

**MITCON SUN POWER LIMITED**

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

**ANNUAL REPORT**

**F Y 2020-21**



A wholly owned subsidiary of MITCON Consultancy & Engineering Services Limited

To,  
The Members of,  
**MITCON SUN POWER LIMITED**

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

**1. FINANCIAL HIGHLIGHTS**

(Amount in Rs.)

Particulars	Consolidated for the Period Ended 31 <sup>st</sup> March, 2021	Standalone for the Period Ended 31 <sup>st</sup> March, 2021	Consolidated for the Period Ended 31 <sup>st</sup> March, 2020	Standalone for the Period Ended 31 <sup>st</sup> March, 2020
Income (including other Income)	3,99,89,518.00	10,09,848.00	3,88,19,880.00	10,04,480.00
Total Expenses	3,59,72,969.00	12,12,152.00	5,55,12,835.00	56,84,280.00
Net Profit / (Loss) Before Tax	<b>40,16,549.00</b>	<b>(2,02,304.00)</b>	<b>(1,66,92,955.00)</b>	<b>(46,79,800.00)</b>
Less: Current Tax	--	--	--	--
Less: Deferred Tax	10,42,921.00	53,519.00	31,32,814.00	27,663.00
Loss for the year after Tax (before adjustment of Minority Interest)	2,97,3628.00	(1,48,785.00)	(1,35,60,141.00)	--
<b>Add: Share of Loss of Minority Interest transferred</b>	<b>(12,22,615.00)</b>		<b>23,80,074.00</b>	--

<b>Net Profit / (Loss) after Tax</b>	<b>17,51,013.00</b>	<b>(1,48,785.00)</b>	<b>(1,11,80,067.00)</b>	<b>(46,52,137.00)</b>

## **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 01.04.2019, 10.07.2019, 27.10.2019 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.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Board Meetings Attended during the year</b>
1.	Dr. Pradeep Bavadekar	4
2.	Mr. Anirudha Sathe	4
3.	Dr. Sandeep Jadhav	4
4.	Mr. Harshad Joshi	1

## **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, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b. The Directors have 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 year;
- 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**

- Company has made investment in 0.10% 7,50,000 Optionally Convertible Debentures of Rs. 10/- each in its Subsidiary MSPL Unit 1 Limited
- Company has made investment in 0.10% 7,50,000 Optionally Convertible Debentures of Rs. 10/- each in its Subsidiary MSPL Unit 2 Private Limited
- Company has made investment in 0.10% 7,50,000 Optionally Convertible Debentures of Rs. 10/- each in its Subsidiary MSPL Unit 3 Private Limited
- Company has made investment in 9994 Equity Shares of Rs. 10/- Each in MSPL Unit 1 Limited.
- Company has made investment in 9999 Equity Shares of Rs. 10/- Each in MSPL Unit 2 Private Limited
- Company has made investment in 9999 Equity Shares of Rs. 10/- Each in MSPL Unit 3 Private Limited
- Company has made investment in 9999 Equity Shares of Rs. 10/- Each in MITCON Impact Asset Management Private Limited.

#### **8. PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES**

The Company has entered into related party transactions as defined under Section 188 of the Companies Act, 2013 with related parties which were at arm's length and the appropriate approvals have been obtained. Further, the transactions which were at arm's length and not in ordinary course of business are detailed in Form AOC 2 which is annexed herewith for your kind perusal and information.  
**(Annexure: II)**

#### **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**

During the year under review, there has been no material changes.

**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)**

<b>Earnings</b>	NIL
<b>Outgo</b>	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, Mr. Harshad Joshi was appointed as an Additional Director on the Board. The present Board Composition is as follows:

<b>SR. NO.</b>	<b>NAME OF THE DIRECTORS</b>	<b>DESIGNATION</b>
1.	Dr. Pradeep Bavadekar	Director
2.	Mr. Anirudha Sathe	Director
3.	Dr. Sandeep Jadhav	Director
4.	Mr. Harshad Joshi	Director

