Shivajinagar, Pune-411 005  
 Phone No.: 020-2553 3309 Fax: 020-2553 3206 Email: cs@mitconindia.com
- vi) **Whether Listed Company** : Yes
- vii) **Name, Address and Contact Details of Registrar and Transfer Agent :**  
 Link Intime India Private Limited  
 (Unit: MITCON Consultancy & Engineering Services Limited)  
 Block No. 202, 2<sup>nd</sup> Floor,  
 Akshay Complex, Off Dhole Patil Road, Pune-411 001  
 Phone: 020-26160084/1629  
 Fax: 020-26163503  
 Email: pune@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

Sr. No.	Name and Description of the main services	NIC Code	% of the total turnover of the Company
1.	Consultancy	74140	73.93
2.	Training	80904	23.25

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr.No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of Shares held	Applicable Section
1.	KRISHNA WINDFARMS DEVELOPERS PRIVATE LIMITED Add: B-1402, Floor -14, Plot -211, Dalamal Tower, Free Press Journal Marg, Nariman Point, Mumbai-400021	U40108MH2002PTC135146	ASSOCIATE COMPANY	49%	Section 2 (6)
2.	MITCON Multiskills Limited Add: First Floor, Kubera Chambers, Shivaji Nagar, Pune – 411005	U74999PN2017PLC170774	Subsidiary Company	51%	Section 2 (87)
3.	MITCON Megaskill Centers Limited Add: First Floor, Kubera Chambers, Shivaji Nagar, Pune – 411005	U74999PN2017PTC170763	Associate Company	26%	Section 2 (6)

#### IV. SHAREHOLDING PATTERN :

i) Category wise - Share Holding :

Category of Shareholder	No. of shares held at the beginning of the year (As on April 1, 2017)			No. of shares held at the end of the year (As on March 31, 2018)			% of change during the year	
	Number of shares held in dematerialised form	Physical	Total No. of Shares	% of total shares	Number of shares held in dematerialised form	Physical		Total No. of Shares
<b>A. Promoters</b>								
<b>(1) Indian</b>								
a) Individuals / Hindu Undivided Family	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-
e) Financial Institutions/Banks	-	-	-	-	-	-	-	-
f) Any Other (specify)	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	-	-	-	-	-	-	-	-
<b>Foreign</b>	-	-	-	-	-	-	-	-
a) Individuals (Non-Resident Individuals / foreign Individuals)	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-
c) Banks/Financial Institutions	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	-	-	-	-	-	-	-	-



Clearing Member	2,40,000	-	2,40,000	1.98	2,40,000	-	2,40,000	1.98	00
HUF	1,08,000	-	1,08,000	0.89	1,15,000	-	1,15,000	0.95	0.06
<b>Sub-Total (B)(2)</b>	<b>72,64,000</b>	<b>1,60,000</b>	<b>74,24,000</b>	<b>61.36</b>	<b>63,24,000</b>	<b>1,60,000</b>	<b>64,84,000</b>	<b>53.58</b>	<b>-7.78</b>
Total Public shareholding (B)=(B) (1)+(B)(2)	1,03,20,000	17,80,000	1,21,00,000	100	1,03,20,000	17,80,000	1,21,00,000	100	-
<b>TOTAL (A)+(B)</b>	<b>1,03,20,000</b>	<b>17,80,000</b>	<b>1,21,00,000</b>	<b>100</b>	<b>1,03,20,000</b>	<b>17,80,000</b>	<b>1,21,00,000</b>	<b>100</b>	<b>--</b>
Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1,03,20,000</b>	<b>17,80,000</b>	<b>1,21,00,000</b>	<b>100</b>	<b>1,03,20,000</b>	<b>17,80,000</b>	<b>1,21,00,000</b>	<b>100</b>	<b>-</b>

ii) Shareholding of promoters: The Company is a professionally managed Company and does not have identifiable promoters in terms of the Securities and Exchange Board of India (Issues of Capital and Disclosure Requirements) Regulations, 2009, as amended.

iii) Change in Promoters Shareholding: Not Applicable

iv) **Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDR's and ADR's) :**

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		Number of shares held	% of the total shares of the Company	Number of shares held	% of the total shares of the Company
1.	SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND	16,38,000	13.54	16,38,000	13.54
2.	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	10,00,000	8.26	10,00,000	8.26
3.	SICOM LIMITED	8,00,000	6.61	8,00,000	6.61
4.	MUKUL MAHAVIR PRASAD AGARWAL	7,52,000	6.21	7,52,000	6.21
5.	POLUS GLOBAL FUND	-	-	5,86,000	4.84
6.	PRABHAT PROPERTIES PVT. LTD.	-	-	4,00,000	3.31
7.	UNIVERSAL GOLDEN FUND	-	-	3,70,000	3.06
8.	AJAY ARJUNLAL AGARWAL SHIVANI AJAY AGARWAL	3,42,000	2.83	3,42,000	2.83
9.	CANARA BANK	3,26,000	2.69	3,26,000	2.69
10.	EMERGING INDIA GROWTH FUND CVCF V	4,26,000	3.52	3,22,000	2.66

**Shareholding of Directors and Key Managerial Personnel: :**

Sr. No.	Name of the Key Managerial Personal	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Dr. Pradeep Bavadekar (Managing Director and KMP)</b>				
	At the beginning of the year	5,60,000	4.63	5,60,000	4.63
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease	-	-	-	-
	At the end of the Year	5,60,000	4.63	5,60,000	4.63
2.	<b>Mr. Ram Mapari (KMP)</b>				
	At the beginning of the year	40,000	0.33	40,000	0.33
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	40,000	0.33	40,000	0.33

3.	<b>Mr. Abhijeet Modak (KMP)</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year	-	-	-	-

Note: The other Directors does not hold any shares of the Company.

## V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
i) Addition	-	-	-	-
ii) Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

### A. Remuneration to Managing Director :

Sr. No.	Particulars of Remuneration	Amt. Rs.
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	69,00,000
	b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-

2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as percentage of profit - others	- -
5.	Others	-
	<b>Total (A)</b>	<b>69,00,000</b>
	<b>Ceiling as per the Act</b>	<b>1,68,00,000</b>

Note: The aforesaid remuneration was paid to the Managing Director in compliance with the Provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

#### B. Remuneration to other Directors

Sr. No.	Name of the Director	Particulars of Remuneration			Amt. Rs.
		Fees for attending board/ committee meetings	Commission	Others	
1.	Independent Directors:				
	Mr. J. P. Dange	1,30,000	-	-	1,30,000
	Mr. Aniruddha Joshi	1,20,000	-	-	1,20,000
	Mrs. Archana Lakhe***	1,80,000	-	-	1,80,000
	<b>Total (1)</b>	<b>4,30,000</b>	<b>-</b>	<b>-</b>	<b>4,30,000</b>
2.	Other Non-Executive Directors				
	Mrs. Maya Sinha***	1,10,000	-	-	1,10,000
	Mr. Subodh Kumar*	10,000	-	-	10,000
	Mr. Chiman Deshmukh**	80,000	-	-	80,000
	<b>Total (2)</b>	<b>2,00,000</b>	<b>-</b>	<b>-</b>	<b>2,00,000</b>
	<b>Total (B)=(1+2)</b>	<b>6,30,000</b>	<b>-</b>	<b>-</b>	<b>6,30,000</b>
		Ceiling as per the Act			-

\*\* Paid to SIDBI

\*\*\* Paid to SICOM Limited.

\*\*\* Rs. 20,000/- each paid to Mrs. Archana Lakhe and Mrs. Maya Sinha for QIP Committee Meeting.

**C. Remuneration to Key Managerial Personnel other than Managing Director / Manager /Whole Time Director :**

Sr. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total Amt. Rs.
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1)of the Income-tax Act, 1961	16,52,824	11,21,473	27,74,297
	b) Value of perquisites under Section 17(2)of the Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under Section 17(3)of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as percentage of profit - others	- -	- -	- -
5.	Others	-	-	-
	<b>Total</b>	-	-	<b>27,74,297</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

NIL

**INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year	Refer Annexure I
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	Refer Annexure II
3.	The percentage decrease in the median remuneration of employees in the financial year.	16.33%
4.	The number of permanent employees on the rolls of Company.	180
5.	The explanation on the relationship between average increase in remuneration and Company performance.	The decrease in remuneration is due to decrease in variable pay and due to various other factors like individual performance vis-à-vis industry trends, economic situation etc. The Board believes that it is in line with industry.

6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	The decrease in remuneration is due to decrease in variable pay and due to various other factors like individual performance vis-à-vis industry trends, economic situation etc. The Board believes that it is in line with industry.									
7.	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies.	<table border="1"> <thead> <tr> <th></th> <th>31<sup>st</sup> March, 2018</th> <th>31<sup>st</sup> March, 2017</th> </tr> </thead> <tbody> <tr> <td>Market Capitalisation</td> <td>Rs. 62.25 Crores</td> <td>Rs. 77.56 Crores</td> </tr> <tr> <td>PE Ratio</td> <td>21.99</td> <td>17.51</td> </tr> </tbody> </table> <p>Percentage increase in market quotations over last IPO price: Public issue of equity shares was done in October, 2013 at a price of Rs. 61 per share. In comparison, the market price was lower by 15.66% as at 31<sup>st</sup> March 2018.</p>		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	Market Capitalisation	Rs. 62.25 Crores	Rs. 77.56 Crores	PE Ratio	21.99	17.51
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017									
Market Capitalisation	Rs. 62.25 Crores	Rs. 77.56 Crores									
PE Ratio	21.99	17.51									
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>a) Percentage increase in salaries of managerial personnel at 50th percentile is: - 5%</p> <p>b) Percentage increase in salaries of non managerial personnel at 50th percentile is : - 15.53%</p> <p>The increase in remuneration is not solely based on Company performance but also includes various other factors like individual performance vis-à-vis industry trends, economic situation, future growth prospects etc. The Board believes that the increase is in line with industry.</p>									
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	The individual remuneration of the Key Managerial Personnel is not directly comparable against the performance of the Company. As stated in 8 above, the salary increases are a function of various factors like individual performance vis-à-vis industry trends, economic situation, future growth prospects etc. besides Company performance. There are no exceptional circumstances for increase in the key managerial remuneration.									
10.	The key parameters for any variable component of remuneration availed by the directors	Not Applicable									
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable									
12.	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration to employees of the Company is as per the remuneration policy of the Company.									

13.	<p>Statement showing the name of every employee of the company, who -</p> <p>(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;</p> <p>(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;</p> <p>(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the Company.</p>	Please Refer Annexure III
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\* The percentage increase in the median remuneration of employees has been calculated after excluding Managing Director's remuneration.

#### Annexure I :

Sr. No.	Name of Director	Ratio of remuneration of each Director to the median remuneration of the employees of the Company
1.	Mr. J. P. Dange	0.34
2.	Dr. Pradeep Bavadekar	18.20
3.	Mrs. Archana Lakhe	0.47
4.	Ms. Maya Sinha	0.29
5.	Mr. Subodh Kumar	0.03
6.	Mr. Aniruddha Joshi	0.32
7.	Mr. Chiman Deshmukh	0.21

## Annexure II :

Sr. No.	Name of Director/KMP	Designation	% Increase/(Decrease) in the Remuneration (Including sitting fees paid to the Directors)
1.	Mrs. Maya Sinha	Director	38%
2.	Dr. Pradeep Bavadekar	Managing Director & KMP	2%
3.	Mr. Chiman Deshmukh	Director	-20%
4.	Mr. Jagannath Dange	Director	0%
5.	Mr. Aniruddha Joshi	Director	-25%
6.	Mrs. Archana Lakhe	Director	-5%
7.	Mr. Subodh Kumar	Director	-83%
8.	Mr. Ram Mapari	KMP	20%
9.	*Mr. Abhijeet Modak (refer note below)	KMP	Not Applicable

\*Note : He was appointed during the year ended 31<sup>st</sup> March, 2018.

## Annexure III :

Sr. No.	General Information	
1.	Name of the employee	Dr. Pradeep Bavadekar
2.	Designation	Managing Director
3.	Remuneration received	Rs. 85,06,585/-
4.	Nature of employment	Regular Employee
5.	Qualification and Experience of the employee	He holds a Masters of Business Administration in Marketing Management and a Ph. D. in Business Administration from University of Pune. He has over 32 years of work experience in the field of manufacturing, sales & marketing, management and technical consultancy.
6.	Date of commencement of employment	02.04.1995
7.	Age	61 years
8.	Last employment	Mega Fibre Private Limited as Managing Director
9.	Percentage of equity shares held by the employee	4.63%
10.	Whether any such employee is relative of any Director and if so name of such Director	-

On behalf of the Board of Directors

Place : Pune  
 Date : 17<sup>th</sup> July, 2018

Sd/-  
**J. P. Dange**  
 Chairman  
 (DIN 03056226)

## FORM NO. AOC -2

**Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

### Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	MITCON Foundation MITCON Foundation is a charitable trust promoted by the Company and shareholders of the Company as on 31.03.2013 are the members of the trust. Two Directors of the Company are the trustees of MITCON Foundation.
2.	Nature of contracts/ arrangements/ transaction	Leave License Agreement for taking 28 Classrooms on Rent at the Balewadi Premises of MITCON Foundation to run MITCON Center for CSR and Skill Development.
3.	Duration of the contracts/ arrangements/ transaction	11 months and to be renewed from time to time.
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>Monthly Rent: Rs. 5,60,000/- plus Service Tax as may be applicable from time to time.</p> <p>Monthly rent payment date: The Rent shall be payable on or before the Seventh day of every succeeding month.</p> <p>Monthly maintenance charges: Payable by the Company at actuals and also the charges for water consumption and electricity housekeeping, security at actual etc.</p> <p>Property Taxes: The Property taxes are borne by MITCON Foundation</p> <p>During the Financial Year 2017-18, the Company made payment of Rs. 23,00,448/- towards rent and expenses for housekeeping, electricity, security etc.</p>

5.	Justification for entering into such contracts or arrangements or transactions'	The Company is conducting Skill Based Training Programmes in rented premises at Agriculture College Campus. In view of the increasing demand for skill based training and non-availability of required space in our office at agriculture college campus, the management of the Company had been looking for some good office premises for long term use. Management also decided to go for long term lease/license rather than purchasing the premises. Considering the requirements of the Company, the management thought fit to take the classrooms on rent from MITCON Foundation available at its Balewadi premises since, the infrastructure at Balewadi Premises is as per the requirements of educational institutions.
6.	Date of approval by the Board	30 <sup>th</sup> December, 2013. The Audit Committee and Board also approved renewal of said Leave and License Agreement in their respective meetings held on 10 <sup>th</sup> November, 2017.
7.	Amount paid as advances, if any	Not Applicable.
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188.	11 <sup>th</sup> August, 2014.

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	MITCON Megaskill Centers Private Limited It is an associate company of MITCON Consultancy & Engg. Services Ltd. MITCON is holding 26 % equity shares in the said company.
2.	Nature of contracts/ arrangements/ transaction	MITCON had provided Bank Guarantee of Rs. 12,72,47,200/- and Performance Security of Rs. 1,00,48,000/-
3.	Duration of the contracts/ arrangements/ transaction	It was purely a temporary arrangement. Bank Guarantee of Rs. 12,72,47,200/- and Performance Security of Rs. 1,00,48,000/- were arranged by MITCON till the time same are arranged by CMC Skills Pvt. Ltd.
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Bank Guarantee of Rs. 12,72,47,200/- and Performance Security of Rs. 1,00,48,000/- was arranged as a temporary arrangement. The same were arranged by MITCON till the time same are arranged by CMC Skills Pvt. Ltd.

5.	Justification for entering into such contracts or arrangements or transactions'	<p>The SPV i.e. MITCON Megaskill Centers Pvt. Ltd. had received a work order from Jharkhand Skill Development Mission Society, Govt. of Jharkhand, Ranchi (JSDMS) to establish, operate and maintain Mega Skill Training Centre on PPP Mode for a period of 5 years. In order to undertake the said assignment, it was required to submit Mobilization Advance Bank Guarantee of Rs. 12,72,47,200/- and Performance Security of Rs. 1,00,48,000/- to JSDMS.</p> <p>The associate Company i.e. MITCON Megaskill Centers Pvt. Ltd. was newly formed and it was not having any financial track record, hence it was unable to arrange the requisite Bank Guarantee and Performance Security.</p> <p>The said Bank Guarantees provided by MITCON Consultancy was purely a temporary arrangement. Said Bank Guarantees have been released by JSDMS and cancelled by the Bank.</p>
6.	Date of approval by the Board	The said transactions were not approved by the Audit Committee and Board.
7.	Amount paid as advances, if any	Not Applicable
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Clear Maze Consulting Pvt. Ltd. Ms. Maya Sinha, is a common director in MITCON Consultancy & Engg. Services Ltd. and Clear Maze Consulting Pvt. Ltd.
2.	Nature of contracts/ arrangements/ transaction	<p>MITCON had provided a Bank Guarantee of Rs. 37,76,088/- in favour of Rajasthan Skill and Livelihoods Development Corporation (RSLDC). The Bank Guarantee was issued as a lead bidder by MITCON, for the work order received by consortium of Clear Maze Consulting Pvt. Ltd. and MITCON.</p> <p>In the interest of the Company and in order to reduce the financial exposure, the Company has withdrawn from assignment of Rajasthan Skill and Livelihoods Development Corporation (RSLDC) and had requested them to return the Bank Guarantee. The said Bank Guarantee has been returned by Rajasthan Skill and Livelihoods Development Corporation (RSLDC). Said Bank Guarantees have been released by JSDMS and cancelled by the Bank.</p>

3.	Duration of the contracts/ arrangements/ transaction	It was purely a temporary arrangement. The Bank Guarantee of Rs. 37,76,088/- provided by the MITCON Consultancy has been returned by RSLDC
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Bank Guarantee Rs. 37,76,088/- was arranged as a temporary arrangement.
5.	Justification for entering into such contracts or arrangements or transactions	<p>MITCON had provided a Bank Guarantee of Rs. 37,76,088/- in favour of Rajasthan Skill and Livelihoods Development Corporation (RSLDC). The Bank Guarantee was issued as a lead bidder by MITCON, for the work order received by consortium of Clear Maze Consulting Pvt. Ltd. and MITCON.</p> <p>In the interest of the Company and in order to reduce the financial exposure, the Company has withdrawn from assignment of Rajasthan Skill and Livelihoods Development Corporation (RSLDC) and had requested them to return the Bank Guarantee. The said Bank Guarantee has been returned by Rajasthan Skill and Livelihoods Development Corporation (RSLDC).</p> <p>The said financial assistance provided by MITCON Consultancy was purely a temporary arrangement.</p> <p>The said bank guarantee has been released by the RSLDC and cancelled by the Bank.</p>
6.	Date of approval by the Board	The said transactions were not approved by the Audit Committee and Board.
7.	Amount paid as advances, if any	Not Applicable
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

On behalf of the Board of Directors

Place : Pune

Date : 17<sup>th</sup> July, 2018

Sd/-

**J. P. Dange**

Chairman

(DIN 03056226)

## CSR POLICY OF THE COMPANY

### 1. Preamble

At MITCON Consultancy & Engineering Services Limited (MITCON), we are committed for empowerment of society through our Social initiatives. MITCON always give thrust on developing young entrepreneurs and women empowerment.

### 2. Purpose

The key purpose of this policy is to :

- Define what CSR means to us and the approach adopted to achieve our goals
- Define the kind of projects that will come under the ambit of CSR
- Identify broad areas of intervention in which the company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for partner implementation agencies
- Explain the manner in which the surpluses from CSR projects will be treated

### 3. Policy Statement

The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with MITCON's vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

### 4. Scope of CSR activities in MITCON

As a practice, we classify only those projects that are over and above our normal course of business as CSR. This policy will apply to all our CSR activities/projects and it will be further reviewed and updated.

#### Normal Course of Business

MITCON provides corporate solutions in power generation, energy efficiency, renewable agency, environmental management, banking and finance, infrastructure etc. We also conduct vocational and IT trainings. As a company, we are committed to providing quality services to our customers, creating economic value for all our shareholders, and we assign high priority to ensuring that we fulfill all regulatory requirements.

#### MITCON's CSR Focus in line with Schedule VII of the Companies Act, 2013:

#### MITCON will undertake its CSR activities in the following broad areas:

- 1) Promoting education including special education
- 2) Promoting preventive health care and sanitation and making available safe drinking water
- 3) Eradicating hunger, poverty and malnutrition
- 4) Promoting education, gender equality and empowering women
- 5) Ensuring Environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water
- 6) Measures for the benefit of armed forces veterans, war widows and their dependents
- 7) Rural Development Projects

#### Appointment of outside agency:

MITCON can implements its CSR activity in any of the above mentioned areas through independently registered non-profit organisations.

## 5. CSR Budget & Schedule of implementation

The total budget for the CSR projects will be decided by the CSR Committee. The CSR committee will be responsible for preparing a detailed plan on CSR activities, including the expenditure, the type of activities, roles and responsibilities of various stakeholders and a monitoring mechanism for such activities. The same will be recommended to the Board.

In terms of the provisions of the Companies Act, 2013, the Company may spend up to five percent of the total CSR expenditure on the salaries to be paid to the staff of the Company who are involved in implementation of the CSR activities of the Company or on any other administrative overheads related to implementation of the CSR activities.

Any unutilized portion of CSR budget shall be reported annually as per the provisions of the Companies Act, 2013.

## 6. Governance Structure

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

### Board-level CSR Committee

At MITCON, our CSR governance structure will be headed by the Board Level CSR committee that will be ultimately responsible for the CSR projects undertaken. The committee will report to our Board of Directors.

### Members as on 31<sup>st</sup> March, 2017

- Mr. Aniruddha Joshi
- Dr. Pradeep Bavadekar
- Mr. Subodh Kumar
- Mrs. Archana Lakhe

### Responsibilities of the CSR Committee

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company.

### Reporting to CSR Committee

The Chief Financial Officer and Company Secretary will report the CSR activities undertaken to the CSR Committee from time to time.

