

MITCON SOLAR ALLIANCE LIMITED

1st Floor, Kubera Chambers, Shivajinagar,
Pune - 411005

ANNUAL REPORT

F Y 2020-21



A subsidiary of MITCON Consultancy & Engineering Services Limited,

To,
The Members of,
MITCON SOLAR ALLIANCE LIMITED

Your Directors have pleasure in presenting the Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended 31st March, 2021.

1. **FINANCIAL HIGHLIGHTS**

(Amount in Rs.)

Particulars	31 st March, 2021	31 st March, 2020
Income (including other Income)	38,980,162.00	3,78,15,400.00
Total Expenses	32,797,466.00	4,98,28,555.00
Net Profit / (Loss) Before Tax	6,182,696.00	(1,20,13,155.00)
Less: Current Tax	-	-
Less: Deferred Tax	(1,607,040.00)	31,05,151.00
Net Profit / (Loss) after Tax	45,75,656.00	(89,08,004.00)

2. **EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information.

3. **MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year 2020-21, Four (04) Board Meetings of the Board of Directors of the Company were held on 11.07.2020, 27.10.2020, 12.01.2021 and 28.01.2021. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings. Also, the provisions with respect to conducting the meetings at shorter notice were duly complied by the Company.

Sr. No.	Name of Director	No. of Board Meetings Attended during the year
1	Dr. Pradeep Bavadekar	4
2	Mr. Anirudha Sathe	4
3	Dr. Sandeep Jadhav	4
4.	Mr. Lalji Dwivedi	4
5.	Mr. Harshad Joshi	2

4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms that-

- a. In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The Directors 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 the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a going concern basis; and
- e. Company being unlisted sub clause (e) of section 134(5) is not applicable.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. STATUTORY AUDITORS

M/s P K A C & Company, Chartered Accountants, Pune (FRN: 154548W), were appointed as the Statutory Auditor in the Extra Ordinary General Meeting until the conclusion of ensuing Annual General Meeting. Now Board have proposed appointment of M/s P K A C & Company, Chartered Accountants, Pune (FRN: 154548W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Eighth Annual General Meeting of the Company and at such remuneration as shall be fixed by the Board of Directors in consultation with the Auditors.

6. AUDITOR'S REMARKS

The Auditors' Report and Notes to Accounts forming part of the Financial Statement do not contain any reservations or qualifications or adverse remarks which require any clarification or explanations.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

8. PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into related party transaction as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act during the period under review.

9. STATE OF COMPANY'S AFFAIRS

In the current year, positive trend is likely to occur as a result of which we expect better working in the future years in terms of profitability of our company.

The future outlook of the Company and its professional management makes an enterprise of high quality and high efficiency as core competition. In addition, the technology has been constantly innovated and system of power generation has been integrated, so that the company could keep sustainability operation for providing perfect service.

10. DIVIDEND

In order to conserve the resources, no dividend has been given.

11. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT

No amount is proposed to be transferred to General Reserve.

12. MATERIAL CHANGES AND COMMITMENTS

No material changes have been taken place during the period under review.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of energy:

Having regards to the nature of business, the Company has taken necessary measures for conservation of energy.

(B) Technology absorption:

There has been no Research and Development activity.

(C) Foreign exchange earnings and Outgo (In Rupees)

Earnings	NIL
Outgo	NIL

14. RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions relating to corporate social responsibility are not applicable to the Company.

16. CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the nature of Business during the Financial Year.

17. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(KMP)

During the year under review, there has been a change in the Composition of the Board and KMP i.e. Appointment of Mr. Harshad Joshi as Additional Director w.e.f. 27.10.2020. Following is the current composition of the Board:

SR. NO.	NAME OF THE DIRECTORS	DESIGNATION
1.	Dr. Pradeep Bavadekar	Director
2.	Dr. Sandeep Jadhav	Director
3.	Mr. Anirudha Sathe	Director
4.	Mr. Lalji Dwivedi	Director
5.	Mr. Harshad Joshi	Additional Director

18. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

19. DEPOSITS

The company has not accepted any deposits from public during the year.

20. ORDER OF COURT

There are no pending litigations against the company.

21. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Directors confirm that they have put in place sufficient internal financial controls with respect to maintenance of books of accounts and preparation of the financial statements.

22. CHANGES IN SHARE CAPITAL

During the period under review there has been no change in the Share Capital of the company.

Present share capital of the company is as follows:

- Authorized Share Capital is Rs. 50,000,000/- 50,00,000 Equity shares of Rs. 10/- each
- Paid up share capital is Rs. 4,51,00,000/-(45,10,000 shares of Rs. 10/- each)

23. PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration beyond the monetary ceilings prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

24. SHARES

a) BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b) SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c) BONUS SHARES

No Bonus Shares were issued during the year under review.

d) EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

25. VIGIL MECHANISM

Provisions relating to vigil mechanism are not applicable to the Company.

26. ACKNOWLEDGEMENT

The Directors would like to express their sincere gratitude to all the members of the Company for their continued faith in the management of the Company.