**18. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

<b>Sr. No.</b>	<b>Name</b>	<b>Nature</b>
1.	MITCON Solar Alliance Limited	Subsidiary
2.	MSPL UNIT 1 LIMITED	Subsidiary
3.	MSPL UNIT 2 PRIVATE LIMITED	Subsidiary
4.	MSPL UNIT 1 PRIVATE LIMITED	Subsidiary
5	MITCON IMPACT ASSET MANAGEMENT PRIVATE LIMITED	Subsidiary

**19. DEPOSITS**

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

**20. ORDER OF COURT**

No orders are pending 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 year under review the Company has increased its Authorised Share Capital from Rs. 1,00,000/- (Rupees One Lakhs Only) to Rs. 2,00,00,000/- (Rupees Two Crore Only). However, paid up Share Capital remains the same. Current capital structure of the Company is as follows:

- Authorized Share Capital – Rs. 2,00,00,000/- (Rupees Two Crore Only) divided into 20,00,000 (Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only).
- Paid Up Share Capital - Rs.1,00,000/- (Rupees One Lakh Only) into 10,000/- (Ten Thousand) Equity Shares of Rs.10/- (Rupees Ten Each).

During the year under review, there was no change in the capital structure of the Company.

## **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 SUN POWER LIMITED**



**DR. PRADEEP BAVADEKAR**

**DIRECTOR**

**DIN: 00879747**

**DATE: 17.05.2021**

**PLACE: PUNE**



**MR. HARSHAD JOSHI**

**DIRECTOR**

**DIN: 07225599**

**DATE: 17.05.2021**

**PLACE: PUNE**



# P K A C & COMPANY

## CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
MITCON SUN POWER LIMITED**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the Standalone financial statements of **MITCON SUN POWER 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 Standalone 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 Standalone 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 loss, 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 Standalone 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 Standalone 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 9 to the standalone financial statements regarding non-current investment in equity shares of Shri Keshav Cements & Infra Limited. In the opinion of Board of Directors, the diminution amounting to Rs.66,08,074/- in the value of investment in Shri Keshav Cements & Infra Limited is temporary and no reduction in value thereof is required and consequently no provision for diminution in the value of long-term investment has been made in the financial statements.
  
- b) Note 26(3) to the standalone 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 can't 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.

Our opinion is not modified in respect of these matters.



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Restaurant, Bajirao Road, Pune - 411 030



E-mail - info@pkac.co.in

### **Information Other than the Standalone 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 Standalone 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 standalone 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 standalone 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 standalone 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 Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Act (hereinafter referred to as the 'Order') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matters described under Emphasis of Matter paragraph above may have an adverse effect on the functioning of the company.
- (f) On the basis of the written representations received from the directors as on 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.
- (g) 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".
- (h) 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.
- (i) 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 : 21168194AAAAAI5399

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 Standalone 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 8 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. Based on the audit procedures conducted by us and according to the information and explanations given to us, in our opinion the company has not given any loans, guarantees or security to any of its Directors or to any other persons in whom the Director is interested under provisions of Section 185 of the Act.

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 186 of the Act in respect of investment made by it.

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 Income-Tax have generally been regularly deposited with the appropriate authorities though there has been delay in respect of 5 months. As explained to us, the company did not have any dues on account of Provident Fund, Employees State Insurance, Goods & Service Tax, duty of Customs and duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax 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 Income Tax 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, bank or Government.

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.1,07,000/- as at 31<sup>st</sup> 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 amounting to Rs.11,60,00,000/- into optionally convertible debentures. Conversion of the loan into debentures was post utilization of the loan funds.

Company has raised term loan of Rs.3,60,00,000/- from its holding company for the purpose of 'Supporting Business Operations'. The proceeds were applied for the purpose of Investment in equity shares and debentures of various subsidiary companies as disclosed in Note 9 & Note 12 to Standalone Financial Statements and for the purpose of purchase of land at Kini, Tal. Akkalkot, Dist. Solapur as disclosed in Note 8 to Standalone Financial Statements.

The company has not raised any moneys by way of initial public offer and further public offer.

