

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 38th Annual Report on the business and operations of your Company along with the Audited Standalone and Consolidated Financial Statement for the year ended 31st March, 2020.

1. COMPANY'S PERFORMANCE :

During the year under review, the Company has achieved a gross turnover of INR 4,271.97 Lakhs in comparison to previous year's turnover which amounted to INR 6,331.01 Lakhs which represents a decrease of 32.52% over the previous year. Key aspects of Consolidated and Standalone Financial Performance of your Company for the current financial year 2019-20 along with the previous financial year 2018-19 are tabulated below:

2. FINANCIAL HIGHLIGHTS :

(INR in Lakhs)

Particulars	CONSOLIDATED		STANDALONE	
	As on 31.03.2020	As on 31.03.2019	As on 31.03.2020	As on 31.03.2019
Revenue from Operations	6,087.61	3,573.63	3,620.26	5,835.02
Other Income	289.57	410.21	651.71	495.99
Total	6,377.18	3,983.84	4,271.97	6,331.01
Profit before Depreciation & Amortization	858.71	423.48	724.42	551.60
Depreciation & Amortization	577.87	236.43	169.38	185.85
Exceptional Items	-	16.31	-	16.05
Extraordinary items	-	-	-	-
Profit Before Tax	280.84	203.36	555.04	381.80
Tax Expenses:				
1) Current Tax	150.00	113.00	150.00	113.00
2) Deferred Tax (Net)	(86.57)	(24.37)	19.49	(11.98)
3) Excess provision for Taxations for earlier years	(20.56)	(32.63)	(20.56)	(32.63)
Profit After Tax	237.97	147.36	406.11	313.41
(before adjustment for minority interest)				
Add: Share of Loss of minority interest transferred	26.99	0.50	-	-
Add: Share of profit transferred to minority	(72.80)	-	-	-
Profit After Tax	192.16	147.86	-	-
Less: Share in Loss of Associates				

1) MITCON Insolvency Professional Services Pvt. Ltd.	0.47	(2.88)	-	-
2) Krishna Windfarms Developers Pvt Ltd.(upto19.02.19)	-	(134.30)	-	-
Profit / (Loss) for the Year	191.69	10.68	406.11	313.41

3. DIVIDEND AND RESERVES :

Dividend

The Directors recommend for your consideration a final dividend of @ 2% i.e. INR. 0.20/- per Equity Shares of INR 10/- for the Financial Year 2019-20.

Transfer to Reserves

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

4. DIRECTORS :

- Pursuant to Article 99 of the Articles of Association of the Company Mr. Anand Chalwade (DIN: 02008372) who retires by rotation and being eligible, offers himself for re-appointment.
Your Board recommends re-appointment of Mr. Anand Chalwade (DIN: 02008372) at the ensuing Annual General Meeting.
- Mrs. Archana Lakhe (DIN: 07079209) was re-appointed as Additional Director in the Capacity of Independent Woman Director of the Company subject to approval of shareholders, for a period of five (5) years commencing from February 5, 2020 and ending on February 5, 2025.
- The tenure of Mr. J. P. Dange (DIN: 01569430), Independent Director has expired on 26th March, 2020 and he is no more associated with the company..
- Pursuant to Section 161 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under (including its statutory modification or re-enactment thereof), Mr. Ashok Agarwal (DIN: 05275349) was appointed as Additional Director on the Board of the Company with effect from 09th October, 2019. However, he resigned from the post of Additional Director w.e.f. 07th April, 2020.
- Notice of Disclosure of General Interest pursuant to Section 184 (1) of the Companies Act, 2013 disclosing interest in other bodies corporate/ firms and declaration under Section 164 (2) of the Companies Act, 2013 were received from all the Directors of the Company and none of the Director is disqualified.
- All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013.

5. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board Members evaluated the performance of Executive, Non-Executive, Independent and Non-Independent Directors based on their participation in the Board Meetings and Committee Meetings and also as per criteria laid down in policy for evaluation of performance of Board Members.