For and on behalf of board of directors

MITCON SOLAR ALLIANCE LIMITED

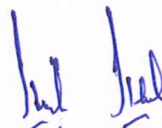


DR. PRADEEP BAVAIDEKAR

DIRECTOR

DIN: 00879747

DATE: 17.05.2021



MR. HARSHAD JOSHI

DIRECTOR

DIN: 07225599

DATE: 17.05.2021





P K A C & COMPANY

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITCON SOLAR ALLIANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MITCON SOLAR ALLIANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 (The 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to –

- a) Note 31 to the financial statements regarding issue of 0.10% optionally convertible debentures. In the opinion of Board of Directors, as the fair market value at the time of conversion / redemption of the debentures cannot be estimated as on the date of financial statements as there is no basis to do so, it is impossible to calculate discount on the conversion / redemption and amortise the same over the life of the debentures. Further, estimating the discount on adhoc basis will give wrong picture in the financial statements. Accordingly, company has not calculated and amortised discount on conversion / redemption of debentures.
- b) Note 32 to the financial statements regarding recoverability of the debtors. Company has exclusive arrangement for supply of power to M/s. Pudumjee Paper Products Ltd (PPPL). Due to lockdown, the operations of the said company were halted for the month of April 2020. During this period, the power generated amounting to Rs.37,27,986/- was supplied to the grid and remained to the credit of the company which shall be used by PPPL during FY 2021-22. The credit of power supplied during this period is not granted by the MSEB to PPPL, due to which PPPL has not made the payment for the said invoice to the company. This issue has arisen universally for many such suppliers for such period of lockdown. The company is following up



this matter with MSEB to grant this credit to PPPL, consequent upon which the said amount shall be released by PPPL. As the company is been assured by MSEB about granting of the credit to PPPL and as the entire amount is recoverable, no provision for bad and doubtful debt is made during the year.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above documents are expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the above documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matters described under Emphasis of Matter paragraph above may have an adverse effect on the functioning of the company.
- (a) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
As the company has not paid any managerial remuneration to its directors, the provisions of section 197 relating to managerial remuneration are not applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR P K A C & COMPANY
CHARTERED ACCOUNTANTS
ICAI Firm Reg. No.154548W



A.U.CHAVAN
PARTNER
ICAI Membership No.168194
UDIN : 21168194AAAAAH1112
DATE : 17.05.2021
PLACE : PUNE

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of the company on the with reference to financial statements financial statements as of and for the year ended March, 31, 2021)

1. In respect of its fixed assets:
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year and as informed to us, no discrepancies were noticed on such verification.
 - c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the company.
2. The Company is in the business of generating solar power and does not have any physical inventories. Accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to Companies, firms and limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. As the company has not given any loans, guarantees or securities nor has made any investments, the provision of clause 3(iv) of the Order are not applicable to the company.
5. The company has not accepted any deposits from the public within the meaning of sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
6. The Central Government of India has not specified the maintenance of cost records under subsection (1) of section 148 of the Act for any of the products / services of the Company.
7.
 - (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 of Provident Fund, Income-Tax and Goods & Service Tax have generally been regularly deposited with the appropriate authorities though there has been is a delay in respect of payment of Income Tax TDS in respect of 5 months and in respect of profession tax in respect of 5 months. As explained to us, the company did not have any dues on account of Employees State Insurance, duty of Customs and duty of Excise.

According to the information and explanations given to us, undisputed amounts payable in respect of Profession Tax Rs.800/- are in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable. No undisputed amounts payable in respect of Provident Fund, Income-Tax and Goods & Service dues were in arrears as at 31st March, 2021 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 Provident Fund, Profession Tax, Income Tax and Goods & Service as at 31st March 2021, which have not been deposited on account of any dispute.
8. According to the records of the Company examined by us and the information and explanation given to us, the company has not availed of any loans or borrowings from financial institutions or Government.

Company has not defaulted in repayment of loans or borrowings from Banks. The company has availed option provided by the bank for moratorium for the period of 3 months.

The debentures issued during the year by converting existing loan are optionally convertible with option of early conversion into equity shares within 10 years. There is no payment schedule specified in respect of interest due on debentures amounting to Rs.92,500/- as at 31st March 2021.

9. According to the records of the company examined by us and the information and explanation given to us, the company has converted existing loan into optionally convertible debentures amounting to Rs.10,00,00,000/- Conversion of the loan into debentures was post utilization of the loan funds.

The company has not raised any moneys by way of initial public offer, further public offer and term loans during the year.

10. Based upon the audit procedures performed and information and explanations given to us by the Management, we have neither come across any instance of fraud on or by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

11. As the company has not paid any managerial remuneration to its directors, the provisions of clause 3(xi) relating to managerial remuneration are not applicable.

12. As the Company is not a nidhi company and the nidhi rules 2014 are not applicable to it, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the company, provisions of section 177 of the Act are not applicable to the company.

According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. The company has not made any preferential allotment or private placement of shares during the year under review. The company has converted existing loan into optionally convertible debentures amounting to Rs.10,00,00,000/- Conversion of the loan into debentures was post utilization of the loan funds. The provisions of section 42 of Companies Act, 2013 are complied with.

15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the order are not applicable to the company.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the company.

FOR P K A C & COMPANY
CHARTERED ACCOUNTANTS
ICAI Firm Reg. No.154548W



A.U.CHAVAN

PARTNER

ICAI Membership No.168194

UDIN : 21168194AAAAAH1112

DATE : 17.05.2021

PLACE : PUNE

Annexure B to Independent Auditors' Report

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of MITCON SOLAR ALLIANCE LTD. on the financial statements for the year ended 31st March, 2021.