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. Details of related party transactions have been disclosed in the standalone 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 amounting to Rs.11,60,00,000/- into optionally convertible debentures. Conversion of the loan into debentures was post utilization of the loan funds. The company has complied with the provisions of section 42 of Companies Act, 2013.
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 : 21168194AAAAAI5399

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 SUN POWER LTD. on the Standalone financial statements for the year ended 31<sup>st</sup>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 SUN POWER LTD ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone

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

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

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 : 21168194AAAAAI5399

DATE :17.05.2021

PLACE : PUNE

**MITCON SUN POWER LIMITED**  
CIN - U74999PN2018PLC176220  
**BALANCE SHEET AS AT 31st MARCH, 2021**

Particulars	Note No.	As at 31st March, 2021 INR	As at 31st March, 2020 INR
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	100,000.00	100,000.00
(b) Reserves and Surplus	3	(5,093,568.00)	(4,944,783.00)
		<b>(4,993,568.00)</b>	<b>(4,844,783.00)</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	152,000,000.00	116,000,000.00
(b) Other Long Term Liabilities	5	5,015,861.00	4,839,224.00
		<b>157,015,861.00</b>	<b>120,839,224.00</b>
<b>(3) Current Liabilities</b>			
(a) Trade Payables	6		
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		1,494,180.00	490,125.00
- to others		71,636.00	63,236.00
(b) Other Current Liabilities	7	3,886.00	110,320.00
		<b>1,569,702.00</b>	<b>663,681.00</b>
<b>Total</b>		<b>153,591,995.00</b>	<b>116,658,122.00</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipment			
(i) Tangible Assets	8	22,604,574.00	8,942,259.00
		<b>22,604,574.00</b>	<b>8,942,259.00</b>
(b) Non-Current Investments	9	106,587,944.00	106,187,944.00
(c) Deferred Tax Asset (net)	10	179,029.00	125,510.00
(d) Long Term Loans and Advances	11	1,020,000.00	1,020,000.00
		<b>107,786,973.00</b>	<b>107,333,454.00</b>
<b>(2) Current Assets</b>			
(a) Current Investments	12	22,500,000.00	-
(b) Trade Receivables	13	95,828.00	157,190.00
(c) Cash and Bank Balances	14	574,262.00	212,206.00
(d) Other Current Assets	15	30,358.00	13,013.00
		<b>23,200,448.00</b>	<b>382,409.00</b>
<b>Total</b>		<b>153,591,995.00</b>	<b>116,658,122.00</b>

See Accompanying Notes (1 to 30) 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

For and on behalf of the Board of Directors  
of MITCON Sun Power Limited



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



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 SUN POWER LIMITED**

CIN - U74999PN2018PLC176220

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021**

Particulars	Note No.	For the year	For the year
		ended on 31st March, 2021 INR	ended on 31st March, 2020 INR
<b>I</b> Revenue from Operations	16	1,009,356.00	1,004,480.00
<b>II</b> Other Income	17	492.00	-
<b>III Total Revenue</b>		<b>1,009,848.00</b>	<b>1,004,480.00</b>
Expenses:			
Finance Costs	18	193,484.00	4,960,102.00
Depreciation Expense - Tangible Assets	8	375,685.00	375,684.00
Other Expenses	19	642,983.00	348,494.00
<b>IV Total Expenses</b>		<b>1,212,152.00</b>	<b>5,684,280.00</b>
<b>V (Loss) Before Tax</b>		<b>(202,304.00)</b>	<b>(4,679,800.00)</b>
<b>VI</b> Tax Expense:			
Deferred Tax		53,519.00	27,663.00
		<b>53,519.00</b>	<b>27,663.00</b>
<b>VII (Loss) for the Year After Tax</b>		<b>(148,785.00)</b>	<b>(4,652,137.00)</b>
<b>VIII Earnings per equity share (Face value INR. 10/-)</b>			
Basic	24	<b>(14.88)</b>	<b>(465.21)</b>
Diluted	24	<b>(14.88)</b>	<b>(465.21)</b>

See Accompanying Notes (1 to 30) 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

