

ANNUAL REPORT

— 2018-19 —



MegaCorp

CORPORATE INFORMATION

Mr. Kunal Lalani
Director

Mr. Surendra Chhalani
Director and CFO

Mr. Hulas Mal Lalani
Director

Mr. Sachin Mehra
Director

Mrs. Anisha Anand
Whole Time Director

Mr. Navratan Baid
Director

Company Secretary

Mr. Sanjay Kumar Sharma

Statutory Auditors

Virendra Pradeep & Co.
(Chartered Accountants)

Secretarial Auditors

M/s Vikash Gupta & Co., Delhi
(Company Secretaries)

Registrar and Transfer Agent

(Electronic & Physical)
M/s Link Intime India Pvt. Limited
E-mail: delhi@linkintime.co.in

Registered Office

108, First Floor, Taimoor Nagar
Opp. New Friends Colony
New Delhi 110025
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www.megacorp.ltd
CIN: L65100DL1985PLC092375

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Mega Corporation Ltd.

**DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 2018-2019
TO THE MEMBERS OF MEGA CORPORATION LIMITED**

Your Directors are pleased to present the 34th Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2019.

FINANCIAL PERFORMANCE

The Summarized financial results are:

(Amount in Lakhs)

| Particulars | Standalone Financials | | Consolidated Financials | |
|----------------------------------|-----------------------|-----------------|-------------------------|-----------------|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Income from Operations | 217.11 | 223.27 | 217.11 | 223.26 |
| Other Income | 28.08 | 1.70 | 28.08 | 1.70 |
| Total Income | 245.19 | 224.97 | 245.19 | 224.97 |
| Operating Expenses | 48.34 | 39.83 | 48.34 | 39.83 |
| Depreciation and Amortization | 36.77 | 36.72 | 39.05 | 39.01 |
| Interest | 127.20 | 99.89 | 127.20 | 99.89 |
| Other Expenses | 32.53 | 303.26 | 32.99 | 303.51 |
| Profit/ (Loss) before Tax | 0.35 | (254.74) | 0.35 | (257.27) |
| Tax Expenses | | | | |
| • Previous Year | 0 | 0.23 | 0 | 0.23 |
| • MAT Entitlement | 0 | 0 | 0 | 0 |
| • Deferred Tax | (8.58) | 33.18 | (8.58) | 33.18 |
| Net Profit/ (Loss) for the Year | 8.93 | (288.14) | 6.18 | (290.68) |

STATE OF COMPANY'S AFFAIRS

During the period under review the total Standalone Income of Company is Rs 245.19 Lacs as compared to previous year income of Rs. 224.97 Lacs and the Consolidated Income of the company for the reporting period is Rs. 245.19 Lacs as compared to last year's income of Rs. 224.97 Lacs.

The company during the period earned Standalone Profit before tax of Rs. 0.35 Lacs as compared to loss of Rs. 254.74 Lacs in the previous year and the consolidated profit before tax of the company for the reporting period is Rs. 0.35 Lacs as Compared to last years consolidated loss of Rs. 257.27 Lacs.

The Standalone Net profit of the company during reporting period if Rs. 8.93 Lacs as compared to loss of Rs. 288.14 Lacs in the previous year and the Consolidated Net profit for the reporting period is Rs. 6.18 Lacs as compared loss of Rs. 290.68 Lacs in the previous year.

MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF CLOSE OF FINANCIAL YEAR 2018-19

There are no material changes and commitment affecting the financial position of company after the close of financial year 2018-19 till the date of report.

DIVIDEND AND RESERVES

The Directors have considered it financially prudent in the long-term interest of the Company to reinvest the profits into the business of the Company to build a strong reserve base and growth, accordingly no dividend has been recommended for the year ended March 31, 2019.

FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There are no such frauds reported by auditors, which are committed against the company by officers or employees of the company.

HUMAN RESOURCES DEVELOPMENT

Your Company, in the last financial year continued its journey of developing the human resources of the firm towards the goal of increasing employee productivity and engagement with the firm. Over the last one year, the Human Resource team has contributed significantly in reducing attrition and improving productivity and supporting the business in identifying and grooming leaders across all business units of the Company. With an unwavering focus on nurturing and retaining talent, your Company provides avenues for learning and development through functional, behavioral and leadership training programme as well as on the job training to enable the employees to constantly upgrade their skills. The Human Resources function over the last one year, has travelled a significant distance in digitalization of all employee facing process and now all human resource process are available to employees on their mobile phones. This has ensured significant ease of access for the individual employee as well as helped the Human Resource function to deliver its services to the employees in a much faster and efficient manner.

DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place an appropriate policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment of women. All employees (permanent, contractual, temporary, trainees) are covered under this policy. We further state that during the financial year under review, there were no complaints received/cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

BUSINESS EXCELLENCE AND QUALITY INITIATIVES

Your Company continues to be guided by the philosophy of business excellence to achieve sustainable growth. Innovation in services and business models is a key agenda of the Management along with a customer-focused culture towards building long-term customer relationships.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Vikash Gupta & Co., Company Secretary in Practice to undertake the secretarial audit of the Company for FY 2018-19. The Secretarial Audit Report is appended as **Annexure A** to this Report. There are no adverse remarks / observations / qualifications / reservations / disclaimers in the Secretarial Audit Report.

DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES, AND HIGHLIGHTS OF THEIR PERFORMANCE AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

Your Company has a subsidiary namely Mega Airways Limited. There is no associate company within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of business of the subsidiary. The said subsidiary is not a material subsidiary.

| S.No. | Name & Address of Company | CIN | Holding/Subsidiary/Associate |
|-------|---------------------------|-----------------------|------------------------------|
| 1 | Mega Airways Limited | U00072DL2005PLC136054 | Subsidiary Company |

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of financial statements of the subsidiary company informs AOC – 1 is attached as **Annexure B**.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The Company also has a team of internal auditors to conduct internal audit. Reputed audit firms also ensure that all transactions are correctly authorised and reported. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions initiated.

Assurance on the effectiveness of Internal Financial Controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the Internal Financial Control systems by the internal auditors during the course of their audits. During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls. and business practices.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. The Board of Directors has framed a policy which ensures the orderly and efficient conduct of its business, safeguarding of its assets, to provide greater assurance regarding prevention and detection of frauds and accuracy and completeness of the accounting records of the company.

RISK MANAGEMENT

Your Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. Your Company has established procedures to periodically place before the Board of Directors, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks.

Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company. The development and implementation of Risk Management Policy adopted by the Company is discussed in detail in the Management Discussion and Analysis chapter, which forms part of this Annual Report.

AMALGAMATION

Regular hearings are going on at the National Company Law Tribunal, Delhi Bench. The matter is pending for approval.

CORPORATE GOVERNANCE

Your Company practices a culture that is built on core values and ethical governance practices. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. A Report on Corporate Governance along with a Certificate from Company Secretary in Whole Time Practice regarding compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report appended as **Annexure- C**.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ("The Act") your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- i. In the preparation of the annual accounts for financial year ended 31st March, 2019, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.
- ii. They have in consultation with the Statutory Auditors 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 as at 31st March, 2019 and of the profit of the Company for the year ended on that date.
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts for financial year ended 31st March, 2019 on a going concern basis.
- v. They have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls were operating effectively during the financial year ended 31st March, 2019.
- vi. They have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31st March, 2019.

BOARD EVALUATION

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") stipulate the evaluation of the performance of the Board, its Committees, Individual Directors and the Chairperson.

The Company has formulated a Policy for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The evaluation framework for assessing the performance of Directors comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a

constructive manner, knowledge acquired with regard to the Company's business/ activities, understanding of industry and global trends, etc.

The evaluation involves self-evaluation by the Board Member and subsequent assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/her evaluation.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually (including Independent Directors).

Feedback was sought by way of well-defined and structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, areas of responsibility, execution and performance of specific duties, obligations and governance, compliance, oversight of Company's subsidiaries, etc., and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors who were evaluated on several parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders and knowledge acquired with regard to the Company's business/activities.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. Qualitative comments and suggestions of Directors were taken into consideration by the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee. The Directors have expressed their satisfaction with the evaluation process.

MANAGEMENTS' DISCUSSION AND ANALYSIS REPORT

Managements' Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming **Annexure D** of the Director's Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are given hereunder:

Conservation of Energy

- i) Steps taken or impact on conservation of energy: Energy conservation efforts are ongoing activities. During the year under review further efforts were made to ensure optimum utilization of electricity.
- ii) Steps taken by the company for utilizing alternate sources of energy: Nil, as your company does not carry any manufacturing activities
- iii) The Capital investment on energy conservation equipment's: Nil

Technology Absorption, Adaption & Innovation and Research & Development

No research & development or technical absorption or adaption & innovation taken place in the company during the Financial Year 2018-19, the details as per rule 8(3) of The companies (Accounts) Rules 2014 are as follows:

- i) Efforts made towards technology absorption: - Nil
- ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)-
 - a) Details of technology imported: Nil
 - b) Year of Import: Nil
 - c) Whether the technology been fully absorbed: Nil
 - d) Areas where absorption has not taken place and the reasons there of: Nil
- iv) Expenditure incurred on Research and Development: Nil

Foreign Exchange Earnings and Outgo

As your Company does not deal in Foreign Exchange, therefore the particulars relating to Foreign Exchange Earnings and Outgo are not applicable to your Company.

