

32nd ANNUAL REPORT
2013-2014

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ANNUAL REPORT
2013-2014

of



IS/ISO 9001:2008 Certified
MITCON
CONSULTANCY & ENGINEERING
SERVICES LTD.

Registered Office :

Kubera Chambers, Shivajinagar,
Pune - 411 005. Maharashtra (India)
Tel. : 91-020-2553 4322, 2553 3309.
Fax : 91-020-2553 3206
E-mail : mitconmail@gmail.com
CIN : L74140PN1982PLC026933

BOARD OF DIRECTORS

Mr. Anand T. Kusre	Chairman
Dr. Pradeep Bavadekar	Managing Director
Mr. Omprakash V. Bundellu	
Mr. Ashok D. Mahajan	
Mr. Gautam Meour	(From 30.12.2013 to 30.05.2014)
Mr. Ananta P. Sarma	(From 27.03.2014)
Mr. S. Thiruvadi	(From 27.03.2014)
Mr. Vineet Suchanti	(From 27.03.2014)
Mr. Harkesh Kumar Mittal	
Mr. Prasoon	(From 30.05.2014)
Mr. Surajit Roy	(Upto 30.12.2013)
Mr. M. V. Ashok	(Upto 12.07.2013)

Bankers

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

Auditors

M/s. Joshi & Sahney
Chartered Accountants

1913, Natu Baug, Sadashiv Peth, Pune -411 030. Tel. : 91-020-24471521, 24471699

Registered Office

Kubera Chambers, Shivajinagar, Pune - 411 005. Maharashtra (India) Tel. : 91-020-2553 4322,
2553 3309. Fax : 91-020-2553 3206 E-mail: mitconmail@gmail.com

Mumbai

Office Premises Nos. 1402,1403, 14th Floor, Dalamal Tower Premises Co-op Soc. Ltd.
Free Press Journal Marg, 211, Nariman Point, Mumbai - 400 021. Maharashtra, (India)
Tel. : 91-022-2262 4810, 2261 2594. Telefax : 91 022-2261 2594.
E-mail: mitcon_mumbai@rediffmail.com

Delhi

Office no. 813,814 & 816-818, 8th Floor, Naurang House, 21, Kasturba Gandhi Marg, New Delhi-110001
Tel. : 91-011-46032314 Fax : 91-011-46032315

MITCON Udyog Prabodhini

Near DIC, Agriculture College Campus,
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Tel. : No. 91-020-25530308/9 Fax : 91-020-25530307

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DIRECTORS' REPORT

Dear Members,

The Directors take pleasure in presenting the 32nd Annual Report of the Company and Audited Accounts for the year ended **31st March, 2014**.

1. COMPANY'S PERFORMANCE :

In the year under review, the Indian economy went through challenging times due to domestic impediments like elevated levels of food and retail inflation, high input costs, pressure on profit margins and infrastructural bottlenecks, cyclical down turn with growth slowdown, elevated current account deficit etc. In line with the overall weakness in the economy, your Company had a particularly daunting year with significant regulatory and policy uncertainties which were necessary for the consultancy business of your Company. During the year, your Company achieved a gross turnover of Rs. 4278.75 Lakhs (previous year Rs.4870.56 Lakhs) which represents 12% decrease over the previous year. Profit After Tax is Rs. 708.90 Lakhs (Previous year Rs. 991.79 Lakhs) represents 29% decrease over the previous year due to overall decrease in the business of the Company.

Another major highlight for the year was your Company had successfully completed its Initial Public Offer (IPO) in October, 2013 and consequently the Equity Shares of the Company were listed on SME Platform (Emerge) of the National Stock Exchange of India Limited effective from 1st November, 2013. We moved past another key milestone when your Company became the first Technical Consultancy Organisation from India which is listed on the Stock Exchange.

2. FINANCIAL HIGHLIGHTS :

(Rs.in Lakhs)

Particulars	As on 31.03.2014	As on 31.03.2013
Income	4049.07	4666.57
Other Income	229.68	203.98
Total	4278.75	4870.56
Profit before Depreciation	1188.48	1547.45
Depreciation	161.71	150.75
Provision for Tax – Current	275.00	440.00
– Deferred	42.87	(35.09)
Profit for the Year	708.90	991.79

3. DIVIDEND AND RESERVES :

Dividend

The Directors recommend for your consideration a final dividend of 10% (Re. 1/- per Equity Share) for the year 2013-14. The proposed dividend (including Dividend Distribution Tax) will absorb Rs. 141.56 Lakhs.

Reserves

It is recommended that an amount of Rs. 110 Lakhs be transferred to General Reserves.

4. HIGHLIGHTS OF IMPORTANT ASSIGNMENTS :

■ POWER DIVISION :

During the year under review, this division explored the opportunities in the states of Gujarat, Karnataka & Madhya Pradesh which resulted into securing of Narmada Khand & Shri Ganesh Khand assignments in Gujarat, several assignments in Karnataka & assignment of Narmada Sugars in Madhya Pradesh. With this, PAN India presence of this division stabilised as assignments were carried out in Maharashtra, Karnataka, Tamil Nadu, Kerala, Andhra Pradesh, Gujarat, Madhya Pradesh, Uttar Pradesh, Haryana, Punjab, etc.

This division also received the assignments in International markets like from Ghana & Comoros and the assignment are also under discussion from the countries like Kenya, Indonesia, Columbia, Bangladesh, Pakistan, Nepal, etc.

During the year under review, this division worked on few assignments of Loan syndication, assignments regarding distillery spent wash fired boiler & Turbine Generator power projects which could be a new area for this division and is also expected to multiply. This division also handled large variety of and complex pre-investment assignments.

The names of the important assignments handled by the division are:

- Successful commissioning of Mahatma Sugar (15 MW), Lakshmi Sugar (20 MW), Ashok SSKL (15 MW), Abellon Clean Energy (9.9 MW), Narmada Khand (3.8 MW) & Dr. Babasaheb SSKL (10 MW), cumulating to 73.7 MW
- Excellent performance from commissioned projects (Kisanveer, Krishna, Dudhganga Vedganga, Lakshmi, Usher Eco, Purna etc.)
- Consultancy / engineering services provided to International clients like Intellsol Technologies, Energy Excel LLP, Government of The Union of Comoros

■ ENERGY AND CARBON DIVISION :

During the year under review, Energy and Carbon division continued to work on various important assignments from Government as well as private sector. The Division was the largest Third Party Inspection Agency for Solar Thermal Systems for Ministry of New & Renewable Energy, Government of India.

The names of the important assignments handled by the division are:

- **Refinery Energy Audits for:**
 - Bharat Petroleum Corporation Ltd., Chembur
 - Oil & Natural Gas Corporation, Hazira
 - Indian Oil Corporation Ltd., Vadodra

- Punjab Energy Development Agency, Chandigarh : Sector Specific Annual Energy Plan (Energy Audits in 141 Municipal Corporations & Councils)
- Energy Audits at Airport Authority of India, Ahmadabad, Bhubaneswar & Trivandrum
- Energy Audits at 70 Police Stations of Karnataka State Police Housing Corporation Ltd.
- Introduction of New Services : Electrical System Design & Implementation Assistance
- Techno Economic Viability & EPC Tender Document Preparation for 90 MW Wind Power Project by M/s Adani Power Ltd. at Mundra SEZ
- **Project Management Consultancy Services for :**
 - 1.5 MW Wind Power Project by M/s Tamilnadu Mangesites Ltd., Salem
 - 2.0 MW Wind Power Project by Sinnar Municipal Council, Sinnar
 - Punjab National Bank, Bhanswara : Lenders Engineer for 14 MW Wind Power Project by M/s BMD Power Pvt. Ltd. (LNJ Bhilwara Group)
 - U P Jal Vidyut Nigam Ltd., Lucknow : PFR & DPRs for 5 Small Hydro Electric Sites
 - Commissioning of 23 MWp Grid Interactive Solar Power Project at Madhya Pradesh by M/s Alfa Infracorp Pvt. Ltd.

■ **ENVIRONMENT MANAGEMENT AND ENGINEERING 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 and Forests (MoEF) 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) to carry out EIAs in various sectors including Thermal power plant, Irrigation projects, Townships and Area development, Roads and Highways, Ports and Harbors, Sugar & Distilleries, Cement plants etc. This division has also got accreditation for three additional sectors viz; mineral beneficiation including pelletisation and Synthetic organic chemicals industry (dyes & dye intermediates; bulk drugs and intermediates excluding drug formulations; synthetic rubbers; basic organic chemicals, other synthetic organic chemicals and chemical intermediates), Building and large construction projects including shopping malls, multiplexes, commercial complexes, housing estates, hospitals, institutions.

The laboratory accreditation and QCI accreditation have helped the division to maintain healthy client base of over 100 plus which includes the corporates likes Mahindra, Bajaj Auto Ltd, Kirloskar Brothers Ltd., Minda Stoneridge, TACO, ITC, Piaggio, Cummins India Ltd, FIAT Automotive Ltd, Panchshil Realty, City Corporation etc. The division has received few assignments in Solid Waste Management and GIS related services.

■ **BANKING & FINANCIAL SOLUTIONS DIVISION :**

Your Company started Banking & Finance consultancy Division in September, 2006 with basic objective of providing “One Roof Service” to Bankers e.g. Preparation of DPR/ TEV Study/ LIE Services/ Restructuring Exercise/ Assets Valuation/ Business Valuation etc. Over the period, division has made commendable efforts in getting your Company empanelled with most of the leading commercial banks. At present, the division is providing consultancy for various projects located in various parts of India apart from some projects from Dubai, Ghana, Brazil, Singapore, Sri Lanka, Thailand, Bhutan and Indonesia. It is to be noted with proud that nowadays report of MITCON is widely accepted by banks. During the year, despite of slowdown in economy, the division has shown upward trend in business.

Some of the major clients of the division are:

- Shri Vile Parle Kelavani Mandal Trust (SVKM)
- PMT Machine Pravite Limited Holol Vadodara
- Garware Wall Ropes Limited
- Adlabs Entertainment Limited
- Sterling Biotech Limited
- Consultancy Development Centre (CDC)
- Ajanta Pharma Limited
- Nitco Limited
- Electrotherm (India) Limited
- Bharati Vidyapeeth
- Jotun India Pravite Limited
- Jayaswal Neco Industries Limited
- Jyoti Limited
- Asian Paints Limited
- Orchid Chemicals & Pharmaceuticals Limited
- Edelweiss Metals Pravite Limited
- ECI Engineering & Construction Company Limited
- Deepak Cables (India) Limited
- Sterlite
- IL&FS
- Viraj Profiles Limited

■ **INFRASTRUCTURE CONSULTING DIVISION :**

Infra Consulting Group intensified its activities during the year under review.

This division successfully completed following Projects:

- Construction of **Smt. Smita Patil New English School, Hadpsar, Pune** (Total area 10,000 Sq.ft.)
- Ongoing assignment of construction of **Dr. P. D. Patil High-tech Hospital & Medical Research Center, Hadpsar, Pune** (Total area 2,75,000 Sq.ft.)
- Preparation of Master Plan for **University of Pune, Pune** for 459 Acres.
- Providing Total Station Survey, Techno Economic Feasibility Report for Inland Container Depot for **M/S. Saiprabha Marine Private Ltd., Uran , Navi Mumbai** (Total area : 45 Acres)
- Preparation of Master Plan, Block Estimates for **M/s. Horizon Infrastructure Ltd , Mumbai** for Knowledge city at Pen (Total Area = 500 Acres)
- Providing Project Management Services for **M/S Alfa Infraprop Pvt. Ltd.** for Solar Project at Kukshi, Madhya Pradesh. (Total Area = 110 Acres, 23 MW)

- Preparation of Master Plan, Block Estimates for **M/s. Vijay Path Academy at Solapur** (Total Area =07 Acres)
- Preparation of Master Plan, Block Estimates for Chhattisgarh Industrial Development for **Urla Industries, Bilaspur Industries & Bhilai Industries** (Total Area = 350Hectors , 325 Hectors & 400 Hectors)
- Preparation of Master Plan, Block Estimates for Abator at Aurangabad (Total Area =07 Acres)
- Providing the Architectural services, Designing services & Mechanical, Electrical, Plumbing services to **M/S Vimal Darshan Co. Op. Housing Society at Aundh, Pune** (Residential Towers, Area 75,000 Sq.ft.)

■ **SECURITISATION AND FINANCIAL RESTRUCTURING DIVISION :**

During the year the division carried out a business valuation assignment for a co-operative bank in addition to handling asset valuation assignments for a few star hotels at Mumbai and Goa apart from attending regular assignments under asset securitisation and allied financial services.