## 7. Treatment of Surplus

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

## ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with MITCON's vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

**The Company undertakes its CSR activities in the following broad areas:**

- 1) Promoting education including special education
- 2) Promoting preventive health care and sanitation and making available safe drinking water
- 3) Eradicating hunger, poverty and malnutrition
- 4) Promoting education, gender equality and empowering women
- 5) Ensuring Environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water
- 6) Measures for the benefit of armed forces veterans, war widows and their dependents
- 7) Rural Development Projects

2. The Composition of the CSR Committee.

The Board had constituted this committee in Compliance with the provisions of the Companies Act, 2013 in the Board meeting held on 30<sup>th</sup> May, 2014.

**The terms of reference of the CSR Committee is as follows:**

- (a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- (b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) To monitor the Corporate Social Responsibility Policy of the company from time to time.
- (d) To prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

As on 31<sup>st</sup> March 2018, the CSR Committee comprised of the following

Name of the member	Category
Mr. Aniruddha Joshi (Chairman)	Non Executive-Independent
Dr. Pradeep Bavadekar (Member)	Managing Director
Mr. Archana Lakhe	Non Executive-Independent
Mr. Subodh Kumar	Non Executive Director

3. Average net profit of the company for last three financial years.  
Rs. 6,68,46,396/-
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)  
Rs. 13,36,928/-
5. Details of CSR spent during the financial year.
  - Total amount to be spent for the financial year: Rs. Nil
  - Amount unspent, if any: Rs. 13,36,928/-
  - Manner in which the amount spent during the financial year is detailed below.

c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project Or Activity identified.	Sector in which the Project is covered	Projects Or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program. (2) Overheads :	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
NIL							

6. The reasons for not spending the two percent of the average net profit of the last three financial years or any part thereof,  
  
During the year under review, the Company was in search for adoption of long term CSR programmes/ projects and was also unable to find suitable implementing agencies and also.
7. This is to confirm that during the Financial Year 2017-18, the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-  
**Dr. Pradeep Bavadekar**  
 Managing Director  
 (DIN 00879747)

Sd/-  
**Aniruddha Joshi**  
 Chairman of CSR Committee  
 (DIN 00122117)

Place : Pune  
 Date : 17<sup>th</sup> July, 2018

## NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 52 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and Other Employees has been formulated by the Nomination and Remuneration Committee (Hereinafter referred to as NRC or the Committee) and has been approved by the Board of Directors.

The Nomination and Remuneration Policy of MITCON Consultancy & Engineering Services Limited (the “Company”) is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

### Definitions:

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961 and other statutory benefits;

“**Key Managerial Personnel**” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“**Senior Managerial Personnel**” means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all functional heads or Head of the Divisions.

### Applicability

This Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

### Guiding principle

The guiding principle is that the nomination, terms of employment and remuneration should effectively help in attracting and retaining committed and competent personnel.

While designing remuneration packages, industry practices and cost of living are also taken into consideration.

### Nomination :

#### A) Directors

The appointment of the Non-Executive and Independent Directors are subject to the recommendation of NRC and approval of the Board of Directors and Shareholders. The Company shall comply provisions of the Companies Act, 2013 and rules framed thereunder for appointment of the Managing Director, Executive Director and Independent Directors.

#### B) KMP

Appointment and removal of KMP are subject to the approval of the NRC and the Board of Directors.

### **C) Senior Management**

The Managing Director is authorised to make appointment and removal of senior management personnel. The same will be reported to the Board in the next Board Meeting.

### **D) Other employees:**

Other employees will be appointed by the Managing Director from time to time.

### **Remuneration :**

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

### **Reward principles and objectives**

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

### **A) Non-Executive Directors**

As per the Policy followed by the Company since inception the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. Presently sitting fee is Rs. 10,000/- per meeting of the Board or any Committee thereof.

### **B) Managing Director**

Remuneration of Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Managing Director, the NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company. The term of office and remuneration of Managing Director are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act from time to time.

The Managing Director's remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity etc. as per Rules of the Company.

The Managing Director is also entitled to customary non-monetary benefits such as company car, health care benefits, leave travel, communication facilities, etc.

### **C) Employees**

Remuneration of other employees is decided by the Managing Director, where applicable, broadly based on the Remuneration Policy of the Company. Total remuneration comprises of :

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.

2. **Perquisites** – in the form of dearness allowance, house rent allowance, conveyance allowance, medical allowance, leave travel allowance, reimbursement of telephone expenses incurred for business of the Company and other benefits as per the Company's policy.
3. **Retirement benefits** - Contribution to PF and gratuity as per Company Rules.
4. **Motivation /Reward** - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by the Managing Director based on the appraisal and recommendation of the concerned Head of Department, Chief Financial Officer and Human Resources Head, where applicable.
5. **Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

### **Evaluation**

The Committee shall carry out evaluation of performance of Directors and KMP yearly or at such intervals as may be considered necessary. Managing Directors shall carry out evaluation of performance of the Senior Management Personnel as per the Company's policy and report to the Committee.

### **Disclosure of information**

Information on the total remuneration of members of the Company's Board of Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

### **Application of the Remuneration Policy**

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

Any departure from the policy can be undertaken only with the approval of the Board of Directors.

### **NRC MEETINGS**

The meetings of NRC will be governed by the provisions of the Companies Act, 2013, Rules made thereunder and Listing Agreement as may be applicable from time to time.

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

### **Dissemination**

This Policy shall be published on website of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Consultancy is a process which involves consultants, whether self-employed or employed, individually or collectively using their knowledge, experience and analytical and/or problem-solving skills to add value to organisations for improvement in their existing operational, financial or marketing efficiency and/or for their expansion plans.

#### Types of Consultancies :

Consultancy industry cover a very broad gamut of services which range from being financial, technical to management consultancy and thus can be categorized on basis of various factors such as services provided, sectors catered to, management approaches etc.

Consultancy can be broadly divided into two major categories:

(i) Management (or Risk) Consultancy & (ii) Engineering Consultancy.

#### (i) Management Consultancy

Management consultancy includes providing advice and assistance relating to strategy, structure, management and operations of an organisation in pursuit of its long-term purposes and objectives. Such assistance may include the identification of options with recommendations; the provision of an additional resource and/or the implementation of solutions.

#### Effective management consulting has following roles:

- Responding to a client's request for information
- Providing solutions to specific problems
- Giving an in-depth, accurate diagnosis
- Presenting a program of recommended corrective actions
- Implementing changes; building consensus and commitment
- Facilitating client learning
- Enhancing organizational effectiveness

#### (ii) Engineering Consultancy

Engineering consultancy majorly involves project related technical assistance to organisations for existing or upcoming projects. These services range from project evaluation and feasibility study, design engineering to project management up to commissioning.

### **Consultants – Scope of work**

Consultancy projects have varied completion periods and can last a few hours, months or even several years depending on the nature of the advice and the demands of the client. They can involve the consultant in just providing advice or they can involve the consultant in completing the implementation.

### **Consultant service providers could be any of the following :**

- Free lancers or individual Consultants
- Consulting Firms including bodies corporates
- Academic/R&D Institutions
- Professional Bodies

### **Consultancy – Global Scenario**

The origin of consultancy services may be traced back to mid 18<sup>th</sup> century, a phase which was marked with unprecedented commercial growth, in countries like America coupled with unprecedented business risk. This had emerged necessity for help from external organizations to improve their performance, primarily through the analysis of existing organizational problems and development of plans for improvement as well as expansion.

As a business service, consulting remains highly cyclical and linked to overall economic conditions. Global management consulting sector has grown quickly, with growth rates of the industry exceeding 20% in the 1980s and 1990s. The consulting industry shrank during the 2001-03 period, but grew steadily until the recent economic downturn in 2009. Since then the market has stabilized. (Source: CARE research)

### **Consultancy services in Indian Scenario**

Over the years, as the Indian industry started maturing, the Indian consulting industry also started expanding, not only in terms of size, but also in terms of the service offerings. Over the period, specialist consulting advice was being sought by clients in India and this opened the opportunity for a number of specialist organizations to draw on their specialist knowledge base and resources to meet the demand for specialist consulting services.

Indian consultancy story marked its existence more than two decades ago. Economic reforms, increased global integration leading to rapid growth of the companies which resulted in higher complexity and stiff competition from multinational players. This fuelled the need for specialised consultancy firms to provide services to cater to the complex business needs in the form of corporate advisory, human resource management, feasibility studies, IT advisory, organizational restructuring etc.

Major strengths of Indian consultancy organizations include professional competence, low cost structure, diverse capabilities, high adaptability and quick learning capability. Their weaknesses include low quality assurance, little presence overseas and lack of global market intelligence. Capabilities of Indian consultants are strong in several areas which include civil engineering and construction, telecommunication, power, metallurgy, chemical, petrochemicals and IT.

## OPPORTUNITIES AND THREATS

Your Company believes that going forward the demand for specialized services catering towards sectors such as healthcare, education, renewable energy and infrastructure segment will prominently have better prospects. India, being one of the fastest growing country and under-penetrated market, it offers lot of opportunities for the consulting players once the economic cycle revives. CARE Research thus expects the consultancy industry to grow at CAGR of 8-10 % over next 5 years. (Source: CARE Research).

The major threat to Indian Consulting Organisation is from International firms since they are larger in size and operate across countries which give them market access to tap the market for consulting business. However Indian consulting organisations are growing with great pace to compete with international organisations.

## SEGMENT WISE PERFORMANCE

The company's Primary Segments are

1. Consultancy and Training
2. Project Services
3. Wind Power Generation

Segment wise performance is as follows:

Particulars	Amt. in INR	
	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>Segment Revenue</b>		
Consultancy and Training	341,483,860	391,527,828
Project Services	238,139,007	44,154,588
Wind Power Generation	4,139,370	4,610,996
<b>Revenue from Operations</b>	<b>58,37,62,237</b>	<b>440,293,412</b>
<b>Segment Results :</b>		
Profit(+)/Loss(-) before tax and interest from each segment		
Consultancy and Training	(30,332,952)	(6,723,467)
Project Services	33,619,637	30,597,590
Wind Power Generation	413,289	2,181,001
<b>Total Segment result</b>	<b>3,699,974</b>	<b>26,055,124</b>

## OUTLOOK

Domestic consultancy sector is estimated to have grown in higher single digits over last few years. This growth was mainly driven by engineering consultancy which is comparatively more developed and dominated by domestic players as against management consultancy which is still in its nascent phase. However, in recent years due to rising presence of international consultancy players in India, the domestic players are facing stiff competition on various grounds such as quality, technology, economies of scale, brand value etc. As a result of this, recently the proposal conversion rate (i.e. the actual materialization rate) in the consulting space has fallen steeply from about an average of 50 per cent to 30-35 per cent, on account of slowdown in investments in India and increased competition.

The present slowdown in GDP growth and investments (as measured by ratio of gross fixed capital formation to GDP) has adversely impacted the consultancy sector as well. Due to economic slowdown companies are compelled to cut down on their expenses as well as postpone their capital expenditure. This resulted in a decline in demand for the consulting services and also increased competitive pressures on the players who are facing double edged sword of controlling the expenses on one end and competitive prices and bids for various projects on the other. Considering the weakness in the Indian market, some of domestic players are trying to explore overseas opportunities in emerging markets like South Asia and Africa to diversify across geographic areas.

The development of consultancy capabilities and business is directly proportional to growth in economic and industrial development. Due to the nature of the industry, getting accurate estimates of its size is difficult.

Overall industrial activity is expected to witness expansion in the Financial Year 2018-19 with improved demand across various segments.

- The government expenditure on infrastructure will be higher which will give an impetus to the industrial sector.
- Private sector investment is expected to grow especially on sectors pertaining to roads, ports and power.
- Consumer durables demand is likely to see an uptick in the second half of the fiscal year due to good monsoon forecast and farm harvest.
- Capital goods are expected to grow, albeit with a lag as private sector investment will eventually reflect in growth of this segment.
- The capacity utilisation of the industrial sector will increase gradually.

Collectively, all this will lead to better industrial output this fiscal.

## **RISK AND CONCERNS**

The following section discusses the various aspects of enterprise-wide risk management. Readers are cautioned that the risk related information outlined here is not exhaustive and is for information purpose only.

MITCON believes that risk management and internal control are fundamental to effective corporate governance and the development of a sustainable business. MITCON has a robust process to identify key risks across its operations and prioritize relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include :

### **i) Economic growth in India**

We are affected by general global and Indian economic conditions. India's GDP and economic conditions of the states in which we operate or intend to operate have been and will continue to be of importance in determining our operating results and future growth. The slowdown in the Indian economy has led to widespread reduction of business activity generally, which has affected the demand for consultancy services from manufacturing and infrastructure sectors.

### **ii) Government policies and budgetary allocations**

Our business and revenues are dependent on projects awarded by government authorities, including central,

state and local authorities and agencies and public sector undertakings (Government-owned companies). We are also dependent on the investment by the private sector in infrastructure and other sectors which are in turn linked to government policies relating to private sector participation and sharing of risks and returns. Any adverse changes in government policies and budgetary allocation could materially and adversely affect our revenues, growth or operations.

### **iii) Competition**

Our business is subject to intense price competition. We compete against various multi-national, national and regional companies. Our competition varies depending on the size, nature and complexity of the assignment and on the geographical region in which the assignment is to be executed. Clients generally award assignments to consultancy companies with experience, technical ability, past performance, reputation for quality, safety record and the size of previous assignments executed. Additionally, while these are important considerations, price is a major factor in sourcing most of the assignments.

### **iv) Ability to attract, recruit and retain skilled personnel**

Our results of operations depend largely on our ability to retain the continued service of our skilled personnel who have specific sector knowledge, understand the services we offer and can execute complex assignments. We also need to recruit and train sufficient number of suitably skilled personnel, particularly in view of our continuous efforts to grow our business and maintain client relationships. There is significant competition for management and other skilled personnel in our industry. The loss of any of the members of our senior management or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business and results of operations.

### **v) Client Relationships**

Our results of operations depend largely on the number of our client relationships, our ability to maintain the relationships and grow our share of clients' business by providing consultancy services, innovative business solutions and timely execution. We believe successfully developing new client relationships and maintaining existing client relationships, are critical for growing our business and consequently our results of operations.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal control systems play a crucial role in the health of a Company in every industry. An effective system of internal control is a backbone, necessary for building, maintaining and improving shareholders confidence and value as well as helps to enhance the overall quality of the business and the enterprise.

The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business. The Company also has internal control system for speedy compilation of accounts and Management Information Reports and to comply with applicable laws and regulations.

The Company has also formed an Audit Committee. Audit Committee reviews with the management

adequacy and effectiveness of the internal control system and internal audit functions. Besides the above, Audit Committee is actively engaged in overseeing financial disclosures.

## **FINANCIAL RESULTS AND RESULTS OF OPERATIONS**

In the year under review, the Company achieved a gross turnover of Rs. 6236.81 Lakhs (previous year 4701.48 Lakhs) which represents 32.64 % increase over the previous year. Profit After Tax is Rs. 282.67 Lakhs (Previous year 442.43 Lakhs).

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis.

## **HUMAN RESOURCES & INDUSTRIAL RELATIONS**

Your Company believes that Human Resources of the Company is its core strength. The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels.

With the changing and turbulent business scenario, the Company's basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels, motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities.

In order to keep the employees skill, knowledge and business facilities updated, ongoing in house and external training is provided to the employees at all levels. The effort to rationalize and streamline the work force is a continuous process. The industrial relations scenario remained harmonious throughout the year. As on March 31, 2018, the Company had 181 full time employees.

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
MITCON Consultancy & Engineering Services Limited  
Kubera Chambers,  
Shivaji Nagar,  
Pune - 411005  
CIN : L74140PN1982PLC026933

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MITCON Consultancy & Engineering Services Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013, The Companies Amendment Act, 2017 (the Act) and the rules made thereunder (in so far as they are made applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**not applicable to the company during the audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during audit period)**;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during audit period)**;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued **(not applicable to the Company during audit period)**;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during audit period)**; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during audit period)**;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (i) Trade Mark Act 1999 and the Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India' and
- (ii) The Listing Agreement entered into by the Company with the National Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that :

*Company has provided Bank guarantees on behalf of related party to the Jharkhand Skill Development Mission Society (Government of Jharkhand) and Rajasthan Skill and Livelihood Development Corporation (Government of Rajasthan) which were placed subsequently before the audit committee and the Board, however the same were not approved by the audit committee and the Board.*

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and

for meaningful participation at the meeting and in case of shorter notice for calling Board/Committee meetings and for sending Agenda, the consent of the directors including Independent Directors was obtained.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has the following specific events or actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above:

The Company has passed following special resolutions in Annual General Meeting held on 23<sup>rd</sup> August, 2017:

- a. For fixation of remuneration of Dr. Pradeep Bavadekar, Managing Director in case of inadequacy of profits or no profit;
- b. To consider and approve giving loans/guarantees or providing securities and/or making investment;
- c. To consider creation of charges/mortgages on the movable and immovable properties of the company, both present and future in the respect of borrowings

The Company has passed following special resolutions through postal ballot as declared on 27<sup>th</sup> December, 2017 :

- a. For Change in object for utilization of IPO proceeds:
- b. To Give Loans/Guarantees or providing securities and/or making investment;
- c. For creation of charges/mortgages on the movable and immovable properties of the company both present and future in respect of borrowings:

**Place : Pune**  
**Date : 17<sup>th</sup> July, 2018**

**For SVD & Associates**

**Sd/-**  
**Sridhar Mudaliar**  
**Partner**  
**FCS No. 6156**  
**C P No. 2664**

**Note :** This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

## 'ANNEXURE A'

To,  
The Members,  
MITCON Consultancy & Engineering Services Limited  
Kubera Chambers,  
Shivaji Nagar,  
Pune - 411005

Our Secretarial Audit Report of even date is to be read along with this letter.

### **Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

### **Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Pune  
Date : 17<sup>th</sup> July, 2018

**For SVD & Associates**

Sd/-  
**Sridhar Mudaliar**  
Partner  
FCS No. 6156  
C. P. No. 2664

## **M/S. JOSHI & SAHNEY**

Chartered Accountants

1913, SADASHIV PETH, NATU BAUG, PUNE -411030.

PHONES: 2447 1521, 2447 1699, 2447 1199 FAX: (020) 24478015 Email: josney72@gmail.com

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**

#### **Report on the Standalone Financial Statements :**

We have audited the accompanying standalone financial statements of MITCON Consultancy & Engineering Services Ltd. ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial statements :**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility :**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those

risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to the following matters in the Notes No.43 and No.44 to the financial statements:

- a) Note No.43 relating to issue of bank guarantee by the company on behalf of Mitcon Megaskill Centers Pvt. Ltd.(MMCPL) to Jharkhand Skill Development Mission Society (JSDMS), Government of Jharkhand against mobilization advance received by MMCPL from JSDMS. The guarantee issued by the company on behalf of MMCPL is currently outstanding and the status regarding company's financial exposure remains unchanged. In the event of any unforeseen invocation of bank guarantee, the company would face financial exposure which may extend maximum to the amount of bank guarantee issued i.e. INR 127,247,200/-.
- b) Note No.44- Regarding financial exposure of the company for pledge of investment in equity shares of Krishna Windfarms Developers Pvt. Ltd. (KWDPL) aggregating to face value of INR 58,800,000/-, issue of Corporate Guarantee on behalf of KWDPL of INR 420,000,000/- and inter-corporate loan to KWDPL of INR 225,309,605/- outstanding and interest thereon of INR 12,778,561/- receivable from KWDPL as on 31.3.2018

Our opinion is not modified in respect of the matters (a) and (b) above.

### **Report on Other Legal and Regulatory Requirements :**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act (hereinafter referred to as the 'Order') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described under Emphasis of Matter paragraph above in our opinion may have an adverse effect on the functioning of the company
- f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR JOSHI & SAHNEY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104359W

Sd/-

**H.M.JOSHI**  
PARTNER

Membership No. 031689

**Place: Pune**  
**Date: 29<sup>th</sup> May, 2018**

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(g) of the Independent Auditors' Report of even date to the members of MITCON Consultancy & Engineering Services Ltd. on the standalone financial statements for the year ended 31<sup>st</sup> March, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ('The Act').

- 1) We have audited the internal financial controls over financial reporting with reference to standalone financial statements of MITCON Consultancy & Engineering Services Ltd. ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

- 2) The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India(ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

- 3) Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to standalone financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to standalone financial statement was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls over Financial Reporting**

- 6) A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

- 7) Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

- 8) In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to standalone financial statements and such internal financial controls over financial reporting with reference to standalone financial statements were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR JOSHI & SAHNEY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104359W

Sd/-

**H.M.JOSHI**  
PARTNER

Membership No. 031689

Place : Pune  
Date : 29<sup>th</sup> May, 2018

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of the company on the standalone financial statements as of and for the year ended 31<sup>st</sup> March, 2018)

- i) In respect of its fixed assets:
  - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the company.
- ii) As the company does not have any inventory at the end of the year, the provisions of clause 3(ii) of the Order are not applicable to the company.
- iii) The company has not granted any loans, secured or unsecured to firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. The company has granted a loan to an Associate Company covered in the register maintained u/s 189 of the Act. (loan amount granted INR 226,445,879/- . At the end of the year, principal outstanding is INR 225,309,605/- and interest receivable thereon is INR 12,778,561/-.) As per the terms agreed with the Associate Company, repayment of principal amount and interest shall be done upon repayment of rupee term loan availed by the said Associate Company from another financial institution or on availability of cash surplus with Associate Company after repayment of rupee term loan and meeting all operational expenses. No interest has been recovered from the Associate Company during the year except the amount of Tax Deducted at Source on the said interest and deposited by the Associate Company.
- iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, in our opinion the company has not given any loans, guarantees or securities to any of its Directors or to any other persons in whom the Director is interested under provisions of Section 185 of the Act. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sec.186 of the Act in respect of loans and investments made by it.
- v) The company has not accepted any deposits from the public within the meaning of sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi) The Central Government has specified maintenance of cost records under Sec.148 (1) of the Act, applicable in respect of wind power generation activity of the company and we are of the opinion that prima facie such accounts and records are made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they were accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Value added Tax, Service Tax, Goods & Service Tax, Cess and other statutory dues have been regularly deposited with the appropriate authorities. As explained to us, the company did not have any dues on account of Sales Tax, duty of Customs and duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Value added Tax, Sales Tax, Service Tax, Goods & Service Tax, Cess, and other statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and the records of the Company, examined by us there are no dues of Sales Tax, Service Tax, duty of Custom, duty of Excise, Value added Tax and Cess as at 31st March 2018, which have not been deposited on account of any dispute.
- viii) The company has not availed of any loans or borrowings from financial institutions, bank or government. There are no debenture holders. Accordingly the provisions of Clause 3(viii) of the Order are not applicable to the company.
- ix) The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly the provisions of clause 3(ix) of the Order are not applicable to the company.
- x) Based upon the audit procedures performed and information and explanations given to us by the Management, we have neither come across any instance of fraud on or by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii) As the Company is not a nidhi company and the nidhi rules 2014 are not applicable to it, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii) The company has issued guarantees to Jharkhand Skill Development Mission Society (JSDMS) for mobilization advance INR 127,247,200/- and towards performance guarantee INR 10,048,000/- on behalf of Mitcon Megaskill Centers Pvt. Ltd. (Associate in which company holds 26% stake) and issued guarantee of INR 3,776,088/- to Rajasthan Skills & Livelihood Development Corporation (RSLDC) on behalf of Clear Maze Consulting Pvt. Ltd. (CMCPL) (company in which director of the company is a director and member). Issue of above guarantees requires approval / ratification of the Audit Committee u/s 177 and the Board of Directors / Shareholders u/s 188 of the Companies Act, 2013. *The Audit Committee and Board of Directors have for various reasons recorded in the Minutes of their respective meetings decided not to approve / ratify the said act of issue of guarantees by the company to JSDMS and RSLDC.*

Apart from the above, according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable. Details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the order are not applicable to the company.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the company.