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

1. We have audited the internal financial controls over financial reporting of MITCON SOLAR ALLIANCE LTD ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR P K A C & COMPANY
CHARTERED ACCOUNTANTS
ICAI Firm Reg. No.154548W



A.U.CHAVAN

PARTNER

ICAI Membership No.168194

UDIN : 21168194AAAAAH1112

DATE : 17.05.2021

PLACE : PUNE

MITCON SOLAR ALLIANCE LIMITED

CIN - U74999PN2018PLC176615

BALANCE SHEET AS AT 31st March 2021

Particulars		Note No.	As at 31st March, 2021 INR	As at 31st March, 2020 INR
I	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds			
	(a) Share Capital	2	45,100,000.00	45,100,000.00
	(b) Reserves and Surplus	3	39,287,517.00	34,711,861.00
			84,387,517.00	79,811,861.00
(2)	Non-Current Liabilities			
	(a) Long Term Borrowings	4	213,657,471.00	227,398,028.00
	(b) Other Long Term Liabilities	5	2,202,635.00	3,110,135.00
	(c) Long term Provisions	6	95,163.00	120,165.00
			215,955,269.00	230,628,328.00
(3)	Current Liabilities			
	(a) Trade Payables	7		
	i) total outstanding dues to Micro Enterprises and Small enterprises		-	-
	ii) total outstanding dues to creditors other than Micro Enterprises and Small enterprises			
	- to related party			892,161.00
	- to others		577,821.00	223,820.00
	(b) Other Current Liabilities	8	16,741,823.00	15,842,558.00
	(c) Short Term Provisions	9	1,944.00	4,339.00
			17,321,588.00	16,962,878.00
	Total		317,664,374.00	327,403,067.00
II	ASSETS			
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment			
	(i) Tangible Assets	10	252,825,839.00	264,866,869.00
	(ii) Intangible Assets	10	26,498,985.00	27,655,385.00
			279,324,824.00	292,522,254.00
	(b) Non Current Investment	11	500,000.00	500,000.00
	(c) Deferred Tax Asset (Net)	12	1,802,467.00	3,409,507.00
	(d) Long Term Loans and advance	13	24,024,182.00	24,094,085.00
(2)	Current Assets			
	(a) Trade Receivables	14	7,541,760.00	4,065,885.00
	(b) Cash and Bank Balances	15	4,292,654.00	2,604,521.00
	(c) Short-Term Loans and Advances	16	178,487.00	206,815.00
			12,012,901.00	6,877,221.00
	Total		317,664,374.00	327,403,067.00

See Accompanying Notes (1 to 35) forming Integral Part of The Financial Statements

In Terms of Our Report of Even Date attached
For P K A C & Company
Chartered Accountants
ICAI Firm Reg No. 154548W



A. U. Chavan
Partner
ICAI Mem. No. 168194
Date:17/05/2021
Place: Pune

For and on behalf of the Board of Directors
of MITCON Solar Alliance Limited



Dr. Pradeep Bavadekar
Director
DIN 00879747
Date:17/05/2021
Place :



Dr. Sandeep Jadhav
Director
DIN 08117809
Date:17/05/2021
Place :



MITCON SOLAR ALLIANCE LIMITED
CIN - U74999PN2018PLC176615
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

Particulars	Note No.	For the year ending 31st March, 2021 INR	For the year ended 31st March, 2020 INR
I Revenue from Operations	17	38,727,502.00	37,815,400.00
II Other Income	18	252,660.00	-
III Total Revenue		38,980,162.00	37,815,400.00
IV Expenses:			
Operating Expenses	19	1,118,308.00	929,028.00
Employee Benefit Expense	20	1,120,762.00	1,122,861.00
Finance Costs	21	14,888,147.00	30,096,463.00
Depreciation Expense - Tangible Assets	10	12,051,059.00	11,822,966.00
Amortization Expense - Intangible Assets	10	1,156,400.00	1,156,400.00
Other Expenses	22	2,462,790.00	4,700,837.00
Total Expenses		32,797,466.00	49,828,555.00
V Profit /(Loss) Before Tax (II-III)		6,182,696.00	(12,013,155.00)
VI Tax Expense:			
Deferred Tax	12	(1,607,040.00)	3,105,151.00
		(1,607,040.00)	3,105,151.00
VII Profit/(Loss) for the year		4,575,656.00	(8,908,004.00)
VIII Earnings per equity share (Face value INR. 10/-)			
Basic	28	1.01	(9.41)
Diluted	28	0.32	(9.41)

See Accompanying Notes (1 to 35) forming Integral Part of The Financial Statements

In Terms of Our Report of Even Date attached
For P K A C & Company
Chartered Accountants
ICAI Firm Reg No. 154548W



A. U. Chavan
Partner
ICAI Mem. No. 168194
Date:17/05/2021
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For and on behalf of the Board of Directors
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Dr. Sandeep Jadhav
Director
DIN 08117809
Date:17/05/2021
Place :



MITCON SOLAR ALLIANCE LIMITED
CIN - U74999PN2018PLC176615
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	INR	INR	INR	INR
A CASH FLOW FROM OPERATING ACTIVITIES				
Loss before tax:		6,182,696.00		(12,013,155.00)
Adjustments for:				
Depreciation & Amortisation	13,207,460		12,979,366.00	
Finance Costs	14,888,147		30,096,463.00	
		28,095,607.00		43,075,829.00
Operating Profit / (Loss) before Working Capital changes		34,278,303.00		31,062,674.00
Adjustments for changes in Working capital:				
Trade Receivables	(3,475,875.00)		(673,645.00)	
Long Term Loans and Advances	69,903.00		(24,039,905.00)	
Short Term Loans and Advances	28,328.00		(185,282.00)	
Long Term Provisions	(25,002.00)		-	
Trade Payables	(538,160.00)		458,325.00	
Other current liabilities	899,265.00		(11,634,378.00)	
Short Term Provisions	(2,395.00)		-	
		(3,043,936.00)		(36,074,885.00)
Cash flow from /(Used) in operations		31,234,367.00		(5,012,211.00)
Net Cash Flow from /(Used) in Operating Activities		31,234,367.00		(5,012,211.00)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(10,030.00)		(6,696,597.00)	
Investment	-		(500,000.00)	
Net Cash used in investing activities		(10,030.00)		(7,196,597.00)
C CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Share Capital (incl. premium)	-		90,000,000.00	
Long Term Borrowings	(13,740,557.00)		(43,519,299.00)	
Other Long Term Liabilities	(907,500.00)		(2,115,206.00)	
Finance Cost	(14,888,147.00)		(30,096,463.00)	
Net Cash used in financing activities		(29,536,204.00)		14,269,032.00
D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,688,133.00		2,060,224.00
Cash and Cash Equivalents (Opening balance)		2,604,521.00		544,297.00
Cash and Cash Equivalents (Closing balance)		4,292,654.00		2,604,521.00