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

During the year under review, the Company created this new division for providing one stop solution to agriculture, livestock and food sectors.

Some of the remarkable achievements of this division are:

- Final Approval of Mega Food Park near Surat, Gujarat
- Modernization of Deonar Abattoir, Mumbai in competitive bidding of NMPPB and completion of the DPR in record time
- Modernization of Abattoirs in Punjab (Mohali, Patiala, Ludhiana) in competitive bidding and completion of DPRs in record time
- Mega Food Park Proposals for fresh EOI from MoFPI:
 - NDR Infrastructure Pvt. Ltd. near Chennai, Tamil Nadu
 - Continental Warehouse Pvt. Ltd., Meghalaya
 - Ruchi Global Ltd., Dewas, Madhya Pradesh
 - Milkiyat Pvt. Ltd., Dhar, Madhya Pradesh
 - Taj Transtech, Erode, Tamil Nadu
- PMC Services for Implementation of proposed Mega Food Park near Surat, Gujarat.

■ **TEXTILES AND CLUSTER INFRA DIVISION :**

During the year under review, the Company created this new wing of consultancy based on its prior experience.

During the year under review, this division has successfully entered in Textiles Business by offering consultancy to various Textiles projects in Spinning, Weaving & Garmenting sector.

■ **BUREAU OF MARKET RESEARCH DIVISION :**

During the year under review, your Company has also created a separate wing viz; Bureau of Market Research. This division provides a wide spectrum of service in the field of marketing and 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.

During the year under review, it successfully conducted Impact evaluation study on “Impact of credit flow in respect of completed 47 irrigation projects sanctioned under Rural Infrastructure Development Fund (RIDF) in Maharashtra”. The Study was assigned to MITCON by National Bank for Agriculture & Rural Development (NABARD).

This division also conducted Market Assessment Study to understand the market for Gas Analyzers & Water Analyzers in the Indian Process industries for HORIBA India Pvt. Ltd.

■ **ENTREPRENEURSHIP & VOCATIONAL TRAINING DIVISION :**

During the year under review, this division conducted State-Level Conference on Literature of Addiction Deliverance which was sponsored by the Social Welfare Department, Govt. of Maharashtra.

Apart from the above, your Company has set up at Balewadi, MITCON Centre for CSR and Skill Development. The center is having state of the art training facility. It offers varied range of training programs to develop resourceful and skilled manpower through various laboratories like Gemology, Catering, Fashion Technology, Four Wheeler Repairing Lab, Beauty Care etc. This division also provides CSR solutions to the Corporates.

Some of the major achievements of this centre are:

MoUs' Signed with:

- Tata Motors Ltd. under CSR
- Consultancy Development Centre, Govt. of India- for trainings
- Madhav Baug Sane Care- for trainings
- Indian Centre for CSR - for CSR Advisory Services
- Bharatiya Yuva Shakti Trust (Part of CII) : for post training support to the students

■ **MITCON e-SCHOOL :**

This division while continuing its activities from the agriculture college campus, Pune also initiated activities at new center set up by your Company at Balewadi. In the said center. this division has 14 computer labs through which the division has started providing IT training programmes.

■ **BIO PHARMA AND HEALTHCARE DIVISION :**

MITCON's Business incubation center has successfully started incubating 8 innovative business ideas under MSME, Govt. of India scheme for incubators. This year, this division started providing consultancy services in 'Healthcare' & 'Pharmaceutical' sector.

5. DIRECTORS :

Pursuant to Article 171 of the Articles of Association of the Company Mr. Anand T. Kusre, Mr. Omprakash V. Bundellu and Mr. Ashok Mahajan who retire by rotation and being eligible, offer themselves for re-appointment.

During the year under review the Board appointed the following as Additional Directors on the Board with effect from 27th March, 2014:

Mr. Ananta P. Sarma was appointed as representative of SIDBI Venture Capital Limited

Mr. S. Thiruvadi was appointed as representative of Canbank Venture Capital Fund Limited

Mr. Vineet Suchanti was appointed as representative of Keynote Corporate Services Limited.

In addition to the above, Mr. Prasoon was also appointed as Additional Director as a representative of IFCI Limited with effect from 30th May, 2014.

The above directors who were appointed by the Board of Directors of the Company as an Additional Directors and who in terms of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company hold such office until the conclusion of this Annual General Meeting and being eligible offer themselves for appointment as Director.

Your Board recommends their appointment/ re-appointment at the ensuing annual general meeting. A brief resume, nature of expertise, details of directorships held in other companies and other information of the directors proposing appointment/re-appointment pursuant to clause 52 of the Listing Agreement entered with the Stock Exchange is appended as an annexure to the notice of ensuing Annual General Meeting.

During the year under review and till the date of this report, Mr. M. V. Ashok, Mr. Surajit Roy and Mr. Gautam Meour resigned as Directors of the Company. The Board places on record its sincere appreciation for their valuable contributions.

6. AUDITORS :

The Statutory Auditors of the Company M/s. Joshi & Sahney, Chartered Accountants, Pune shall retire at the conclusion of ensuing annual general meeting. They have given their consent to act as statutory auditors of the Company for the next five financial years i.e. From Financial Year 2014-15 till Financial Year 2018-19. They will act as auditors till the conclusion of the Annual General Meeting to be held in 2019 and a certificate confirming therein that their appointment, if made, would be in accordance with Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of Companies Act, 2013.

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

Auditors Remark

The comments of the Auditors read together with the Notes to Accounts are self-explanatory and do not call for further explanation.

7. INITIAL PUBLIC OFFERING :

During the year under review your Company had successfully carried out its Initial Public Offering (IPO) of 41,00,000 equity shares of face value of Rs. 10/- each at a cash price of Rs. 61/- per share (including premium of Rs. 51/- per share) aggregating to Rs. 2501 Lakhs, which was opened for public subscription on 15th October, 2013 & closed on 18th October, 2013.

The Company's equity shares got listed on SME Platform (Emerge) of National Stock Exchange of India Limited on 1st November, 2013.

8. SHARE CAPITAL :

After successful completion of the IPO, the paid-up share capital of the Company increased from Rs. 800 Lakhs to Rs. 1210 Lakhs.

9. REPORT ON CORPORATE GOVERNANCE :

The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 52 of the Listing Agreement entered with the Stock Exchange are complied with. A separate section on Corporate Governance and Auditors Certificate thereon is annexed hereto and forms part of this Report.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

In accordance with the listing agreement requirements, the Management Discussion and Analysis report is presented in a separate section forming part of the Annual Report.

11. FOREIGN EXCHANGE EARNINGS & OUTGO :

An amount of US \$ 90853, Euro 10,302, GBP 10,042 equivalent to Rs. 72.67 Lakhs were received during the year on account of Professional fees. (Previous Year US \$ 70,467, Euro 17,297 equivalent to Rs.48.44 Lakhs)

Expenditure in Foreign Currency during the year was US \$ 6182.36, Euro 1,495, Swiss Frank 250 equivalent to Rs. 5.23 Lakhs (US \$ 3,388 equivalent to Rs.1.84 Lakhs).

12. PARTICULARS REQUIRED TO BE FURNISHED BY COMPANIES :

(Disclosure of particulars in the report of the Board of Directors Rules 1988) Part A and B pertaining to Conservation of Energy and Technology Absorption are not applicable to this company.

Energy Consumption

Particulars	2013-14	2012-13
Electrical Units consumed	3,66,496	4,00,069
Equivalent to Rupees	50,02,657	51,58,121

13. 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 214 numbers of Staff comprising of 132 Professionals, 18 Management Staff along with 64 Support Staff.

14. RESPONSIBILITY STATEMENT :

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

In preparation of 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, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

We have prepared the Annual Accounts on a going concern basis.

15. ACKNOWLEDGEMENTS :

Your Directors would like to record their appreciation for the support to the company received from :

- **GOVERNMENT OF INDIA**
Ministry of Food Processing Industries
Department of Science & Technology
- **GOVERNMENT OF MAHARASHTRA**
Department of Industries
- The Shareholders, Banks, Institutions, all our esteemed Customers and Employees of the Company.

On behalf of the Board of Directors

Place: Pune
Date: 30th May, 2014

Sd/-
Anand T. Kusre
Chairman

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 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 18th 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 highly regulated and under-penetrated market, it offers lot of opportunities for the consulting players once the economic cycle revives. The consultancy industry to grow at CAGR of 8-10 % over next 5 years. However, major part of this growth is expected to come after FY 15. (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 Wind Power Generation

Segment wise performance is as follows:

Particulars	(Amt. in Rs.)	
	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Segment Revenue		
Consultancy and Training	399,614,301	461,858,571
Wind Power Generation	5,292,436	4,798,783
Revenue from Operations	404,906,737	466,657,354
Segment Results :		
Profit(+)/Loss(-) before tax and interest from each segment		
Consultancy and Training	80,868,997	120,567,145
Wind Power Generation	67,582	(765,453)
Total Segment result	80,936,579	119,801,692

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. It is estimated that the consultancy business in India engages about 100,000 persons in about 5000 consulting firms. According to estimates, the current size of the consulting industry in India is about Rs. 10,000 crores including exports and is expected to grow at a CAGR of approximate 25% in the next few years. (Source: Report of Ministry of Commerce and Industry, Government of India on Export Promotion of Consultancy and Management Services from India)

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.

Your company believes that risk management and internal control are fundamental to effective corporate governance and the development of a sustainable business. Your company 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 wide spread 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

During the year, the Company achieved a total income of Rs. 4278.75 Lakhs (previous year Rs.4870.56 Lakhs) which represents 12% decrease over the previous year. Profit After Tax is Rs. 708.90 Lakhs (Previous year Rs. 991.79 Lakhs) represents 29% decrease over the previous year due to decrease in the overall business of the Company. Out of the total income, Income from Operations was Rs. 4049.07 Lakhs and other Income was Rs. 229.68 Lakhs. The Net Profit recorded at Rs. 708.90 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, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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, 2014, the Company had 214 full time employees.

CORPORATE GOVERNANCE REPORT 2013-14

I. Company's philosophy on Corporate Governance

The Company believes that Corporate Governance signifies ethical business behaviour in every sphere and with all constituents. This ethical business behavior can be ingrained in the character of the organization through tradition, value, systems and commitment to the later as much as the spirit of laws and regulations. Corporate Governance emerges as the cornerstone of the Company's governance philosophy of the trusteeship, transparency, accountability and ethical corporate citizenship.

In our endeavor to adopt the best Corporate Governance and disclosure practices, the Company complies with all the mandatory requirements of the Clause 52 of the Listing Agreement entered with National Stock Exchange of India Limited.

II. Board Composition and Particulars of Directors:

a) Composition of the Board

- MITCON's Board has an optimum combination of Executive and Non-Executive Directors, to ensure independent functioning. The Board comprises of Nine Directors including Non-Executive Chairman. Of the nine Directors, eight are Non-Executive Independent Directors with one Managing Director. The Composition of the Board is in conformity with Clause 52 of the listing agreements entered with the stock exchange and exceeds the percentages prescribed in the said agreement.
- As mandated by clause 52 of the Listing Agreement, None of the directors on the Board is a Member of more than 10 board level committees or Chairman of more than 5 Committees across all the Companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as of March 31, 2014 have been made by the Directors.
- The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorship and committee Chairmanship/Membership held by them in other companies are given herein below.