For and on behalf of the Board of Directors  
of MITCON Sun Power Limited



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



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



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

**MITCON SUN POWER LIMITED**  
CIN - U74999PN2018PLC176220  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	For the Year ended on 31st March, 2021		For the Year ended on 31st March, 2020	
	INR	INR	INR	INR
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss before tax:		(202,304.00)		(4,679,800.00)
Adjustments for:				
Depreciation & Amortisation	375,685		375,684.00	
Finance Costs	193,484		4,960,102.00	
		569,169.00		5,335,786.00
Operating Profit / (Loss) before Working Capital changes		366,865.00		655,986.00
Adjustments for changes in Working capital:				
Trade Receivables	61,362.00		(55,743.00)	
Other Current Assets	(17,345.00)		(20,843.00)	
Long Term Loans and Advances	-		(10,000.00)	
Trade Payables	1,012,455.00		303,647.00	
Other current liabilities	(106,434.00)		88,761.00	
		950,038.00		305,822.00
Cash flow from / (used in) operations		1,316,903.00		961,808.00
<b>Net Cash flow from / (used in) Operating Activities</b>		1,316,903.00		961,808.00
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(14,038,000.00)		-	
Current Investment	(22,500,000.00)		-	
Capital Advance Paid for purchase of Land	-		(1,000,000.00)	
Long Term Investments	(400,000.00)		(106,137,934.00)	
<b>Net Cash used in Investing Activities</b>		(36,938,000.00)		(107,137,934.00)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long Term Borrowings	36,000,000.00		106,400,000.00	
Other Long Term Liabilities	176,637.00		4,463,088.00	
Finance Cost	(193,484.00)		(4,960,102.00)	
<b>Net Cash Flow From Financing Activities</b>		35,983,153.00		105,902,986.00
<b>D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		362,056.00		(273,140.00)
Cash and Cash Equivalents (Opening balance)		212,206.00		485,346.00
Cash and Cash Equivalents (Closing balance)		574,262.00		212,206.00

**Notes :**


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


2	Cash and cash equivalents comprise of	As at	As at
		31st Mar, 2021	31st Mar, 2020
		INR	INR
	Balances with banks	574,262.00	212,206.00
	<b>Total</b>	574,262.00	212,206.00

See Accompanying Notes (1 to 30) 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

For and on behalf of the Board  
of MITCON Sun Power Ltd

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

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

**MITCON SUN POWER LIMITED**  
**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT**

*(All amount in INR, unless otherwise stated)*

Particulars	TANGIBLE ASSETS			Total
	Land - Freehold	Plant & Machinery	Office Equipment	
<b>Gross Carrying Amount</b>				
As at April 1, 2019	-	9,409,495.00	15,493.00	-
Additions	-	-	-	-
Disposals / adjustments	-	-	-	-
<b>At March 31, 2020</b>	-	<b>9,409,495.00</b>	<b>15,493.00</b>	<b>9,424,988</b>
Additions	14,038,000	-	-	14,038,000
Disposals / adjustments	-	-	-	-
<b>At March 31, 2021</b>	<b>14,038,000</b>	<b>9,409,495</b>	<b>15,493</b>	<b>23,462,988</b>
<b>Accumulated depreciation and impairment, if any</b>				
As at April 1, 2019	-	106,171	874	107,045
Depreciation Charge for the year	-	372,616	3,068	375,684
Disposals / adjustments	-	-	-	-
<b>At March 31, 2020</b>	-	<b>478,787.00</b>	<b>3,942.00</b>	<b>482,729.00</b>
Depreciation Charge for the year	-	372,618	3,067	375,685
Disposals / adjustments	-	-	-	-
<b>At March 31, 2021</b>	-	<b>851,405</b>	<b>7,009</b>	<b>858,414</b>
<b>Net Block at March 31, 2021</b>	<b>14,038,000</b>	<b>8,558,090</b>	<b>8,484</b>	<b>22,604,574</b>
<b>Net Block at March 31, 2020</b>	-	<b>8,930,708</b>	<b>11,551</b>	<b>8,942,259</b>

**MITCON SUN POWER LIMITED**  
**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**NOTE 2 - SHARE CAPITAL**

Particulars	As at	As at
	31st March, 2021 INR	31st March, 2020 INR
<b>Authorised:</b> 20,00,000 Equity Shares of INR 10/- each. (PY. 10,000 Equity Shares of INR 10/- each)	20,000,000.00	100,000.00
<b>Issued, Subscribed and Paid up:</b> 10,000 Equity Shares of INR 10/- each. (PY. 10,000 Equity Shares of INR 10/- each)	100,000.00	100,000.00
<b>Total</b>	<b>100,000.00</b>	<b>100,000.00</b>

During the year company increased authorised capital from INR 100,000/- ( 10000 Equity Shares of INR10/- each) to INR20,000,000/- ( 20,00,000 Equity Shares of INR10/- each, approved vide Board Meeting held on 28/01/2021.