Notes:

1 Figures in brackets represent outflows of cash and cash equivalents.

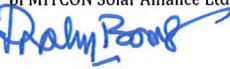
2 Cash and cash equivalents comprise of	As at 31st Mar, 2021 INR	As at 31st Mar, 2020 INR
Cash and cash equivalents		
Balances with banks	4,292,654.00	2,604,521.00
Total	4,292,654.00	2,604,521.00


See Accompanying Notes (1 to 35) forming Integral Part of The Financial Statements

In Terms of Our Report of Even Date attached
For P K A C & Company
Chartered Accountants
ICAI Firm Reg No. 154548W


A. U. Chavan
Partner
ICAI Mem. No. 168194
Date: 17/05/2021
Place: Pune

For and on behalf of the Board
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Dr. Pradeep Bavadekar
Director
DIN 00879747
Date: 17/05/2021
Place: Pune


Dr. Sandeep Jadhav
Director
DIN 08117809
Date: 17/05/2021
Place: Pune



MITCON SOLAR ALLIANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

(All amount in INR, unless otherwise stated)

Particulars	TANGIBLE ASSETS						INTANGIBLE ASSETS			Total
	Land - Freehold	Building	Roads - Non Carpeted	Plant & Machinery	Furniture & Fixture	Electrical Installations & Equipment	Grid Connectivity Rights			
Gross Carrying Amount										
As at April 1, 2019	12,482,670	6,249,777	4,376,205	245,624,689	30,960	1,729,552	28,910,000		299,403,853	
Additions	-	-	-	6,985,245	-	211,082	-		7,196,327	
Disposals / adjustments	-	-	-	-	-	-	-		-	
At March 31, 2020	12,482,670	6,249,777	4,376,205	252,609,934	30,960	1,940,634	28,910,000		306,600,180	
Additions	-	-	-	10,030	-	-	-		10,030	
Disposals / adjustments	-	-	-	-	-	-	-		-	
At March 31, 2021	12,482,670	6,249,777	4,376,205	252,619,964	30,960	1,940,634	28,910,000		306,610,210	
Accumulated depreciation and impairment, if any										
As at April 1, 2019	-	35,601	123,887	826,104	212	14,542	98,215		1,098,561	
Depreciation Charge for the year	-	392,612	1,458,589	9,792,701	3,096	175,968	1,156,400		12,979,366	
Disposals / adjustments	-	-	-	-	-	-	-		-	
At March 31, 2020		428,213	1,582,476	10,618,805	3,308	190,510	1,254,615		14,077,927	
Depreciation Charge for the year	-	392,615	1,458,589	10,003,506	3,095	193,254	1,156,400		13,207,459	
Disposals / adjustments	-	-	-	-	-	-	-		-	
At March 31, 2021		820,828	3,041,065	20,622,311	6,403	383,764	2,411,015		27,285,386	
Net Block at March 31, 2021	12,482,670	5,428,949	1,335,140	231,997,653	24,557	1,556,870	26,498,985		279,324,824	
Net Block at March 31, 2020	12,482,670	5,821,564	2,793,729	241,991,129	27,652	1,750,124	27,655,385		292,522,253	

Term loan from The Greater Bombay Co-operative Bank is secured by hypothecation by way of charge on entire project of 4.90 MV AC Solar Photovoltaic Power Project at village Sonalwadi, Taluka Sangola, District Solapur, Maharashtra along with (both present and future) building structure and non-carpeted roads, Plant & Machinery, Furniture & Fixtures, Electrical installations & Equipment, Grid Connectivity Rights owned and belonging to the Company.

MITCON SOLAR ALLIANCE LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS NOTE 2 - SHARE CAPITAL		
Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Authorised: 5,000,000 Equity Shares of INR 10/- each. (PY. 5,000,000 Equity Shares of INR 10/- each).	50,000,000.00	50,000,000.00
Issued, Subscribed and Paid up: 4,510,000 Equity Shares of INR 10/- each (PY.4,510,000 Equity Shares of INR 10/- each)	45,100,000.00	45,100,000.00
Total	45,100,000.00	45,100,000.00

Notes:

a) Reconciliation of the no. of shares :

Particulars	As at 31st March, 2021		As At 31st March, 2020	
	No of shares	Amount	No of shares	Amount
No of Equity shares outstanding at the beginning of the year (Face Value of INR 10/-)	4,510,000	45,100,000	10,000	100,000
Add: Equity shares issued during the year of INR10/- each	-	-	4,500,000	45,000,000
No of Equity shares outstanding at the end of the year (Face value of INR 10/-)	4,510,000	45,100,000	4,510,000	45,100,000

b) Rights, preferences and restrictions attached to shares:

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

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

c) 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 31st March, 2021 of INR10/-each	% of shares held	Number of shares as at 31st March, 2020 of INR10/-each	% of shares held
MITCON Sun Power Limited & its nominees	3,305,001	73.28%	3,305,001	73.28%
Padumjee Paper Products Limited	1,204,999	26.72%	1,204,999	26.72%
	4,510,000	100%	4,510,000	100%

MITCON SOLAR ALLIANCE LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS NOTE 3 - RESERVES AND SURPLUS			
Particulars	INR.	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Securities Premium			
Opening Balance	45,000,000.00		-
Add: During the year	-		45,000,000.00
Closing Balance		45,000,000.00	45,000,000.00
Surplus in Statement of Profit & Loss			
Opening Balance	(10,288,139.00)		(1,380,135.00)
Add: Profit / (Loss) for the year	4,575,656.00		(8,908,004.00)
Closing Balance		(5,712,483.00)	(10,288,139.00)
Closing Balance of Reserves and Surplus		39,287,517.00	34,711,861.00

NOTE 4 - LONG TERM BORROWINGS		
Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
SECURED - FROM BANK #		
The Greater Bombay Co-operative Bank	113,657,471.00	127,398,028.00
UNSECURED - FROM OTHER		
A) Loan From Related Party MITCON Trusteeship Services Private Limited	-	100,000,000.00
B) DEBENTURES ## CY - 1,00,00,000 (P.Y-NIL) 0.10% Optionally Convertible Debentures of INR 10/- each (Issued to related party)	100,000,000.00	-
Total	213,657,471.00	227,398,028.00

Nature of Security	Terms of Repayment
<p># Term Loan from Bank - Secured Term loan from The Greater Bombay Co-operative Bank - Balance outstanding amounting to INR 130,283,869/- as on March, 31 2021 (PY -INR 143,176,986/-) secured hypothecation of tariff receivable from M/s Pudumjee Papers Product Ltd. to be credited to the account with the bank and Corporate Guarantee of INR 150,000,000/- given by the Ultimate holding company i.e. M/s MITCON Consultancy & Engineering Services Limited. Further, hypothecation by way of charge on entire project of 4.90 MV AC Solar Photovoltaic Power Project at village Sonalwadi, Taluka Sangola, District Solapur, Maharashtra along with Building structure and non-carpeted road, Plant & Machinery, Furniture & Fixtures, Electrical installations & Equipment, Grid Connectivity Rights (both present and future) owned and belonging to the Company.</p>	<p>Repayment in 91 monthly instalments starting from 31st October, 2019, last instalment due in March 2027. Rate of interest 10.15% p.a</p>
<p>## Debentures to related party During the year the company converted Rs.10,00,00,000/- of loan received from MITCON Trusteeship Services Private Limited into 1,00,00,000 numbers of 0.10% optionally convertible debentures of Rs.10/- each at par for a period of 10 years with option of early conversion at the rate of 25% discount of fair market value at the time of conversion, subject to NAV at the time of conversion. In case debentures are not converted, the same are redeemable at the price as calculated above.</p>	

NOTE 5 - OTHER LONG TERM LIABILITIES		
Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
INTEREST PAYABLE#		
- On Loan	2,110,135.00	3,110,135.00
- On Debentures	92,500.00	-
Total	2,202,635.00	3,110,135.00

(# Payable to related party)

NOTE 6 - LONG TERM PROVISIONS		
Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Provision for Leave Encashment	13,075.00	43,058.00
Provision for Gratuity	82,088.00	77,107.00
Total	95,163.00	120,165.00

MITCON SOLAR ALLIANCE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 7 - TRADE PAYABLES		
Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Trade Payables		
i) total outstanding dues to Micro Enterprises and Small enterprises	-	-
ii) total outstanding dues to creditors other than Micro Enterprises and Small enterprises		
- to related party	-	892,161.00
- to others	577,821.00	223,820.00
Total	577,821.00	1,115,981.00

NOTE 8 - OTHER CURRENT LIABILITIES		
Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Current Maturities of other long term loans # The Greater Bombay Co-operative Bank	16,626,398.00	15,778,958.00
Other Payables Statutory Dues Payable	115,425.00	63,600.00
Total	16,741,823.00	15,842,558.00

Refer Note 4 for nature of security & terms of repayment

NOTE 9 - SHORT TERM PROVISIONS		
Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Provision for Leave Encashment	1,944.00	4,339.00
Total	1,944.00	4,339.00

NOTE 11 - NON CURRENT INVESTMENT		
Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Investment in Others (Trade, Unquoted)		
50,000 (PY 50,000) Fully paid up shares of Rs.10 each of The Greater Bombay Co-op Bank Ltd	500,000.00	500,000.00
Total	500,000.00	500,000.00

Aggregate Value of unquoted investments INR 500,000/- (Previous Year - INR 500,000/-)

NOTE 12 - Deferred Tax		
(f) Break up of Deferred Tax Liability as at year end :		
Nature of timing difference	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Provision for Depreciation	45,495,309.00	34,359,875.00
Total	45,495,309.00	34,359,875.00

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

Nature of timing difference	As at 31st March, 2021 INR	As at 31st March, 2020 INR
On carried forward losses	47,297,776.00	37,769,382.00
Total	47,297,776.00	37,769,382.00

(iii) Deferred Tax (Asset) /Liability (net)	(1,802,467.00)	(3,409,507.00)
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MITCON SOLAR ALLIANCE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 13 - LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Unsecured, Considered Good		
Prepaid Expenses	4,182.00	74,085.00
Security Deposits	24,020,000.00	24,020,000.00
Total	24,024,182.00	24,094,085.00