**FOR JOSHI & SAHNEY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104359W

Sd/-

**H.M.JOSHI**  
PARTNER

Membership No. 031689

**Place : Pune**  
**Date : 29<sup>th</sup> May, 2018**

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**CIN - L74140PN1982PLC026933**  
**BALANCE SHEET AS AT 31<sup>st</sup> March, 2018**

Particulars		Note No.	As at 31 <sup>st</sup> March, 2018 INR	As at 31 <sup>st</sup> March, 2017 INR
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' Funds</b>			
	(a) Share Capital	2	121,000,000.00	121,000,000.00
	(b) Reserves and Surplus	3	809,112,568.00	795,633,914.00
			<b>930,112,568.00</b>	<b>916,633,914.00</b>
(2)	<b>Non-Current Liabilities</b>			
	(a) Deferred Tax Liabilities (Net)	4	12,439,670.00	13,750,725.00
	(b) Other Long Term Liabilities	5	1,854,103.00	2,716,603.00
	(c) Long Term Provisions	6	5,209,920.00	5,781,469.00
			<b>19,503,693.00</b>	<b>22,248,797.00</b>
(3)	<b>Current Liabilities</b>			
	(a) Trade Payables	7		
	i) Total outstanding dues to Micro Enterprises and Small enterprises		--	--
	ii) Total outstanding dues to creditors other than Micro Enterprises and Small enterprises		80,466,319.00	61,125,128.00
	(b) Other Current Liabilities	8	25,138,280.00	19,251,210.00
	(c) Short-Term Provisions	9	7,684,742.00	7,335,037.00
			<b>113,289,341.00</b>	<b>87,711,375.00</b>
	<b>Total</b>		<b>1,062,905,602.00</b>	<b>1,026,594,086.00</b>
<b>II</b>	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	10	205,650,411.00	223,050,299.00
	(ii) Intangible Assets	10	8,602,896.00	4,734,671.00
	(iii) Intangible Assets under development	-	--	6,009,727.00
			<b>214,253,307.00</b>	<b>233,794,697.00</b>
	(b) Non-Current Investments	11	59,185,123.00	59,140,200.00
	(c) Long Term Loans and Advances	12	316,611,052.00	34,996,640.00
	(d) Other Non-Current Assets	13	12,778,561.00	--
			<b>388,574,736.00</b>	<b>94,136,840.00</b>
(2)	<b>Current Assets</b>			
	(a) Current Investments	14	6,000,000.00	241,112,319.00
	(b) Trade Receivables	15	155,349,255.00	174,900,260.00
	(c) Cash and Bank Balances	16	247,169,972.00	190,435,145.00
	(d) Short-Term Loans and Advances	17	51,529,989.00	68,273,165.00
	(e) Other Current Assets	18	28,343.00	23,941,660.00
			<b>460,077,559.00</b>	<b>698,662,549.00</b>
	<b>Total</b>		<b>1,062,905,602.00</b>	<b>1,026,594,086.00</b>

See Accompanying Notes (1 To 46) Forming Integral Part of The Financial Statements

In terms of our report attached

**For Joshi and Sahney**  
 Chartered Accountants  
 Firm Reg. No. 104359W

Sd/-

**H. M. Joshi**  
 Partner  
 Mem. No. 031689

**For and on behalf of the Board**

Sd/-  
**Archana Lakhe**  
 Director  
 (DIN 07079209)

Sd/-  
**Dr. Pradeep Bavadekar**  
 Managing Director  
 (DIN 00879747)

Sd/-  
**Ram Mapari**  
 Chief Financial Officer  
 Date : 29<sup>th</sup> May, 2018  
 Place : Pune

Sd/-  
**Abhijeet Modak**  
 Company Secretary  
 M No.A36828

Date : 29<sup>th</sup> May, 2018  
 Place: Pune

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**CIN - L74140PN1982PLC026933**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Particulars		Note No.	For the year ended 31 <sup>st</sup> March, 2018 INR	For the year ended 31 <sup>st</sup> March, 2017 INR
I	Revenue from Operations	19	583,762,237.00	440,293,412.00
II	Other Income	20	39,865,910.00	29,854,928.00
III	<b>Total Revenue (I + II)</b>		<b>623,628,147.00</b>	<b>470,148,340.00</b>
IV	<b>Expenses:</b>			
	Operating Costs	21	325,625,059.00	132,389,920.00
	Employee Benefit Expense	22	119,997,835.00	142,573,571.00
	Finance Costs	23	7,724,507.00	565,282.00
	Depreciation Expense - Tangible Assets	10	18,857,583.00	19,793,607.00
	Amortization Expense - Intangible Assets	10	6,369,003.00	4,094,508.00
	Other Expenses	24	104,880,258.00	113,561,901.00
	<b>Total Expenses</b>		<b>583,454,245.00</b>	<b>412,978,789.00</b>
V	Profit Before exceptional and extraordinary items & Tax (III-IV)		40,173,902.00	57,169,551.00
VI	Extraordinary items (ref note no. 40)		4,332,525.00	1,824,781.00
VII	Profit Before Tax (V - VI)		35,841,377.00	55,344,770.00
VIII	Tax Expense:			
	(1) Current Tax		9,100,000.00	18,150,000.00
	(2) Deferred Tax Liability / (Asset) (Net)		(1,311,055.00)	(2,780,927.00)
	(3) Excess provision for Taxation of Earlier years		(214,676.00)	(4,267,464.00)
			<b>7,574,269.00</b>	<b>11,101,609.00</b>
IX	<b>Profit for the Year</b>		<b>28,267,108.00</b>	<b>44,243,161.00</b>
X	Earnings per equity share (Face value INR. 10/-)			
	Basic		2.34	3.66
	Diluted		2.34	3.66

See Accompanying Notes (1 To 46) Forming Integral Part of The Financial Statements

In terms of our report attached  
**For Joshi and Sahney**  
Chartered Accountants  
Firm Reg. No. 104359W

Sd/-  
**H. M. Joshi**  
Partner  
**Mem. No. 031689**

**For and on behalf of the Board**

Sd/-  
**Archana Lakhe**  
Director  
(DIN 07079209)

Sd/-  
**Ram Mapari**  
Chief Financial Officer

Sd/-  
**Dr. Pradeep Bavadekar**  
Managing Director  
(DIN 00879747)

Sd/-  
**Abhijeet Modak**  
Company Secretary  
**M No.A36828**

Date : 29<sup>th</sup> May, 2018  
Place: Pune

Date : 29<sup>th</sup> May, 2018  
Place : Pune

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**CIN - L74140PN1982PLC026933**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Particulars	Year ended 31 <sup>st</sup> March, 2018		Year ended 31 <sup>st</sup> March, 2017	
	INR	INR	INR	INR
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax:</b>		35,841,377.00		55,344,770.00
Adjustments for:				
Depreciation & Amortisation	25,226,586.00		23,888,115.00	
Finance Costs	7,724,507.00		565,282.00	
Loss on sale of fixed assets	72,821.00		58,783.00	
Provision for diminution in value of investment	32,077.00		- -	
Interest income	(29,155,335.00)		(20,874,421.00)	
Gain on Redemption of Mutual Funds	(24,348.00)		(231,317.00)	
Dividend Income	- -	38,76,308.00	(5,526,864.00)	(2,120,422.00)
Operating profit before Working Capital changes		<b>39,717,685.00</b>		<b>53,224,348.00</b>
<b>Adjustments for changes in Working capital :</b>				
Long term Loans and advances	(56,304,807.00)		(7,301,496.00)	
Other non-current assets	- -		232,218,974.00	
Inventories	- -		512,232.00	
Trade Receivables	19,551,005.00		(991,961.00)	
Short term Loans and advances	4,671,768.00		462,761.00	
Other current assets	23,913,317.00		(23,929,163.00)	
Other long term liabilities	(862,500.00)		(27,500.00)	
Long term Provisions	(571,549.00)		172,959.00	
Trade Payables	19,341,191.00		13,770,019.00	
Other current liabilities	5,887,070.00		4,537,963.00	
Short term Provisions	349,705.00	15,975,200.00	4,588,535.00	224,013,323.00
Cash generated from operations		<b>55,692,885.00</b>		<b>277,237,671.00</b>
Income taxes paid / (refund) [Net]		(3,186,084.00)		21,671,386.00
<b>Net Cash flow from Operating Activities</b>		<b>58,878,969.00</b>		<b>255,566,285.00</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
<b>Fixed Assets:</b>				
Purchase of Fixed Assets	(6,466,607.00)		(6,139,879.00)	
Sale proceeds of Fixed Assets	109,666.00		52,041.00	
<b>Investments:</b>				
Purchase of Investment - Non Current	(77,000.00)		(280,267,630.00)	
Purchase of Investment - Current	- -		(35,126,352.00)	
Loan to Associate and interest thereon	(238,088,166.00)			
Sale proceeds - Current	235,136,667.00		101,002,223.00	
Interest income	29,155,335.00		20,874,421.00	
Dividend Income	- -		5,526,864.00	
<b>Net Cash from / (used) in investing activities</b>		<b>19,769,895.00</b>		<b>(194,078,312.00)</b>

<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Receipt of Grant and interest thereon	1,255,109.00		1,691,188.00	
	Refund of Grant	(881,364.00)		- -	
	Finance Cost	(7,724,507.00)		(565,282.00)	
	Dividend & tax on Dividend paid	(14,563,275.00)		(14,563,275.00)	
	<b>Net Cash flow from/(used) in financing activities</b>		(21,914,037.00)		(13,437,369.00)
<b>D</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		56,734,827.00		48,050,604.00
	Cash and Cash Equivalents (Opening balance)		<b>190,435,145.00</b>		<b>142,384,541.00</b>
	Cash and Cash Equivalents (Closing balance)		<b>247,169,972.00</b>		<b>190,435,145.00</b>

Notes :

- 1) Figures in brackets represent outflows of cash and cash equivalents.
- 2) Cash and cash equivalents comprise of :

	<b>As at 31<sup>st</sup> Mar, 2018 INR</b>	<b>As at 31<sup>st</sup> Mar, 2017 INR</b>
<b>Cash and cash equivalents</b>		
Cash on hand	529,636.00	688,132.00
Cheques, drafts on hand	870,287.00	2,655,217.00
<b>Balance with Bank</b>		
Balances with banks (including deposits with less than 3 months maturity)	79,960,440.00	115,236,317.00
<b>Other bank balances</b>		
- Deposits with maturity of more than three months but less than 12 months	95,033,671.00	7,512,701.00
- Margin Money for Bank Guarantees	69,545,057.00	63,343,915.00
- Earmarked balances	1,230,881.00	998,863.00
<b>Total</b>	<b>247,169,972.00</b>	<b>190,435,145.00</b>

In terms of our report attached  
**For Joshi and Sahney**  
 Chartered Accountants  
 Firm Reg. No. 104359W

Sd/-  
**H. M. Joshi**  
 Partner  
 Mem. No. 031689

**For and on behalf of the Board**

Sd/-  
**Archana Lakhe**  
 Director  
 (DIN 07079209)

Sd/-  
**Dr. Pradeep Bavadekar**  
 Managing Director  
 (DIN 00879747)

Sd/-  
**Ram Mapari**  
 Chief Financial Officer

Sd/-  
**Abhijeet Modak**  
 Company Secretary  
 M No.A36828

Date : 29<sup>th</sup> May, 2018  
 Place: Pune

Date : 29<sup>th</sup> May, 2018  
 Place : Pune

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES :**

**1.1 Basis of preparation of financial statements :**

- a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention. The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013.
- b) The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except for those items with significant uncertainties.

**1.2 Revenue Recognition :**

- a) Revenue from Consultancy / Project Services / Incubation / Environment Laboratory Services is recognised as per the terms of the specific contracts / work orders.
- b) Revenue from training programs is accounted as follows:
  - i) Fees from the participants are accounted based on percentage completion of tenure of training program.
  - ii) Revenue from Government sponsored training programs is recognized on completion of training program.
  - iii) Revenue from training activities conducted on behalf of Maharashtra Knowledge Corporation Limited (MKCL), being not reasonably determinable, is recognised on receipt basis (See note 35).
- c) Revenue from Wind energy generation is recognised based on units generated.(Net of rebate)
- d) Interest income is recognised on a time proportion basis.
- e) Dividend income is recognised only when the company's right to receive the dividend is established.

**1.3 Use of Estimates :**

Estimates and assumptions used in the preparation of the financial statements are based on management's evaluation of the relevant facts and circumstances as of date of the Financial Statements, which may differ from the actual results at a subsequent date. Any revision to accounting estimates is recognized prospectively in current and future period.

**1.4 Property, Plant & Equipment and Intangible Assets :**

- i) The company has adopted Cost Model to measure the gross carrying amount of fixed assets.
- ii) Tangible Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.
- iii) Intangible assets are stated at the consideration paid for acquisition and customisation thereof less accumulated amortisation.
- iv) Cost of fixed assets not ready for use before the balance sheet date is disclosed as Capital Work in Progress.
- v) Cost of Intangible Assets not ready for use before the balance sheet date is disclosed as Intangible Assets under Development.

### 1.5 Depreciation / Amortisation :

- a) Depreciation on tangible fixed assets has been provided on straight line method over the estimated useful life of the asset in the manner prescribed in Schedule II of the Companies Act, 2013, except in the case of Wind Turbine Generator which is depreciated over 20 years as per technical evaluation by manufacturer.
- b) Intangible asset being cost of Software capitalised is amortised over a period of three years.

### 1.6 Impairment of Assets :

An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior period is reversed if there has been a change in the estimate of the recoverable amount.

### 1.7 Government Grants :

Government grants in the nature of promoters' contribution are credited to Capital Grants under Reserves and Surplus and treated as a part of shareholders' funds. Utilisation thereof is as per covenants of grants received.

Such grants are reduced to the extent of utilisation thereof and depreciation charged and loss on sale or discard of fixed assets purchased there from. Further interest from investment of unutilised Grants / interest on loan disbursed to incubatee are added to respective Grants.

Balance remaining in the Grant after completion of its intended purpose, is transferred to General Reserve.

### 1.8 Operating Lease :

Operating lease payments are recognized as an expense in the Statement of Profit and Loss.

### 1.9 Investments :

- i) Long term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.
- ii) Current investments are stated at lower of cost or market value. The determination of carrying amount of such investment is done on the basis of specific identification.

### 1.10 Retirement Benefits :

- a) Short Term Employee Benefits :

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

- b) Employment Benefits:

- i) Defined Contribution Plans:

The company has Defined Contribution Plans for post employment benefit in the form of Provident Fund / Pension Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund / Pension Fund are classified as defined contribution plans as the company has no further obligation beyond making contributions. The company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

ii) Defined Benefit Plans:

a) Funded Plan:

The company has defined benefit plan for post employment benefit in the form of gratuity for the employees which are administered through Life Insurance Corporation of India. Liability for the said defined plan is provided on the basis of valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

b) Non Funded Plan:

The company has defined benefit plan for the employment benefit in the form of leave encashment for the employees. Liability for above defined benefit plan is provided on the basis of the valuation as at the Balance Sheet date carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

iii) The actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss for the year without resorting to any amortization.

### 1.11 Income Tax :

a) Current Taxation:

Provision for current tax is made on the basis of taxable profits computed for the current accounting period in accordance with Income Computation and Disclosure Standards as notified under section 145 (2) of the Income Tax Act, 1961.

Provision is made for income Tax annually, based on the tax liability computed after considering tax allowances and exemptions.

b) Deferred Tax :

Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date.

### 1.12 Earnings Per Share :

Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

### 1.13 Foreign Currency Transaction :

a) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Exchange Differences:

Exchange differences arising on the settlement of foreign currency transactions are recognised as income or as expense in the year in which they arise.

**1.14 Provisions, Contingent Liabilities and Contingent Assets :**

**Provisions** are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past event,
- b) a probable outflow of resources is expected to settle the obligation; and
- c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

**Contingent Liability** is disclosed in case of

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations;
- b) a present obligation arising from past events, when no reliable estimate is possible; and
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

**Contingent Assets** are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance sheet date.

**1.15 Segment Reporting :**

The company identifies primary segments based on the dominant source, nature of risks, returns and the internal organization structure. The operating segments are the segments for which separate financial information is available and for which operating Profit/Loss amounts are evaluated regularly by the Management in deciding how to allocate resource and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

**1.16 Cash Flow Statement :**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

**1.17 Dividend**

Dividend is recognised as liability in the period in which it is declared by the Company (usually when approved by shareholders in General Meeting) or paid.

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 2 - SHARE CAPITAL**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
	INR	INR
<b>Authorised:</b> 25,000,000 ( Previous year 25,000,000) Equity Shares of INR 10/- each.	250,000,000.00	250,000,000.00
<b>Issued, Subscribed and Paid up:</b> 12,100,000 Equity Shares of INR 10/- each.	121,000,000.00	121,000,000.00
<b>Total</b>	<b>121,000,000.00</b>	<b>121,000,000.00</b>

**Notes:**

**a) Reconciliation of the no. of shares :**

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	No of shares	Amount	No of shares	Amount
No of Equity shares outstanding at the beginning of the year (Face Value of INR 10/-)	12,100,000	121,000,000.00	12,100,000	121,000,000.00
No of Equity shares outstanding at the end of the year (Face value of INR10/-)	12,100,000	121,000,000.00	12,100,000	121,000,000.00

**b) Rights, preferences and restrictions attached to shares:**

The company has one class of equity shares having a par value of INR 10/- per share. Each equity holder is entitled to one vote per share and have a right to receive dividend as recommended by Board of Directors subject to necessary approval from the shareholders.

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

**c) Shares allotted as fully paid-up by way of bonus shares (during immediately preceding 5 years):**

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Equity Shares allotted as fully paid-up bonus shares by capitalisation of accumulated profits	--	--	--	--	7,500,000

**d) Number of Equity shares held by each shareholder holding more than 5% shares in the company are as follows:**

Particulars	Number of shares as at 31 <sup>st</sup> March, 2018 of INR10/- each	% of shares held	Number of shares as at 31 <sup>st</sup> March, 2017 of INR 10/- each	% of shares held
1) SIDBI Trustee Company Limited A/c India Opportunities Ltd	<b>1,638,000</b>	<b>13.54%</b>	<b>1,638,000</b>	<b>13.54%</b>
2) Small Industries Development Bank of India	<b>1,000,000</b>	<b>8.26%</b>	<b>1,000,000</b>	<b>8.26%</b>
3) SICOM Ltd.	<b>800,000</b>	<b>6.61%</b>	<b>800,000</b>	<b>6.61%</b>
4) Mukul Mahavir Prasad Agrawal	<b>752,000</b>	<b>6.21%</b>	<b>752,000</b>	<b>6.21%</b>
5) Ashok Kumar Agrawal	--	<b>0.00%</b>	<b>656,000</b>	<b>5.42%</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 3 - RESERVES AND SURPLUS**

Particulars	INR.	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Capital Grants :</b>			
<b>Capital Grant Received from :</b>			
<b>1) Ministry of Food Processing Industry, Govt. of India</b>	9,691.00		70,041.00
For setting up Food Processing Training Centre	--		--
Less :- Depreciation for the Year	5,881.00		60,350.00
<b>Closing Balance</b>		<b>3,810.00</b>	<b>9,691.00</b>
<b>2) Technology Development Board (TDB), Govt. of India</b>			
Opening Balance	5,414,745.00		5,223,557.00
Add : Interest Received (net of Taxes)	161,290.00		191,188.00
Less : Refunded to TDB	881,364.00		--
Less : Loan to Incubatee	3,439,562.00		4,533,381.00
<b>Closing Balance</b>		<b>1,255,109.00</b>	<b>881,364.00</b>
<b>3) Grant received from MSME under ASPIRE scheme (For Upgradation of Technical Business Incubator)</b>			
Opening Balance	2,585,560.00		1,471,611.00
Add: received during the year	--		1,500,000.00
Less :- Utilised towards consumable purchase	--		5,448.00
Less :- Depreciation for the year	593,046.00		380,603.00
<b>Closing Balance</b>		<b>1,992,514.00</b>	<b>2,585,560.00</b>
<b>Revaluation Reserve:</b>			
Opening Balance	--		17,488,431.00
Less: Adjusted against revalued asset as per Accounting Standard 10 (para 91)	--		17,488,431.00
<b>Closing Balance</b>		<b>--</b>	<b>--</b>
<b>Securities Premium Reserve :</b>			
As per last Balance Sheet		<b>173,557,818.00</b>	<b>173,557,818.00</b>

Continued...