Notes:				
a) Reconciliation of the no. of shares :				
Particulars	As at		As at	
	31st March, 2021		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/-)	10,000	100,000	10,000	100,000
No of Equity shares outstanding at the end of the year (Face value of INR10/-)	10,000	100,000	10,000	100,000
<b>b) Rights, preferences and restrictions attached to shares:</b> 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.				
<b>c) Number of Equity shares held by each shareholder holding more than 5% shares in the company are as follows:</b>				
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 Consultancy & Engineering Services Limited & its nominees	10,000	100%	10,000	100%
	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	<b>100%</b>

**NOTE 3 - RESERVES AND SURPLUS**

Particulars	INR.	As at	As at
		31st March, 2021 INR	31st March, 2020 INR
<b>Surplus in Statement of Profit &amp; Loss</b>			
Opening Balance	(4,944,783.00)		(292,646.00)
Add: (Loss) for the year	(148,785.00)	(5,093,568.00)	(4,652,137.00)
Closing Balance			(4,944,783.00)
<b>Closing Balance of Reserves and Surplus</b>		<b>(5,093,568.00)</b>	<b>(4,944,783.00)</b>

**MITCON SUN POWER LIMITED**  
**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**  
**NOTE 4 - LONG TERM BORROWINGS**

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
<b>UNSECURED - FROM OTHERS</b>		
A) LOAN FROM RELATED PARTY #		
- MITCON Consultancy & Engineering Services Limited	36,000,000.00	116,000,000.00
B) DEBENTURES ##	116,000,000.00	-
CY - 1,16,00,000 (P.Y-NIL) 0.10% Optionally Convertible Debentures of INR 10/- each ( Issued to related party )		
<b>Total</b>	<b>152,000,000.00</b>	<b>116,000,000.00</b>

**# Unsecured Loan**

Terms of Repayment - In case of any cash surplus after meeting all operational expenses, the surplus shall be utilised for repayment of loan and interest thereon to MITCON Consultancy & Engineering Services Ltd. Rate of interest is 9.50% p.a.

**## Debentures to related party**

During the year the company converted Rs.11,60,00,000/- of loan received from MITCON Consultancy Engineering Service Limited into 1,16,00,000 optionally convertible debentures of Rs.10/- each within period of 10 Years with option of early conversion. The debentures carry 0.10% rate of interest.

**NOTE 5 - OTHER LONG TERM LIABILITIES**

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Interest on loan payable to Related Party	4,908,561.00	4,839,224.00
Interest on Debentures payable to Related Party	107,300.00	-
<b>Total</b>	<b>5,015,861.00</b>	<b>4,839,224.00</b>

**NOTE 6 - 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	1,494,180.00	490,125.00
- to others	71,636.00	63,236.00
<b>Total</b>	<b>1,565,816.00</b>	<b>553,361.00</b>

**NOTE 7 - OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Statutory Dues payable		
Tax Deducted at Source Payable	3,886.00	110,320.00
<b>Total</b>	<b>3,886.00</b>	<b>110,320.00</b>