NOTE 14 -TRADE RECEIVABLES

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Unsecured considered good		
Outstanding for a period exceeding six months from the date they are due for payment #	3,727,986.00	-
Others	3,813,774.00	4,065,885.00
Total	7,541,760.00	4,065,885.00

Refer Note 32

NOTE 15 - CASH AND BANK BALANCES

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Cash & Cash Equivalents		
Balance with Bank In current account	4,292,654.00	2,604,521.00
Total	4,292,654.00	2,604,521.00

NOTE 16 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Unsecured, Considered Good		
Prepaid Expenses	55,063.00	79,959.00
Advance to others	123,424.00	126,856.00
Total	178,487.00	206,815.00

MITCON SOLAR ALLIANCE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 17 - REVENUE FROM OPERATIONS		
Particulars	For the year ended 31st March, 2021 INR	For the year ended 31st March, 2020 INR
Income from Solar Power generation	38,727,502.00	37,815,400.00
Total	38,727,502.00	37,815,400.00

NOTE 18 - Other Income		
Particulars	For the year ended 31st March, 2021 INR	For the year ended 31st March, 2020 INR
Consultancy Fees	224,552.00	-
Sundry Provision written back	28,108.00	-
Total	252,660.00	-

NOTE 19 - OPERATING EXPENSES		
Particulars	For the year ended 31st March, 2021 INR	For the year ended 31st March, 2020 INR
Power & Fuel	1,118,308.00	929,028.00
Total	1,118,308.00	929,028.00

NOTE 20- EMPLOYEE BENEFIT EXPENSES		
Particulars	For the year ended 31st March, 2021 INR	For the year ended 31st March, 2020 INR
Salaries & Wages	1,081,211.00	998,357.00
Contribution to gratuity, leave encashment and other funds	39,551.00	124,504.00
Total	1,120,762.00	1,122,861.00

NOTE 21 - FINANCE COSTS		
Particulars	For the year ended 31st March, 2021 INR	For the year ended 31st March, 2020 INR
Interest on Loan		
<i>To Related Parties</i>	-	17,248,410.00
<i>To Bank</i>	14,785,445.00	8,587,604.00
Interest on Debentures	99,999.00	-
Bank & Other Financial charges	2,703.00	4,260,449.00
Total	14,888,147.00	30,096,463.00

MITCON SOLAR ALLIANCE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 22 - OTHER EXPENSES		
Particulars	For the year ended 31st March, 2021 INR	For the year ended 31st March, 2020 INR
Professional Fees	265,435.00	70,355.00
Repairs and Maintenance - Equipment	26,358.00	943,907.00
Rent, Rates & Taxes	411,432.00	194,100.00
Auditor's Remuneration		
Statutory Audit	70,800.00	60,000.00
Administrative and General Expenses		
Security Expenses	676,483.00	699,360.00
Printing & Stationery	1,113.00	4,871.00
Registration and Legal fees	84,451.00	1,939,056.00
Insurance	442,031.00	58,908.00
Telephone and Internet Expenses	4,839.00	38,872.00
Travel and Conveyance Expenses	57,654.00	136,122.00
General Expenses	422,194.00	555,286.00
Total	2,462,790.00	4,700,837.00

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

a) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention. The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013

b) The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis except for those items with significant uncertainties

1.2 Revenue Recognition

Revenue from Solar Power generation is recognised based on units generated.

Revenue from Consultancy Services is recognised as per the terms of the specific contracts / work orders over time by measuring progress towards satisfaction of performance obligations for the services rendered.

1.3 Use of Estimates

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

1.4 Property, Plant & Equipment and Intangible Assets

a The company has adopted Cost Model to measure the gross carrying amount of fixed assets.

b Tangible Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.

c Intangible assets are stated at the consideration paid for acquisition and customisation thereof less accumulated amortisation. Grid Connectivity rights acquired by the company, the value of which is not expected to diminish in the foreseeable future are capitalized and recorded in the balance sheet at cost of acquisition.

d Cost of fixed assets not ready for use before the balance sheet date is disclosed as Capital Work in Progress

1.5 Depreciation / Amortisation

a Depreciation on tangible fixed assets has been provided on straight line method over the estimated useful life of the asset in the manner prescribed in Schedule II of the Companies Act, 2013, except in the case of Solar generation plant which is depreciated over 25 years as per technical evaluation carried out by the management from expert and relied by the management

b Intangible asset being Grid Connectivity Rights -
Useful life of Grid Connectivity Rights are determined based on the life of the underlying tangible asset being Solar Power Plant and the perpetual rights secured by the company for use of Grid Connectivity facility. Based on the above, these Rights are amortised on straight-line method over the useful life of the solar power plant being estimated at 25 years.

c Residual value for all tangible assets is considered @1% of cost

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 Operating Lease

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

1.8 Income Tax

a Current Taxation:

Provision for current tax is made on the basis of taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961

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

b Deferred Tax

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

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.

1.9 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.

Diluted earning per equity share is computed by dividing adjusted net loss after tax by aggregate of weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

1.10 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.

1.11 Cash Flow Statement

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

1.12 Employee 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 etc. and the same are recognised in the year in which the employee renders the related service.

b) Employment Benefits:

i) Defined Contribution Plans:

The Company does not have Defined Contribution Plan for post employment benefits in the form of Provident Fund/Pension Fund.

ii) Defined Benefit Plans:

1. Funded Plan: Company does not have any funded plan for Defined Benefit.

2. Non-Funded Plan: The Company has defined benefit plan for the employment / post Employment benefits in the form of Leave Encashment and gratuity for the employees respectively. Liability for the above Defined plan is determined using Projected Unit Credit Method with Actuarial Valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the year in which they occur.

iii) Short term Employment Benefits:

The undiscounted amount of short term employment benefits expected to be paid in exchange for services rendered by employees is recognized during the year when the employee renders the services. These benefits include compensated absences.