Name of the Director	Designation	Category	No. of Board Meetings Attended out of Seven Meetings held	Attendance at the last AGM held on 23 rd September, 2013	No. of other Directorship held as at 31 st March, 2014	Number of Committee Positions held in other Companies as at 31 st March, 2014	
						Member	Chairman
Mr. Anand T. Kusre	Chairman	Independent Non-Executive (Representative of ICICI Bank Limited)	7	Yes	4	3	1

Dr. Pradeep Bavadekar	Managing Director	Executive Director	7	Yes	Nil	Nil	Nil
Mr. Omprakash V. Bundellu	Director	Independent Non-Executive (Representative of SIDBI)	5	Yes	2	4	1
Mr. Ashok Mahajan	Director	Independent Non-Executive (Representative of SICOM Limited)	6	Yes	2	Nil	Nil
Mr. Gautam Meour*	Director	Independent Non-Executive (Representative of IFCI Limited)	0	NA	3	Nil	Nil
Mr. S. Thiruvadi**	Director	Independent Non-Executive (Representative of Canbank Venture Capital Fund Limited)	1	NA	8	Nil	Nil
Mr. Ananta P. Sarma**	Director	Independent Non-Executive (Representative of SIDBI Venture Capital Limited)	1	NA	3	Nil	Nil
Mr. Vineet Suchanti**	Director	Independent Non-Executive (Representative of Keynote Corporate Services Limited)	1	NA	6	4	3
Mr. Harkesh Kumar Mittal	Director	Independent Non-Executive	Nil	No	3	Nil	Nil
Mr. M. V. Ashok#	Director	Independent Non-Executive	Nil	NA			
Mr. Surajit Roy###	Director	Independent Non-Executive (Representative of IFCI Limited)	2	No			

*Appointed with effect from 30th December, 2013

** Appointed with effect from 27th March, 2014

#Resigned as a Director of the Company w.e.f. 12th July, 2013

##Resigned as a Director of the Company w.e.f. 30th December, 2013

4. Seven Board Meetings were held during the year ended 31st March, 2014. These were held on 7th June, 2013, 12th July, 2013, 11th September, 2013, 7th October, 2013, 28th October, 2013, 30th December, 2013 and 27th March, 2014.
5. None of the Independent Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
6. During the year, information as mentioned in Annexure IA to the Clause 52 of the Listing Agreement has been placed before the Board for its consideration. Based on the information placed before the Board, strategic and vital decisions are taken for effective governance of the Company.
7. Among other important information, minutes of all the Committee meetings, are regularly placed before the Board in their meetings.

b) Relationship of Directors

None of the Directors are related to one another.

c) Directors' Compensation

1) Managing Director Compensation

The remuneration to Dr. Pradeep Bavadekar, Managing Director is paid as per the resolution passed by the shareholders at the Extra Ordinary General Meeting held on 25th April, 2013.

(Amt. in Rs.)

Name of Director	Salary	Perquisites & Allowances	Contribution to Provident Fund	Others	Total
Dr. Pradeep Bavadekar	24,23,370	33,36,630	5,81,610	11,23,300	74,64,910

Dr. Pradeep Bavadekar was re-appointed as Managing Director for a period of five years w.e.f. 1st July 2013 in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 at fixed monthly remuneration of Rs. 5 lacs plus perquisites and the variable remuneration aggregate of which shall not exceed 5% of the net profit of the company calculated as per provisions of Sections 349 & 350 of the Companies Act, 1956 for each financial year.

However due to inadequacy of profits during the current financial year, remuneration paid to the Managing Director is in excess of the above mentioned limit of 5% of the net profit by Rs. 19,57,795/-. The Company is taking necessary steps to seek approval of the Shareholders and Central Government under provisions of the Companies Act, 2013 seeking waiver of recovery of excess amount paid as above.

The said has already been recommended by the remuneration committee and approved by the Board.

2) Non-Executive Directors' Compensation

The Non-Executive Directors do not draw any remuneration from the Company except Sitting Fees for attending the meetings of the Board & its Committees.

Details of Sitting Fee paid during the year to the Non Executive Directors of the Company are as under:

Name of Director	Amount Paid (Rs.)
Mr. Anand T. Kusre	1,20,000
Mr. Omprakash V. Bundellu	1,00,000
Mr. Ashok Mahajan	1,10,000
Mr. Gautam Meour***	Nil
Mr. S. Thiruvadi*	10,000
Mr. Ananta P. Sarma**	10,000
Mr. Vineet Suchanti	10,000
Mr. Harkesh Kumar Mittal	Nil
Mr. M. V. Ashok	Nil
Mr. Surajit Roy***	20,000
Total	3,80,000

* Payable to Canbank Venture Capital Fund Limited

** Payable to SIDBI Venture Capital Limited

*** Payable to IFCI Limited. For the Board Meeting held on 7th June, 2013, the sitting fee was paid to Mr. Surajit Roy and for the Board Meeting held on 11th September, 2013, the sitting fee was paid to IFCI Limited as per its letter dated 16th August, 2013.

d) Directors' Shareholding

Equity Shares of the Company held by Directors as on 31st March 2014 :

Name of Director	Number of Shares held	Percentage
Mr. Anand T. Kusre	NIL	NIL
Dr. Pradeep Bavadekar*	5,60,000	4.63
Mr. Omprakash V. Bundellu	NIL	NIL
Mr. Ashok Mahajan	NIL	NIL
Mr. Gautam Meour	NIL	NIL
Mr. S. Thiruvadi	NIL	NIL
Mr. Ananta P. Sarma	NIL	NIL
Mr. Vineet Suchanti	NIL	NIL
Mr. Harkesh Kumar Mittal	NIL	NIL

*Shareholdings represent holdings in Director's personal capacity.

III. Board Meetings Procedures and Board Committee Meetings:

a) Board Procedures

The Board meets at least once a quarter to discuss and decide on Company/business policy, and strategy apart from other normal Board business such as reviewing the quarterly performance and financial results. Board meetings are governed with structured agenda. All major agenda items, backed up by comprehensive background information, are generally sent well in advance to the directors to enable the Board to take informed decision. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

Controller of Finance is normally invited to the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

The minutes of the meetings of the Board are individually circulated to all directors and confirmed at the subsequent Board Meeting. The finalized copies of the Minutes of the various Committees of the Board are also individually given to the members and thereafter tabled at the subsequent Board Meeting for the Board's view thereon.

b) Committees of the Board

i) Audit Committee:

The constitution, role and the powers of the Audit Committee of the Company are as per the guidelines set out in the Listing Agreement entered with Stock Exchange read with the provisions of Section 292A of the Companies Act, 1956. The Committee also acts as a link between the Statutory and Internal Auditors and the Board of Directors. It reviews the various reports placed before it by the Management and addresses itself to the larger issues and examines and considers those facts that could be of vital concern to the Company including adequacy of internal controls, reliability of financial statements and other management information, adequacy of provisions of liabilities and adequacy of disclosures and compliance with all relevant statutes.

The Committee meets periodically and reviews

- audited and un-audited financial results;
- internal audit reports and report on internal control systems of the Company;
- discusses the larger issues that could be of vital concern to the Company;
- Auditors' report on financial statements and their findings and suggestions and seeks clarification thereon;
- All other important matters within the scope and purview of the committee.

The terms of reference of the Audit Committee is as follows:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the appointment, re-appointment and replacement or removal of the statutory auditor and the fixation of audit fees;

3. Approval of payments to the statutory auditors for any other services rendered by them;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document /prospectus/ notice, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussion with internal auditors any significant findings and follow up there on;
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

15. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor; and
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

As on 31st March 2014, the Audit Committee comprised of the following

Name of the member	Category
Mr. Anand T. Kusre (Chairman)	Non Executive - Independent
Mr. Omprakash V. Bundellu (Member)	Non Executive - Independent
Mr. Ashok Mahajan (Member)	Non Executive - Independent

The audit committee meetings are usually attended by the Managing Director, Controller of Finance, 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 **23rd September, 2013** which was attended by Mr. Anand T. Kusre, Chairman 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 Meetings were held	Attendance record of the Members		
		Mr. Anand T. Kusre	Mr. Omprakash V. Bundellu	Mr. Ashok Mahajan
1.	12/07/2013	Yes	Yes	No
2.	07/10/2013	Yes	No	Yes
3.	27/03/2014	Yes	Yes	Yes

ii) Remuneration Committee

The terms of reference of the Remuneration Committee includes the following:

1. Appointment, re-appointment, determination, fixation of the remuneration (including salaries and salary adjustments, incentives/benefits bonuses, stock options) and revision in the remuneration payable to the Managing Director of our Company from time to time.
2. Compensation and performance targets.
3. Other key issues / matters as may be referred by the Board or as may be necessary in view of the provisions of the Listing Agreement or any statutory provisions.

As on 31st March, 2014, the Committee Comprises of the following Members:

Name of the member	Category
Mr. Anand T. Kusre (Chairman)	Non Executive - Independent
Mr. Omprakash V. Bundellu (Member)	Non Executive - Independent
Mr. Ashok Mahajan (Member)	Non Executive - Independent
Mr. Harkesh Kumar Mittal (Member)	Non Executive - Independent

Remuneration Policy

Remuneration Policy is based on the success and performance of the individual employees. The company has developed remuneration package which endeavors to attract, retain, harness and motivate the work force.

The Company does not have any Employee Stock Option Scheme. During the year under review, no committee meeting was held.

iii) IPO Committee

The Board had constituted this committee to oversee the matters related to Initial Public Offering of the Company.

The terms of reference of the IPO Committee is as follows:

1. To decide on the actual size of the Issue, including any reservation on a firm or competitive basis, timing, pricing and all the terms and conditions of the issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;
2. To appoint and enter into arrangements with the lead managers, underwriters to the Issue, brokers to the Issue, escrow collection bankers to the Issue, market maker, registrars, legal advisors (domestic and international) and any other agencies, intermediaries or persons;
3. To finalise and settle and to execute and deliver or arrange the delivery of the Draft Prospectus, the final Prospectus, issue agreement with the lead managers, memorandum of understanding with the registrar, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the Issue;
4. To issue advertisements in such newspapers as it may deem fit and proper about the future prospects of the company and the proposed issue conforming to the guidelines issued by SEBI;
5. To open a separate current account(s) with a scheduled bank(s) to receive applications along with application monies in respect of the Issue or any other account with any name and style as required during or after the process of the forthcoming IPO of our Company;
6. The opening of a bank account of the Company in the name and style of "MITCON Consultancy & Engineering Services Limited – Refund Account" for the handling of refunds for the Issue;

7. To do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, allocation, finalizing the basis of allocation and allotment of the shares as permissible in law, issue of share certificates in accordance with the relevant rules;
8. To make any applications to the FIPB, RBI and any other authorities, as may be required, for the purpose of issue of shares by our Company to non-resident investors, including NRIs and FIIs;
9. To make applications for listing of the equity shares of our Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) and any other documentation to the concerned stock exchange(s);
10. To finalise the basis of allotment and to allot the shares to the successful allottees;
11. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
12. To do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Issue;
13. To authorise and approve the incurring of expenditure and payment of fees in connection with the Issue;
14. To approve and adopt the Draft Prospectus and any other offering document for the public issue as required under Section 60 and other relevant provisions of the Act and to file the same with the Registrar of Companies ("ROC") and SEBI, as the case may be, and to make any corrections or alterations therein; and
15. To do all such acts, deeds and things as may be required to dematerialise the equity shares of our Company and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited and such other agencies, authorities or bodies as may be required in this connection.

As on 31st March 2014, the IPO Committee comprised of the following members :

Name of the member	Category
Mr. Anand T. Kusre (Chairman)	Non Executive - Independent
Dr. Pradeep Bavadekar (Member)	Managing Director
Mr. Omprakash V. Bundellu (Member)	Non Executive - Independent
Mr. Ashok Mahajan (Member)	Non Executive - Independent

The IPO committee meetings are usually attended by the Controller of Finance and the Company Secretary.

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

Sr. No.	Dates on which IPO Committee Meetings were held	Attendance record of the Members			
		Mr. Anand T. Kusre	Dr. Pradeep Bavadekar	Mr. Omprakash V. Bundellu	Mr. Ashok Mahajan
1.	16/08/2013	Yes	Yes	Yes	Yes
2.	10/12/2013	No	Yes	Yes	Yes

iv) Shareholders'/Investor's Grievance Committee

The Company had constituted shareholder/investors Grievances Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/notices/annual reports etc.

The Shareholders/Investors Grievance Committee deals with various matters relating to: -

1. To approve and register transfer and/ or transmission of all classes of shares;
2. Redressal of shareholders and investor complaints e.g. transfer of shares, non receipt of balance sheet/ annual report, non-receipt of declared dividend, interest, notices etc.;
3. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
4. To sub-divide, consolidate and issue duplicate share certificates on behalf of our Company; and
5. To do all such acts, things, or deeds as may be necessary or incidental to the exercise of the above powers.

As on 31st March, 2014, the Committee consists of the following Members :

Name of the member	Category
Mr. Anand T. Kusre (Chairman)	Non Executive - Independent
Dr. Pradeep Bavadekar (Member)	Managing Director
Mr. Omprakash V. Bundellu (Member)	Non Executive – Independent
Mr. Ashok Mahajan (Member)	Non Executive – Independent

During the year under review, the meeting of the Shareholders'/Investor's Grievance Committee was held on 27th March, 2014 in which all members were present.

Mr. Madhav Oak, Company Secretary is the Compliance Officer effective from 1st November, 2014.