Continued...

<b>General Reserve:</b>			
Opening Balance		91,276,262.00	<b>91,276,262.00</b>
<b>Surplus in Statement of Profit &amp; Loss</b>			
Opening Balance	527,323,222.00		483,080,058.00
Less: Dividend INR 1 per share (previous year INR Nil per share) # INR 12,100,000			
: Dividend distribution tax INR 2,463,275	14,563,275.00		- -
Add: Profit for the year	28,267,108.00		44,243,161.00
<b>Closing Balance</b>		<b>541,027,055.00</b>	<b>527,323,219.00</b>
<b>Total</b>		<b>809,112,568.00</b>	<b>795,633,914.00</b>

# - According to amended rules of the Companies (Accounting Standards) Rules, 2016, proposed dividend and Dividend Distribution Tax thereon of INR 14,563,275/- was not recorded as liability as at 31<sup>st</sup> March, 2017.

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 4 - DEFERRED TAX**

**(i) Break up of Deferred Tax Liability as at year end :**

Nature of timing difference	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Provision for Depreciation	14,860,966.00	16,941,944.00
<b>Total</b>	<b>14,860,966.00</b>	<b>16,941,944.00</b>

**(ii) Break up of Deferred Tax Asset as at year end:**

Nature of timing difference	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Provision for Leave encashment	2,421,296.00	3,191,219.00
<b>Total</b>	<b>2,421,296.00</b>	<b>3,191,219.00</b>

<b>(iii) Deferred Tax Liability (net)</b>	<b>12,439,670.00</b>	<b>13,750,725.00</b>
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**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 5 - OTHER LONG TERM LIABILITIES**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2018 INR</b>	<b>As at 31<sup>st</sup> March 2017 INR</b>
Retention Money from Vendor	1,854,103.00	2,716,603.00
<b>Total</b>	<b>1,854,103.00</b>	<b>2,716,603.00</b>

**NOTE 6 - LONG TERM PROVISIONS**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2018 INR</b>	<b>As at 31<sup>st</sup> March 2017 INR</b>
Provision for Leave Encashment	5,209,920.00	5,781,469.00
<b>Total</b>	<b>5,209,920.00</b>	<b>5,781,469.00</b>

**NOTE 7 - TRADE PAYABLES**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2018 INR</b>	<b>As at 31<sup>st</sup> March 2017 INR</b>
Trade Payables		
i) total outstanding dues to Micro Enterprises and Small enterprises	--	--
ii) total outstanding dues to creditors other than Micro Enterprises and Small enterprises	80,466,319.00	61,125,128.00
<b>Total</b>	<b>80,466,319.00</b>	<b>61,125,128.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 8 - OTHER CURRENT LIABILITIES**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Other Payables</b>		
Advance from Customers	5,885,964.00	5,221,689.00
Amount refundable to Associate company MITCON Megaskills Centers Private Limited	10,810,922.00	--
Provident Fund Contribution Employee & Employer	1,444,239.00	1,548,715.00
ESIC Payable	46,277.00	77,523.00
TDS, ST & GST Payable	5,814,371.00	6,092,345.00
Security Deposits	1,136,507.00	451,502.00
Payable against Capital Account	--	5,859,436.00
<b>Total</b>	<b>25,138,280.00</b>	<b>19,251,210.00</b>

**NOTE 9 - SHORT-TERM PROVISIONS**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Provision for Leave Encashment	7,684,742.00	7,335,037.00
<b>Total</b>	<b>7,684,742.00</b>	<b>7,335,037.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT**

INR

Particulars	TANGIBLE ASSETS										Total	
	Land - Freehold	Improve-ment to Le-asehold Properties	Building #	Energy Audit Equip-ments	Furniture & Fixture	Vehicle	Office Equipment	Environ-ment & BT Equipments	Computer & Printers	Electrical Installa-tions & Equip-ments		Wind Power Project
<b>COST</b>												
As at April 1, 2016	200,000.00	12,084,654.00	196,805,976.00	13,191,545.00	36,338,811.00	6,432,904.00	30,934,291.00	11,205,895.00	38,309,833.00	13,151,657.00	41,982,900.00	400,638,466.00
Additions	--	--	--	371,400.00	--	69,519.00	293,305.00	1,515,321.00	2,157,351.00	--	--	4,406,886.00
Disposals / adjustments	--	--	(23,704,016.00)	--	--	--	(392,639.00)	--	(999,190.00)	--	--	(24,495,847.00)
<b>Balance as at March 31, 2017</b>	<b>200,000.00</b>	<b>12,084,654.00</b>	<b>173,101,958.00</b>	<b>13,562,945.00</b>	<b>36,338,811.00</b>	<b>6,502,423.00</b>	<b>30,834,957.00</b>	<b>12,721,216.00</b>	<b>40,067,994.00</b>	<b>13,151,657.00</b>	<b>41,982,900.00</b>	<b>380,549,515.00</b>
Additions	--	--	--	15,357.00	236,491.00	59,979.00	1,198,161.00	75,422.00	653,696.00	--	--	2,239,106.00
Disposals / adjustments	--	--	--	--	6,188.00	--	643,021.00	--	557,531.00	--	--	1,206,740.00
<b>Balance as at March 31, 2018</b>	<b>200,000.00</b>	<b>12,084,654.00</b>	<b>173,101,958.00</b>	<b>13,578,302.00</b>	<b>36,569,114.00</b>	<b>6,562,402.00</b>	<b>31,390,097.00</b>	<b>12,796,638.00</b>	<b>40,164,159.00</b>	<b>13,151,657.00</b>	<b>41,982,900.00</b>	<b>381,581,881.00</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>												
As at April 1, 2016	--	4,584,320.00	17,486,123.00	9,842,036.00	15,252,365.00	3,580,991.00	30,614,419.00	6,800,468.00	27,490,668.00	6,033,938.00	28,201,967.00	149,887,295.00
Depreciation Charge for the year	--	1,183,258.00	2,864,214.00	1,769,877.00	4,139,033.00	639,500.00	4,530,051.00	556,478.00	1,879,512.00	1,093,327.00	1,148,232.00	19,793,482.00
Disposals / adjustments	--	--	6,465,487.00	--	--	--	10,354,212.00	--	(7,251,919.00)	--	--	9,567,780.00
<b>Balance as at March 31, 2017</b>	<b>--</b>	<b>5,767,578.00</b>	<b>13,874,850.00</b>	<b>11,611,913.00</b>	<b>19,391,398.00</b>	<b>4,220,491.00</b>	<b>24,790,258.00</b>	<b>7,356,946.00</b>	<b>36,622,099.00</b>	<b>7,127,265.00</b>	<b>29,350,199.00</b>	<b>160,112,997.00</b>
Depreciation Charge for the year	--	944,946.00	2,883,401.00	888,335.00	3,960,192.00	635,255.00	2,953,361.00	2,300,146.00	1,953,157.00	1,193,389.00	1,145,401.00	18,857,583.00
Disposals / adjustments	--	--	--	--	4,546.00	--	4,62,177.00	--	557,531.00	--	--	1,024,254.00
<b>Balance as at March 31, 2018</b>	<b>--</b>	<b>6,712,524.00</b>	<b>16,758,251.00</b>	<b>12,500,248.00</b>	<b>23,347,044.00</b>	<b>4,855,746.00</b>	<b>27,281,442.00</b>	<b>9,657,092.00</b>	<b>38,017,725.00</b>	<b>8,320,654.00</b>	<b>30,495,600.00</b>	<b>177,946,326.00</b>
<b>NET BLOCK at March 31, 2018</b>	<b>200,000.00</b>	<b>5,372,130.00</b>	<b>156,343,707.00</b>	<b>1,078,054.00</b>	<b>13,222,070.00</b>	<b>1,706,656.00</b>	<b>4,108,655.00</b>	<b>3,139,546.00</b>	<b>2,146,434.00</b>	<b>4,831,003.00</b>	<b>11,487,300.00</b>	<b>203,635,555.00</b>
<b>NET BLOCK at March 31, 2017</b>	<b>200,000.00</b>	<b>6,317,076.00</b>	<b>159,227,108.00</b>	<b>1,951,032.00</b>	<b>16,947,413.00</b>	<b>2,281,932.00</b>	<b>6,044,699.00</b>	<b>5,364,270.00</b>	<b>3,445,895.00</b>	<b>6,024,392.00</b>	<b>12,632,701.00</b>	<b>220,436,518.00</b>

# - Includes Nagpur office premises of INR 12,857,404/-, which has been mortgaged on 14th June, 2017 in favour of Bank of Baroda, Shivajinagar branch, Pune for non fund based limit of INR 200,000,000/-

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT**

INR

Particulars	Grant Assets						Total of Tangible & Intangible Assets
	Office Equipment	Furniture & Fixture	Computer & Printers	Electrical Installations & Equipments	Total	INTANGIBLE ASSETS Computer Softwares	
<b>COST</b>							
As at April 1, 2016	6,169,901.00	1,021,551.00	432,000.00	867,660.00	8,491,112.00	44,749,903.00	453,879,481.00
Additions	1,495,763.00	--	--	--	1,495,763.00	237,220.00	6,139,879.00
Disposals / adjustments	--	--	--	--	--	--	(24,495,847.00)
<b>Balance as at March 31, 2017</b>	<b>7,665,664.00</b>	<b>1,021,551.00</b>	<b>432,000.00</b>	<b>867,660.00</b>	<b>9,986,875.00</b>	<b>44,987,123.00</b>	<b>435,523,513.00</b>
Additions	--	--	--	--	--	10,237,228.00	12,476,334.00
Disposals / adjustments	49,026.00	--	--	--	49,026.00	119,200.00	1,374,966.00
<b>Balance as at March 31, 2018</b>	<b>7,616,638.00</b>	<b>1,021,551.00</b>	<b>432,000.00</b>	<b>867,660.00</b>	<b>9,937,849.00</b>	<b>55,105,151.00</b>	<b>446,624,881.00</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>							
As at April 1, 2016	4,639,588.00	1,004,603.00	432,000.00	855,826.00	6,932,017.00	33,486,756.00	190,306,068.00
Depreciation Charge for the year	434,949.00	3,513.00	--	2,491.00	440,953.00	4,094,508.00	24,328,943.00
Disposals / adjustments	--	--	--	--	--	(2,671,188.00)	6,896,592.00
<b>Balance as at March 31, 2017</b>	<b>5,074,537.00</b>	<b>1,008,116.00</b>	<b>432,000.00</b>	<b>858,317.00</b>	<b>7,372,970.00</b>	<b>40,252,452.00</b>	<b>207,738,543.00</b>
Depreciation Charge for the year	594,103.00	2,893.00	--	2,053.00	599,049.00	6,369,003.00	25,825,635.00
Disposals / adjustments	49,026.00	--	--	--	49,026.00	119,200.00	1,192,480.00
<b>Balance as at March 31, 2018</b>	<b>5,619,614.00</b>	<b>1,011,009.00</b>	<b>432,000.00</b>	<b>860,370.00</b>	<b>7,922,993.00</b>	<b>46,502,255.00</b>	<b>232,371,698.00</b>
<b>NET BLOCK at March 31, 2018</b>	<b>1,997,024.00</b>	<b>1,0542.00</b>	<b>--</b>	<b>7,290.00</b>	<b>2,014,856.00</b>	<b>8,602,896.00</b>	<b>214,253,307.00</b>
<b>NET BLOCK at March 31, 2017</b>	<b>2,391,127.00</b>	<b>13,435.00</b>	<b>--</b>	<b>9,343.00</b>	<b>2,613,905.00</b>	<b>4,734,671.00</b>	<b>227,784,970.00</b>

# - Out of above depreciation of INR 18,857,583/- has been charged against Profit and balance INR 599,049/- has been reduced from respective Grants.

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 11 - NON CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Investments (At Cost)</b>		
<b>Investment in Subsidiary - (Trade, Unquoted)</b>		
5,100 (Previous year Nil) Fully paid up Equity shares of INR 10/- each of MITCON Multiskills Ltd	51,000.00	--
Less : Provision for dimunition in value of Investment	(32,077.00)	--
Carrying Value of Investment	18,923.00	--
<b>Investment in Associates - (Trade, Unquoted)</b>		
5,880,000 (Previous year 5,880,000) Fully paid up Equity shares of INR 10/- each of Kishna Windfarms Developers Pvt Ltd (KWDPL) #	59,065,200.00	59,065,200.00
2,600 (Previous year Nil) Fully paid up Equity shares of INR 10/- each of MITCON Megaskill Centers Pvt Ltd	26,000.00	--
<b>Non-trade, Unquoted</b>		
<b>Other Investments:</b>		
<b>In Government Securities -</b>		
National Savings Certificates	75,000.00	75,000.00
<b>Total</b>	<b>59,185,123.00</b>	<b>59,140,200.00</b>

# - All the Equity Shares of KWDPL are pledged with Axis Trustee Services Ltd. for term loan of INR 420,000,000/- availed by KWDPL from L & T Infrastructure Finance Company Limited.

Aggregate amount of unquoted investments INR 59,185,123/- (Previous Year INR 59,140,200/-)

**NOTE 12 - LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Unsecured, Considered Good</b>		
Capital Advances #	63,992,650.00	2,669,650.00
Security Deposits	25,631,637.00	29,413,861.00
Prepaid Expenses / Gratuity Contribution	1,677,160.00	2,913,129.00
Inter Corporate Loan to Related Party - Krishna Windfarms Developers Pvt Ltd	225,309,605.00	--
<b>Total</b>	<b>316,611,052.00</b>	<b>34,996,640.00</b>

# - Capital advances include INR 2,669,650 (PY INR 2,669,650) pertaining to full payment as per demand letter ref no C30642/2015 dated 31<sup>st</sup> July, 2015 of MIDC, Nanded. for office at Udyog Bhavan, Nanded The company has taken possession and occupied this office during the year ended 31<sup>st</sup> March, 2016. Capitalisation of the property and depreciation / amortisation thereof is pending for execution and registration of formal purchase deed with MIDC

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 13 - OTHER NON CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Interest receivable on Inter Corporate loan to Related Party - Krishna Windfarms Developers Pvt Ltd	12,778,561.00	--
<b>Total</b>	<b>12,778,561.00</b>	<b>--</b>

**NOTE 14 - CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Others</b>		
<b>Quoted at Cost</b>		
Investments in Mutual funds	6,000,000.00	19,909,889.00
<b>Unquoted at Cost</b>		
Deposits with NBFC	--	221,202,430.00
<b>Total</b>	<b>6,000,000.00</b>	<b>241,112,319.00</b>

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Aggregate value of Quoted investment	6,000,000.00	19,909,889.00
Market value of Quoted investment	7,834,480.00	21,268,702.00
Aggregate value of Unquoted investment	--	221,202,430.00

PARTICULARS OF INVESTMENTS	Face Value Per Unit	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	INR	Nos.	INR	Nos.	INR
<b>Quoted</b>					
Reliance Banking and PSU debt fund - weekly dividend	--	--	--	1,373,643.23	13,909,889.00
Reliance Short Term Fund growth plan growth option	25.00	232,580.676	6,000,000.00	232,580.68	6,000,000.00
<b>Total</b>			<b>6,000,000.00</b>		<b>19,909,889.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 15 - TRADE RECEIVABLES**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
	INR	INR
Outstanding for a period exceeding six months from the date they are due for payment :		
Unsecured considered good #	73,214,232.00	68,812,476.00
Unsecured considered doubtful	- -	3,090,595.00
Less: Provision for Doubtful Debts	- -	(3,090,595.00)
	73,214,232.00	68,812,476.00
Others - Unsecured considered good # #	82,135,023.00	106,087,784.00
<b>Total</b>	<b>155,349,255.00</b>	<b>174,900,260.00</b>

# - Includes INR 17,794,711/- receivable from Associate company Krishna Windfarms Developers Private Limited  
 # # - Includes INR 2,274,029/- receivable from Associate company Krishna Windfarms Developers Private Limited

**NOTE 16 - CASH AND BANK BALANCES**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
	INR	INR
<b>Cash and Cash Equivalents</b>		
Cash on Hand	529,636.00	688,132.00
Cheques, Drafts on Hand	870,287.00	2,655,217.00
<b>Balance with Bank</b>		
Balances with banks (including deposits with less than 3 months maturity)	79,960,440.00	115,236,317.00
<b>Other Bank Balances</b>		
- Deposits with maturity of more than three months but less than 12 months	95,033,671.00	7,512,701.00
- Margin Money for Bank Guarantees #	69,545,057.00	63,343,915.00
- Earmarked Balances (in respect of TDB Grant)	1,230,881.00	998,863.00
<b>Total</b>	<b>247,169,972.00</b>	<b>190,435,145.00</b>

# - Includes Deposit of INR 50,000,000/- on which charge has been created in favour of Bank of Baroda, Shivajinagar branch, Pune for non fund based limit of INR 200,000,000/-

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 17 - SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
	INR	INR
<b>Unsecured, Considered Good</b>		
Prepaid Expenses	4,666,060.00	5,263,040.00
Advance to Others	1,581,478.00	747,763.00
Security Deposits	9,840,610.00	8,864,020.00
Travel Advances to Staff	325,657.00	387,950.00
Income Tax paid less Provisions	35,116,184.00	47,187,592.00
Service Tax paid in advance / input CENVAT credit	--	5,822,800.00
<b>Total</b>	<b>51,529,989.00</b>	<b>68,273,165.00</b>

**NOTE 18 - OTHER CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
	INR	INR
Interest Accrued on deposit with NBFC	--	23,921,570.00
Interest Accrued on NSC	28,343.00	20,090.00
<b>Total</b>	<b>28,343.00</b>	<b>23,941,660.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 19- REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 <sup>st</sup> March, 2018 INR	For the year ended 31 <sup>st</sup> March, 2017 INR
Sale of Services	579,622,867.00	435,682,416.00
Other Operating Revenues	4,139,370.00	4,610,996.00
<b>Total</b>	<b>583,762,237.00</b>	<b>440,293,412.00</b>

Details of Sale of Services :	For the year ended 31 <sup>st</sup> March, 2018 INR	For the year ended 31 <sup>st</sup> March, 2017 INR
Consultancy Fees	190,319,407.00	246,237,820.00
Project services	238,139,007.00	44,154,588.00
Income from Vocational Training	117,666,682.00	105,732,081.00
Income from IT Courses	17,122,247.00	18,032,284.00
Income from Laboratories	16,375,524.00	21,525,643.00
<b>Total</b>	<b>579,622,867.00</b>	<b>435,682,416.00</b>
<b>Details of Other Operating Revenue :</b>		
Income from Wind Power Generation (Net of rebate)	4,139,370.00	4,610,996.00
<b>Total</b>	<b>4,139,370.00</b>	<b>4,610,996.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 20 - OTHER INCOME**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Interest Income on		
- Bank Deposits	11,761,647.00	7,025,335.00
- Current Investments	--	13,849,086.00
- Other	3,195,286.00	--
- Loan to Associate company Krishna Windfarms Developers Private Limited	14,198,402.00	--
Dividend Income from Current Investments	--	5,526,864.00
Sundry Provisions and Credit Balances no longer required, written back	8,444,013.00	1,802,909.00
Recovery of Bad Debts	770,000.00	--
Gain on redemption of Mutual fund investment	24,348.00	231,317.00
Other non-Operating Income	1,472,214.00	1,419,417.00
<b>Total</b>	<b>39,865,910.00</b>	<b>29,854,928.00</b>

**NOTE 21 - OPERATING COSTS**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Expenses on IT, VTP Training Activities	70,397,591.00	70,057,138.00
Changes in Inventory of printed course material		
Opening Stock	--	512,232.00
Less: Closing Stock	--	--
Decrease / (Increase) in Inventory of printed course material	--	512,232.00
Professional fees	64,208,330.00	56,283,550.00
Project Cost	191,019,138.00	5,537,000.00
<b>Total</b>	<b>325,625,059.00</b>	<b>132,389,920.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 22 - EMPLOYEE BENEFIT EXPENSE**

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2018 INR</b>	<b>For the year ended 31<sup>st</sup> March, 2017 INR</b>
Salaries and Wages	104,131,978.00	124,771,658.00
Contribution to Provident and Other Funds	12,508,795.00	13,470,770.00
Staff Welfare Expenses	3,357,062.00	4,331,143.00
<b>Total</b>	<b>119,997,835.00</b>	<b>142,573,571.00</b>

**NOTE 23 - FINANCE COSTS**

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2018 INR</b>	<b>For the year ended 31<sup>st</sup> March, 2017 INR</b>
Interest Expense	130,863.00	10,785.00
Bank charges and Commission	7,593,644.00	554,497.00
<b>Total</b>	<b>7,724,507.00</b>	<b>565,282.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**  
**NOTE 24 - OTHER EXPENSES**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Power and Fuel	6,240,541.00	7,871,404.00
Office Rent	8,238,873.00	14,669,973.00
<b>Repairs and Maintenance -</b>		
- Buildings	1,486,961.00	1,100,154.00
- Office & Other Equipment	4,653,732.00	5,180,588.00
- Others	1,434,120.00	1,585,013.00
Insurance	2,109,468.00	1,501,391.00
Rates & Taxes	531,565.00	392,766.00
<b>Auditor's Remuneration</b>		
Statutory Audit	858,000.00	686,500.00
Certification	18,000.00	16,559.00
<b>Administrative and General Expenses</b>		
Travelling Expenses	24,922,429.00	24,268,562.00
Printing, Stationery and computer consumable	10,515,025.00	10,432,114.00
Advertisement Expenses	4,120,390.00	4,987,635.00
Security Expenses	4,651,757.00	6,459,510.00
Telephone, Mobile Expenses	2,921,482.00	3,847,878.00
Business Promotion Expenses	1,760,146.00	2,003,888.00
Registration and Legal Fees	2,340,620.00	3,708,299.00
Postage , Fax and Courier Expenses	1,340,325.00	1,412,264.00
Books & Periodicals Subscriptions and Membership Fees	867,703.00	1,114,570.00
Housekeeping Expenses	1,545,639.00	1,752,780.00
Laboratory Consumables	264,393.00	860,269.00
Directors Sitting Fees	590,000.00	1,255,208.00
Expenditure towards Corporate Social Responsibility (CSR) activities	--	2,818,671.00
Bad Debts written off	18,816,611.00	8,866,003.00
Provision for Doubtful debts	--	3,090,595.00
Donations	48,000.00	10,200.00
Loss on Disposal / discard of Assets	72,821.00	58,783.00
Provision for dimunition	32,077.00	--
General Expenses	4,499,580.00	3,610,324.00
<b>Total</b>	<b>104,880,258.00</b>	<b>113,561,901.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**25 Utilisation of Incubatee Grant**

- a. Technology Development Board (TDB), Govt. of India has approved scheme 'Seed Support System for Start-ups in Incubators' for providing financial assistance as seed support for start-ups in the MITCON incubator as growth oriented initiative between the TDB and MITCON. The scheme is to make available early stage financial assistance as seed support for start-up units located at the MITCON incubator for further development and pre-commercialization of technologies. Accordingly MITCON has received grant of INR 4,000,000/- from TDB during the year ended 31<sup>st</sup> March, 2012. Term Loan disbursed to incubatees aggregating to INR 3,439,562/- is outstanding as on 31<sup>st</sup> March, 2018. Refund to TDB / Disbursement against this grant has been deducted from Grant received (note no. 3(2)).
- b. Interest received on deployment of unutilised grant amount and interest received on loans disbursed to incubatee, is credited to grant (net of taxes).