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo: Nil

FIXED DEPOSITS

Your Company has not accepted any fixed deposits covered under Chapter V of the Company Act, 2013 and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

• Retirement by Rotation

In accordance with the provisions of Section 152 of The Companies Act, 2013 Mr. Hulas Mal Lalani, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

• Appointment / Re-appointment and Cessation of Directors & KMP

Following are the Directors of the Company as on 31.03.2019

- | | |
|--------------------------|--|
| 1. Mr. Kunal Lalani | – Executive Director |
| 2. Mr. Surendra Chhalani | – Executive Director |
| 3. Mr. Navratan Baid | – Non Executive Independent Director |
| 4. Mrs. Anisha Anand | – Non Executive Independent Director |
| 5. Mr. Sachin Mehra | – Non Executive Independent Director |
| 6. Mr. Hulas Mal Lalani | – Non Executive Non Independent Director |

During the period of under review Ms. Swati Kapoor has resigned from the position of Company Secretary and Mr. Sanjay Kumar Sharma has been appointed as Company Secretary of the company.

Mr. Shurab Kumar has resigned from the position of Director on 08.11.2018.

The Designation of Mrs. Anisha Anand has been changed from Non-Executive Independent Director to Whole Time Director on 23.04.2019.

Pursuant to the provisions of Section 203 of the Act, your Company has following Key Managerial Personnel(s) as on date of this report:

- Mr. Surendra Chhalani – Chief Financial Officer;
- Mr. Sanjay Kumar Sharma – Company Secretary;
- Mrs. Anisha Anand – Whole Time Director;

DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors has given declarations to the company confirming that they meet the criteria of independence as laid down under Section 149 (6) of The Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

AUDITORS AND AUDITOR'S REPORT

M/s Virendra Pradeep & Co., Chartered Accountants, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

On the Recommendation of the Audit Committee, the appointment of M/s Virendra Pradeep & Co., Chartered Accountants who were appointed as Statutory Auditors of the Company for a term of five years at the 32nd Annual General Meeting of the Company held on 22nd September, 2017 till the conclusion of the 37th Annual General Meeting (AGM), subject to ratification at every AGM, M/s Virendra Pradeep & Co., is recommended by the Board of Director to hold the office of the Statutory Auditors from the conclusion of this AGM till the conclusion of the 37th AGM of the Company to be held in the year 2022 at remuneration as may be decided by the Board of Directors and Audit Committee.

The Company has received a certificate from the auditors to the effect that their appointment, if made, would be within the limits prescribed under the Companies Act, 2013, and they are not disqualified for appointment, as per the provisions of section 141 of the Companies Act, 2013.

The auditor report and notes on accounts referred to in the Auditors Report is self-explanatory and there are no adverse remarks or qualification in the Report.

LISTING OF SECURITIES

The Company's Equity Shares are listed on following stock exchanges:

- i. The Delhi Stock Exchange Limited
- ii. The Bombay Stock Exchange Limited*

***Delhi Stock Exchange has been derecognized w.e.f. 19th November, 2014 vide SEBI order.**

PARTICULARS OF EMPLOYEES

None of the employees of your company is drawing remuneration exceeding limits laid down under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the information required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure-E** and forms part of this report.

MEETINGS OF THE BOARD OF DIRECTORS

The Board duly met at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice along with Agenda and notes on agenda of each Board Meeting was given in writing to each Director.

In the Financial Year 2018-19, the Board met Seven (7) times. The meetings were held on 30.05.2018, 09.08.2018, 14.08.2018, 27.08.2018, 14.11.2018, 26.12.2018 and 07.02.2019. The interval between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 read with Rule 5 to the Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statement of associate company (Form AOC1) is attached to the Annual Report. The consolidated financial statements attached to this Annual Report are prepared in compliance with the applicable Indian Accounting Standards and Listing Regulations.

COMPOSITION OF COMMITTEES

a) Audit Committee

At 31.03.2019 Audit Committee of the board comprises of three members with Independent Directors forming a majority, namely Mrs. Anisha Anand as Chairman and Mr. Navratan Baid, Mr. Surendra Chhalani as members of the Committee.