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Requests/Grievances/complaints received & resolved for the period from 1st November, 2013 to 31st March, 2014

SR. NO.	NATURE OF COMPLAINT	OPENING BALANCE ON 01.11.2013	RECEIVED DURING THE PERIOD	RESOLVED DURING THE PERIOD	CLOSING BALANCE AS ON 31.03.2014
1.	NON-RECEIPT OF DIVIDEND/	0	0	0	0
	a. REVALIDATION	0	0	0	0
2.	a. NON-RECEIPT OF SHARE b. AFTER TRANSFER	0	0	0	0
3.	DEMAT/REMAT	0	0	0	0
4.	CHANGE OF ADDRESS	0	0	0	0
5.	MISCELLANEOUS	0	0	0	0
6.	SEBI COMPLAINTS	0	0	0	0
7.	STOCKEXCHANGE COMPLAINTS	0	2	2	0
8.	NON-RECEIPT OF ANNUAL REPORT	0	0	0	0
9.	CORRECTION ON THE CERT.	0	0	0	0
10.	DELETION	0	0	0	0
11.	TRANSMISSION	0	0	0	0
12.	MANDATE	0	0	0	0
13.	ISSUE OF DUPLICATE CERT. /LOSS OF SH.	0	0	0	0
14.	LEGAL	0	0	0	0
15.	REGISTRATION OF NOMINATION	0	0	0	0
	TOTAL	0	2	2	0

IV. General Body Meetings

- a) Details of location and time, of General Meetings & Special Resolutions passed in last three years:

All General Meetings were held at MITCON Institute of Management, Balewadi, Pune-411 045.

Year	AGM/ EGM	Date	Time	Special Resolutions passed
2012-13	AGM	23.09.2013	12.30 P.M.	Appointment of M/s Joshi & Sahney, Chartered Accountants, Pune as Statutory Auditors
2011-12	AGM	27.07.2012	10.30 A.M.	Appointment of M/s Joshi & Sahney, Chartered Accountants, Pune as Statutory Auditors
2011-12	EGM	10.02.2012	1.00 P.M.	Alteration in Memorandum of Association of the Company
2010-11	AGM	19.08.2011	11.30 A.M.	Appointment of M/s Joshi & Sahney, Chartered Accountants, Pune as Statutory Auditors

AGM = Annual General Meeting, EGM = Extra Ordinary General Meeting

These resolutions were put to vote by show of hands and were passed with the requisite majority.

b) Postal Ballot

During the year under review, no resolution was passed through postal ballot.

V. Subsidiaries

The Company does not have a subsidiary company.

VI. Disclosures

1. The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 "Related Party Disclosures" issued by the ICAI are set out at page numbers 75 & 76 of the Annual Report. However, these transactions are not likely to have any conflict with the Company's interest.
2. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets during the last three years.
3. The Company has complied with all the mandatory requirements of clause 52 pertaining to Corporate Governance of the Listing agreement entered with the stock exchange. Other than the constitution of the Remuneration Committee, the Company has not complied with any of the Non-Mandatory requirement of Clause 52 of the Listing Agreement.
4. The Company has adopted an Internal Code of Conduct for prohibition of Insider Trading. All the Directors on the Board as well as senior level employees/officers of the Company who

could be privy to unpublished price sensitive information of the Company are governed by this code.

5. The company has adopted a Code of Conduct for all Board Members and senior management of the Company. The Code is hosted on the website of the Company, and a declaration on affirmation of compliance of the Code annexed herewith and forms part of this report.
6. The Notice convening the Annual General Meeting of the Company has necessary disclosures relating to the appointment/re-appointment of Directors.
7. Annual Report has a detailed chapter on Management Discussion and Analysis.

VII Means of Communication

The Shares of the Company are listed on SME Platform (Emerge) of the National Stock Exchange of India Limited effective from 1st November 2013. Hence, the un-audited half yearly financial statements will be announced from the Financial Year 2014-15 as per the provisions of the listing agreement entered with the stock exchange.

The half yearly and the annual results as well as the press releases of the Company are put on the Company's website www.mitconindia.com.

The Company also informs by way of intimation to the stock exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders.

* * * * *

Declaration on Compliance of Code of Conduct

I, Dr. Pradeep Bavadekar, Managing Director of MITCON Consultancy & Engineering Services Limited, do hereby declare & confirm that all the Board Members and Senior Managerial Personnel have affirmed to the Board of Directors the compliance of the Code of Conduct as laid down by the Board.

Place : Pune
Date : 30th May, 2014

Sd/-
DR. PRADEEP BAVADEKAR
MANAGING DIRECTOR

Practicing Company Secretary's Certificate

To,
The Members of MITCON Consultancy &
Engineering Services Limited
Pune

I have examined the compliance of conditions of Corporate Governance by MITCON Consultancy & Engineering Services Limited ("the Company") for the year ended 31st March 2014 as stipulated in Clause 52 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

I state that no investor grievance is pending for a period of exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

I further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: 29th May, 2014
Place: Pune

Sridhar G. Mudaliar
Company Secretary
FCS 6156, C. P. 2664

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED

CEO/CFO Certification

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated wherever applicabal to the auditors and the Audit committee :
- i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-
Dr. Pradeep Bavadekar
Managing Director

Sd/-
Ram Mapari
Controller of Finance

Place : Pune
Date : 30th May, 2014

General Information for Shareholders

1. **Annual General Meeting:**
 Monday, 11th August, 2014 at MITCON Institute of Management, Balewadi, Pune-411 045 at 11.00 A.M.
2. **The financial year covers the period from 1st April to 31st March Financial Reporting for:**
 Half year ending 30th September 2014 Mid November 2014
 Year ending 31st March 2015 30th May, 2015
 Note: above dates are indicative
3. **Name & contact details of the Compliance Officer:**
 Mr. Madhav Oak, Company Secretary, Tel No. (020) 6628 9148, FAX No. (020) 2553 3206, Email: cs@mitconindia.com
4. **Book Closure:**
 The Registrar of Members and the Share Transfer Books of the Company will remain closed from Monday, 4th August, 2014 to Monday, 11th August, 2014 (both days inclusive).
5. **Dividend**
 The Board has recommended Dividend at Rs.1 per equity share.
6. **Listing on Stock Exchanges:**
 The Equity Shares of the Company are listed on SME Platform (Emerge) of the National Stock Exchange of India Limited with effect from 1st November, 2013.
7. **Stock/Scrp Code & ISIN/Common Code Number**

National Stock Exchange Ltd. (NSE)	MITCON Series: SM
ISIN Number with NSDL & CDSL	INE828O01033

8. **Market Price Data:**
 High, lows and volume of Company's shares for the period from 1st November, 2013 to 31st March, 2014 are as follows

Month			
	High	Low	Volume
November, 2013	60.00	37.95	30,000
December	47.40	44.50	4,000
January , 2014	45.45	43.50	4,000
February	45.20	43.05	6,000
March	45.00	41.50	1,54,000

9. Registrar and Transfer Agents

Link Intime India Private Limited
(Unit: MITCON Consultancy & Engineering Services Limited)
Block No. 202, 2nd Floor,
Akshay Complex, Off Dhole Patil Road,
Pune-411 001
Phone: 020-26160084/1629
Fax: 020-26163503
Email: pune@linkintime.co.in

10. Share Transfer System

The transfers of shares in physical form is processed and completed by Registrar & Transfer agent within a period of fifteen days from the date of receipt thereof provided all documents are in order. In case of shares in electronic from the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the listing agreement with the stock exchange, a Practising company secretary carried out audit of the system of transfer and a certificate to that effect is issued.

11. Distribution of Share holding as on 31st March 2014

Number of shares	Number of Shareowners	Percentage of Shareowners	Number of Shares held	Percentage of Total
1-5000	114	75.00	2,32,000	1.92
5001-10000	2	1.32	16,000	0.14
10001-20000	3	1.97	50,000	0.41
30001-40000	4	2.63	1,60,000	1.32
50001-100000	5	3.29	3,62,000	2.99
100001 & above	24	15.79	1,12,80,000	93.22
Total	152	100.00	1,21,00,000	100.00

12. Dematerialization of shares and Liquidity

The equity shares of the Company are compulsorily traded in dematerialised form.

As on 31st March, 2014, 77.02% Equity shares have been dematerialized. The shares have been admitted for dematerialisation with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders have option to dematerialise their shares with either of the depositories.

13. Outstanding GDRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity Outstanding GDRs.

As on 31st March 2014, the Company has not issued any GDR's/Warrants.

14. Location of offices of Company & Address of correspondence

Registered Office	First Floor, Kubera Chambers, Shivajinagar, Pune-411 005 Tel No. (020) 6628 9148, FAX No. (020) 2553 3206 Email : cs@mitconindia.com
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15. Address for Correspondence

Shareholders desiring to communicate with the Company on any matter relating to shares of the Company may either visit in person or write quoting their folio/demat account number at the following address:

Link Intime India Private Limited
(Unit: MITCON Consultancy & Engineering Services Limited)
Block No. 202, 2nd Floor,
Akshay Complex, Off Dhole Patil Road,
Pune-411 001
Phone: 020-26160084/1629
Fax: 020-26163503
Email: pune@linkintime.co.in

Shareholders who hold shares in dematerialised form should correspond with the depository participant with whom they have opened their Demat Account(s).

M/S. JOSHI & SAHNEY

Chartered Accountants
1913, SADASHIV PETH, NATU BAUG, PUNE -411030.
PHONES: 2447 1521,2447 1699,2447 1199 FAX: (020) 24478015 Email: josney@gmail.com

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

Report on the Financial Statements :

We have audited the accompanying financial statements of MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial statements :

The Company's Management is responsible for the preparation of these 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 Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation & 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2014;
- (b) in the case of the Statement of Profit and Loss , of the profit of the company for the year ended on that date;
and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter :

We draw attention to Note no.38A(i) to the financial statements relating to show cause-cum-demand notice dated 26.2.2014 received from the Commissioner of Central Excise, Pune-III, for recovery of an amount of Rs.89,48,928 being Service Tax earlier refunded to the company and note no.38A(ii) to the financial statements relating to show cause-cum-demand notices dated 16.4.2013 and 29.4.2014 calling upon the company to show cause as to why an amount of INR 1,46,40,244/- should not be charged/ demanded and recovered from it for the period from 1.7.2011 to 31.3.2012 and a further amount of INR 86,01,654/- should not be charged/ demanded and recovered from it for the period 1.4.2012 to 30.6.2012 (being periods for which company did not pay service tax).

Our opinion is not qualified in respect of this matter

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013.

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2013-2014

- e) On the basis of the written representations received from the directors as on 31st March 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

FOR & ON BEHALF OF
JOSHI AND SAHNEY
CHARTERED ACCOUNTANTS
Firm's Registration No.: 104359W

Sd/-
H.M.JOSHI
PARTNER
Membership No. 031689

Place: Pune
Date: 30/05/2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under

'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its fixed assets :
 - a) The Company has maintained 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 at the end of the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. In respect of its inventories :
 - a) The management has conducted physical verification of inventory being in the nature of course material at reasonable intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventory. As explained to us, discrepancies noticed on physical verification of inventories as compared to the book records, though not material, have been properly dealt with in the books of account.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Therefore, the provisions of Clause 4(iii)[(b), (c) and (d), (f) and (g)] of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. On the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5.
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act 1956 have been so entered.
 - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five

Lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The company has not accepted any deposits from the public.
7. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management has been commensurate with the size of the company and the nature of its business.
8. According to the information and explanations given to us, Central Government has not prescribed maintenance of cost record under clause (d) of sub section (1) of section 209 of the Act.
9. 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, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. As explained to us, the company did not have any dues on account of Wealth Tax, Investor Education and Protection Fund, Custom Duty and Excise Duty.

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, Wealth Tax, Service Tax, Cess, and other material statutory dues were in arrears as at 31st March, 2014 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, Wealth Tax, Investor Education and Protection Fund, Employees' State Insurance, Custom Duty, Excise Duty and Cess as at 31st March 2014, which have not been deposited on Account of any dispute. The particulars of dues outstanding of income tax as at 31st March 2014 which have not been deposited on account of dispute are as follows (Also see Note No.38B)

Name of the Statute	Nature of dues	Period for which amount relates	Amount in INR	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and interest (Disallowance of certain expenses and short credit for prepaid taxes)	FY 2009-10	17,22,200	Jurisdictional Assessing Officer and Income Tax Appellate Tribunal, Pune

10. The Company does not have any accumulated losses as at 31st March 2014 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.