**26 Contingent liability not provided for**

Particulars	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
a) Guarantees given by bankers on behalf of the Company		
- To Customers	28,630,754.00	14,069,468.00
b) Guarantees given by bankers on behalf of Associate company MITCON Megaskill Centers Private Limited to Jharkhand Skill Development Mission Society, Govt of Jharkhand (JSDM).		
- for Advance payment	127,247,200.00	--
- for Performance #	10,048,000.00	--
c) Guarantees given by bankers on behalf of Clear Maze Consulting Private Limited to Rajasthan Skill and Livelihoods Development Corporation (RSLDC), Jaipur # #	3,776,088.00	--
d) Corporate Guarantees issued on behalf of Associate Company Krishna Windfarms Developers Private Limited (KWDPL) for loan availed by KWDPL from L & T Infrastructure Finance Company Limited	420,000,000.00	--
e) Claims against the company not acknowledged as debt - Arbitration petition in respect of money claim is pending before Arbitration Tribunal. The company has made counter claims against the claimant before the said Tribunal. Pending completion of Arbitration proceedings, the liability (if any) is not ascertainable	--	--
f) An ex-employee has filed a claim before First Labour Court, Pune. The company has filed written statement for dismissal of the claim.	164,000.00	164,000.00

# - Performance Bank Guarantee of INR 10,048,000/- was returned by the JSDMS and the same is cancelled on 10<sup>th</sup> May, 2018.

# # - Bank Guarantee of INR 3,776,088/- was returned by RSLDC and cancelled on 8<sup>th</sup> May, 2018.

## 27 Payments to Auditors - (Net of taxes)

	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
For Audit	858,000.00	600,000.00
For Certification	18,000.00	16,559.00
<b>Total</b>	<b>876,000.00</b>	<b>616,559.00</b>

## 28 Expenditure and earnings in foreign currencies

Expenditure in foreign currency	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Travelling expenses	476,770.00	59,968.00
Subscription & Membership Fees	139,494.00	48,145.00
Consulting Fees	282,504.00	--
Insurance	49,176.00	--
<b>Total</b>	<b>947,944.00</b>	<b>108,113.00</b>

Earning in foreign currency	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Professional fees	1,196,396.00	2,770,384.00
<b>Total</b>	<b>1,196,396.00</b>	<b>2,770,384.00</b>

29 Based on the documents / information available with the Company, there are no acknowledged dues to suppliers covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act).

## 30 Disclosure pursuant to Accounting Standard (AS 15) - Revised 2005 "Employee Benefits"

### a) Defined contribution plans:

The company has recognized the following amounts in the Statement of Profit & Loss for the year :

- i) Contribution to employees provident fund INR 6,407,650/- (P.Y. INR 6,754,247/- )
- ii) Contribution to employees family pension Fund INR. 2,292,070/- (P.Y. INR 2,740,267/-)

**b) Defined benefit plans - Gratuity**

The company makes annual contribution to the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part there of in excess of 6 month. Vesting occurs only upon completion of 5 years of service except in case of death or permanent disability. The present value of defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at the balance sheet date.

i) Reconciliation of opening and closing balances of the Present Value of the defined benefit obligation:	Year ended	
	31 <sup>st</sup> March, 2018 INR	31 <sup>st</sup> March, 2017 INR
Present Value of defined benefit obligation at the beginning of the year	20,629,593.00	19,404,261.00
Interest cost	1,406,274.00	1,431,517.00
Current service cost	3,122,690.00	3,149,377.00
past service cost	3,131,378.00	- -
Actuarial losses / (gains)	(4,372,277.00)	(1,252,614.00)
Benefits paid	(2,196,023.00)	(2,102,948.00)
Present value of defined benefit obligation at the close of the year	<b>21,721,635.00</b>	<b>20,629,593.00</b>

  

ii) Changes in the fair value of Plan Assets and the reconciliation thereof:	Year ended	
	31 <sup>st</sup> March, 2018 INR	31 <sup>st</sup> March, 2017 INR
Fair value of plan assets at the beginning of the year	23,516,052.00	22,080,545.00
Add :expected return on plan assets	1,813,443.00	1,766,372.00
Add / (less) : actuarial (losses) / gains	(84,250.00)	(105,302.00)
Add : contributions by employer	500,000.00	2,101,158.00
Less: benefits paid	(2,196,023.00)	(2,102,948.00)
Less: mortality charges and taxes	(208,377.00)	(223,773.00)
Fair value of plan assets at the close of the year	<b>23,340,845.00</b>	<b>23,516,052.00</b>
Actual Return on Plan Assets	1,729,193.00	1,661,070.00

iii) Amount recognized in the Balance Sheet:	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Present Value of Obligation as at the end of year	21,721,635.00	20,629,593.00
Fair Value of Plan Assets as at the end of year	23,340,845.00	23,516,052.00
Funded Status	1,619,210.00	2,886,459.00
Current Liability	--	--
Non - Current Liability	21,721,635.00	20,629,593.00
Unrecognised Actuarial ( gains ) / losses	--	--
Net Asset / ( Liability)	1,619,210.00	2,886,459.00

Fair value of plan assets , in excess of present value of obligations, being adjustable against future contributions is recognised in the books of account.

iv) Amounts recognised in the Statement of Profit and Loss are as follows:	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Current service cost	3,122,690.00	3,149,377.00
Past Service Cost	3,131,378.00	--
Interest cost	1,406,274.00	1,431,517.00
Expected return on plan assets	(1,813,443.00)	(1,766,372.00)
Curtailement cost / ( Credit )	--	--
Settlement Cost / ( Credit )	--	--
Net Actuarial (Gain ) / Loss recognised in the period / year	(4,288,027.00)	(1,147,312.00)
Expenses Recognised in the Statement of Profit & Loss at the end of period / year	1,558,872.00	1,667,210.00

v) Amount for the current period :	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Present value of obligation	21,721,635.00	20,629,593.00
Plan assets	23,340,845.00	23,516,052.00
Surplus / (Deficit)	1,619,210.00	2,886,459.00

vi) Broad categories of Plan Assets as a percentage of total assets as at	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	Percentage (%)	Percentage (%)
Insurer managed funds	100.00%	100.00%
Total	100.00%	100.00%

**vii) Actuarial Assumptions :**

	Year ended	
	31 <sup>st</sup> March, 2018 Percentage ( % )	31 <sup>st</sup> March, 2017 Percentage ( % )
Discount rate	7.80%	7.20%
Rate of increase in Compensation levels	9.50%	9.50%
Rate of return on plan assets	8.00%	8.00%
Expected Average remaining working lives of employees ( years )	8.00	8.13

- c) The company provides for accumulation of compensated absences by its employees. The employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods to receive cash in lieu thereof as per company policy. The company records an obligation for compensated absences in the period in which the employee renders the service that increases this entitlement. The total liability recorded by the company towards this benefit as at 31 March, 2018 is INR 12,894,662/- (Previous Year INR 13,116,506/-).

- 31 The Company has entered into operating lease arrangements for office space. Lease arrangements provide for cancellation by either of the parties and also contain a clause for renewal of the lease agreement. Lease payments on cancellable operating lease arrangements debited to Statement of Profit and Loss are as under.

Particulars	Year ended	
	31 <sup>st</sup> March, 2018 INR	31 <sup>st</sup> March, 2017 INR
Lease payments debited to the Statement of Profit and Loss		
Cancellable leases		
Lease rent for office	8,238,873.00	14,669,973.00

- 32 Related Party Disclosures Under Accounting Standard 18 - "Related Party Disclosures", have been identified on the basis of representation made by the Management and taken on record by the Board of Directors and relied upon by the auditors. Disclosures of transactions with Related Parties are as under:

**a) Related Parties**

**Subsidiary :** MITCON Multiskills Limited

**Associate :** Krishna Windfarms Developers Private Limited (KWDPL)

MITCON Megaskill Centers Private Limited (MMCPL)

**Related Party where control exists:** Mitcon Foundation (Charitable Trust)

**Key Management personnel :** Dr. Pradeep Bavadekar, Managing Director

b) Transactions with related party :

Sr. No.	Nature of transactions / Name of Related Party	2017-18 INR	2016-17 INR
1	<b>Subsidiary</b> <b>MITCON Multiskills Limited</b> Contribution to Equity ( 5,100 shares of INR 10/- each)	51,000.00	--
2	<b>Associate:</b> <b>Krishna Windfarms Developers Private Limited (KWDPL)</b> Income from Project Services Inter Corporate Loan disbursed Interest Charged on Inter Corporate Loan Corporate Guarantees issued to L & T Infrastructure Finance Company Limited ( L & T) for loan availed by KWDPL from L & T Contribution to Equity (5,880,000 shares of INR 10/- each)	235,754,536.00 226,445,879.00 14,198,402.00 420,000,000.00 --	44,154,588.00 -- -- -- 59,065,200.00
	<b>Associate:</b> <b>MITCON Megaskill Centers Private Limited (MMCPL)</b> - Bank Guarantee Expenses incurred by Company and reimbursed by MMCPL (net of Taxes) Guarantees given by bankers on behalf of MMCPL to Jharkhand Skill Deveopment Mission Society (JSDMS) 1) for Advance payment 2) for Performance # Contribution to Equity (2,600 shares of INR 10/- each)	15,489,129.00   127,247,200.00 10,048,000.00 26,000.00	--   -- -- --
3	<b>Related Party where control exists:</b> <b>MITCON Foundation</b> - Rent paid / Expenses reimbursed (net of Service Tax) - Student fees paid to MITCON Foundation collected through Credit Card Swipe. - Training fees received (net of Service Tax)	2,300,448.00 12,113,573.00 149,197.00	9,043,972.00 5,504,447.00 960,000.00
4	<b>Key Management Personnel (KMP) # #</b> Dr. Pradeep Bavadekar A) Remuneration Salary Contribution to Providend Fund Superannuation Fund and others B) Dividend	6,900,000.00 696,720.00 909,865.00 560,000.00	6,665,000.00 672,483.00 984,495.00 --

5	Outstanding as on 31 <sup>st</sup> March, 2018		
	a. Accounts Receivable		
	Krishna Windfarms Developers Private Limited.		
	Against Project Services	20,068,740.00	14,500,000.00
	Inter Corporate Loan	225,309,605.00	--
	Interest Charged on Inter Corporate Loan	12,778,561.00	--
	b. Accounts Payable		
	Dr. Pradeep Bavadekar - Remuneration Payable	346,528.00	262.00
	Bank Guarantee expenses refunded by bank payable to MITCON Mega Skill Centers Pvt. Ltd.	10,810,922.00	--
	MITCON Foundation	--	742,005.00
	c. Guarantees to Associates		
	Corporate Guarantees issued to L & T Infrastructure Finance Company Limited (L & T) for loan availed by KWDPL from L & T	420,000,000.00	--
	Guarantees given by bankers on behalf of MMCPL to Jharkhand Skill Development Mission Society (JSDMS)		
	1) for Advance payment	127,247,200.00	--
	2) for Performance #	10,048,000.00	--

# - Performance bank guarantee of INR 10,048,000/-received and cancelled on 10<sup>th</sup> May, 2018.

# # As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the KMP are not included above.

### 33 Earnings Per Share (Basic and Diluted)

	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Profit for the year After Taxation	28,267,108.00	44,243,161.00
Total weighted average number of equity shares during the year	121,00,000	121,00,000
Basic and Diluted earning per share	<b>2.34</b>	<b>3.66</b>

34 Balances of trade receivables and trade payables are subject to reconciliation and confirmation by respective parties.

### 35 Tuition fees received from MKCL

MITCON is a Training provider to Maharashtra Knowledge Corporation Limited (MKCL) for their MS-CIT and other courses. Fees of these training courses are directly collected by MKCL. On completion of these training programmes Tuition fees are shared by MKCL with the Company as per the Terms of Agreement. However as the Company's share of fees is not independently determinable by the Company prior to actual receipt thereof, these are accounted for on receipt basis.

**36. Commitments:**

	Year ended	
	31 <sup>st</sup> March, 2018 INR	31 <sup>st</sup> March, 2017 INR
Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advance) in respect of purchase of :		
Intangible Fixed assets	- -	5,380,000.00

**37 Segment Reporting**

Based on the guiding principle given in the Accounting Standard-17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the company’s Primary Segments are

1. Consultancy and Training
2. Project Services
3. Wind Power Generation

The above business segments have been identified considering :

- a. The nature of the products/ operation
- b. The related risks and returns
- c. The internal financial reporting systems of the organization.

Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis.

Particulars	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
	INR	INR
<b>Segment Revenue</b>		
Consultancy and Training	341,483,860.00	391,527,828.00
Project Services	238,139,007.00	44,154,588.00
Wind Power Generation	4,139,370.00	4,610,996.00
<b>Revenue from Operations</b>	<b>583,762,237.00</b>	<b>440,293,412.00</b>
<b>Segment Results :</b>		
Profit(+)/Loss(-) before tax and interest from each segment		
Consultancy and Training	(30,332,952.00)	(6,723,467.00)
Project Services	33,619,637.00	30,597,590.00
Wind Power Generation	413,289.00	2,181,001.00
<b>Total Segment Result</b>	<b>3,699,974.00</b>	<b>26,055,124.00</b>
Unallocable income net of unallocable expenditure	10,710,575.00	8,980,507.00
Interest Income	29,155,335.00	20,874,421.00
<b>Total</b>	<b>43,565,884.00</b>	<b>55,910,052.00</b>
Less: Finance Cost	7,724,507.00	565,282.00
Total Profit Before Tax	35,841,377.00	55,344,770.00
<b>Less Provision for Tax</b>		
Current Tax	9,100,000.00	18,150,000.00
Deferred Tax	(1,311,055.00)	(2,780,927.00)
Excess provision for Taxation of Earlier years	(214,676.00)	(4,267,464.00)
<b>Profit After Tax</b>	<b>28,267,108.00</b>	<b>44,243,161.00</b>
<b>Total carrying amount of segment assets</b>		
Consultancy and Training	793,261,326.00	999,461,385.00
Project Services	258,156,976.00	14,500,000.00
Wind Power Generation	11,487,300.00	12,632,701.00
<b>Total Segment assets</b>	<b>1,062,905,602.00</b>	<b>1,026,594,086.00</b>
<b>Total carrying amount of segment liabilities</b>		
Consultancy and Training	112,872,602.00	104,423,172.00
Project Services	19,920,432.00	5,537,000.00
Wind Power Generation	--	--
<b>Total Segment liabilities</b>	<b>132,793,034.00</b>	<b>109,960,172.00</b>
<b>Depreciation &amp; Amortisation</b>		
Consultancy and Training	24,081,185.00	22,739,883.00
Project Services	--	--
Wind Power Generation	1,145,401.00	1,148,232.00
<b>Total Depreciation &amp; Amortisation</b>	<b>25,226,586.00</b>	<b>23,888,115.00</b>

Note: Windpower generation business is subject to Seasonal variations in winds, hence the results for the period are not necessarily comparable with the results of the previous periods performance.

38. The Board of Directors have proposed final dividend of INR 1/- per equity share (10%) of INR 10 each for the financial year 2017-18 (P Y INR 1/- per Equity Share)

39. UTILIZATION OF MONEY RAISED THROUGH INITIAL PUBLIC OFFER

During the year ending 31<sup>st</sup> March, 2014 the company has made a public offer of 4,100,000 shares, which were fully subscribed.

Pursuant to the provisions of clause 43 of the listing agreement with the exchange, the disclosure is as follows:

The utilisation of the issue proceeds is as under:

Particulars	Utilisation planned as per prospectus INR	Utilisation of IPO proceeds as on 28 <sup>th</sup> December, 2017 INR	balance amount # to be utilised as on 28 <sup>th</sup> December, 2017 INR
Acquisition of property for setting up new offices in bangalore, hyderabad chennai, new delhi and ahmedabad and environment testing laboratory in bangalore and ahmedabad	161,380,000.00	97,234,305 .00	64,145,695.00
Purchase of office equipments for new offices	5,770,000.00	3,386,740.00	2,383,260.00
Purchase of furniture and fixtures and carrying out interior designing for the new offices and the environment testing laboratory	29,119,000.00	18,221,012.00	10,897,988.00
Purchase of equipment for environment testing laboratory at ahmedabad and bangalore	10,150,000.00	- -	10,150,000.00
General Corporate purposes	8,133,000.00	8,104,742.00	28,258.00
Issue expenses	35,548,000.00	35,542,182.00	5,818.00
<b>Total</b>	<b>250,100,000.00</b>	<b>162,488,981.00</b>	<b>87,611,019.00</b>

# The objects of utilisation of unutilised IPO proceeds have been changed for use of funds for general corporate purpose by passing special resolution by the members through postal ballot on 28<sup>th</sup> December, 2017.

40. The Company opened the offer of its Qualified Institutional Placement (QIP) on 1<sup>st</sup> September, 2017. In view of the then current market conditions, the Board at its meeting held on 28<sup>th</sup> September, 2017 has withdrawn the proposed QIP and the offer made by the company for the Issue accordingly stands cancelled. Expenses incurred by the company, have been disclosed as Extraordinary Item

41. During the year ended 31<sup>st</sup> March, 2018 the company has formed a subsidiary company viz. MITCON Multiskills Ltd. in association with CMC Skills Private Limited in which the company is holding 51% of the paid up capital i.e INR 51,000/- ( 5,100 equity shares of INR 10/- each.)

42. During the year ended 31<sup>st</sup> March, 2018, the Company has invested 26% of the paid up capital i.e. 2600 Equity Shares of INR 10 each in MITCON Megaskill Centers Private Limited (MMCPL) by investing INR 26,000. MMCPL is an Associate Company of MITCON Consultancy and Engineering Services Limited.
43. During the year, a Special Purpose Vehicle (SPV) viz. MITCON Megaskills Centers Private Limited (MMCPL) was incorporated in association with CMC Skills Private Limited, in which the company holds 26% of the paid up capital i.e INR 26,000/- (2,600 equity shares of INR 10/- each.). The SPV is an Associate of the company. The said SPV has received a Work Order worth INR 1,294,780,000/- from Jharkhand Skill Development Mission Society (JSDMS), Government of Jharkhand for establishing, operating and maintaining Megaskill Training Center(s) on Public Private Partnership (PPP) mode. The company has provided Bank Guarantee of INR 127,247,200/- towards mobilisation advance and Performance Bank Guarantee of INR 10,048,000/- in favour of JSDMS, Government of Jharkhand on behalf of said SPV which required approval of the Audit Committee and Board of Directors of the Company u/s 177 and 188 of the Companies Act, 2013. However, the Audit Committee and the Board of Directors of the Company in their meeting held on 10th November, 2017 have not approved and not ratified the transaction in the present form and considering the financial exposure faced by the company advised the management to relook the entire transaction and reduce the financial risk of the company. After end of the year, Performance Bank Guarantee of INR 10,048,000/- was returned by the JSDMS and the same is cancelled.
44. Krishna Windfarms Developers Pvt.Ltd. (KWDPL) is an Associate Company in which the company holds 49% stake. KWDPL has availed of Term Loan facility of INR 420,000,000 from L & T Infrastructure Finance Company Ltd. As security against this loan, the company has -
- pledged its investment in 5,880,000 equity shares of KWDPL aggregating to face value of INR 58,800,000 with Axis Trustee Services Ltd.
  - issued Corporate Guarantee of INR 420,000,000 in favour of L & T Infrastructure Finance Company Ltd.

The company has given intercorporate loan to KWDPL out of which principal amount of INR 225,309,605/- is outstanding and interest thereon of INR 12,778,561/- is receivable from KWDPL as on 31st March 2018.

45. **Change in Accounting Policy**  
 Upto the previous year ended 31<sup>st</sup> March, 2017, the company was recognising revenue from the participants of in-house training programmes, at the commencement of the course. During the year company has changed the basis of recognising revenue to percentage completion of tenure of training programme. As a result of this change profit for the year is lower by INR 375,027/- .
46. Previous years figures have been re-grouped , reclassified wherever necessary to make them comparable with current year's figures

Signatures to the Notes 1 to 46, forming part of the Financial Statements.

**For and on behalf of the Board**

Sd/-  
**Archana Lakhe**  
 Director  
 ( DIN: 07079209)

Sd/-  
**Dr. Pradeep Bavadekar**  
 Managing Director  
 (DIN 00879747)

Sd/-  
**Ram Mapari**  
 Chief Financial Officer

Sd/-  
**Abhijeet Modak**  
 Company Secretary  
 M No. A36828

**Date : 29<sup>th</sup> May, 2018**  
**Place : Pune**



## **M/S. JOSHI & SAHNEY**

Chartered Accountants

1913, SADASHIV PETH, NATU BAUG, PUNE -411030.