Independent Directors also evaluated the performance of the Non-Independent Directors in their separate meeting held on 24th May, 2019.

6. MEETINGS OF THE BOARD

During the financial year 2019-20, Six (6) Board Meetings were convened on 24.05.2019, 13.06.2019, 10.09.2019, 09.10.2019, 13.11.2019, 24.12.2019.

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

Sr. No.	Name of the Board Member	Attendance Record of the Board Members					
		24.05.2019	13.06.2019	10.09.2019	09.10.2019	13.11.2019	24.12.2019
1	Dr. Pradeep Bavadekar	Yes	Yes	Yes	No	Yes	Yes
2	Mr. J. P. Dange	Yes	No	Yes	Yes	Yes	Yes
3	Mr. Anand Chalwade	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Sanjay Phadke	Yes	No	Yes	Yes	No	No
5	Mr. Ajay Agarwal	Yes	Yes	Yes	No	Yes	No
6	Mrs. Archana Lakhe	Yes	Yes	Yes	Yes	Yes	Yes
7	Mr. Ashok Agarwal	-	-	-	No	No	No

7. COMMITTEES OF THE BOARD

i. Audit Committee

As on 31st March 2020, the Committee comprised of the following:

Name of the member	Category
Mr. Anand Chalwade (Member)	Non-Executive-Non- Independent Director
Mr. Sanjay Phadke (Member)	Non-Executive-Independent Director
Mrs. Archana Lakhe (Member)	Non-Executive-Independent Woman Director

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

The previous Annual General Meeting of the Company was held on 13.07.2019, which was attended by Mr. Jagannath Dange, Mrs. Archana Lakhe and Anand Chalwade as members of the Audit Committee.

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

Sr. No.	Name of the Committee Member	Attendance Record of the Committee Members					
		24.05.2019	13.06.2019	10.09.2019	09.10.2019	13.11.2019	24.12.2019
1.	Mr. J.P. Dange (Chairperson)	Yes	No	Yes	Yes	Yes	Yes
2.	Mr. Anand Chalwade (Member)	Yes	Yes	Yes	Yes	Yes	Yes
3.	Mr. Sanjay Phadke (Member)	Yes	No	Yes	Yes	No	No
4.	Mrs. Archana Lakhe (Member)	Yes	Yes	Yes	Yes	Yes	Yes

ii. Nomination and Remuneration Committee

As on 31st March 2020, the Committee comprised of the following

Name of the member	Category
Mrs. Archana Lakhe (Chairperson)	Non-Executive-Independent Woman Director
Dr. Pradeep Bavadekar (Member)	Managing Director
Mr. Anand Chalwade (Member)	Non-Executive Director
Mr. Sanjay Phadke (Member)	Non-Executive-Independent Director

The previous Annual General Meeting of the Company was held on 13.07.2019 which was attended by Mrs. Archana Lakhe and Mr. Jagannath Dange as Members of the Nomination and Remuneration Committee.

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

Sr. No.	Name of the Committee Member	Attendance Record of the Committee Members		
		24.05.2019	10.09.2018	09.10.2019
1.	Mrs. Archana Lakhe (Chairperson)	Yes	Yes	Yes
2.	Mr. J.P. Dange (Member)	Yes	Yes	Yes
3.	Mr. Sanjay Phadke (Member)	Yes	Yes	Yes
4.	Dr. Pradeep Bavadekar (Member)	-	-	-
5.	Mr. Anand Chalwade (Member)	-	-	-

iii. Corporate Social Responsibility (CSR) Committee

As on 31st March 2020, the Committee comprised of the following:

Name of the member	Category
Mr. Sanjay Phadke (Chairperson)	Non-Executive-Independent Director
Mrs. Archana Lakhe (Member)	Non-Executive-Independent Woman Director
Mr. Ajay Agarwal (Member)	Non-Executive-Non- Independent Director
Dr. Pradeep Bavadekar (Member)	Member; Managing Director