11. There are no dues to financial institutions or banks. There are no debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. According to the information and explanations given to us, the Company is not a chit fund, nidhi, mutual benefit fund.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. The guarantee given by the company in earlier year to a bank for loan taken by MITCON Foundation, a Trust promoted by the Company, has been cancelled on repayment of said loan by MITCON Foundation.
16. According to the information and explanations given to us no term loans have been obtained by the Company during the year.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued debentures during the year and hence question of creating security/ charge does not arise.
20. We have verified the end-use of the money raised by public issue as disclosed by the Management in Note no.42 to the financial statements.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR & ON BEHALF OF
JOSHI AND SAHNEY
CHARTERED ACCOUNTANTS
Firm's Registration No.: 104359W

Sd/-
H.M.JOSHI
PARTNER
Membership No. 031689

Place: Pune
Date: 30/05/2014

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MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED BALANCE SHEET AS AT 31ST MARCH, 2014

	Particulars	Note No.	As at 31 st March, 2014 INR	As at 31 st March, 2013 INR
I	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds			
	(a) Share Capital	2	121,000,000.00	5,000,000.00
	(b) Reserves and Surplus	3	710,015,047.00	555,134,296.00
			831,015,047.00	560,134,296.00
(2)	Non-Current Liabilities			
	(a) Deferred Tax Liabilities (Net)	4	26,302,462.00	22,015,301.00
	(b) Other Long Term Liabilities	5	1,764,668.00	1,978,116.00
	(c) Long Term Provisions	6	3,768,113.00	--
			31,835,243.00	23,993,417.00
(3)	Current Liabilities			
	(a) Trade Payables	7	43,297,338.00	47,876,528.00
	(b) Other Current Liabilities	8	21,023,216.00	14,508,845.00
	(c) Short-Term Provisions	9	16,840,661.00	11,685,734.00
			81,161,215.00	74,071,107.00
	Total		944,011,505.00	658,198,820.00
II	ASSETS			
(1)	Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	10 & 10A	218,493,720.00	179,676,181.00
	(ii) Intangible Assets	11	19,833,501.00	13,030,674.00
	(iii) Capital Work In Progress	10A	1,800,234.00	--
			240,127,455.00	192,706,855.00
	(b) Non-Current Investments	12	--	75,000.00
	(c) Long Term Loans and Advances	13	20,319,434.00	25,728,892.00
	(d) Other Non-Current Assets	14	22,652,117.00	32,890,943.00
			42,971,551.00	58,694,835.00
(2)	Current Assets			
	(a) Current Investments	15	246,798,013.00	36,867,138.00
	(b) Inventories	16	3,651,089.00	3,380,245.00
	(b) Trade Receivables	17	161,574,764.00	143,694,154.00
	(c) Cash and Bank Balances	18	197,905,858.00	204,207,580.00
	(d) Short-Term Loans and Advances	19	50,849,822.00	18,599,451.00
	(e) Other Current Assets	20	132,953.00	48,562.00
			660,912,499.00	406,797,130.00
	Total		944,011,505.00	658,198,820.00

See Accompanying Notes (1 To 43) Forming 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

Date : 30/05/2014
Place: Pune

For and on behalf of the Board

Sd/-
A. T. Kusre
Chairman

Sd/-
Ram Mapari
Controller of Finance

Date : 30/05/2014
Place: Pune

Sd/-
Dr. Pradeep Bavadekar
Managing Director

Sd/-
Madhav Oak
Company Secretary

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars		Note No.	For the year ended	For the year ended
			31 st March, 2014	31 st March, 2013
			INR	INR
I.	Revenue from Operations	21	404,906,737.00	466,657,354.00
II.	Other Income	22	22,967,976.00	20,398,279.00
III.	Total Revenue (I +II)		427,874,713.00	487,055,633.00
IV.	Expenses:			
	Operating Costs	23	116,366,140.00	139,790,991.00
	Employee Benefit Expense	24	113,293,861.00	115,088,312.00
	Finance Costs	25	871,820.00	529,991.00
	Depreciation Expense - Tangible Assets	10 & 10A	13,100,649.00	12,667,964.00
	Less: Transfer from Revaluation Reserve	3	(390,449.00)	(390,449.00)
	Amortization Expense - Intangible Assets	11	3,460,820.00	2,797,978.00
	Other Expenses	26	78,494,487.00	76,900,866.00
	Total Expenses		325,197,328.00	347,385,653.00
V.	Profit Before Tax		102,677,385.00	139,669,980.00
VI	Tax Expense:			
	(1) Current Tax		27,500,000.00	44,000,000.00
	(2) Deferred Tax Liability / (Asset) (Net)		4,287,161.00	(3,508,608.00)
			31,787,161.00	40,491,392.00
VII	Profit for the Year		70,890,224.00	99,178,588.00
VIII	Earning per equity share (Face Value INR. 10/-)	34		
	Basic		7.30	12.40
	Diluted		7.30	12.40

See Accompanying Notes (1 To 43) Forming 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/-
A. T. Kusre
Chairman

Sd/-
Dr. Pradeep Bavadekar
Managing Director

Sd/-
Ram Mapari
Controller of Finance

Sd/-
Madhav Oak
Company Secretary

Date : 30/05/2014
Place: Pune

Date : 30/05/2014
Place: Pune

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Year ended 31 st March, 2014		Year ended 31 st March, 2013	
	INR	INR	INR	INR
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax:		102,677,385.00		139,669,980.00
Adjustments for:				
Depreciation & Amortisation	16,171,020.00		15,075,493.00	
Finance Costs	871,820.00		529,991.00	
Loss on sale of fixed assets	510,467.00		578,179.00	
Interest income	(12,694,558.00)		(11,114,331.00)	
Dividend Income	(8,608,224.00)	(3,749,475.00)	(2,052,546.00)	3,016,786.00
Operating profit before Working Capital changes		98,927,910.00		142,686,766.00
Adjustments for changes in Working capital:				
Long term Loans and advances	5,409,458.00		(8,442,339.00)	
Other non-current assets	10,238,826.00		9,909,992.00	
Inventories	(270,844.00)		(475,456.00)	
Trade Receivables	(17,880,610.00)		(34,517,596.00)	
Short term Loans and advances	(18,716,206.00)		1,503,165.00	
Other current assets	(9,391.00)		159,391.00	
Other long term liabilities	(213,448.00)		457,493.00	
Long term Provisions	3,768,113.00		(5,214,556.00)	
Trade Payables	(4,579,191.00)		(20,624,062.00)	
Other current liabilities	6,514,371.00		(5,186,701.00)	
Short term Provisions	(6,076,593.00)	(21,815,515.00)	7,646,631.00	(54,784,038.00)
Cash generated from operations		77,112,395.00		87,902,728.00
Income taxes paid		41,034,164.00		44,392,761.00
Net Cash flow from Operating Activities		36,078,231.00		43,509,967.00
B CASH FLOW FROM INVESTING ACTIVITIES				
Fixed Assets:				
Purchase of Fixed Assets	(65,547,597.00)		(12,303,520.00)	
Sale proceeds of Fixed Assets	700,369.00		1,084,441.00	
Investments:				
Purchase of Investment	(875,312,149.00)		(7,022,546.00)	
Sale proceeds	665,381,275.00			
Interest income	12,694,558.00		11,114,331.00	
Dividend Income	8,608,224.00		2,052,546.00	
Net Cash used in investing activities		(253,475,320.00)		(5,074,748.00)

C	CASH FLOW FROM FINANCING ACTIVITIES				
	Receipt of Grant and interest thereon	334,244.00		382,748.00	
	Issue of Share capital and premium thereon	214,557,818.00		--	
	Finance Costs	(871,820.00)		(529,991.00)	
	Dividend & tax on Dividend paid	(2,924,875.00)		(2,905,563.00)	
	Net Cash flow from/(used) in financing activities		211,095,367.00		(3,052,806.00)
D	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(6,301,722.00)		35,382,413.00
	Cash and Cash Equivalents (Opening balance)		204,207,580.00		168,825,167.00
	Cash and Cash Equivalents (Closing balance)		197,905,858.00		204,207,580.00

Notes :

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

	As at 31st Mar, 2014 INR	As at 31st Mar, 2013 INR
Cash and cash equivalents		
Cash on hand	156,681.00	249,766.00
Cheques, drafts on hand	17,761,225.00	7,506,230.00
Balance with Bank		
Balances with banks (including deposits with less than 3 months maturity)	41,249,318.00	75,646,396.00
Other bank balances		
- Deposits with maturity of more than three months but less than 12 months	109,659,987.00	92,334,042.00
- Margin Money for Bank Guarantees	26,130,022.00	24,115,931.00
- Earmarked balances	2,948,625.00	4,355,215.00
Total	197,905,858.00	204,207,580.00

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/-
A. T. Kusre
Chairman

Sd/-
Ram Mapari
Controller of Finance

Sd/-
Dr. Pradeep Bavadekar
Managing Director

Sd/-
Madhav Oak
Company Secretary

Date : 30/05/2014
Place: Pune

Date : 30/05/2014
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 :

The financial statements have been prepared and presented under the historical cost convention (except for revaluation of certain fixed assets), on the accrual basis of accounting (except where not reasonably determinable) and on accounting principles of Going Concern in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956, to the extent applicable.

1.2 Revenue Recognition :

- A Revenue from Consultancy / Incubation / Environment Laboratory Services is recognised as per the terms of the specific contracts.
- B Revenue from training programs is accounted as follows: -
 - a) Fees from the participants are accounted at commencement of the course as per scheduled fee structure
 - b) Revenue from Government sponsored training programs is recognized on accrual basis
 - c) Revenue from training activities conducted on behalf of Maharashtra Knowledge Corporation Limited (MKCL), being not reasonably determinable, is recognised on receipt basis (See note 39).
- 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 payment 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 Fixed Assets :

- a Fixed assets are stated at cost of acquisition less accumulated depreciation and those which were revalued as on 01.09.1999 are stated at the values determined by the valuer 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.
- b Intangible assets are stated at the consideration paid for acquisition and customisation thereof less accumulated amortisation.

1.5 Depreciation / Amortisation :

- a Depreciation / Amortisation on tangible / intangible fixed assets has been provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, prorata to the period of use.
- b Depreciation on revalued asset has been adjusted against revaluation reserve.

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 reserve 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 depreciation charged and loss on sale or discard of fixed assets purchased there from. Further interest from investment of unutilised grant / interest on loan disbursed to incubatee are added to respective grants.

1.8 Operating lease :

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

1.9 Investments :

- A 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.
- B 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 post 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 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 Inventories :

Inventory in the nature of printed course material are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

1.16 Segment Reporting :

The company identifies primary segments based on the dominant source, nature of risks, returns and the internal organization. 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.



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

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Authorised:		
15,000,000 Equity Shares of INR 10/- each.	150,000,000.00	--
5,00,000 Equity Shares of INR 100/- each.	--	50,000,000.00
Issued, Subscribed and Paid up:		
12,10,000 Equity Shares of INR 10/- each.	121,000,000.00	--
50,000 Equity Shares of INR 100/- each.	--	5,000,000.00
Total	121,000,000.00	5,000,000.00

Changes in Face Value of each equity share and increase in Authorised Share Capital

At the Extra Ordinary General Meeting of the Shareholders of the Company held on April 25, 2013:

- i) Each existing equity share of INR 100/- has been subdivided into 10 equity shares of INR 10/- each.
- ii) The Authorised Share Capital of the Company has been increased from INR 50,000,000/- divided into 5,00,000 equity share of INR 100/- each to INR 150,000,000/- divided into 15,000,000 equity shares of INR 10/- each.

Issue of Bonus Shares :

On 7th June 2013 , 7,500,000 Equity Shares of INR10 each have been issued and allotted as fully paid up bonus shares in the proportion of 15 equity shares for every one equity share held by utilisation of balance in accumulated profits.

Initial Public Offer (IPO) :

During the year 4,100,000 Equity Shares of Face Value of INR 10/- each at premium of INR 51/- have been issued and allotted through Initial Public Offer (IPO). The Issue was made in accordance with the Company's prospectus dated 7th October 2013 and the Company's equity shares got listed on 1st November 2013 on SME platform (EMERGE) of the National Stock Exchange.