MITCON SUN POWER LIMITED  
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS  
NOTE 9 -NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
<b>Investment in Others - (Trade, Quoted)</b>		
978,974 (P.Y. 978,974 ) Equity Shares of INR 10/- each of Shri Keshav Cements & Infra Limited #	40,137,934.00	40,137,934.00
<b>Investment in Subsidiaries - (Trade, Unquoted)</b>		
<b>Investment in Subsidiary</b>		
3,305,001 (P.Y. 3,305,001 ) Fully paid up Equity shares of INR 10/- each of MITCON Solar Alliance Limited (MSAL) (Incl. 6 Shares held by Nominees)	66,050,010.00	66,050,010.00
10000 (P.Y. NIL) Equity Shares of Rs.10/- each of MITCON Impact Assets Management Pvt Ltd	100,000.00	-
10000 (P.Y. NIL) Equity Shares of Rs.10/- each of MSPL Unit 1 Ltd	100,000.00	-
10000 (P.Y. NIL) Equity Shares of Rs.10/- each of MSPL Unit 2 Pvt Ltd	100,000.00	-
10000 (P.Y. NIL) Equity Shares of Rs.10/- each of MSPL Unit 3 Pvt Ltd	100,000.00	-
<b>Total</b>	<b>106,587,944.00</b>	<b>106,187,944.00</b>

Aggregate Value of unquoted investments INR 66,450,010/- (Previous Year INR 66,050,010/-)  
Market Value of quoted investments INR 33,529,860/- (Previous Year INR 21,194,787/-)

# In the opinion of Board of Directors, the diminution in the value of investment in Shri Keshav Cements & Infra Limited is temporary. Accordingly, no provision for diminution in the value of long-term investment is made in the financial statements.

NOTE 10 - Deferred Tax

(i) 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	1,520,034.00	1,147,515.00
<b>Total</b>	<b>1,520,034.00</b>	<b>1,147,515.00</b>

(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 accumulated losses	1,699,063.00	1,273,025.00
<b>Total</b>	<b>1,699,063.00</b>	<b>1,273,025.00</b>

<b>(iii) Deferred Tax Asset (net)</b>	<b>179,029.00</b>	<b>125,510.00</b>
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NOTE 11 -LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Security Deposit	20,000.00	20,000.00
Capital Advance	1,000,000.00	1,000,000.00
<b>Total</b>	<b>1,020,000.00</b>	<b>1,020,000.00</b>

**NOTE 12 - Current Investments**

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
0.10% 7,50,000 Optionally Convertible Debentures of of Rs.10/- each at par fully paid of MSPL Unit 1 Ltd	7,500,000.00	-
0.10% 7,50,000 Optionally Convertible Debentures of INR10 each at par fully paid of MSPL Unit 2 Pvt Ltd	7,500,000.00	-
0.10% 7,50,000 Optionally Convertible Debentures of INR10 each at par fully paid of MSPL Unit 3 Pvt Ltd	7,500,000.00	-
<b>Total</b>	<b>22,500,000.00</b>	<b>-</b>

**NOTE 13 - TRADE RECEIVABLES**

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
<b>Unsecured considered good</b> Outstanding for a period exceeding six months from the date they are due for payment:	-	-
Others	95,828.00	157,190.00
<b>Total</b>	<b>95,828.00</b>	<b>157,190.00</b>

**MITCON SUN POWER LIMITED****NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****NOTE 14 - CASH AND BANK BALANCES**

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
<b>Cash &amp; Cash Equivalents</b>		
Balance with Bank In current account	574,262.00	212,206.00
<b>Total</b>	<b>574,262.00</b>	<b>212,206.00</b>

**NOTE 15 - OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2021 INR	As at 31st March, 2020 INR
Prepaid Expenses	2,516.00	12,013.00
Advance to others	27,350.00	1,000.00
Interest on Optionally Convertible Debentures Receivable	492.00	-
<b>Total</b>	<b>30,358.00</b>	<b>13,013.00</b>

**MITCON SUN POWER LIMITED**  
**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**NOTE 16 - REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	INR	INR
Income from Solar Power generation	1,009,356.00	1,004,480.00
<b>Total</b>	1,009,356.00	1,004,480.00

**NOTE 17 - OTHER INCOME**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	INR	INR
Interest on Debentures	492.00	-
<b>Total</b>	492.00	-

**NOTE 18 - FINANCE COSTS**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	INR	INR
Interest on Loan #	74,959.00	4,958,989.00
Interest on Debentures #	116,000.00	-
Bank charges and Commission	2,525.00	1,113.00
<b>Total</b>	193,484.00	4,960,102.00