PHONES: 2447 1521, 2447 1699, 2447 1199 FAX: (020) 24478015 Email: josney72@gmail.com

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**

#### **Report on the Consolidated Financial Statements :**

We have audited the accompanying Consolidated Financial Statements of MITCON CONSULTANCY & ENGINEERING SERVICES LTD. (hereinafter referred to as "the Holding Company") its subsidiary MITCON MULTISKILLS LTD. (the Holding Company and its subsidiary together referred to as "the Group") and its Associates KRISHNA WINDFARMS DEVELOPERS PVT.LTD. and MITCON MEGASKILL CENTERS PVT. LTD, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements" or the "CFS").

#### **Management's Responsibility for the Consolidated Financial Statements :**

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position , consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. The respective Board of Directors of the companies included in the Group and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and Associate Companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility :**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of the affairs of the Group and its associates as at 31 March 2018 and their consolidated loss and their consolidated statement of cash flows for the year ended on that date.

#### **Emphasis of Matter**

We draw attention to the following matters in the Notes No.35 and No.36 to the financial statements:

- a) Note No.35 relating to issue of bank guarantee by the company on behalf of Mitcon Megaskill Centers Pvt. Ltd. (MMCPL) to Jharkhand Skill Development Mission Society (JSDMS), Government of Jharkhand against mobilization advance received by MMCPL from JSDMS. The guarantee issued by the company on behalf of MMCPL is currently outstanding and the status regarding company's financial exposure remains unchanged. In the event of any unforeseen invocation of bank guarantee, the company would face financial exposure which may extend maximum to the amount of bank guarantee issued i.e. INR 127,247,200/-.
- b) Note No.36- Regarding financial exposure of the company for pledge of investment in equity shares of Krishna Windfarms Developers Pvt. Ltd. (KWDPL) aggregating to face value of INR 58,800,000/-, issue of Corporate Guarantee on behalf of KWDPL of INR 420,000,000/- and inter-corporate loan to KWDPL of INR 225,309,605/- outstanding and interest thereon of INR 12,778,561/- receivable from KWDPL as on 31.3.2018

Our opinion is not modified in respect of the matters (a) and (b) above.

#### **Other Matter**

We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of INR 47,403/- and net assets of INR 37,103/- as at March 31, 2018, total revenue of INR NIL and net

cash inflows amounting to INR 47,403 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of INR 11,226,133/- and adjustment for share of unrealised profit of INR 18,513,441/- out of transaction with Associates as considered in the Consolidated Financial Statements for the year ended March 31, 2018 in respect of two Associate companies whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and associate companies and our report in terms of sub-sections (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

#### **Report on Other Legal and Regulatory Requirements :**

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary included in the Group and associate companies incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group and associate companies incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matters described under Emphasis of Matter paragraph above in our opinion may have an adverse effect on the functioning of the company
  - (f) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting with reference to consolidated financial statements of the Holding Company, its subsidiary Company and one associate company (other associate company is exempt from the reporting requirements u/s 143(3)(i) of the

Companies Act, 2013) incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its associates - Refer Note 25 to the consolidated financial statements.
  - ii. The Group and its Associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its Associates.

**FOR JOSHI & SAHNEY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104359W

Sd/-

**H.M.JOSHI**  
PARTNER

Membership No. 031689

**Place: Pune**

**Date: 29<sup>th</sup> May, 2018**

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MITCON CONSULTANCY & ENGINEERING SERVICES LTD

Referred to in Paragraph 1(g) of the Independent Auditor's Report on the Consolidated Financial Statements of MITCON CONSULTANCY & ENGINEERING SERVICES LTD. (Company) for the year ended 31<sup>st</sup> March 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting with reference to consolidated financial statements of **MITCON CONSULTANCY & ENGINEERING SERVICES LTD.** (hereinafter referred to as "the Holding Company") its subsidiary MITCON MULTISKILLS LTD. (the Holding Company and its subsidiary together referred to as "the Group") and its Associate **KRISHNA WINDFARMS DEVELOPERS PVT.LTD.** which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

- 1) The respective Board of Directors of the Holding company, its subsidiary company and its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

- 2) Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

- 3) Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
- 4) We believe that the audit evidence we have obtained and the audit evidence obtained below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to consolidated financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

6. Because of the inherent limitations of internal financial controls over financial reporting with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

7. In our opinion, the Holding Company, its subsidiary company and one associate company (other associate company is exempt from the reporting requirements u/s 143(3)(i) of the Companies Act, 2013), which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting with reference to consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

8. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to consolidated financial statements insofar as it relates to subsidiary company and one associate company (other associate company is exempt from the reporting requirements u/s 143(3)(i) of the Companies Act, 2013), which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

**FOR JOSHI & SAHNEY**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104359W

Sd/-  
**H.M.JOSHI**  
PARTNER

Membership No. 031689

**Place: Pune**

**Date: 29<sup>th</sup> May, 2018**

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**CIN - L74140PN1982PLC026933**  
**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> March, 2018**

Particulars		Note No.	As at 31 <sup>st</sup> March, 2018 INR	As at 31 <sup>st</sup> March, 2017 INR
<b>I EQUITY AND LIABILITIES</b>				
(1)	<b>Shareholders' Funds</b>			
	(a) Share Capital	2	121,000,000.00	121,000,000.00
	(b) Reserves and Surplus	3	764,394,210.00	780,655,132.00
			<b>885,394,210.00</b>	<b>901,655,132.00</b>
(2)	<b>Minority Interest</b>		<b>18,180.00</b>	- -
(3)	<b>Non-Current Liabilities</b>			
	(a) Deferred Tax Liabilities (Net)	4	12,439,670.00	13,750,725.00
	(b) Other Long Term Liabilities	5	1,854,103.00	2,716,603.00
	(c) Long Term Provisions	6	5,209,920.00	5,781,469.00
			<b>19,503,693.00</b>	<b>22,248,797.00</b>
(4)	<b>Current Liabilities</b>			
	(a) Trade Payables	7		
	(i) Total outstanding dues to Micro Enterprises and Small enterprises		- -	- -
	(ii) Total outstanding dues to creditors other than Micro Enterprises and Small enterprises		80,476,621.00	61,125,128.00
	(b) Other Current Liabilities	8	25,138,280.00	19,251,210.00
	(c) Short-Term Provisions	9	7,684,742.00	7,335,037.00
			<b>113,299,643.00</b>	<b>87,711,375.00</b>
	<b>Total</b>		<b>1,018,215,726.00</b>	<b>1,011,615,304.00</b>
<b>II ASSETS</b>				
(1)	<b>Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	10	205,650,411.00	223,050,299.00
	(ii) Intangible Assets	10	8,602,896.00	4,734,671.00
	(iii) Intangible Assets under development	- -	- -	6,009,727.00
			<b>214,253,307.00</b>	<b>233,794,697.00</b>
	(b) Non-Current Investments	11	14,447,844.00	44,161,418.00
	(c) Long Term Loans and Advances	12	316,611,052.00	34,996,640.00
	(d) Other Non-Current Assets	13	12,778,561.00	- -
			<b>343,837,457.00</b>	<b>79,158,058.00</b>
(2)	<b>Current Assets</b>			
	(a) Current Investments	14	6,000,000.00	241,112,319.00
	(b) Trade Receivables	15	155,349,255.00	174,900,260.00
	(c) Cash and Bank Balances	16	247,217,375.00	190,435,145.00
	(d) Short-Term Loans and Advances	17	51,529,989.00	68,273,165.00
	(e) Other Current Assets	18	28,343.00	23,941,660.00
			<b>460,124,962.00</b>	<b>698,662,549.00</b>
	<b>Total</b>		<b>1,018,215,726.00</b>	<b>1,011,615,304.00</b>

'See Accompanying Notes (1 To 40) Forming Integral Part of The Financial Statements

In terms of our report attached

**For Joshi and Sahney**  
 Chartered Accountants  
 Firm Reg. No. 104359W

**For and on behalf of the Board**

Sd/-  
**H. M. Joshi**  
 Partner  
 Mem. No. 031689

Sd/-  
**Archana Lakhe**  
 Director  
 (DIN 07079209)

Sd/-  
**Dr. Pradeep Bavadekar**  
 Managing Director  
 (DIN 00879747)

Date : 29<sup>th</sup> May, 2018  
 Place: Pune

Sd/-  
**Ram Mapari**  
 Chief Financial Officer  
 Date : 29<sup>th</sup> May, 2018  
 Place : Pune

Sd/-  
**Abhijeet Modak**  
 Company Secretary  
 M No.A36828

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**
**CIN - L74140PN1982PLC026933**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> March, 2018**

Particulars		Note No.	For the year ended 31 <sup>st</sup> March, 2018 INR	For the year ended 31 <sup>st</sup> March, 2017 INR
I	Revenue from Operations	19	583,762,238.00	440,293,412.00
II	Other Income	20	39,865,910.00	29,854,928.00
III	<b>Total Revenue (I + II)</b>		<b>623,628,148.00</b>	<b>470,148,340.00</b>
IV	<b>Expenses:</b>			
	Operating Costs	21	325,641,559.00	132,389,920.00
	Employee Benefit Expense	22	119,997,835.00	142,573,571.00
	Finance Costs	23	7,739,664.00	565,282.00
	Depreciation Expense - Tangible Assets	10	18,857,583.00	19,793,607.00
	Amortization Expense - Intangible Assets	10	6,369,003.00	4,094,508.00
	Other Expenses	24	104,879,421.00	113,561,901.00
	<b>Total Expenses</b>		<b>583,485,065.00</b>	<b>412,978,789.00</b>
V	Profit Before exceptional and extraordinary items & Tax (III-IV)		40,143,083.00	57,169,551.00
VI	<b>Extraordinary items (ref note no. 32)</b>		4,332,525.00	1,824,781.00
VII	Profit Before Tax (V - VI)		35,810,558.00	55,344,770.00
VIII	<b>Tax Expense:</b>			
	(1) Current Tax		9,100,000.00	18,150,000.00
	(2) Deferred Tax Liability / (Asset) (Net)		(1,311,055.00)	(2,780,927.00)
	(3) Excess provision for Taxation of Earlier years		(214,676.00)	(4,267,464.00)
			7,574,269.00	11,101,609.00
IX	<b>Profit after tax for the year (before adjustment for Minority Interest)</b>		<b>28,236,289.00</b>	<b>44,243,161.00</b>
	Add: Share of Loss of Minority Interest transferred		30,820.00	- -
X	<b>Profit after tax for the year (after adjustment for Minority Interest)</b>		<b>28,267,109.00</b>	<b>44,243,161.00</b>
	Less: Unrealised Profit out of transactions with Associate		(18,513,441.00)	(14,992,819.00)
	Add / Less : Share in Profit / (Loss) of Associate Companies			
	Krishna Windfarms Developers Pvt Ltd		(11,200,133.00)	14,037.00
	"Mitcon Megaskill Centers Pvt Ltd (Refer Note 37)"		(26,000.00)	- -
XI	<b>(Loss) / Profit for the year after adjustment for share in Loss of Associate Companies</b>		<b>(1,472,465.00)</b>	<b>29,264,379.00</b>
XII	<b>Earnings per equity share (Face value INR. 10/-)</b>			
	Basic		(0.12)	2.42
	Diluted		(0.12)	2.42

See Accompanying Notes (1 To 40) Forming Integral Part of The Financial Statements

In terms of our report attached

**For Joshi and Sahney**  
 Chartered Accountants  
 Firm Reg. No. 104359W

**For and on behalf of the Board**

 Sd/-  
**H. M. Joshi**  
 Partner  
**Mem. No. 031689**

 Sd/-  
**Archana Lakhe**  
 Director  
 (DIN 07079209)

 Sd/-  
**Dr. Pradeep Bavadekar**  
 Managing Director  
 (DIN 00879747)

 Sd/-  
**Ram Mapari**  
 Chief Financial Officer

 Sd/-  
**Abhijeet Modak**  
 Company Secretary  
**M No.A36828**

 Date : 29<sup>th</sup> May, 2018  
 Place: Pune

 Date : 29<sup>th</sup> May, 2018  
 Place : Pune

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**CIN - L74140PN1982PLC026933**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Particulars	Year ended 31 <sup>st</sup> March, 2018		Year ended 31 <sup>st</sup> March, 2017	
	INR	INR	INR	INR
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax:</b>		35,810,558.00		55,344,770.00
Adjustments for:				
Depreciation & Amortisation	25,226,586.00		23,888,115.00	
Finance Costs	7,739,664.00		565,282.00	
Loss on sale of fixed assets	72,821.00		58,783.00	
Interest income	(29,155,335.00)		(20,874,421.00)	
Gain on redemption of Mutual fund	(24,348.00)		(231,317.00)	
Dividend Income	--	3,859,388.00	(5,526,864.00)	(2,120,422.00)
Operating profit before Working Capital changes		<b>39,669,946.00</b>		<b>53,224,348.00</b>
<b>Adjustments for changes in Working capital :</b>				
Long term Loans and advances	(56,304,807.00)		(7,301,496.00)	
Other non-current assets	--		232,218,974.00	
Inventories	--		512,232.00	
Trade Receivables	19,551,005.00		(991,961.00)	
Short term Loans and advances	4,671,768.00		462,761.00	
Other current assets	23,913,317.00		(23,929,163.00)	
Other long term liabilities	(862,500.00)		(27,500.00)	
Long term Provisions	(571,549.00)		172,959.00	
Trade Payables	19,351,493.00		13,770,019.00	
Other current liabilities	5,887,070.00		4,537,963.00	
Short term Provisions	349,705.00	15,985,502.00	4,588,535.00	224,013,323.00
Cash generated from operations		<b>55,655,448.00</b>		<b>277,237,671.00</b>
Income taxes paid / (refund) / [NET]		(3,186,084.00)		21,671,386.00
<b>Net Cash flow from Operating Activities</b>		<b>58,841,532.00</b>		<b>255,566,285.00</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
<b>Fixed Assets :</b>				
Purchase of Fixed Assets	(64,66,607.00)		(6,139,879.00)	
Sale proceeds of Fixed Assets	109,663.00		52,041.00	
<b>Investments:</b>				
Purchase of Investment - Non Current	(26,000.00)		(280,267,630.00)	
Purchase of Investment - Current	--		(35,126,352.00)	
Loan to Associate and interest thereon	(238,088,166.00)		--	
Sale proceeds - Current	235,136,667.00		101,002,223.00	
Interest income	29,155,335.00		20,874,421.00	
Dividend Income	--		5,526,864.00	
<b>Net Cash from \ (used) in investing activities</b>		<b>19,820,892.00</b>		<b>(194,078,312.00)</b>

<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds from Issue of shares to Minority shareholder	49,000.00		--
	Receipt of Grant and interest thereon	1,255,109.00		1,691,188.00
	Refund of Grant	(881,364.00)		--
	Finance Cost	(7,739,664.00)		(565,282.00)
	Dividend & tax on Dividend paid	(14,563,275.00)		(14,563,275.00)
	<b>Net Cash flow from/(used) in financing activities</b>		<b>(21,880,194.00)</b>	<b>(13,437,369.00)</b>
<b>D</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>56,782,230.00</b>	<b>48,050,604.00</b>
	Cash and Cash Equivalents (Opening balance)		<b>190,435,145.00</b>	<b>142,384,541.00</b>
	Cash and Cash Equivalents (Closing balance)		<b>247,217,375.00</b>	<b>190,435,145.00</b>

Notes :

Figures in brackets represent outflows of cash and cash equivalents.

	<b>As at 31<sup>st</sup> Mar, 2018</b>	<b>As at 31<sup>st</sup> Mar, 2017</b>
	<b>INR</b>	<b>INR</b>
<b>Cash and cash equivalents</b>		
Cash on hand	529,636.00	688,132.00
Cheques, drafts on hand	870,287.00	2,655,217.00
<b>Balance with Bank</b>		
Balances with banks (including deposits with less than 3 months maturity)	80,007,843.00	115,236,317.00
<b>Other bank balances</b>		
- Deposits with maturity of more than three months but less than 12 months	95,033,671.00	7,512,701.00
- Margin Money for Bank Guarantees	69,545,057.00	63,343,915.00
- Earmarked balances	1,230,881.00	998,863.00
<b>Total</b>	<b>247,217,375.00</b>	<b>190,435,145.00</b>

See Accompanying Notes (1 To 40) Forming Integral Part of The Financial Statements

In terms of our report attached

**For Joshi and Sahney**  
Chartered Accountants  
Firm Reg. No. 104359W

Sd/-  
**H. M. Joshi**  
Partner  
**Mem. No. 031689**

**For and on behalf of the Board**

Sd/-  
**Archana Lakhe**  
Director  
(DIN 07079209)

Sd/-  
**Dr. Pradeep Bavadekar**  
Managing Director  
(DIN 00879747)

Sd/-  
**Ram Mapari**  
Chief Financial Officer

Sd/-  
**Abhijeet Modak**  
Company Secretary  
**M No.A36828**

**Date : 29<sup>th</sup> May, 2018**  
**Place: Pune**

**Date : 29<sup>th</sup> May, 2018**  
**Place : Pune**

### FORM AOC-1

(Pursuant to first proviso to Subsection (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014  
 Statement containing salient features of the financial statements of Subsidiaries or Associate Companies or Joint Ventures

#### Part A - Subsidiaries

1	Particulars	
2	Name of the subsidiary	MITCON Multiskills Limited
3	The date since when subsidiary was acquired	1 <sup>st</sup> June 2017
4	Reporting Period for the subsidiary	31 <sup>st</sup> March, 2018
5	Reporting Currency	INR
6	Share Capital	100,000.00
7	Reserves & Surplus	(62,897.00)
8	Total Assets	47,403.00
9	Total Liabilities	47,403.00
10	Investment	--
11	Turnover	--
12	Profit / (Loss) before Taxation	(62,897.00)
13	Provision for Taxation	--
14	Profit / (Loss) after Taxation	(62,897.00)
15	Proposed dividend	--
16	% of Holding	51%
17	Name of the Subsidiary which yet to commence operations	MITCON Multiskills Limited
18	Name of the Subsidiary which have been liquidated or sold during the year	NA

#### Part B - Associate and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Sr. No.	Particulars	Krishna Windfarms Developers Private Limited	MITCON Megaskill Centers Private Limited
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2018
2	Date on which the Associate was associated	24 <sup>th</sup> March, 2017	1 <sup>st</sup> June 2017
3	Shares of Associate held by the Company on the year end Nos	5,880,000.00	2,600.00
	Amount of Investment in Associates	59,065,200.00	26,000.00
	Extent of Holding	49%	26%
4	Description of how there is significant influence	Holding > 20% of Equity share capital	Holding > 20% of Equity share capital
5	Reason why the Associate is not consolidated	NA	NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet	43,862,355.00	(4,167,899.58)
7	Profit / (Loss) for the year / period	(24,363,426.00)	(16,130,383.00)
8	Considered in Consolidation #	(11,938,079.00)	(26,000.00)*
9	Not Considered in Consolidation	(12,425,347.00)	(16,104,383.00)
10	Name of the Associates which yet to commence operations	NA	NA
11	Name of the Associates which have been liquidated or sold during the year	NA	NA

\* Company has accounted for its share in loss of associate to the extent of INR 26,000/- being the carrying value of Investment in Associate against its total share in loss in Associate amounting to INR 4,385,935/- This is in terms of para 18 of AS - 23 Accounting for Investment in Associates in Consolidated Financial Statements.

# INR 11,200,133/- after adjustment of Depreciation.

## MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

- a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention. The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013.
- b) The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except for those items with significant uncertainties.

##### 1.2 Principles of Consolidation

The consolidated financial statement relate to MITCON Consultancy and Engineering Services Limited, its Subsidiary and its Associate Companies.

The Subsidiary company considered in the Consolidated financial statement is -

Name	Status	Country of Incorporation	% of shareholding	Held by	Financial Statements
Mitcon Multiskills Limited	Audited	India	51%	MITCON Consultancy and Engineering Services Limited	As on 31 <sup>st</sup> March, 2018

The Associate companies considered in the Consolidated financial statement are -

Name	Status	Country of Incorporation	% of shareholding	Held by	Financial Statements
Krishna Windfarms Developers Private Limited	Audited	India	49%	MITCON Consultancy and Engineering Services Limited	As on 31 <sup>st</sup> March, 2018
Mitcon Megaskill Centers Private Limited	Audited	India	26%	MITCON Consultancy and Engineering Services Limited	As on 31 <sup>st</sup> March, 2018

The consolidated financial statements have been prepared on the following basis.

- 1) The financial statements of the Company have been combined on line - by - line basis by adding together the book value of like items of asstes , liabilities, income and expenses of the Subsidiary Company after fully eliminating intra-group balances, intra-group transactions and unrealised profit or loss as per Accounting Standard (AS-21) - Consolidated Financial Statements issued by The Institute of Chartered Accountants of India
- 2) The goodwill on consolidation is recognised in the consolidated financial statements.

- 3) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner, as the Company's Financial Statements.
- 4) Minority Interest in the net Income and net Assets of the Consolidated Financial Statements is computed and shown separately.
- 5) Investment in associate companies has been accounted for under the Equity method as per Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- 6) Goodwill arising on consolidation is not amortised but tested for impairment.

### 1.3 Revenue Recognition

- a) Revenue from Consultancy / Project Services / Incubation / Environment Laboratory Services is recognised as per the terms of the specific contracts / work orders.
- b) Revenue from training programs is accounted as follows :
  - i) Fees from the participants are accounted based on percentage completion of tenure of training program.
  - ii) Revenue from Government sponsored training programs is recognized on completion of training program.
  - iii) Revenue from training activities conducted on behalf of Maharashtra Knowledge Corporation Limited (MKCL), being not reasonably determinable, is recognised on receipt basis.
- c) Revenue from Wind energy generation is recognised based on units generated.(Net of rebate)
- d) Interest income is recognised on a time proportion basis.
- e) Dividend income is recognised only when the company's right to receive the dividend is established.

### 1.4 Use of Estimates

Estimates and assumptions used in the preparation of the financial statements are based on management's evaluation of the relevant facts and circumstances as of date of the Financial Statements, which may differ from the actual results at a subsequent date. Any revision to accounting estimates is recognized prospectively in current and future period.