As on 23.04.2019 the Designation of Mrs. Anisha Anand has been changed from Independent Director to Whole Time Director.

Presently Audit Committee comprises following members:

1. Mr. Sachin Mehra – Non-Executive Independent Director
2. Mr. Navratan Baid – Non-Executive Independent Director
3. Mr. Surendra Chhalani – Executive Director
4. Mrs. Anisha Anand – Executive Director

All the recommendations made by the Audit Committee were accepted by the board.

Further, the Roles and Responsibility and other related matters of Audit Committee forms an integral part of Corporate Governance Report as part of annual report.

b) Nomination And Remuneration Committee

At 31.03.2019, Nomination and Remuneration Committee comprises of Mr. Navratan Baid as chairman, Mr. Sachin Mehra and Mrs. Anisha Anand as members, all of whom are Non- Executive Independent Directors.

As on 23.04.2019 the Designation of Mrs. Anisha Anand has been changed from Independent Director to Whole Time Director.

Presently Nomination & remuneration Committee comprises following members:

1. Mr. Sachin Mehra – Non-Executive Independent Director
2. Mr. Navratan Baid – Non-Executive Independent Director
3. Mr. Hulas Mal Lalani- Non-Executive Director
4. Mrs. Anisha Anand- Executive Director

All the recommendations made by the Nomination and Remuneration committee were accepted by the board.

Further, the terms of reference and other related matters of Nomination and Remuneration committee forms an integral part of Corporate Governance Report as part of annual report.

c) Stakeholder Relationship Committee

Stakeholders Relationship Committee comprises of Mr. Sachin Mehra as Chairman with Mr. Navratan Baid and Mr. Surendra Chhalani as members of the Committee as on 31.03.2019.

The Committee is set up to monitor the process of share transfer, issue of fresh Share Certificates as well as review of redressed of investors/shareholders grievances.

Further, the role and responsibility and other related matters of Stakeholders Relationship Committee forms an integral part of Corporate Governance Report as part of annual report.

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India, from time to time.

POLICY FOR DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualification, positive attributes, independence of Director and other matters provided under sub-section 3 of section 178 of the Companies Act, 2013, adopted by the Board is annexed to this report as **Annexure F**.

RELATED PARTY TRANSACTIONS

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website <http://www.megacorpltd.com/>.

All related party transactions are placed on a quarterly basis before the Audit committee and before the Board for approval.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as **Annexure G** to this Annual Report.

Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed half yearly report on Related Party Transactions with the Stock Exchanges, for the year ended March 31, 2019.

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

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements as on 31.03.2019.

PAYMENT OF LISTING FEES

Your Company has paid Listing fees for the financial year 2019-20 to the BSE.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company in the prescribed Form MGT-9, is attached as **Annexure- H** to this Board's Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the obtaining such information may write to CFO & Company Secretary and the same will be furnished on request.

The full Annual Report including the aforesaid information is available on the company's website <http://www.megacorpltd.com/>.

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy duly approved by the Board of Directors and also has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company's internal control systems are commensurate with the nature of its business and the size and complexity.

POLICIES & DISCLOSURES

Vigil Mechanism

Your Company has established a 'Whistle Blower Policy and Vigil Mechanism' for Directors and employees to report to the appropriate authorities concerns about unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct policy and provides safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. The Whistle Blower policy can be accessed on the Company's Website at the link: <http://www.megacorp Ltd.com/>.

Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013 and rules made there under, every company having net worth of Rupees five hundred crores or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board.

However, it is not applicable in case of your Company. Hence there is no need to form Corporate Social Responsibility Committee and Corporate Social Responsibility Policy for the company as per the requirement of the Companies Act, 2013.

GENERAL

Your Director states that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of the equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to directors or employees of the Company
- d) Issue of Employee Stock Option Scheme to employees of the company
- e) CFO of the company does not receive any remuneration or commission from any of its subsidiary companies
- f) No significant or material orders were passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future.
- g) Purchase of or subscription for shares in the company by the employees of the company.
- h) There is no **material subsidiary*** of company, so no policy on material subsidiary is required to be adopted.

* **"Material Subsidiary"** shall have the meaning as defined in Regulation 16(1)(c) of the LODR Regulations, pursuant to which a material subsidiary means a subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Your Directors further state that:-

- a) The Company has zero tolerance for sexual harassment and during the year under review, there were no complaint received and no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- b) And there is no change in the nature of business of company during the year.