# To related Party - MITCON Consultancy & Engineering Services Limited

**NOTE 19 - OTHER EXPENSES**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
	INR	INR
Professional Fees	41,914.00	95,447.00
Insurance	123.00	2,518.00
Repairs and Maintenance	61,400.00	-
Rent, rates & taxes	141,600.00	141,600.00
<u>Auditor's Remuneration</u>		
Statutory Audit	82,600.00	70,000.00
<u>Administrative and General Expenses</u>		
Registration and Legal Fees	282,650.00	22,943.00
Telephone & Internet Expenses	9,536.00	11,986.00
General Expenses	23,160.00	4,000.00
<b>Total</b>	<b>642,983.00</b>	<b>348,494.00</b>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE STANDALONE 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

a) Revenue from Solar Power generation is recognised based on units generated by the company and utilised by customer.

b) Interest income is recognised on a time proportion basis.

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

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

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.

1.5 Depreciation

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

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

**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.

**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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

20 Payments to Auditors (excluding GST)

Particulars	Year ended	Year ended
	31st March, 2021	31st March, 2020
	INR	INR
For Audit	70,000.00	70,000.00
<b>Total</b>	<b>70,000.00</b>	<b>70,000.00</b>

21 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
<b>Lease payments debited to the Statement of Profit and Loss</b>		
Cancellable leases		
Lease rent for office (Net of GST)	120,000.00	110,000.00

22 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).

- 23 a 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:

Holding Company	MITCON Consultancy & Engineering Services Limited
Subsidiary Companies	MITCON Solar Alliance Limited MITCON Impact Asset Management Pvt Limited MSPL Unit 1 Limited MSPL Unit 2 Private Limited MSPL Unit 3 Private Limited

b Transactions with Related Party:

Sr. No.	Nature of transactions / relationship / Name of Related Party	For year ended on 31st March 2021 INR	For year ended on 31st March 2020 INR
1	<b>Holding Company</b> <b>MITCON Consultancy &amp; Engineering Services Limited</b> - Inter Corporate Loan availed - Inter Corporate Loan converted into debentures - Interest expense on loan - Interest on Debentures - Expense incurred on behalf of the Company - Rent expense (Net of GST)	36,000,000.00 116,000,000.00 74,959.00 116,000.00 1,374,180.00 120,000.00	123,900,000.00 - 4,958,989.00 - 422,522.00 120,000.00
2	<b>Subsidiary Companies</b> - Contribution to Equity made a) 3,300,000 shares of INR 10/- each at premium of INR 10/- each (PY 5,001 shares of INR 10/- each) of MITCON Solar Alliance Ltd. b) 10000 (P.Y. NIL) Equity Shares of Rs.10/- each at par fully paid of MITCON Impact Assets Management Pvt Ltd c) 10000 (P.Y. NIL) Equity Shares of Rs.10/- each at par fully paid of MSPL Unit 1 Ltd d) 10000 (P.Y. NIL) Equity Shares of Rs.10/- each at par fully paid of MSPL Unit 2 Pvt Ltd e) 10000 (P.Y. NIL) Equity Shares of Rs.10/- each at par fully paid of MSPL Unit 3 Pvt Ltd  - Current Investment in Debentures a) 0.10% 7,50,000 Optionally Convertible Debentures of Rs.10 each at par fully paid of MSPL Unit 1 Ltd b) 0.10% 7,50,000 Optionally Convertible Debentures of INR10 each at par fully paid of MSPL Unit 2 Pvt Ltd c) 0.10% 7,50,000 Optionally Convertible Debentures of INR10 each at par fully paid of MSPL Unit 3 Pvt Ltd  - Income from Interest on Debentures a) MSPL Unit 1 Limited b) MSPL Unit 2 Private Limited c) MSPL Unit 3 Private Limited	- 100,000.00 100,000.00 100,000.00 100,000.00 100,000.00  7,500,000.00 7,500,000.00 7,500,000.00  164.00 164.00 164.00	33,000,000.00 - - - - -  - - -  - - -
3	<b>Outstanding as at year end</b> <u>Accounts Payable</u> <b>MITCON Consultancy &amp; Engineering Services Limited</b> - Against Inter Corporate Loan availed - Against Interest on Loan - Against Interest on Debentures - Against Rent & Reimbursement for expenses - Against Debentures  <u>Accounts Receivable</u> <b>MSPL Unit 1 Limited</b> - Against Interest on Debentures - Against Debentures <b>MSPL Unit 2 Private Limited</b> - Against Interest on Debentures - Against Debentures <b>MSPL Unit 3 Private Limited</b> - Against Interest on Debentures - Against Debentures	36,000,000.00 4,908,561.00 107,300.00 1,494,180.00 116,000,000.00  164.00 7,500,000.00 164.00 7,500,000.00 164.00 7,500,000.00	116,000,000.00 4,839,224.00 - 490,125.00 -  - - - - - -