Notes:

a) Reconciliation of the no. of shares :

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	No of shares	Amount	No of shares	Amount
No of Equity shares outstanding at the beginning of the year (Face Value of INR 100/-)	50,000	5,000,000.00	50,000	5,000,000.00
No of Equity shares outstanding on subdivision of each existing equity share of the Company of INR 100 /- into 10 equity shares of INR 10/-.	500,000	5,000,000.00	--	--
Add: Bonus shares Issued out of accumulated profits during the year in the ratio of 15 equity shares for every one equity share held	7,500,000	75,000,000.00	--	--
Add: Equity shares issued through Initial Public Offer(IPO) during the year of INR10/- each	4,100,000	41,000,000.00	--	--
No of Equity shares outstanding at the end of the year (Face value of INR10/-)	12,100,000	121,000,000.00	--	--
No of Equity shares outstanding at the end of the year (Face value of INR100/-)	--	--	50,000	5,000,000.00

b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of INR 10/- (Previous Year INR 100/-) 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-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
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 st March, 2014 of INR10/- each	% of shares held	Number of shares as at 31 st March, 2013 of INR100/- each	% of shares held
1) SIDBI Trustee Company Limited A/c India Opportunities Ltd	1,638,000	13.54%	--	--
2) ICICI Bank Ltd.	1,520,000	12.56%	9,500	19.00%
3) Small Industries Development Bank of India	1,000,000	8.26%	6,250	12.50%
4) IFCI Limited	1,000,000	8.26%	6,250	12.50%
5) Emerging India Growth Fund CVCF V	820,000	6.78%	--	--
6) SICOM Ltd.	800,000	6.61%	5,000	10.00%
7) Dr. Pradeep Bavadekar	--	--	3,500	7.00%

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 3 - RESERVES AND SURPLUS

Particulars	INR.	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Capital Grants :			
Capital Grant Received from :			
1) Department of Science & Technology, Govt. of India for Export Facilitation Centre	125,824.00		149,394.00
Less :- Depreciation During the Year	23,570.00		23,570.00
Closing Balance		102,254.00	125,824.00
2) Dept. of Science & Technology, Govt. of India for Setting up Bio-Technology Laboratory	4,249,250.00		5,714,551.00
Add: Sale Realisation	--		145,121.00
Less : WDV of the Equipment Sold / Discarded	--		1,293,695.00
Less :- Depreciation During the Year	303,963.00		316,727.00
Closing Balance		3,945,287.00	4,249,250.00
3) Asian Pacific Centre for Technology Transfer (Contributed by way of providing Bio-Technology Laboratory Equipments)	294,100.00		299,332.00
Less :- Depreciation During the Year	5,232.00		5,232.00
Closing Balance		288,868.00	294,100.00
4) Ministry of Food Processing Industry, Govt. of India For setting up Food Processing Training Centre	507,152.00		529,079.00
Less :- Depreciation During the Year	21,927.00		21,927.00
Closing Balance		485,225.00	507,152.00
5) Technology Development Board, Govt. of India			
Opening Balance	4,394,690.00		4,011,942.00
Add : Interest Received	334,244.00		382,748.00
Closing Balance (Amount disbursed INR 11.12 lacs, PY Nil. Refer note no.27)		4,728,934.00	4,394,690.00

Continued...

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

Revaluation Reserve:			
As per last Balance Sheet	18,682,858.00		19,073,307.00
Less: Utilised for set off against Depreciation (See Note 1.5(b))	390,449.00		390,449.00
Closing Balance		18,292,409.00	18,682,858.00
Securities Premium Reserve:			
As per last Balance Sheet	--		--
Add: Additions during the year(Issue of Equity Shares at premium through Initial Public Offer (IPO))	209,100,000.00		--
Less: Initial Public Offer (IPO) Expenses (See Note 42)	35,542,182.00		
Closing Balance		173,557,818.00	
General Reserve:			
As per last Balance Sheet	77,800,108.00		62,800,108.00
Add: Transfer from Surplus in Statement of Profit & Loss	11,000,000.00		15,000,000.00
Closing Balance		88,800,108.00	77,800,108.00
Surplus in Statement of Profit & Loss			
As per last Balance Sheet	449,080,315.00		367,826,601.00
Less: Utilised towards Bonus Issue	75,000,000.00		--
Add: Profit for the Year	70,890,224.00		99,178,588.00
		444,970,539.00	467,005,189.00
Less: Appropriations			
Proposed Dividend	12,100,000.00		2,500,000.00
Tax on Proposed Dividend	2,056,395.00		424,874.00
Transfer to General Reserve	11,000,000.00	25,156,395.00	15,000,000.00
Closing Balance		419,814,144.00	449,080,315.00
Total		710,015,047.00	555,134,296.00

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

As required by Accounting Standard (AS 22) "Taxes on Income" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, the Company has recognised deferred taxes, which result from timing differences between book profits and tax profits for the period, the details of which are as under.

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

Nature of timing difference	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Provision for Depreciation	26,944,753.00	23,391,224.00
Total	26,944,753.00	23,391,224.00

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

Nature of timing difference	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Provision for Leave encashment /Gratuity	642,291.00	1,375,923.00
Total	642,291.00	1,375,923.00

(iii) Deferred Tax Liability (net) (i-ii)	26,302,462.00	22,015,301.00
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MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 5 - OTHER LONG TERM LIABILITIES

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Security Deposits	1,764,668.00	1,978,116.00
Total	1,764,668.00	1,978,116.00

NOTE 6 - LONG TERM PROVISIONS

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Provision for Leave Encashment	3,768,113.00	--
Total	3,768,113.00	--

NOTE 7 - TRADE PAYABLES

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Trade Payables (See Note No. 31)	43,297,338.00	47,876,528.00
Total	43,297,338.00	47,876,528.00

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

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Other Payables		
Advance from Customers	11,553,467.00	6,044,518.00
Provident Fund Contribution Employee & Employer	1,502,868.00	1,370,032.00
ESIC Payable	25,626.00	28,944.00
TDS, VAT and LBT Payable	4,315,944.00	4,783,912.00
Security Deposits	1,831,977.00	1,472,132.00
Payables for Capital Purchases	1,793,334.00	809,307.00
Total	21,023,216.00	14,508,845.00

NOTE 9 - SHORT-TERM PROVISIONS

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Proposed Dividend	12,100,000.00	2,500,000.00
Tax on Proposed Dividend	2,056,395.00	424,875.00
Provision for Leave Encashment	2,684,266.00	8,432,010.00
Provision for Group Gratuity	--	328,849.00
Total	16,840,661.00	11,685,734.00

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
NOTE 10 - FIXED ASSETS

Types of Assets	Cost				Depreciation				Net Block			
	As at 1 st April, 2013	Reclassification Adjustment in opening balance	Additions during the Year	Deductions during the Year	As at 31 st March, 2014	Up to 31 st March, 2013	Reclassification Adjustment in opening balance	For the Year	On Deductions*	Up to 31 st March, 2014	As at 31 st March, 2014	As at 31 st March, 2013
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
TANGIBLE ASSETS												
Land	200,000.00	--	--	--	200,000.00	--	--	--	--	--	200,000.00	200,000.00
Improvements to Leasehold Premises	12,084,654.00	--	--	--	12,084,654.00	3,161,343.00	--	588,264.00	--	3,749,607.00	8,335,047.00	8,923,311.00
Buildings- Office Premises	94,942,188.00	--	24,975,879.00	--	119,918,067.00	9,937,217.00	--	1,189,587.00	--	11,126,804.00	108,791,263.00	85,004,971.00
Energy Audit Equipment	10,620,487.00	--	1,280,313.00	130,473.00	11,770,327.00	1,273,409.00	--	515,901.00	12,587.00	1,776,723.00	9,993,604.00	9,347,078.00
Furniture & Fixtures	22,477,122.00	--	2,881,441.00	234,660.00	25,123,903.00	5,805,130.00	--	1,425,300.00	45,169.00	7,185,261.00	17,938,642.00	16,671,992.00
Vehicles	5,183,809.00	--	1,585,255.00	336,160.00	6,432,904.00	1,298,728.00	--	595,350.00	96,156.00	1,797,922.00	4,634,982.00	3,885,081.00
Office Equipment	18,874,521.00	--	5,218,598.00	876,120.00	23,216,999.00	14,477,827.00	--	948,673.00	366,943.00	15,059,557.00	8,157,442.00	4,396,694.00
Environment / B.T.Lab equipments	6,985,060.00	--	632,462.00	--	7,617,522.00	1,562,912.00	--	355,346.00	--	1,918,258.00	5,699,264.00	5,422,148.00
Computers & Printers	26,155,849.00	(131,429.00)	13,965,476.00	609,283.00	39,380,613.00	8,161,442.00	(1,167.00)	2,717,116.00	455,005.00	10,422,386.00	28,958,227.00	17,994,407.00
Electrical Installations	5,524,535.00	--	3,074,554.00	--	8,599,089.00	1,477,118.00	--	424,080.00	--	1,901,198.00	6,697,891.00	4,047,417.00
Wind Turbine Generator	41,982,900.00	--	--	--	41,982,900.00	21,717,053.00	--	4,341,032.00	--	26,058,085.00	15,924,815.00	20,265,847.00
Total (A)	245,031,125.00	(131,429.00)	53,613,978.00	2,186,696.00	296,326,978.00	68,872,179.00	(1,167.00)	13,100,649.00	975,860.00	80,995,801.00	215,331,177.00	176,158,946.00
Previous Year	238,284,927.00	--	9,235,190.00	2,488,992.00	245,031,125.00	58,071,578.00	(895,870.00)	12,667,964.00	971,493.00	68,872,179.00	176,158,946.00	180,213,349.00

Notes :

- For Depreciation and amortisation refer accounting policy (Note 1.5).
- Cost of Building at Kubera Chambers includes INR 239,53,918/-; (Previous Year INR 239,53,918/-) added on revaluation by the Valuer on 1st September 1999.
- Adjustment on account of reclassification have been made in the Balances of cost and accumulated depreciation provided on Computer & Printers and Computer Software. However there is no effect on the total depreciation to be charged for the year.

NOTE 10 A - FIXED ASSETS (Purchased out of Grants received)

Types of Assets	Cost				Depreciation				Net Block		
	As at 1 st April, 2013	Reclassification Adjustment in opening balance	Additions during the Year	Deductions during the Year	As at 31 st March, 2014	Up to 31 st March, 2013	For the Year	On Deductions*	Upto 31 st March, 2014	As at 31 st March, 2014	As at 31 st March, 2013
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Assets purchased under grant received from :-											
Dept. of Science and Technology, New Delhi for Setting up International Business Centre.	267,284.00	--	--	--	267,284.00	267,283.00	--	--	267,283.00	1.00	1.00
Govt. of Maha. and Govt. of India for setting up Export Facilitation Centre at Pune	455,700.00	--	--	--	455,700.00	366,076.00	23,570.00	--	389,646.00	66,054.00	89,624.00
DST, GOI and APCTT for setting up Bio-Technology Centre at Pune	6,174,481.00	--	--	--	6,174,481.00	3,267,105.00	309,195.00	--	3,576,300.00	2,598,181.00	2,907,376.00
Ministry of Food Processing Industry, GOI, for Setting up Food Testing Lab	568,511.00	--	--	--	568,511.00	48,277.00	21,927.00	--	70,204.00	488,307.00	520,234.00
Total (B)	7,465,976.00	--	--	--	7,465,976.00	3,948,741.00	354,692.00	--	4,303,433.00	3,162,543.00	3,517,235.00
Previous Year	9,730,700.00	--	3,742.00	2,268,466.00	7,465,976.00	4,556,056.00	367,456.00	974,771.00	3,948,741.00	3,517,235.00	5,174,644.00
Total Tangible Assets (A+B)	252,497,101.00	--	53,613,978.00	2,186,696.00	303,792,954.00	72,819,763.00	13,455,341.00	975,860.00	85,299,234.00	218,493,720.00	179,676,181.00
Total Tangible Assets (A+B) Previous Year	248,015,627.00	--	9,238,932.00	4,757,458.00	252,497,101.00	61,731,764.00	13,035,420.00	1,946,264.00	72,820,920.00	179,676,181.00	181,333,590.00
Capital Work In progress	--	--	1,800,234.00	--	1,800,234.00	--	--	--	--	1,800,234.00	--

Notes :

1. For Depreciation and amortisation refer accounting policy (Note 1.5).

NOTE 11 - FIXED ASSETS - INTANGIBLE ASSETS

Types of Assets	Cost				Amortization				Net Block		
	As at 1 st April, 2013	Reclassification Adjustment in opening balance	Additions / Adjust during the Year	Deductions during the Year	As at 31 st March, 2014	Upto 31 st March, 2013	For the Year	On Deductions*	Upto 31 st March, 2014	As at 31 st March, 2014	As at 31 st March, 2013
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
INTANGIBLE ASSETS											
Computer Software	22,132,659.00	131,429.00	10,133,385.00	--	32,397,473.00	9,101,985.00	3,460,820.00	--	12,563,972.00	19,833,501.00	13,030,674.00
Total	22,132,659.00	--	10,133,385.00	--	32,397,473.00	9,101,985.00	3,460,820.00	--	12,563,972.00	19,833,501.00	13,030,674.00
Previous year	19,282,318.00	--	3,064,588.00	214,247.00	22,132,659.00	5,622,384.00	2,797,978.00	214,247.00	9,101,985.00	13,030,674.00	13,659,934.00

Notes :

1. For Depreciation and amortisation refer accounting policy (Note 1.5).

2. Adjustment on account of reclassification have been made in the opening Balances of cost and accumulated depreciation provided on Computer & Printers and Computer Software. However there is no effect on the total depreciation to be charged for the year.