### 1.5 Property, Plant & Equipment and Intangible Assets

- i) The company has adopted Cost Model to measure the gross carrying amount of fixed assets.
- ii) Tangible Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.
- iii) Intangible assets are stated at the consideration paid for acquisition and customisation thereof less accumulated amortisation.
- iv) Cost of fixed assets not ready for use before the balance sheet date is disclosed as Capital Work in Progress.
- v) Cost of Intangible Assets not ready for use before the balance sheet date is disclosed as Intangible Assets under Development.

## 1.6 Depreciation / Amortisation

- i) Depreciation on tangible fixed assets has been provided on straight line method over the estimated useful life of the asset in the manner prescribed in Schedule II of the Companies Act, 2013, except in the case of Wind Turbine Generator which is depreciated over 20 years as per technical evaluation by manufacturer.
- ii) Intangible asset being cost of Software capitalised is amortised over a period of three years.

## 1.7 Impairment of Assets

An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior period is reversed if there has been a change in the estimate of the recoverable amount.

## 1.8 Government Grants

Government grants in the nature of promoters' contribution are credited to Capital Grants under Reserves and Surplus and treated as a part of shareholders' funds. Utilisation thereof is as per covenants of grants received.

Such grants are reduced to the extent of utilisation thereof and depreciation charged and loss on sale or discard of fixed assets purchased there from. Further interest from investment of unutilised Grants / interest on loan disbursed to incubatee are added to respective Grants.

Balance remaining in the Grant after completion of its intended purpose, is transferred to General Reserve.

## 1.9 Operating Lease

Operating lease payments are recognized as an expense in the Statement of Profit and Loss.

## 1.10 Investments

- i) Long term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.
- ii) Current investments are stated at lower of cost or market value. The determination of carrying amount of such investment is done on the basis of specific identification.

## 1.11 Retirement Benefits

### a) Short Term Employee Benefits :

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

### b) Employment Benefits :

#### i) Defined Contribution Plans:

The company has Defined Contribution Plans for post employment benefit in the form of Provident Fund / Pension Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund / Pension Fund are classified as defined contribution plans as the company has no further obligation beyond making contributions. The company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

**ii) Defined Benefit Plans:**

**a) Funded Plan:**

The company has defined benefit plan for post employment benefit in the form of gratuity for the employees which are administered through Life Insurance Corporation of India. Liability for the said defined plan is provided on the basis of valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

**b) Non Funded Plan:**

The company has defined benefit plan for the employment benefit in the form of leave encashment for the employees. Liability for above defined benefit plan is provided on the basis of the valuation as at the Balance Sheet date carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

iii) The actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss for the year without resorting to any amortization.

**1.12 Income Tax**

**a) Current Taxation :**

Provision for current tax is made on the basis of taxable profits computed for the current accounting period in accordance with Income Computation and Disclosure Standards as notified under section 145 (2) of the Income Tax Act, 1961.

Provision is made for income Tax annually, based on the tax liability computed after considering tax allowances and exemptions.

**b) Deferred Tax :**

Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date.

**1.13 Earnings Per Share**

Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**1.14 Foreign Currency Transaction**

**a) Initial Recognition :**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b) Exchange Differences :**

Exchange differences arising on the settlement of foreign currency transactions are recognised as income or as expense in the year in which they arise.

### 1.15 Provisions, Contingent Liabilities and Contingent Assets :

**Provisions** are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past event,
- b) a probable outflow of resources is expected to settle the obligation; and
- c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

**Contingent Liability** is disclosed in case of

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations;
- b) a present obligation arising from past events, when no reliable estimate is possible; and
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

**Contingent Assets** are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance sheet date.

### 1.16 Segment Reporting

The company identifies primary segments based on the dominant source, nature of risks, returns and the internal organization structure. The operating segments are the segments for which separate financial information is available and for which operating Profit/Loss amounts are evaluated regularly by the Management in deciding how to allocate resource and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

### 1.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

### 1.18 Dividend

Dividend is recognised as liability in the period in which it is declared by the Company (usually when approved by shareholders in General Meeting) or paid.

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 2 - SHARE CAPITAL**

Particulars	As at	As at
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
	INR	INR
<b>Authorised:</b> 25,000,000 ( Previous year 25,000,000) Equity Shares of INR 10/- each.	250,000,000.00	250,000,000.00
<b>Issued, Subscribed and Paid up:</b> 12,100,000 Equity Shares of INR 10/- each.	121,000,000.00	121,000,000.00
<b>Total</b>	<b>121,000,000.00</b>	<b>121,000,000.00</b>

**Notes:**

**a) Reconciliation of the no. of shares :**

Particulars	As at		As at	
	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017	
	No of shares	Amount	No of shares	Amount
No of Equity shares outstanding at the beginning of the year (Face Value of INR 10/-)	12,100,000	121,000,000.00	12,100,000	121,000,000 .00
No of Equity shares outstanding at the end of the year ( Face value of INR10/-)	12,100,000	121,000,000.00	12,100,000	121,000,000.00

**b) Rights, preferences and restrictions attached to shares:**

The company has one class of equity shares having a par value of INR 10/- per share. Each equity holder is entitled to one vote per share and have a right to receive dividend as recommended by Board of Directors subject to necessary approval from the shareholders.

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

**c) Shares allotted as fully paid-up by way of bonus shares (during immediately preceding 5 years):**

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Equity Shares allotted as fully paid-up bonus shares by capitalisation of accumulated profits	--	--	--	--	7,500,000

**d) Number of Equity shares held by each shareholder holding more than 5% shares in the company are as follows:**

Particulars	Number of shares as at 31 <sup>st</sup> March, 2018 of INR10/- each	% of shares held	Number of shares as at 31 <sup>st</sup> March, 2017 of INR 10/- each	% of shares held
1) SIDBI Trustee Company Limited A/c India Opportunities Ltd	<b>1,638,000</b>	<b>13.54%</b>	<b>1,638,000</b>	<b>13.54%</b>
2) Small Industries Development Bank of India	<b>1,000,000</b>	<b>8.26%</b>	<b>1,000,000</b>	<b>8.26%</b>
3) SICOM Ltd.	<b>800,000</b>	<b>6.61%</b>	<b>800,000</b>	<b>6.61%</b>
4) Mukul Mahavir Prasad Agrawal	<b>752,000</b>	<b>6.21%</b>	<b>752,000</b>	<b>6.21%</b>
5) Ashok Kumar Agrawal	--	<b>0.00%</b>	<b>656,000</b>	<b>5.42%</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 3 - RESERVES AND SURPLUS**

Particulars	INR.	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Capital Grants :</b>			
<b>Capital Grant Received from :</b>			
<b>1) Ministry of Food Processing Industry, Govt. of India</b>			
For setting up Food Processing Training Centre	9,691.00		70,041.00
Less :- Depreciation for the Year	5,881.00		60,350.00
<b>Closing Balance</b>		<b>3,810.00</b>	<b>9,691.00</b>
<b>2) Technology Development Board (TDB), Govt. of India</b>			
Opening Balance	5,414,745.00		5,223,557.00
Add : Interest Received (net of Taxes)	161,290.00		191,188.00
Less : Refunded to TDB	881,364.00		--
Less : Loan to Incubatee	3,439,562.00		4,533,381.00
<b>Closing Balance</b>		<b>1,255,109.00</b>	<b>881,364.00</b>
<b>3) Grant received from MSME under ASPIRE scheme (For Upgradation of Technical Business Incubator)</b>			
Opening Balance	2,585,560.00		1,471,611.00
Add: received during the year	--		1,500,000.00
Less :- Utilised towards consumable purchase	--		5,448.00
Less :- Depreciation for the year	593,046.00		380,603.00
<b>Closing Balance</b>		<b>1,992,514.00</b>	<b>2,585,560.00</b>
<b>Revaluation Reserve:</b>			
Opening Balance	--		17,488,431.00
Less: Adjusted against revalued asset as per Accounting Standard 10 (para 91)	--		17,488,431.00
<b>Closing Balance</b>		<b>--</b>	<b>--</b>
<b>Securities Premium Reserve :</b>			
As per last Balance Sheet		<b>173,557,818.00</b>	<b>173,557,818.00</b>

Continued...

Continued...

<b>General Reserve:</b>			
Opening Balance		91,276,262.00	<b>91,276,262.00</b>
<b>Surplus in Statement of Profit &amp; Loss</b>			
Opening Balance	512,344,437.00		483,080,058.00
Less: Dividend INR 1 per share (previous year INR Nil per share) # INR 12,100,000			
: Dividend distribution tax INR 2,463,275	14,563,275.00		- -
Add: (Loss) / Profit for the year	(1,472,465.00)		29,264,379.00
<b>Closing Balance</b>		<b>496,308,697.00</b>	<b>512,344,437.00</b>
<b>Total</b>		<b>764,394,210.00</b>	<b>780,655,132.00</b>

# - According to amended rules of the Companies (Accounting Standards) Rules, 2016, proposed dividend and Dividend Distribution Tax thereon of INR 14,563,275/- was not recorded as liability as at 31<sup>st</sup> March, 2017

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 4 - DEFERRED TAX**

**(i) Break up of Deferred Tax Liability as at year end :**

Nature of timing difference	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Provision for Depreciation	14,860,966.00	16,941,944.00
<b>Total</b>	<b>14,860,966.00</b>	<b>16,941,944.00</b>

**(ii) Break up of Deferred Tax Asset as at year end:**

Nature of timing difference	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Provision for Leave encashment	2,421,296.00	3,191,219.00
<b>Total</b>	<b>2,421,296.00</b>	<b>3,191,219.00</b>

<b>(iii) Deferred Tax Liability (net)</b>	<b>12,439,670.00</b>	<b>13,750,725.00</b>
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**NOTE 5 - OTHER LONG TERM LIABILITIES**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Retention Money from Vendor	1,854,103.00	2,716,603.00
<b>Total</b>	<b>1,854,103.00</b>	<b>2,716,603.00</b>

**NOTE 6 - LONG TERM PROVISIONS**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Provision for Leave Encashment	5,209,920.00	5,781,469.00
<b>Total</b>	<b>5,209,920.00</b>	<b>5,781,469.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 7 - TRADE PAYABLES**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Trade Payables		
i) total outstanding dues to Micro Enterprises and Small enterprises	--	--
ii) total outstanding dues to creditors other than Micro Enterprises and Small enterprises	80,476,621.00	61,125,128.00
<b>Total</b>	<b>80,476,621.00</b>	<b>61,125,128.00</b>

**NOTE 8 - OTHER CURRENT LIABILITIES**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Other Payables</b>		
Advance from Customers	5,885,964.00	5,221,689.00
Amount refundable to Associate company MITCON Megaskills Centers Private Limited	10,810,922.00	--
Provident Fund Contribution Employee & Employer	1,444,239.00	1,548,715.00
ESIC Payable	46,277.00	77,523.00
TDS, ST & GST Payable	5,814,371.00	6,092,345.00
Security Deposits	1,136,507.00	451,502.00
Payable against Capital Account	--	5,859,436.00
<b>Total</b>	<b>25,138,280.00</b>	<b>19,251,210.00</b>

**NOTE 9 - SHORT-TERM PROVISIONS**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Provision for Leave Encashment	7,684,742.00	7,335,037.00
<b>Total</b>	<b>7,684,742.00</b>	<b>7,335,037.00</b>



**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 10- PROPERTY, PLANT AND EQUIPMENT**

INR

Particulars	Grant Assets					Total of Tan- gible & Grant Assets	INTANGIBLE ASSETS		Total of Tangible & Intangible Assets
	Office Equipment	Furniture & Fixture	Computer & Printers	Electrical Installa- tions & Equipments	Total		Computer Softwares		
<b>COST</b>									
As at April 1, 2016	6,169,901.00	1,021,551.00	432,000.00	867,660.00	8,491,112.00	409,129,578.00	44,749,903.00	453,879,481.00	
Additions	1,485,763.00	--	--	--	1,485,763.00	5,902,669.00	237,220.00	6,139,879.00	
Disposals / adjustments	--	--	--	--	--	(24,495,847.00)	--	(24,495,847.00)	
<b>Balance as at March 31, 2017</b>	<b>7,665,664.00</b>	<b>1,021,551.00</b>	<b>432,000.00</b>	<b>867,660.00</b>	<b>9,986,875.00</b>	<b>390,536,390.00</b>	<b>44,987,123.00</b>	<b>435,523,513.00</b>	
Additions	--	--	--	--	--	2,239,106.00	10,237,228.00	12,476,334.00	
Disposals / adjustments	49,026.00	--	--	--	49,026.00	1,255,766.00	119,200.00	1,374,966.00	
<b>Balance as at March 31, 2018</b>	<b>7,616,638.00</b>	<b>1,021,551.00</b>	<b>432,000.00</b>	<b>867,660.00</b>	<b>9,937,849.00</b>	<b>391,519,730.00</b>	<b>55,105,151.00</b>	<b>446,624,881.00</b>	
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>									
As at April 1, 2016	4,639,588.00	1,004,603.00	432,000.00	855,826.00	6,932,017.00	156,819,312.00	33,486,756.00	190,306,068.00	
Depreciation Charge for the year	434,949.00	3,513.00	--	2,491.00	440,953.00	20,234,435.00	4,094,508.00	24,328,943.00	
Disposals / adjustments	--	--	--	--	--	9,567,780.00	(2,671,188.00)	6,896,592.00	
<b>Balance as at March 31, 2017</b>	<b>5,074,537.00</b>	<b>1,008,116.00</b>	<b>432,000.00</b>	<b>858,317.00</b>	<b>7,372,970.00</b>	<b>167,486,091.00</b>	<b>40,252,452.00</b>	<b>207,738,543.00</b>	
Depreciation Charge for the year	594,103.00	2,893.00	--	2,053.00	599,049.00	## 19,456,632.00	6,369,003.00	25,825,635.00	
Disposals / adjustments	49,026.00	--	--	--	49,026.00	1,073,280.00	119,200.00	1,192,480.00	
<b>Balance as at March 31, 2018</b>	<b>5,619,614.00</b>	<b>1,011,009.00</b>	<b>432,000.00</b>	<b>860,370.00</b>	<b>7,922,993.00</b>	<b>185,869,319.00</b>	<b>46,502,255.00</b>	<b>232,371,698.00</b>	
<b>NET BLOCK at March 31, 2018</b>	<b>1,997,024.00</b>	<b>10,542.00</b>	<b>--</b>	<b>7,290.00</b>	<b>2,014,856.00</b>	<b>205,650,411.00</b>	<b>8,602,896.00</b>	<b>214,253,307.00</b>	
<b>NET BLOCK at March 31, 2017</b>	<b>2,591,127.00</b>	<b>13,435.00</b>	<b>--</b>	<b>9,343.00</b>	<b>2,613,905.00</b>	<b>223,050,299.00</b>	<b>4,734,671.00</b>	<b>227,784,970.00</b>	

## - Out of above depreciation of INR 18,857,583/- has been charged against Profit and balance INR 599,049/- has been reduced from respective Grants

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 11 - NON CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Investments (At Cost)</b>		
<b>Investment in associate - (Trade, Unquoted)</b>		
5,880,000 (Previous year 5,880,000) Fully paid up Equity shares of INR 10/- each of Kishna Windfarms Developers Pvt Ltd (KWDPL) including Goodwill of INR 3,278,803 arising on acquisition of Associate #	44,086,418.00	59,065,200.00
Less : Share in (Loss) / Profit	(11,200,133.00)	14,037.00
Less : Unrealised (Profit) on Inter-company transactions	(18,513,441.00)	(14,992,819.00)
Carrying Amount of Investment	14,372,844.00	44,086,418.00
2,600 (Previous year Nil) Fully paid up Equity shares of INR 10/- each of MITCON Megaskill Centers Pvt Ltd	26,000.00	--
Less:Share in Loss to the extent of Investment made in Associate (Refer Note 37)	(26,000.00)	--
Carrying Amount of Investment	--	--
<b>Non-trade, Unquoted</b>		
<b>Other Investments:</b>		
<b>In Government Securities -</b>		
National Savings Certificates	75,000.00	75,000.00
<b>Total</b>	<b>14,447,844.00</b>	<b>44,161,418.00</b>

# - All the Equity Shares of KWDPL are pledged with Axis Trustee Services Ltd. for term loan of INR 420,000,000/- availed by KWDPL from L & T Infrastructure Finance Company Limited.  
 Aggregate amount of unquoted investments INR 14,447,844/- (Previous Year INR 44,161,418/-)

**NOTE 12 - LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Unsecured, Considered Good</b>		
Capital Advances #	63,992,650.00	2,669,650.00
Security Deposits	25,631,637.00	29,413,861.00
Prepaid Expenses / Gratuity Contribution	1,677,160.00	2,913,129.00
Inter Corporate Loan to Related Party - Krishna Windfarms Developers Pvt Ltd	225,309,605.00	--
<b>Total</b>	<b>316,611,052.00</b>	<b>34,996,640.00</b>

# - Capital advances include INR 2,669,650 (PY INR 2,669,650) pertaining to full payment as per demand letter ref no C30642/2015 dated 31<sup>st</sup> July, 2015 of MIDC, Nanded. for office at Udyog Bhavan, Nanded The company has taken possession and occupied this office during the year ended 31st March, 2016. Capitalisation of the property and depreciation / amortisation thereof is pending for execution and registration of formal purchase deed with MIDC

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 13 - OTHER NON CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Interest receivable on Inter Corporate loan to Related Party - Krishna Windfarms Developers Pvt Ltd	12,778,561.00	--
<b>Total</b>	<b>12,778,561.00</b>	<b>--</b>

**NOTE 14 - CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Others</b>		
<b>Quoted at Cost</b>		
Investments in Mutual funds	6,000,000.00	19,909,889.00
<b>Unquoted at Cost</b>		
Deposits with NBFC	--	221,202,430.00
<b>Total</b>	<b>6,000,000.00</b>	<b>241,112,319.00</b>

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Aggregate value of Quoted investment	6,000,000.00	19,909,889.00
Market value of Quoted investment	7,834,480.00	21,268,702.00
Aggregate value of Unquoted investment	--	221,202,430.00

PARTICULARS OF INVESTMENTS	Face Value Per Unit	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	INR	Nos.	INR	Nos.	INR
<b>Quoted</b>					
Reliance Banking and PSU debt fund - weekly dividend	--	--	--	1,373,643.23	13,909,889.00
Reliance Short Term Fund growth plan growth option	25.00	232,580.676	6,000,000.00	232,580.68	6,000,000.00
<b>Total</b>			<b>6,000,000.00</b>		<b>19,909,889.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 15 - TRADE RECEIVABLES**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
Outstanding for a period exceeding six months from the date they are due for payment :		
Unsecured considered good #	73,214,232.00	68,812,476.00
Unsecured considered doubtful	--	3,090,595.00
Less: Provision for Doubtful Debts	--	(3,090,595.00)
	73,214,232.00	68,812,476.00
Others - Unsecured considered good ##	82,135,023.00	106,087,784.00
<b>Total</b>	<b>155,349,255.00</b>	<b>174,900,260.00</b>

# - Includes INR 17,794,711/- receivable from Associate company Krishna Windfarms Developers Private Limited  
 ## - Includes INR 2,274,029/- receivable from Associate company Krishna Windfarms Developers Private Limited

**NOTE 16 - CASH AND BANK BALANCES**

Particulars	As at 31 <sup>st</sup> March 2018 INR	As at 31 <sup>st</sup> March 2017 INR
<b>Cash and Cash Equivalents</b>		
Cash on Hand	529,636.00	688,132.00
Cheques, Drafts on Hand	870,287.00	2,655,217.00
<b>Balance with Bank</b>		
Balances with banks (including deposits with less than 3 months maturity)	80,007,843.00	115,236,317.00
<b>Other Bank Balances</b>		
- Deposits with maturity of more than three months but less than 12 months	95,033,671.00	7,512,701.00
- Margin Money for Bank Guarantees #	69,545,057.00	63,343,915.00
- Earmarked Balances (in respect of TDB Grant)	1,230,881.00	998,863.00
<b>Total</b>	<b>247,217,375.00</b>	<b>190,435,145.00</b>

# - Includes Deposit of INR 50,000,000/- on which charge has been created in favour of Bank of Baroda, Shivajinagar branch, Pune for non fund based limit of INR 200,000,000/-

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 17 - SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
	INR	INR
<b>Unsecured, Considered Good</b>		
Prepaid Expenses	4,666,060.00	5,263,040.00
Advance to Others	1,581,478.00	747,763.00
Security Deposits	9,840,610.00	8,864,020.00
Travel Advances to Staff	325,657.00	387,950.00
Income Tax paid less Provisions	35,116,184.00	47,187,592.00
Service Tax paid in advance / input CENVAT credit	--	5,822,800.00
<b>Total</b>	<b>51,529,989.00</b>	<b>68,273,165.00</b>

**NOTE 18 - OTHER CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
	INR	INR
Interest Accrued on deposit with NBFC	--	23,921,570.00
Interest Accrued on NSC	28,343.00	20,090.00
<b>Total</b>	<b>28,343.00</b>	<b>23,941,660.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 19- REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2018 INR</b>	<b>For the year ended 31<sup>st</sup> March, 2017 INR</b>
Sale of Services	579,622,868.00	435,682,416.00
Other Operating Revenues	4,139,370.00	4,610,996.00
<b>Total</b>	<b>583,762,238.00</b>	<b>440,293,412.00</b>

<b>Details of Sale of Services :</b>	<b>For the year ended 31<sup>st</sup> March, 2018 INR</b>	<b>For the year ended 31<sup>st</sup> March, 2017 INR</b>
Consultancy Fees	190,319,407.00	246,237,820.00
Project services	238,139,007.00	44,154,588.00
Income from Vocational Training	117,666,682.00	105,732,081.00
Income from IT Courses	17,122,248.00	18,032,284.00
Income from Laboratories	16,375,524.00	21,525,643.00
<b>Total</b>	<b>579,622,868.00</b>	<b>435,682,416.00</b>
<b>Details of Other Operating Revenue :</b>		
Income from Wind Power Generation (Net of rebate)	4,139,370.00	4,610,996.00
<b>Total</b>	<b>4,139,370.00</b>	<b>4,610,996.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 20 - OTHER INCOME**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Interest Income on		
- Bank Deposits	11,761,647.00	7,025,335.00
- Current Investments	--	13,849,086.00
- Other	3,195,286.00	--
- Loan to Associate company Krishna Windfarms Developers Private Limited	14,198,402.00	--
Dividend Income from Current Investments	--	5,526,864.00
Sundry Provisions and Credit Balances no longer required, written back	8,444,013.00	1,802,909.00
Recovery of Bad Debts	770,000.00	--
Gain on redemption of Mutual fund investment	24,348.00	231,317.00
Other non-Operating Income	1,472,214.00	1,419,417.00
<b>Total</b>	<b>39,865,910.00</b>	<b>29,854,928.00</b>