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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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	
		31/03/2021 INR	31/03/2020 INR
A	Earnings for the year		
A.1	Net Profit (loss) as per statement profit and loss	(148,785)	(4,652,137)
A.2	Adjustment on account of Interest cost on Convertible Debentures and tax thereon	85,840	-
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	(62,945)	(4,652,137)
B	Weighted average number of equity shares for Earnings Per Share computation		
B.1	Number of shares at the beginning of the year (nos)	10,000	10,000
B.2	Number of shares allotted during the year (nos)	-	-
B.3	Weighted Average Equity Shares allotted during the year	-	-
B.4	Number of Potential Equity Shares (nos)#	11,600,000	-
B.5	Weighted average Potential Equity Shares allotted during the year	11,600,000	-
	Weighted average number of equity shares for		
B.5	(a) Basic Earnings Per Share (B1 + B3) (nos)	10,000	10,000
B.6	(b) diluted Earnings Per Share (B1 + B3 + B5) (nos)	11,610,000	10,000
C	Earnings per share from operations		
C.1	i) Basic ( A1 / B5 )	(14.88)	(465.21)
C.2	ii) Diluted (A4 / B6 )	(0.01)	(465.21)
C.3	However based on the guiding principle given in AS -20 effects of anti dilutive potential equity shares are ignored in calculating diluted earning per share. Consequently basic and diluted earning per share is same.		
C.4	i) Basic	(14.88)	(465.21)
C.5	ii) Diluted	(14.88)	(465.21)
D	face value per share	10	10

# Number of Potential equity shares depends upon the conversion ratio at the time of conversion of the debentures into equity shares on the basis of discounted fair market value of the shares at the time of conversion. As the same can not be estimated and calculated as on the date of financial statements, the company has taken ratio 1:1 for the calculation on diluted EPS.

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**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.

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- 1 During the year ended 31st March, 2021, Company has incorporated wholly owned subsidiary companies viz.
  - a) MITCON Impact Asset Management Pvt Limited ( Paid up Capital of INR 100,000/-)
  - b) MSPL Unit 1 Limited ( Paid up Capital of INR 100,000/-)
  - c) MSPL Unit 2 Private Limited ( Paid up Capital of INR 100,000/-)
  - d) MSPL Unit 3 Private Limited ( Paid up Capital of INR 100,000/-)
- 2 During the year ended 31st March, 2021, Company has invested in Debentures of the subsidiary companies viz.
  - a) 0.10% 7,50,000 Optionally Convertible Debentures of Rs.10/- each at par fully paid of MSPL Unit 1 Ltd
  - b) 0.10% 7,50,000 Optionally Convertible Debentures of INR10 each at par fully paid of MSPL Unit 2 Pvt Ltd
  - c) 0.10% 7,50,000 Optionally Convertible Debentures of INR10 each at par fully paid of MSPL Unit 3 Pvt Ltd
- 3 During the year the company converted INR11,60,00,000/- of its loan availed from MITCON Consultancy Engineering Service Limited into 1,16,00,000 0.10% optionally convertible debentures of INR.10/- at par fully paid for period of 10 Years with option of early conversion for consideration other than cash. 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.

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**Capital Commitment:**

	Year ended	
	31/03/2021 INR	31/03/2020 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	11,000,000.00	40,400,000.00

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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.

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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.

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Previous years figures have been re-grouped , reclassified wherever necessary to make them comparable with current year's figures.

See Accompanying Notes (1 to 30) forming Integral Part of The Financial Statements

**For and on behalf of the Board**  
of MITCON Sun Power 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