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
NOTE 12 - NON CURRENT INVESTMENTS

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Investments (At Cost) Non-trade, Unquoted		
Other Investments: In Government Securities - National Savings Certificates	--	75,000.00
Total	--	75,000.00

Aggregate amount of unquoted investments INR NIL (Previous Year INR 75,000/-)

NOTE 13 - LONG TERM LOANS AND ADVANCES

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Unsecured, Considered Good		
Capital Advances	88,025.00	2,200,000.00
Security Deposits	19,592,016.00	23,500,549.00
Prepaid Expenses	135,393.00	28,343.00
Loan to Incubatee (refer note no. 27)	504,000.00	--
Total	20,319,434.00	25,728,892.00

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
NOTE 14 - OTHER NON CURRENT ASSETS

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Unsecured, Considered Good		
i) Service Tax Refund Receivable (See Note No. 38 A (i))	--	9,117,683.00
ii) Long Term Receivables from related party- (See Note No. 37)	21,273,260.00	21,273,260.00
iii) Other Bank Balances - Deposits with more than 12 months maturity	1,378,857.00	2,500,000.00
Total	22,652,117.00	32,890,943.00

NOTE 15 - CURRENT INVESTMENTS

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Quoted at Cost		
Investments in Mutual funds	53,000,000.00	--
Unquoted at Cost		
Investments in Mutual funds	193,798,013.00	36,867,138.00
Total	246,798,013.00	36,867,138.00

Aggregate value of Quoted investment	53,000,000.00
Market value of Quoted investment	53,511,610.00
Aggregate value of Unquoted investment	193,798,013.00

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PARTICULARS OF INVESTMENTS	Face Value Per Unit	As at 31 st March 2014		As at 31 st March 2013	
	Rs	Nos.	Rs	Nos.	Rs
Quoted					
IDBI FMP Series IV Direct plan Growth	10.000	600,000.00	6,000,000.00	--	--
IDBI FMP Series IV Direct plan Dividend - Mar	10.000	300,000.00	3,000,000.00	--	--
IDBI FMP Series IV Regular plan Growth	10.000	400,000.00	4,000,000.00	--	--
IDBI FMP Series IV Direct plan Dividend - Feb	10.000	4,000,000.00	40,000,000.00		
Total - A			53,000,000.00		
Unquoted					
ICICI Prudential Flexible Income Plan-Daily Dividend	--	--	--	225,677.92	23,862,055.00
ICICI Prudential Liquid Direct Plan-Daily Dividend	100.000	53,427.11	5,345,938.00	--	--
IDBI Ultra Short Term Fund - Regular plan Daily Dividend	1,000.000	19,025.76	19,145,021.00	--	--
IDBI Ultra Short Term Fund - Direct plan Daily Dividend	1,000.000	159,041.68	162,307,152.00	--	--
IDBI Liquid Fund - Direct plan Daily Dividend	1,000.000	6,992.76	6,999,902.00	--	--
IDBI Ultra Short Term Fund - Daily Dividend	--	--	--	12,993.90	13,005,083.00
Total - B			193,798,013.00		36,867,138.00
TOTAL - A + B			246,798,013.00		36,867,138.00

NOTE 16 - INVENTORIES (AT COST)

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Inventory of Printed Course Material	3,651,089.00	3,380,245.00
Total	3,651,089.00	3,380,245.00

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
NOTE 17 - TRADE RECEIVABLES

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment:		
	61,716,322.00	47,854,709.00
Others	99,858,442.00	95,839,445.00
Total	161,574,764.00	143,694,154.00

NOTE 18 - CASH AND BANK BALANCES

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Cash and Cash Equivalents		
Cash on Hand	156,681.00	249,766.00
Cheques, Drafts on Hand	17,761,225.00	7,506,230.00
Balance with Bank		
Balances with banks (including deposits with less than 3 months maturity)	41,249,318.00	75,646,396.00
Other Bank Balances		
- Deposits with maturity of more than three months but less than 12 months	109,659,987.00	92,334,042.00
- Margin Money for Bank Guarantees	26,130,022.00	24,115,931.00
- Earmarked Balances	2,948,625.00	4,355,215.00
Total	197,905,858.00	204,207,580.00

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MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
NOTE 19 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
Unsecured, Considered Good		
Prepaid Expenses	4,992,327.00	1,909,885.00
Advance to Others	3,175,693.00	923,479.00
Security Deposits	13,300,012.00	3,143,560.00
Travel Advances to Staff	334,917.00	423,421.00
Income Tax paid less Provisions	22,588,688.00	9,054,523.00
Fringe Benefit Tax paid less Provision	190,000.00	190,000.00
Service Tax paid in Advance / input CENVAT credit	5,660,407.00	2,954,583.00
Loan to Incubatee (refer note no. 27)	607,778.00	--
Total	50,849,822.00	18,599,451.00

NOTE 20 - OTHER CURRENT ASSETS

Particulars	As at 31 st March 2014 INR	As at 31 st March 2013 INR
NSC	75,000.00	--
Interest Accrued on NSC	57,953.00	48,562.00
Total	132,953.00	48,562.00

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
NOTE 21- REVENUE FROM OPERATIONS

Particulars	For the year ended 31 st March, 2014 INR	For the year ended 31 st March, 2013 INR
Sale of Services	399,614,301.00	461,858,571.00
Other Operating Revenues	5,292,436.00	4,798,783.00
Total	404,906,737.00	466,657,354.00

Details of Sale of Services :	For the year ended 31 st March, 2014 INR	For the year ended 31 st March, 2013 INR
Consultancy Fees	263,242,475.00	264,579,391.00
Income from Vocational Training	88,556,678.00	142,744,899.00
Income from IT Courses	31,307,153.00	36,426,291.00
Income from Laboratories	16,507,995.00	18,107,990.00
Total	399,614,301.00	461,858,571.00
Details of Other Operating Revenue :		
Income from Wind Power Generation (Net of rebate)	5,292,436.00	4,798,783.00
Total	5,292,436.00	4,798,783.00

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MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS NOTE 22 - OTHER INCOME

Particulars	For the year ended 31 st March, 2014 INR	For the year ended 31 st March, 2013 INR
Interest Income from Bank Deposits	12,694,558.00	10,732,421.00
Interest Income from Current Investments	- -	381,910.00
Dividend Income from Current Investments	8,608,224.00	2,052,546.00
Net gain on foreign currency transaction	392,904.00	83,563.00
Sundry Provisions and Credit Balances no longer required, written back	996,242.00	4,386,034.00
Recovery of Bad Debts	13,429.00	2,300,000.00
Other non-Operating Income	262,619.00	461,805.00
Total	22,967,976.00	20,398,279.00

NOTE 23 - OPERATING COSTS

Particulars	For the year ended 31 st March, 2014 INR	For the year ended 31 st March, 2013 INR
Expenses on IT, VTP Training Activities	55,855,230.00	81,010,400.00
Changes in Inventory of printed course material Opening Stock	3,380,245.00	2,904,789.00
Less Closing Stock	3,651,089.00	3,380,245.00
Decrease / (Increase) in Inventory of printed course material	(270,844.00)	(475,456.00)
Professional fees to Associates	59,643,115.00	58,217,337.00
Engineering, Procurement & Construction(EPC) Expenses	1,138,639.00	1,038,710.00
Total	116,366,140.00	139,790,991.00

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 24 - EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31st March, 2014 INR	For the year ended 31st March, 2013 INR
Salaries and Wages	93,507,292.00	100,730,903.00
Contribution to Provident and Other Funds	15,842,707.00	10,585,385.00
Staff Welfare Expenses	3,943,862.00	3,772,024.00
Total	113,293,861.00	115,088,312.00

NOTE 25 - FINANCE COSTS

Particulars	For the year ended 31st March, 2014 INR	For the year ended 31st March, 2013 INR
Interest Expense	10,279.00	29,663.00
Other Borrowing Costs	861,541.00	500,328.00
Total	871,820.00	529,991.00

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MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS
NOTE 26 - OTHER EXPENSES

Particulars	For the year ended 31 st March, 2014 INR	For the year ended 31 st March, 2013 INR
Power and Fuel	5,013,568.00	5,236,173.00
Office Rent	8,271,920.00	7,201,140.00
Repairs and Maintenance -		
Buildings	1,043,041.00	777,265.00
Office & Other Equipment	2,682,673.00	2,600,586.00
Others	1,629,207.00	1,119,381.00
Insurance	728,968.00	842,408.00
Rates & Taxes	284,621.00	400,735.00
Auditor's Remuneration		
Statutory Audit	337,080.00	337,080.00
Certification	6,742.00	3,811.00
Administrative and General Expenses		
Travelling Expenses	24,804,402.00	23,015,859.00
Printing, Stationery and computer consumable	9,828,888.00	8,308,266.00
Advertisement	7,018,430.00	7,417,905.00
Security Expenses	3,548,584.00	1,129,704.00
Telephone, Mobile Expenses	3,214,271.00	3,359,099.00
Business Promotion Expenses	2,145,449.00	1,092,494.00
Registration and Legal Fees	1,194,146.00	1,840,612.00
Postage , Fax and Courier	1,527,538.00	1,501,836.00
Books & Periodicals Subscriptions and Membership Fees	995,712.00	1,598,149.00
Housekeeping	793,109.00	603,473.00
Laboratory Consumables	395,055.00	366,840.00
Directors Sitting Fees	380,000.00	240,000.00
Bad Debts written off	517,969.00	5,900,515.00
Donations	35,000.00	206,000.00
Loss on Disposal of Assets	510,467.00	578,179.00
General Expenses	1,587,647.00	1,223,356.00
Total	78,494,487.00	76,900,866.00

MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE NO.

27. Utilisation of Incubatee Grant

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 Board 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 40 lacs from TDB. INR 25 lacs were sanctioned to one incubatee towards Term Loan @ 5.50% interest rate with moratorium of one year and repayable within 5 years, out of which INR 11.12 lacs were disbursed during the year. This disbursement has not been deducted from Grant received, but separately disclosed under Loans and Advances.

28. Contingent liability not provided for

Particulars	Year ended	
	31 st March, 2014	31 st March, 2013
	INR	INR
Corporate Guarantee to Bank given on behalf of MITCON Foundation (Outstanding loan against this bank guarantee as on 31/03/2014 INR Nil PY INR 31.23 lacs)	--	78,820,000.00
Guarantees given by bankers to customer on behalf of the Company	15,857,573.00	9,772,975.00
Service Tax Demand (see Note No. 38)	32,190,826.00	14,640,244.00

29. Payments to Auditors - (Net of service tax)

	Year ended	
	31 st March, 2014	31 st March, 2013
	INR	INR
For Audit	300,000.00	300,000.00
For Certification	6,000.00	3,500.00
For Other Services *	1,600,000.00	--
Total	1,906,000.00	303,500.00

* Other services for the year ended March 31, 2014 amounting to INR 16 lacs (PY Nil) relates to Assurance Services for Initial Public Offering (IPO) and hence has been adjusted against Securities Premium Reserve as part of Share Issue expenses.

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30 Expenditure and earnings in foreign currencies

Expenditure in foreign currency	Year ended	
	31 st March, 2014	31 st March, 2013
	INR	INR
Travelling expenses	52,359.00	27,785.00
Registration expenses	14,562.00	--
License Fees	380,141.00	--
Workshop Fees	--	108,899.00
Subscription & Membership Fees	76,126.00	46,970.00
Total	523,188.00	183,654.00

Earning in foreign currency	Year ended	
	31 st March, 2014	31 st March, 2013
	INR	INR
Professional fees	7,262,897.00	4,802,503.00
Reimbursement of Expenses	4,158.00	41,712.00
Total	7,267,055.00	4,844,215.00

- 31** The Company has no suppliers covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act).