1.13 Investments

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.

MITCON SOLAR ALLIANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

23 Payments to Auditors - (Excl. GST)

Particulars	Year ended	Year ended
	31st March, 2021	31st March, 2020
	INR	INR
For Audit	60,000	60,000
Total	60,000	60,000

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

Particulars	Year ended	Year ended
	31st March, 2021	31st March, 2020
	INR	INR
Lease payments debited to the Statement of Profit and Loss		
Cancellable leases		
Lease rent for office (Net of GST)	120,000	100,000

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

26 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 :

Contribution to employees provident fund INR20,338/- (P.Y. NIL)

Contribution to employees family pension Fund INR14,232/- (P.Y. NIL)

B Defined benefit plans - Gratuity

The company has no funded defined benefit plan for post employment benefit in the form of gratuity for the employees. Gratuity liability has been provided for as per the provisions of the Gratuity Act, 1972. Company has carried out actuarial valuation as on 31/03/2021 the results are as follows.

Reconciliation of opening and closing balances of the Present Value of the defined benefit obligation:	Year ended	
	31st March, 2021	31st March, 2020
	INR	INR
Present Value of defined benefit obligation at the beginning of the year	77,107.00	-
Interest cost	4,781.00	-
Current service cost	67,237.00	27,139.00
past service cost	-	-
Actuarial losses / (gains)	(67,037.00)	49,968.00
Benefits paid	-	-
Present value of defined benefit obligation at the close of the year	82,088.00	77,107.00

Changes in the fair value of Plan Assets and the reconciliation thereof:	Year ended	
	31st March, 2021	31st March, 2020
	INR	INR
Fair value of plan assets at the beginning of the year	-	-
Add :expected return on plan assets	-	-
Add / (less) : actuarial (losses) / gains	-	-
Add : contributions by employer	-	-
Less: benefits paid	-	-
Less: mortality charges and taxes	-	-
Fair value of plan assets at the close of the year	-	-
Actual Return on Plan Assets	-	-

Amount recognized in the Balance Sheet:	Year ended	
	31st March, 2021	31st March, 2020
	INR	INR
Present Value of Obligation as at the end of year	82,088.00	77,107.00
Fair Value of Plan Assets as at the end of year	-	-
Funded Status	(82,088.00)	(77,107.00)
Current Liability	-	-
Non - Current Liability	82,088.00	77,107.00
Unrecognised Actuarial (gains) / losses	-	-
Net Asset / (Liability)	(82,088.00)	(77,107.00)

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

	Year ended	
	31st March, 2021	31st March, 2020
Amounts recognised in the Statement of Profit and Loss are as follows:	INR	INR
Current service cost	67,237.00	-
Past Service Cost	-	27,139.00
Interest cost	4,781.00	-
Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (Gain) / Loss recognised in the year	(67,037.00)	49,968.00
Expenses Recognised in the Statement of Profit & Loss at the end of year	4,981.00	77,107.00

	Year ended	
	31st March, 2021	31st March, 2020
Amount for the current year:	INR	INR
Present value of obligation	82,088.00	77,107.00
Plan assets	-	-
Surplus / (Deficit)	(82,088.00)	(77,107.00)

	Year ended	
	31st March, 2021	31st March, 2020
Broad categories of Plan Assets as a percentage of total assets as at	Percentage (%)	Percentage (%)
Insurer managed funds	0.00%	0.00%
Total	0.00%	0.00%

	Year ended	
	31st March, 2021	31st March, 2020
Actuarial Assumptions :	Percentage (%)	Percentage (%)
Discount rate	6.30%	6.20%
Rate of increase in Compensation levels	5.00%	9.50%
Rate of return on plan assets	0.00%	0.00%
Expected Average remaining working lives of employees (years)	9.26	9.40

C The company provides for accumulation of compensated absences by its employees. The employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods to receive cash in lieu thereof as per company policy. The company records an obligation for compensated absences in the period in which the employee renders the service that increases this entitlement. The total liability recorded by the company towards this benefit as at 31 March, 2021 is INR 15019/- (INR 47,397/-)

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

Parent Company	MITCON Consultancy & Engineering Services Limited
Holding Company	MITCON Sun Power Limited
Subsidiary of Parent Company	MITCON Trusteeship Services Private Limited

Transactions with Related Party:

Sr. No.	Nature of transactions / relationship / Name of Related Party	FY 2020-21	FY 2019-20
		INR	INR
1	Parent Company		
	MITCON Consultancy & Engineering Services Limited		
	- Interest on Loan	-	11,231,973
	- Rent (Net of GST)	120,000	120,000
	- Expense reimbursed	1,464,278	1,723,806
	- EPC Contract (Net of GST)	-	1,000,000
	- Corporate Guarantees issued to Bank for loan availed by the company	-	150,000,000
	- Inter Corporate Loan (incl. conversion of accounts payable on account of EPC contract & rent)	-	16,601,125
2	Holding Company		
	MITCON Sun Power Limited		
	- Contribution to Equity made Current Year NIL (3,300,000 shares of Rs.10/- each at a premium of Rs.10/- each)	-	3,300,000