**NOTE 21 - OPERATING COSTS**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Expenses on IT, VTP Training Activities	70,397,591.00	70,057,138.00
Changes in Inventory of printed course material		
Opening Stock	--	512,232.00
Less: Donated Under CSR	--	--
Less: Closing Stock	--	--
Decrease / (Increase) in Inventory of printed course material	--	512,232.00
Professional fees	64,224,830.00	56,283,550.00
Project Cost	191,019,138.00	5,537,000.00
<b>Total</b>	<b>325,641,559.00</b>	<b>132,389,920.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 22 - EMPLOYEE BENEFIT EXPENSE**

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2018 INR</b>	<b>For the year ended 31<sup>st</sup> March, 2017 INR</b>
Salaries and Wages	104,131,978.00	124,771,658.00
Contribution to Provident and Other Funds	12,508,795.00	13,470,770.00
Staff Welfare Expenses	3,357,062.00	4,331,143.00
<b>Total</b>	<b>119,997,835.00</b>	<b>142,573,571.00</b>

**NOTE 23 - FINANCE COSTS**

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2018 INR</b>	<b>For the year ended 31<sup>st</sup> March, 2017 INR</b>
Interest Expense	130,863.00	10,785.00
Bank charges and Commission	7,608,801.00	554,497.00
<b>Total</b>	<b>7,739,664.00</b>	<b>565,282.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 24 - OTHER EXPENSES**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Power and Fuel	6,240,541.00	7,871,404.00
Office Rent	8,238,873.00	14,669,973.00
<b>Repairs and Maintenance -</b>		
- Buildings	1,486,961.00	1,100,154.00
- Office & Other Equipment	4,653,732.00	5,180,588.00
- Others	1,434,120.00	1,585,013.00
Insurance	2,109,468.00	1,501,391.00
Rates & Taxes	531,565.00	392,766.00
<b>Auditor's Remuneration</b>		
Statutory Audit	868,000.00	686,500.00
Certification	18,000.00	16,559.00
<b>Administrative and General Expenses</b>		
Travelling Expenses	24,922,429.00	24,268,562.00
Printing, Stationery and computer consumable	10,515,025.00	10,432,114.00
Advertisement Expenses	4,120,390.00	4,987,635.00
Security Expenses	4,651,757.00	6,459,510.00
Telephone, Mobile Expenses	2,921,482.00	3,847,878.00
Business Promotion Expenses	1,760,146.00	2,003,888.00
Registration and Legal Fees	2,361,860.00	3,708,299.00
Postage , Fax and Courier Expenses	1,340,325.00	1,412,264.00
Books & Periodicals Subscriptions and Membership Fees	867,703.00	1,114,570.00
Housekeeping Expenses	1,545,639.00	1,752,780.00
Laboratory Consumables	264,393.00	860,269.00
Directors Sitting Fees	590,000.00	1,255,208.00
Expenditure towards Corporate Social Responsibility (CSR) activities	- -	2,818,671.00
Bad Debts written off	18,816,611.00	8,866,003.00
Provision for Doubtful debts	- -	3,090,595.00
Donations	48,000.00	10,200.00
Loss on Disposal / discard of Assets	72,821.00	58,783.00
General Expenses	4,499,580.00	3,610,324.00
<b>Total</b>	<b>104,879,421.00</b>	<b>113,561,901.00</b>

**MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Notes on these Consolidated Financial Statements are intended to serve as means of informative disclosure and a guide to better understanding of the Consolidated position of the Companies. Recognising this purpose, the company has disclosed only such notes from the individual financial statements, which :

- a) are necessary for representing a true and fair view of the Consolidated Financial Statements
- b) the notes involving items, which are considered to be material.

**25 CONTINGENT LIABILITY NOT PROVIDED FOR**

Particulars	Year ended 31 <sup>st</sup> March, 2018 INR	Year ended 31 <sup>st</sup> March, 2017 INR
a) Guarantees given by bankers on behalf of the Company		
- To Customers	28,630,754.00	14,069,468.00
b) Guarantees given by bankers on behalf of Associate company MITCON Megaskill Centers Private Limited to Jharkhand Skill Development Mission Society, Govt of Jharkhand (JSDM).		
- for Advance payment	127,247,200.00	--
- for Performance #	10,048,000.00	--
c) Guarantees given by bankers on behalf of Clear Maze Consulting Private Limited to Rajasthan Skill and Livelihoods Development Corporation (RSLDC), Jaipur # #	3,776,088.00	--
d) Corporate Guarantees issued on behalf of Associate Company Krishna Windfarms Developers Private Limited (KWDPL) for loan availed by KWDPL from L & T Infrastructure Finance Company Limited	42,000,000.00	--
e) Claims against the company not acknowledged as debt - Arbitration petition in respect of money claim is pending before Arbitration Tribunal. The company has made counter claims against the claimant before the said Tribunal. Pending completion of Arbitration proceedings, the liability (if any) is not ascertainable	--	--
f) An ex-employee has filed a claim before First Labour Court, Pune. The company has filed written statement for dismissal of the claim.	164,000.00	164,000.00

# - Performance Bank Guarantee of INR 10,048,000/- was returned by the JSDMS and the same is cancelled on 10<sup>th</sup> May, 2018

# # - Bank Guarantee of INR 3,776,088/- was returned by RSLDC and cancelled on 8<sup>th</sup> May, 2018.

26 Based on the documents / information available with the Company, there are no acknowledged dues to suppliers covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act).

27 Disclosure pursuant to Accounting Standard (AS 15) - Revised 2005 "Employee Benefits"

**a) Defined contribution plans:**

The company has recognized the following amounts in the Statement of Profit & Loss for the year :

- i) Contribution to employees provident fund INR 6,407,650/- (P.Y. INR 6,754,247/- )
- ii) Contribution to employees family pension Fund INR. 2,292,070/- (P.Y. INR 2,740,267/-)

**b) Defined benefit plans - Gratuity**

The company makes annual contribution to the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part there of in excess of 6 month. Vesting occurs only upon completion of 5 years of service except in case of death or permanent disability. The present value of defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at the balance sheet date.

i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:	Year ended	
	31 <sup>st</sup> March, 2018 INR	31 <sup>st</sup> March, 2017 INR
Present Value of defined benefit obligation at the beginning of the year	20,629,593.00	19,404,261.00
Interest cost	1,406,274.00	1,431,517.00
Current service cost	3,122,690.00	3,149,377.00
past service cost	3,131,378.00	--
Actuarial losses / (gains)	(4,372,277.00)	(1,252,614.00)
Benefits paid	(2,196,023.00)	(2,102,948.00)
Present value of defined benefit obligation at the close of the year	<b>21,721,635.00</b>	<b>20,629,593.00</b>

  

ii) Changes in the fair value of Plan Assets and the reconciliation thereof:	Year ended	
	31 <sup>st</sup> March, 2018 INR	31 <sup>st</sup> March, 2017 INR
Fair value of plan assets at the beginning of the year	23,516,052.00	22,080,545.00
Add :expected return on plan assets	1,813,443.00	1,766,372.00
Add / (less) : actuarial (losses) / gains	(84,250.00)	(105,302.00)
Add : contributions by employer	500,000.00	2,101,158.00
Less: benefits paid	(2,196,023.00)	(2,102,948.00)
Less: mortality charges and taxes	(208,377.00)	(223,773.00)
Fair value of plan assets at the close of the year	<b>23,340,845.00</b>	<b>23,516,052.00</b>
Actual Return on Plan Assets	1,729,193.00	1,661,070.00

iii) Amount recognized in the Balance Sheet:	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Present Value of Obligation as at the end of year	21,721,635.00	20,629,593.00
Fair Value of Plan Assets as at the end of year	23,340,845.00	23,516,052.00
Funded Status	1,619,210.00	2,886,459.00
Current Liability	--	--
Non - Current Liability	21,721,635.00	20,629,593.00
Unrecognised Actuarial ( gains ) / losses	--	--
Net Asset / ( Liability)	1,619,210.00	2,886,459.00

Fair value of plan assets , in excess of present value of obligations, being adjustable against future contributions is recognised in the books of account.

iv) Amounts recognised in the Statement of Profit and Loss are as follows:	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Current service cost	3,122,690.00	3,149,377.00
Past Service Cost	3,131,378.00	--
Interest cost	1,406,274.00	1,431,517.00
Expected return on plan assets	(1,813,443.00)	(1,766,372.00)
Curtailment Cost / ( Credit )	--	--
Settlement Cost / ( Credit )	--	--
Net Actuarial (Gain ) / Loss recognised in the period / year	(4,288,027.00)	(1,147,312.00)
Expenses Recognised in the Statement of Profit & Loss at the end of period / year	<b>1,558,872.00</b>	<b>1,667,210.00</b>

v) Amount for the current period :	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Present value of obligation	21,721,635.00	20,629,593.00
Plan assets	23,340,845.00	23,516,052.00
Surplus / (Deficit)	<b>1,619,210.00</b>	<b>2,886,459.00</b>

vi) Broad categories of Plan Assets as a percentage of total assets as at	Year ended	
	31 <sup>st</sup> March, 2018 Percentage (%)	31 <sup>st</sup> March, 2017 Percentage (%)
Insurer managed funds	100.00%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

vii) Actuarial Assumptions :	Year ended	
	31 <sup>st</sup> March, 2018 Percentage (%)	31 <sup>st</sup> March, 2017 Percentage (%)
Discount rate	7.80%	7.20%
Rate of increase in Compensation levels	9.50%	9.50%
Rate of return on plan assets	8.00%	8.00%
Expected Average remaining working lives of employees ( years )	8.00	8.13

- c) The company provides for accumulation of compensated absences by its employees. The employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods to receive cash in lieu thereof as per company policy. The company records an obligation for compensated absences in the period in which the employee renders the service that increases this entitlement. The total liability recorded by the company towards this benefit as at 31 March, 2018 is INR 12,894,662/- (Previous Year INR 13,116,506/-).

**28** Related Party Disclosures Under Accounting Standard 18 - “Related Party Disclosures”, have been identified on the basis of representation made by the Management and taken on record by the Board of Directors and relied upon by the auditors. Disclosures of transactions with Related Parties are as under:

a) **Related Parties**

**Subsidiary :** MITCON Multiskills Limited

**Associate :**

Krishna Windfarms Developers Private Limited (KWDPL)

MITCON Megaskill Centers Private Limited (MMCPL)

**Related Party where control exists:** Mitcon Foundation (Charitable Trust)

**Key Management personnel :** Dr. Pradeep Bavadekar, Managing Director

b) Transactions with Related Party:

Sr. No.	Nature of transactions / Name of Related Party	2017-18 INR	2016-17 INR
1	<b>Subsidiary</b> <b>MITCON Multiskills Limited</b> Contribution to Equity (5,100 shares of INR 10/- each)	51,000.00	--
2	<b>Associate:</b> <b>Krishna Windfarms Developers Private Limited (KWDPL)</b> Income from Project Services Inter Corporate Loan disbursed Interest Charged on Inter Corporate Loan Corporate Guarantees issued to L & T Infrastructure Finance Company Limited (L & T) for loan availed by KWDPL from L & T Contribution to Equity (5,880,000 shares of INR 10/- each)	235,754,536.00 226,445,879.00 14,198,402.00 420,000,000.00	44,154,588.00 -- -- --
	<b>Associate:</b> <b>MITCON Megaskill Centers Private Limited (MMCPL)</b> - Bank Guarantee Expenses incurred by Company and reimbursed by MMCPL (net of Taxes) Guarantees given by bankers on behalf of MMCPL to Jharkhand Skill Development Mission Society (JSDMS) 1) for Advance payment 2) for Performance # Contribution to Equity (2,600 shares of INR 10/- each)	15,489,129.00 127,247,200.00 10,048,000.00 26,000.00	-- -- -- --

<b>3</b>	<b>Related Party where control exists:</b>		
	<b>MITCON Foundation</b>		
	- Rent paid / Expenses reimbursed (net of Service Tax)	2,300,448.00	9,043,972.00
	- Student fees paid to MITCON Foundation collected through Credit Card Swipe.	12,113,573.00	5,504,447.00
	- Training fees received (net of Service Tax)	149,197.00	960,000.00
<b>4</b>	<b>Key Management Personnel (KMP) # #</b>		
	Dr. Pradeep Bavadekar		
	A) Remuneration		
	Salary	6,900,000.00	6,665,000.00
	Contribution to Provident Fund	696,720.00	672,483.00
	Superannuation Fund and others	909,865.00	984,495.00
	B) Dividend	560,000.00	--
<b>5</b>	<b>Outstanding as on 31<sup>st</sup> March, 2018</b>		
	<b>a. Accounts Receivable</b>		
	Krishna Windfarms Developers Private Limited.		
	Against Project Services	20,068,740.00	14,500,000.00
	Inter Corporate Loan	225,309,605.00	--
	Interest Charged on Inter Corporate Loan	12,778,561.00	--
	<b>b. Accounts Payable</b>		
	Dr. Pradeep Bavadekar - Remuneration Payable	346,528.00	262.00
	Bank Guarantee expenses refunded by bank payable to MITCON Mega Skill Centers Pvt. Ltd.	10,810,922.00	--
	MITCON Foundation	--	742,005.00
	<b>c. Guarantees to Associates</b>		
	Corporate Guarantees issued to L & T Infrastructure Finance Company Limited ( L & T) for loan availed by KWDPL from L & T	420,000,000.00	--
	Guarantees given by bankers on behalf of MMCPL to Jharkhand Skill Deveopment Mission Society (JSDMS)		
	1) for Advance payment	127,247,200.00	--
	2) for Performance #	10,048,000.00	--

# Performance bank guarantee of INR 10,048,000/-received and cancelled on 10<sup>th</sup> May, 2018

# # As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the KMP are not included above.

29 Earnings Per Share (Basic and Diluted)	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
(Loss) / Profit for the year After Taxation	(1,472,465.00)	29,264,379.00
Total weighted average number of equity shares during the year	12,100,000	12,100,000
Basic and Diluted earning per share	<b>(0.12)</b>	<b>2.42</b>

30. Commitments:	Year ended	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
	INR	INR
Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advance) in respect of purchase of :		
Intangible Fixed assets	--	5,380,000.00

### 31 Segment Reporting

Based on the guiding principle given in the Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company's Primary Segments are :

- 1) Consultancy and Training
- 2) Project Services
- 3) Wind Power Generation

The above business segments have been identified considering :

- a) The nature of the products/ operation
- b) The related risks and returns
- c) The internal financial reporting systems of the organization

Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis.

Particulars	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
	INR	INR
<b>Segment Revenue</b>		
Consultancy and Training	341,483,861.00	391,527,828.00
Project Services	238,139,007.00	44,154,588.00
Wind Power Generation	4,139,370.00	4,610,996.00
<b>Revenue from Operations</b>	<b>583,762,238.00</b>	<b>440,293,412.00</b>
<b>Segment Results :</b>		
Profit(+)/Loss(-) before tax and interest from each segment		
Consultancy and Training	(30,348,614.00)	(6,723,467.00)
Project Services	33,619,637.00	30,597,590.00
Wind Power Generation	413,289.00	2,181,001.00
<b>Total Segment Result</b>	<b>3,684,312.00</b>	<b>26,055,124.00</b>
Unallocable income net of unallocable expenditure	10,710,575.00	8,980,507.00
Interest Income	29,155,335.00	20,874,421.00
<b>Total</b>	<b>43,550,222.00</b>	<b>55,910,052.00</b>
Less: Finance Cost	7,739,664.00	565,282.00
Total Profit Before Tax	35,810,558.00	55,344,770.00
<b>Less Provision for Tax</b>		
Current Tax	9,100,000.00	18,150,000.00
Deferred Tax	(1,311,055.00)	(2,780,927.00)
Excess provision for Taxation of Earlier years	(214,676.00)	(4,267,464.00)
<b>Profit After Tax</b>	<b>28,236,289.00</b>	<b>44,243,161.00</b>
<b>Total carrying amount of segment assets</b>		
Consultancy and Training	748,571,450.00	984,482,603.00
Project Services	258,156,976.00	14,500,000.00
Wind Power Generation	11,487,300.00	12,632,701.00
<b>Total Segment assets</b>	<b>1,018,215,726.00</b>	<b>1,011,615,304.00</b>
<b>Total carrying amount of segment liabilities</b>		
Consultancy and Training	112,882,904.00	104,423,172.00
Project Services	19,920,432.00	5,537,000.00
Wind Power Generation	--	--
<b>Total Segment liabilities</b>	<b>132,803,336.00</b>	<b>109,960,172.00</b>
<b>Depreciation &amp; Amortisation</b>		
Consultancy and Training	24,081,185.00	22,739,883.00
Project Services	--	--
Wind Power Generation	1,145,401.00	1,148,232.00
<b>Total Depreciation &amp; Amortisation</b>	<b>25,226,586.00</b>	<b>23,888,115.00</b>

Note: Windpower generation business is subject to Seasonal variations in winds, hence the results for the period are not necessarily comparable with the results of the previous periods performance.

- 32.** The Company opened the offer of its Qualified Institutional Placement (QIP) on 1<sup>st</sup> September, 2017. In view of the then current market conditions, the Board at its meeting held on 28<sup>th</sup> September, 2017 has withdrawn the proposed QIP and the offer made by the company for the Issue accordingly stands cancelled. Expenses incurred by the company, have been disclosed as Extraordinary Item.
- 33.** During the year ended 31<sup>st</sup> March, 2018 the company has formed a subsidiary company viz. MITCON Multiskills Ltd. in association with CMC Skills Private Limited in which the company is holding 51% of the paid up capital i.e INR 51,000/- ( 5,100 equity shares of INR 10/- each.)
- 34.** During the year ended 31<sup>st</sup> March, 2018, the Company has invested 26% of the paid up capital i.e. 2600 Equity Shares of INR 10 each in MITCON Megaskill Centers Private Limited (MMCPL) by investing INR 26,000. MMCPL is an Associate Company of MITCON Consultancy and Engineering Services Limited.
- 35.** During the year, a Special Purpose Vehicle (SPV) viz. MITCON Megaskills Centers Private Limited (MMCPL) was incorporated in association with CMC Skills Private Limited, in which the company holds 26% of the paid up capital i.e INR 26,000/- (2,600 equity shares of INR 10/- each.). The SPV is an Associate of the company. The said SPV has received a Work Order worth INR 1,294,780,000/- from Jharkhand Skill Development Mission Society (JSDMS), Government of Jharkhand for establishing, operating and maintaining Megaskill Training Center(s) on Public Private Partnership (PPP) mode. The company has provided Bank Guarantee of INR 127,247,200/- towards mobilisation advance and Performance Bank Guarantee of INR 10,048,000/- in favour of JSDMS, Government of Jharkhand on behalf of said SPV which required approval of the Audit Committee and Board of Directors of the Company u/s 177 and 188 of the Companies Act, 2013. However, the Audit Committee and the Board of Directors of the Company in their meeting held on 10<sup>th</sup> November, 2017 have not approved and not ratified the transaction in the present form and considering the financial exposure faced by the company advised the management to relook the entire transaction and reduce the financial risk of the company. After end of the year, Performance Bank Guarantee of INR 10,048,000/- was returned by the JSDMS and the same is cancelled.
- 36.** Krishna Windfarms Developers Pvt.Ltd. (KWDPL) is an Associate Company in which the company holds 49% stake. KWDPL has availed of Term Loan facility of INR 420,000,000 from L & T Infrastructure Finance Company Ltd. As security against this loan, the company has -
- (i) pledged its investment in 5,880,000 equity shares of KWDPL aggregating to face value of INR 58,800,000 with Axis Trustee Services Ltd.
  - (ii) issued Corporate Guarantee of INR 420,000,000 in favour of L & T Infrastructure Finance Company Ltd.
- The company has given intercorporate loan to KWDPL out of which principal amount of INR 225,309,605/- is outstanding and interest thereon of INR 12,778,561/- is receivable from KWDPL as on 31<sup>st</sup> March 2018.
- 37.** Company has accounted for its share in loss of associate to the extent of INR 26,000/- being the carrying value of Investment in Associate against its total share in loss in Associate amounting to INR 4,193,900/- This is in terms of para 18 of AS - 23 Accounting for Investment in Associates in Consolidated Financial Statements. Accordingly loss of INR 4,167,900/- has not been recognised.

**38. Change in Accounting Policy**

Upto the previous year ended 31<sup>st</sup> March, 2017, the company was recognising revenue from the participants of in-house training programmes, at the commencement of the course. During the year company has changed the basis of recognising revenue to percentage completion of tenure of training programme. As a result of this change profit for the year is lower by INR 375,027/- .

**39.** The Board of Directors have proposed final dividend of INR 1/- per equity share (10%) of INR 10 each for the financial year 2017-18 (P Y INR 1/- per Equity Share)

**40.** Previous years figures have been re-grouped , reclassified wherever necessary to make them comparable with current year's figures.

Signatures to the Notes 1 to 40, forming part of the Financial Statements.

**For and on behalf of the Board**

Sd/-

**Archana Lakhe**

Director

(DIN 07079209)

Sd/-

**Dr. Pradeep Bavadekar**

Managing Director

(DIN 00879747)

Sd/-

**Ram Mapari**

Chief Financial Officer

Sd/-

**Abhijeet Modak**

Company Secretary

M. No.A36828

**Date : 29<sup>th</sup> May, 2018**

**Place : Pune**

## **Offices :**

### **Registered :**

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**MITCON**  
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SERVICES LTD.