32 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 69,77,195/- (P.Y. INR 59,45,399)
- ii Contribution to employees family pension Fund INR. 14,50,405/- (P.Y. INR 14,93,461)

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 st March, 2014 INR	31 st March, 2013 INR
a Present value of defined benefit obligation at the beginning of the year	14,116,103.00	10,050,779.00
b Interest cost	1,067,857.00	829,302.00
c Current service cost	2,736,520.00	2,609,140.00
d Actuarial losses / (gains)	(1,696,909.00)	1,215,442.00
e Benefits paid	(1,535,789.00)	(588,560.00)
f Present value of defined benefit obligation at the close of the year	14,687,782.00	14,116,103.00
ii Changes in the fair value of plan assets and the reconciliation thereof:	Year ended	
	31 st March, 2014 INR	31 st March, 2013 INR
a Fair value of plan assets at the beginning of the year	13,787,254.00	12,392,130.00
b Add :expected return on plan assets	1,436,368.00	1,124,072.00
c Add / (less) : actuarial (losses) / gains	147,150.00	75,930.00
d Add : contributions by employer	5,880,560.00	783,682.00
e Less: benefits paid	(1,535,789.00)	(588,560.00)
f Fair value of plan assets at the close of the year	19,715,543.00	13,787,254.00
g Actual Return on Plan Assets	1,583,518.00	1,200,002.00

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iii Amount recognized in the Balance Sheet:	Year ended	
	31 st March, 2014	31 st March, 2013
	INR	INR
Present Value of Obligation as at the end of year	14,687,782.00	14,116,103.00
Fair Value of Plan Assets as at the end of year	19,715,543.00	13,787,254.00
Funded Status	5,027,761.00	(328,849.00)
Current Liability	--	328,849.00
Non - Current Liability	14,687,782.00	13,787,254.00
Unrecognised Actuarial (gains) / losses	--	--
Net Asset / (Liability)	5,027,761.00	(328,849.00)
Only net liability is provided in the books of account of the company		
iv Amounts recognised in the statement of Profit and Loss are as follows:	Year ended	
	31 st March, 2014	31 st March, 2013
	INR	INR
Current service cost	2,736,520.00	2,609,140.00
Past Service Cost	--	--
Interest cost	1,067,857.00	829,302.00
Expected return on plan assets	(1,436,368.00)	(1,124,072.00)
Curtailment cost / (Credit)	--	--
Settlement Cost / (Credit)	--	--
Net Actuarial (Gain) / Loss recognised in the year	(1,844,059.00)	1,139,512.00
Expenses Recognised in the Statement of Profit & Loss at the end of period / year	523,950.00	3,453,882.00
v Amount for the current period:	Year ended	
	31 st March, 2014	31 st March, 2013
	INR	INR
Present value of obligation	14,687,782.00	14,116,103.00
Plan assets	19,715,543.00	13,787,254.00
Surplus / (Deficit)	5,027,761.00	(328,849.00)

vi Broad categories of plan assets as a percentage of total assets as at	Year ended	
	31 st March, 2014	31 st March, 2013
	Percentage (%)	Percentage (%)
Insurer managed funds	100.00%	100.00%
Total	100.00%	100.00%

vii Actuarial assumptions as at	Year ended	
	31 st March, 2014	31 st March, 2013
	Percentage (%)	Percentage (%)
Discount rate	9.10%	8.00%
Rate of increase in Compensation levels	8.50%	8.50%
Rate of return on plan assets	9.00%	9.00%
Expected Average remaining working lives of employees (years)	8.28	8.39

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 31st March 2014 is INR 6,452,379/- (Previous Year INR 84,32,010/-).

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

Particulars	Year ended	
	31 st March, 2014 INR	31 st March, 2013 INR
Lease payments debited to the Statement of Profit and Loss		
Cancellable leases		
Lease rent for office	8,271,920.00	7,201,140.00

34 Related parties, as defined under Clause 3 of Accounting Standard (AS 18) "Related Party Disclosures" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, 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) Name of the related party and nature of relationship where control exists:

Name of Related Party	Nature of Relationship
MITCON Foundation	Charitable Trust promoted by the Company

b) Key Management personnel (KMP)

Sr. No.	
1	Dr. Pradeep Bavadekar, Managing Director

c) Transactions with related party:

Sr. No.	Nature of transactions / relationship / Name of Related Party	2013-14 INR	2012-13 INR
1	Salary */ perquisites / dividend Key Management Personnel (KMP) Dr. Pradeep Bavadekar Remuneration Dividend	7,464,910.00 560,000.00	7,351,052.00 175,000.00
	Total	8,024,910.00	7,526,052.00
2	Transaction / Expenses incurred on behalf of MITCON Foundation Transaction / Income received from MITCON Foundation	3,407,935.00 1,246,073.00	2,811,026.00 --
	Total	4,654,008.00	2,811,026.00
3	Guarantees given outstanding as on 31st March, 2014 MITCON Foundation	--	78,820,000.00
	Total	--	78,820,000.00
4	Accounts Receivable Outstanding as on 31st March, 2014 MITCON Foundation Against Sale of Land	21,273,260.00	21,273,260.00
	Total	21,273,260.00	21,273,260.00
5	Accounts Payable Outstanding as on 31st March, 2014 Dr. Pradeep Bavadekar Remuneration Payable	123,495.00	1,212,757.00
	Total	123,495.00	1,212,757.00

* 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.

Dr. Pradeep Bavadekar was re-appointed as Managing Director for a period of five years w.e.f. 1st July 2013 in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 at fixed monthly remuneration of INR 5 lacs plus perquisites and the variable remuneration aggregate of which shall not exceed 5% of the net profit of the company calculated as per provisions of Sections 349 & 350 of the Companies Act, 1956 for each financial year.

During the current financial year fixed remuneration plus perquisites aggregating to INR 7,464,910/- has been paid to Managing Director. However due to inadequacy of profits during the current financial year, remuneration paid to the Managing Director is in excess of the above mentioned limit of 5% of the net profit by INR 1,957,795/-. The Company is taking necessary steps to seek approval of the Shareholders and Central Government under provisions of the Companies Act, 2013 seeking waiver of recovery of excess amount paid as above.

The said has already been recommended by the remuneration committee and approved by the Board.

35 Earnings per Share (Basic and Diluted)	Year ended	
	31 st March, 2014 INR	31 st March, 2013 INR
Profit for the year after taxation	70,890,224.00	99,178,588.00
Total weighted average number of equity shares during the year	9,710,701	8,000,000
Basic and Diluted earning per share	7.30	12.40

Earnings per share are calculated in accordance with Accounting Standard (AS 20) "Earning Per Share" prescribed by Companies (Accounting Standards) Amendment Rules, 2009.

As per the requirements of AS -20 number of shares have been derived considering :

- i) sub-division on April 25,2013 of equity share of INR 100/- into 10 equity shares of INR 10/- each
- ii) issue of bonus shares on June 07, 2013 in the ratio of 15:1 to the share holders holding equity shares of the company on record date April 25,2013. In case of bonus shares, the number of equity shares before the event is adjusted for the proportionate change in the number of equity shares as if the event has occurred at the beginning of the earliest period reported.
- iii) Allotment of 3,842,000 number of equity shares on October 28, 2013 and 258,000 share on December 10, 2013 through Initial Public Offer.

Weighted average number of equity shares outstanding during current year and previous year reported have been considered accordingly

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

37 An amount of INR 21,273,260/- is receivable from MITCON Foundation, a Trust promoted by and under the same management of the Company, against sale of land. The Company has given undertaking to Bank of Baroda that the said receivable shall not be recovered by the Company until the Term Loan availed of by MITCON Foundation from the Bank is repaid in full. In the opinion of the Management this receivable is good and fully recoverable.

38 A Service Tax

- i) The company has received Service Tax refund aggregating to INR 89,48,928/- against Service Tax paid by the company for the period 1st August,2010 to 30th June, 2011 in terms of Order passed in favour of the company by Commissioner (Appeals III) Central Excise Pune. However the Service Tax Department is in further appeal with Customs, Central Excise and Service Tax Appellate Tribunal against the said Order. Pending disposal of Appeal with Customs, Central Excise and Service Tax Appellate Tribunal, the Commisioner Central Excise Pune III. has issued on 26th February, 2014 show cause cum demand notice for recovery of service tax amount refunded. The company has refuted demand of recovery of Service Tax amount refunded.
- ii) The Company has received show cause cum demand notices dated 16th April 2013 and 29th April, 2014 from the Commissioner of Central Excise Pune - III, calling upon the Company to Show cause as to why an amount of INR 1,46,40,244/- should not be charged / demanded and recovered from it for the period from 01st July 2011 to 31st March 2012 and a further amount of INR 86,01,654/- should not be charged / demanded and recovered from it for the period 1st April, 2012 to 30th June 2012 (being periods for which Company did not pay service tax). This claim is disputed and being contested by the Company by filing written submission before The Commissioner, Central Excise & Service Tax, Pune III Authorities.

B Income Tax

Tax for A.Y.2009-10 amounting to Rs.22,560/-, for A.Y.2011-12 amounting to Rs. 2,77,58,980/- and for A.Y.2012-13 amounting to Rs.3,35,24,011/- shown by the Department as outstanding are without taking due cognizance of prepaid taxes. In fact, the Company is entitled to receive refund of income tax as per return of income filed for these years. Rectification proceedings for these years are pending before the Assessing Officer.

39 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.

40 Commitments:	Year ended	
	31 st March, 2014 INR	31 st March, 2013 INR
Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advance) in respect of purchase of :		
Tangible Fixed assets	3,320,373.00	614,599.00
Intangible Fixed assets	1,025,227.00	248,798.00

41 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 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.

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Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Segment Revenue		
Consultancy and Training	399,614,301	461,858,571
Wind Power Generation	5,292,436	4,798,783
Revenue from Operations	404,906,737	466,657,354
Segment Results :		
Profit(+)/Loss(-) before tax and interest from each segment		
Consultancy and Training	80,868,997	120,567,145
Wind Power Generation	67,582	(765,453)
Total Segment result	80,936,579	119,801,692
Unallocable income net of unallocable expenditure	9,918,068	9,283,948
Interest Income	12,694,558	11,114,331
Total	103,549,205	140,199,971
Less: Finance Cost	871,820	529,991
Total Profit before Tax	102,677,385	139,669,980
Less Provision for Tax		
Current Tax	27,500,000	44,000,000
Deferred Tax	4,287,161	(3,508,608)
Profit After Tax, as restated	70,890,224	99,178,588
Total carrying amount of segment assets		
Consultancy and Training	928,086,690	637,932,973
Wind Power Generation	15,924,815	20,265,847
Total Segment assets	944,011,505	658,198,820
Total carrying amount of segment liabilities		
Consultancy and Training	112,996,458	98,064,524
Wind Power Generation	--	--
Total Segment liabilities	112,996,458	98,064,524
Depreciation & Amortisation		
Consultancy and Training	12,575,129	10,734,461
Wind Power Generation	4,341,032	4,341,032
Total Depreciation & Amortisation	16,916,161	15,075,493

42 UTILIZATION OF MONEY RAISED THROUGH INITIAL PUBLIC OFFER

During the year under review the company has made a public offer of 4,100,000 shares, which were fully subscribed.

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

The utilisation of the issue proceeds as on 31st March 2014 is as under:

INR in lacs

Particulars	Utilisation planned as per prospectus	Utilisation of IPO proceeds as on 31 st March 2014	balance amount to be utilised as on 31 st March 2014 *
Acquisition of property for setting up new offices in bangalore, hyderabad chennai, new delhi and ahmedabad and environment testing laboratory in bangalore and ahmedabad	1,613.80	249.76	1,364.04
Purchase of office equipments for new offices	57.70	--	57.70
Purchase of furniture and fixtures and carrying out interior designing for the new offices and the environment testing laboratory	291.19	--	291.19
Purchase of equipment for environment testing laboratory at ahmedabad and bangalore	101.50	--	101.50
General Corporate purposes	81.33	67.42	13.91
Issue expenses	355.48	355.42	0.06
Total	2,501.00	672.60	1,828.40

* The above unutilised proceeds from the Issue has been deployed in the Mutual Funds investments

43 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 43, forming part of the Financial Statements.

For and on behalf of the Board

Sd/-
A. T. Kusre
 Chairman

Sd/-
Dr. Pradeep Bavadekar
 Managing Director

Sd/-
Ram Mapari
 Controller of Finance

Sd/-
Madhav Oak
 Company Secretary

Date : 30/05/2014
Place: Pune