3	Subsidiary of Parent Company		
	MITCON Trusteeship Services Private Limited		
	- Inter Corporate Loan converted into debentures	100,000,000	-
	- Interest on Debentures	99,999	-
	- Interest on loan	-	6,016,437
4	Outstanding as on 31st March		
	Accounts Receivable		
	MITCON Consultancy & Engineering Services Limited		
	Expenses	900	-
	Accounts Payable		
	MITCON Consultancy & Engineering Services Limited		
	- Against Reimbursement of expenses	-	892,161
	- Corporate Guarantees issued to Bank for loan availed by the company	150,000,000	150,000,000
	MITCON Trusteeship Services Private Limited		
	- 0.10% Optionally Convertible Debentures	100,000,000	-
	- Inter Corporate Loan	-	100,000,000
- Interest on Loan	2,110,135	3,110,135	
- Interest on Debentures (net of TDS)	92,500	-	

28 Earnings Per Share (Basic and Diluted)

In accordance with the Accounting Standard (AS -20) on "Earnings Per Share", computation of basic and diluted earnings per share is as under:

	Particulars	Year ended	
		31st March, 2021 INR	31st March, 2020 INR
A	Earnings for the year		
A.1	Net loss as per statement profit and loss	4,575,656	(8,908,004)
A.2	Adjustment on account of Interest cost on optionally Convertible Debentures and tax thereon for the purpose of Diluted Earnings Per Share	73,999	-
A.3	Adjustment on account of dividend on preference share and tax thereon	-	-
A.4	Net adjusted loss for Diluted Earnings Per Share from operations	4,649,655	(8,908,004)
B	Weighted average number of equity shares for Earnings Per Share computation		
B.1	Number of shares at the beginning of the year (nos)	4,510,000	10,000
B.2	Number of shares allotted during the year (nos)	-	4,500,000
B.3	Weighted Average Equity Shares allotted during the year	-	936,986
B.4	Number of Potential Equity Shares (nos)	10,000,000	-
B.5	Weighted average Potential Equity Shares allotted during the year	10,000,000	-
B.5	Weighted average number of equity shares for:		
B.5	(a) Basic Earnings Per Share (B1 + B3) (nos)	4,510,000	946,986
B.6	(b) diluted Earnings Per Share (B1 + B3 + B5) (nos)	14,510,000	946,986
C	Earnings per share from operations		
C.1	i) Basic (A1 / B5)	1.01	(9.41)
C.2	ii) Diluted (A4 / B6)	0.32	(9.41)
D	Face Value Per Share	10	10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 29 Balances of trade receivables and trade payables are subject to reconciliation and confirmation by respective parties.
- 30 **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 is engaged in only one primary segment of activity- generation of solar power, no separate reportable segment is identified.
- 31 During the year, the company has converted existing loan from MITCON Trusteeship Services Private Limited into 0.10% Optionally Convertible debentures (OCD) amounting to Rs.10,00,00,000/- vide board resolution dated 1st April,2020 and shareholder's resolution dated 6th March, 2020. The tenure of the debentures is 10 years with option to early conversion bearing interest rate at 0.10%. The company does not expect the debenture holder to exercise the option of early conversion in the next financial year. There is no payment schedule specified in respect of interest due on debentures. The debentures are convertible at 25% discount to fair market value at the time of conversion subject to NAV at that time. In case the option of conversion is not exercised by the debenture holders, the debentures are redeemable at the value as calculated above.
- As the fair market value at the time of conversion / redemption can not be estimated as on the date of financial statements and as there is no basis to do so, it is impossible to calculate discount on the conversion / redemption and amortise the same over the life of the debentures. Further, estimating the discount on adhoc basis will give wrong picture in the financial statements. Accordingly, company has not calculated and amortised discount on conversion / redemption of debentures.
- 32 Company has exclusive arrangement for supply of power to M/s. Pudumjee Paper Products Ltd (PPPL) Due to lockdown, the operations of the said company were halted for the month of April 2020. During this period, the power generated amounting to Rs.37,27,986/- was supplied to the grid and remained to the credit of the company which shall be used by PPPL during FY 2021-22. The credit of power supplied during this period is not granted by the MSEB to PPPL due to which PPPL has not made the payment for the said invoice to the company. This issue has arisen universally for many such suppliers for such period of lockdown. The company is continuously following up this matter with MSEB to grant this credit to PPPL consequent upon which the said amount shall be released by PPPL. As the company is been assured by MSEB about granting of the credit to PPPL. As the entire amount is recoverable, no provision for bad and doubtful debt is made during the year.
- 33 The Company has considered the possible effects of the COVID-19 pandemic on the carrying amounts of property, plant and equipment, Investments, receivables and other current assets. Based on the above assessment the Company is of the view that carrying amounts of property, plant and equipment, Investments, receivables and other current assets are realizable and there is no impact on the business activity of the Company.
- Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the standalone financial results. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk and does not foresee any material impact on account of the same.
- 34 On September 20, 2019, the Government of India vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Income tax at reduced rate effective April 1, 2019 subject to certain conditions. Considering the impact of reduced tax rate and conditions to be fulfilled, the company had decided as on the date of financial statements not to opt the option to pay income tax at reduced rate and to continue with the existing option. The company has continued with the same option as on the date of Financial Statements. Accordingly, the tax expenses for the year ended March 31, 2021 have been provided for at existing tax rate.
- 35 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 35, forming part of the Financial Statements.

For and on behalf of the Board
of MITCON Solar Alliance Ltd



Dr. Pradeep Bavadekar
Director
DIN 00879747

Date:17/05/2021
Place: Pune



Dr. Sandeep Jadhav
Director
DIN 08117809

Date:17/05/2021
Place: Pune