Sr. No.	Name of the Committee Member	Attendance Record of the Committee Members
		24.05.2019
1.	Mr. Pradeep Bavadekar	Yes
2.	Mrs. Archana Lakhe	Yes
3.	Mr. Sanjay Phadke	Yes
4.	Mr. Ajay Agarwal	Yes

During the year, the Committee meeting was held on 24.05.2019 which was attended by Mr. Sanjay Phadke, Mrs. Archana Lakhe Mr. Ajay Agarwal and Dr. Pradeep Bavadekar, as Members of the Committee.

iv. Stakeholders Relationship Committee :

As on 31st March 2020, the Committee comprised of the following:

Name of the member	Category
Mrs. Archana Lakhe (Chairperson)	Non-Executive-Independent Woman Director
Dr. Pradeep Bavadekar (Member)	Member; Managing Director

During the year, the Committee meeting was held on 24.05.2019 which was attended by Mrs. Archana Lakhe and Dr. Pradeep Bavadekar, as Members of the Committee.

8. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place policy for Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Board of Directors of the Company has also constituted an Internal Complaint Committee in this regard to redress complaints. During the year under review, there were no complaints received pursuant to the aforesaid Act.

9. KEY MANAGERIAL PERSONNEL (KMP):

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

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

10. POLICIES OF THE COMPANY :

The Board ensured that all the below mentioned company policies are in line with the changes in legislation. The revised policies have been hosted on the official website of the Company (www.mitconindia.com).

11. AUDITORS :

- STATUTORY AUDITOR :**

The appointment of the Statutory Auditors of the Company M/s J. Singh & Associates, Chartered Accountants, Mumbai shall be required to be ratified at the ensuing Annual General Meeting for the Financial Year 2020-21.

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

AUDITORS REMARK

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

- INTERNAL AUDITOR**

M/s Galgali and Associates, Pune are appointed as an Internal Auditors of the Company for the Financial Year 2020-21.

- TAX AUDITOR**

M/s Shahane & Co., Chartered Accountants, Pune are appointed as Tax Auditors of the Company for the Financial Year 2020-21 in terms of section 44AB of the Income Tax Act, 1961.

- **SECRETARIAL AUDITOR**

In terms of the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s SVD & Associates, a firm of Company Secretaries in Practice was appointed to undertake secretarial audit of the Company for the year ended 31st March, 2020

Secretarial Audit report in prescribed Form No. MR 3 is enclosed as **Annexure 'A'** to this report.

Compliance with Secretarial Standards :

The Company has complied with all the provisions of Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India and approved by the Central Government.

There is no remark from the secretarial auditor for the year under review.

12. SHARE CAPITAL :

There has been increase in paid up share capital of the Company.

Following is the share capital structure of the Company.

Authorized share capital of the Company is INR 25, 00 00 000 (Rupees Twenty Five Crores) divided into 2, 50, 00,000 Equity Shares of INR 10/- each.

Paid up share capital of the company is INR 13, 42, 15,260 /-(Rupees Thirteen Crore Forty Two Lakhs Fifteen Thousand Two Hundred and Sixty Only) divided into 1, 34, 21,526 Equity shares of INR 10/- Each.

13. DEPOSITS :

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

14. CORPORATE GOVERNANCE

The provisions of Corporate Governance as stipulated by Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), 2015 are not applicable to the Company.

15. EXTRACT OF ANNUAL RETURN :

In compliance with provisions of Sections 134(3) (a) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2020, in prescribed Form No. MGT – 9 is available on the website of the Company at www.mitconindia.com.

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the provisions of the Companies Act, 2013 and Regulations 34 of SEBI (Listing Obligations and Disclosure Requirements), 2015, the Management Discussion and Analysis Report as **Annexure 'B'** is attached hereto and forms an integral part of this report.

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

17. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure 'C'**.

18. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

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

19. FOREIGN EXCHANGE EARNINGS & OUTGO

An amount of INR 134.13 Lakhs (US\$ 1, 77,106, SAR 36,724.46 and EUR 2,526.70) were received during the year on account of Professional fees and reimbursement of expenses. (Previous Year INR153.12 Lakhs (US\$ 2, 14,537 and EUR 13,881.81)

Expenditure in Foreign Currency during the year was INR 42.55 Lakhs (US \$ 53,260.31, SAR 15,995, Thai Baht 1,045 and Vietnam \$ 23,007,925) (Previous Year 28.55 Lakhs (US \$ 3471.47, UGX 593750.02 and SAR 5425.33). During the year Company has imported Solar Panels for its EPC Contract Rs.40, 720,517/- (US \$549,013)

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

In compliance with provisions of Section 134(3) (g) of the Act, particulars of loans, guarantees, investments and securities given under Section 186 of the Act are given in the notes to the Financial Statements forming part of this Annual Report.

21. PARTICULARS OF EMPLOYEES :

During the year under review none of the employee of the Company was in receipt of remuneration of more than Rs.60 Lakhs per annum or INR 5 Lakhs per month if employed for part of the year except Managing Director. As on 31st March, 2020 the Company has 194 employees.

22. PARTICULARS OF RELATED PARTY TRANSACTIONS

During the year, no transaction with related parties was in conflict with the interests of the Company. All transactions entered into by the Company with related parties during the financial year were in the ordinary course of business and on an arm's length pricing basis. The Company did not enter into any transaction with its Key Managerial Personnel. Statements of transactions with related parties are periodically placed before the Audit Committee and are approved. Material related party transactions were entered into by the Company only with its subsidiaries. As stipulated by Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of Related Party Transactions are given in Form No. AOC – 2 as **Annexure 'D'** to this Report. In compliance with Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the policy on dealing with Related Party Transactions as approved by the Board has been hosted on the Company's website www.mitconindia.com.

23. RISK MANAGEMENT

The Board of Directors of the Company has delegated the responsibility to frame, implement and monitor the risk management plan for the Company to the Audit Committee. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company has in place a Risk Management Policy which defines roles and responsibilities at various levels and has a structured approach for handling risk. The same policy has been hosted on the Company's website www.mitconindia.com

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

24. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY

The Company has five (5) wholly owned subsidiaries as on March 31, 2020. Further to inform there is one (1) associate and two (2) subsidiary companies and company does not have any joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 ('Act') and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, salient features of the financial statement, performance and financial position of each subsidiary and joint venture are given in Form No. AOC - 1 as **Annexure 'E'** to this Report.

There has been no material change in the nature of the business of the subsidiaries.

Further, pursuant to the provisions of Section 136 of the Act, the financial statement of the Company, consolidated financial statement along with relevant documents and separate audited financial statement in respect of subsidiaries are forming part of this Annual Report.

Details of Holding, Subsidiary, Associate and Joint venture have been mentioned in extract of Annual Return MGT 9

25. CHANGE IN THE NATURE OF BUSINESS

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

26. INTERNAL FINANCIAL CONTROL

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

27. VIGIL MECHANISM /WHISTLE BLOWER

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.

28. RESPONSIBILITY STATEMENT :

In compliance with the provisions of Section 134(3) (c) read with Section 134(5) of the Act, your Directors confirm:

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

and that such systems were adequate and operating effectively.

29. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the Regulators, Court, Tribunals impacting the company's going concern status and operations in future.

30. ACKNOWLEDGEMENTS

Your Directors commend all employees of the Company for their continued dedication, commitment, hard work and significant contributions. They also wish to express their deep gratitude to various departments of the Central and State Governments, Banks, Financial Institutions, Business Associates, Customers, Distributors, Suppliers, Vendors, Investors, Analysts, Medical Professionals and Members for their whole-hearted support and cooperation.

ON BEHALF OF THE BOARD OF DIRECTORS

For MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED

sd/-

Mr. Anand Chalwade

Director

(DIN: 02008372)

sd/-

Dr. Pradeep Bavadekar

Managing Director

(DIN: 00879747)

Place : Pune

Date : 29th July, 2020