INDUSTRIAL AND HUMAN RELATIONS

Since the Company is not into any kind of manufacturing activity, there is no matter to discuss about industrial relations and the Company is maintaining cordial relations with its staff members.

CAUTIONARY STATEMENT:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Important developments that could affect the Company's operations include a downtrend in the financial services

industry – global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other factors. Actual results might differ substantially or materially from those expressed or implied.

This report should be read in conjunction with the financial statements included herein and the notes thereto.

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

| S No. | Particulars | No. Of Shareholders | No Of Share |
|-------|--|---------------------|-------------|
| 1 | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 0 | 0 |
| 2 | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year | 0 | 0 |
| 3 | Number of shareholders to whom shares were transferred from suspense account during the year | 0 | 0 |
| 4 | Number of shareholders who have not claimed dividend for last 7 years, and whose shares have been transferred to IEPF account of MCA from Demat Suspense Account | 0 | 0 |
| 5 | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year. The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares | 0 | 0 |

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank its customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to your Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of your Company and its subsidiaries and associates for their hard work and commitment. Their dedication and competence has ensured that your Company continues to be a significant and leading player in the IT Services industry.

**For and on behalf of the Board of Directors
Mega Corporation Limited**

Sd/-
Surendra Chhalani
(Director and CFO)
Din: 00002747

Sd/-
Kunal Lalani
(Director)
Din: 00002756

Place: New Delhi

Date: 30.05.2019

ANNEXURES TO THE DIRECTORS' REPORT

| | |
|-------------------|---|
| Annexure A | Secretarial Audit Report |
| Annexure B | Particulars of contracts or arrangements with related parties in Form AOC-1 |
| Annexure C | Report on Corporate Governance |
| Annexure D | Management Discussion and Analysis Report |
| Annexure E | Particulars of Employees |
| Annexure F | Policy for Directors Appointment and Remuneration |
| Annexure G | Particulars of Related Party Transaction in Form AOC-2 |
| Annexure H | Extract of Annual Return in Form MGT-9 |

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31.03.2019

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

To

The Members,

M/s MEGA CORPORATION LIMITED

CIN: L65100DL1985PLC092375

ADDRESS: 108, FIRST FLOOR, TAIMOOR NAGAR,

OPP. NEW FRIENDS COLONY, NEW DELHI- 110025

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Mega Corporation Limited** (hereinafter called "the Company"). The Company is a listed Company, having **CIN: L65100DL1985PLC092375**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2019** according to the provisions of:

- (A) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (B) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (C) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (D) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (E) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - ❖ The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ❖ The SEBI (Prohibition of Insider Trading) Regulations, 1992;
 - ❖ The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - ❖ The SEBI (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (F) Other laws applicable to the Company as per the representations made by the Company:
 - ❖ Reserve Bank of India Act, 1934 and rules and regulations made there under (Company is a registered NBFC with RBI)
 - ❖ According to the information and explanation provided by the management the provisions related to labour laws are not applicable on the company.

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

- a. Secretarial Standards Issued by the Institute of Company Secretaries of India,
- b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) The Compliance by the Company of applicable financial laws like direct taxes and indirect taxes and maintenance of financial records and books of accounts has not been reviewed in this Audit, since the same has been the subject to be review by statutory financial audit and designated professionals.

- d) Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have checked the compliance management system of the Company, to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

Decisions at Board Meeting and Committee Meeting are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be.

I further report that, systems and processes in the Company need to be strengthened commensurate with the size and operations of the Company to monitor and ensure compliance with the Act and its applicable laws, rules, regulations and guidelines.

The company has responded appropriately to the notices or letters (if any) received by the company from various department and authorities including initiating action for corrective measures wherever found necessary..

I further report that, the Company has complied with the following laws specifically applicable to The Company:

- a) Reserve Bank of India Act, 1934 and rules and regulations made there under;

I further report that, during the audit period the Company has not taken any actions/ decisions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

However, in the matter of Amalgamation of Mega Airways Limited with Mega Corporation Limited, the regular hearing are going on at National Company Law Tribunal, Delhi Bench and the Matter is pending for approval.

Vikash Gupta & Co.
(Practicing Company Secretaries)

Sd/-
Vikash Gupta
Proprietor
C.P. No.: 10785

Place: New Delhi
Date : 30.05.2019

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| | | |
|----|--|-----------------------|
| 1 | Sl. No. | 1 |
| 2 | Name of the subsidiary | Mega Airways Limited |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | 01.04.2018-31.03.2019 |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | INR |
| 5 | Share capital | Rs. 6,00,00,000/- |
| 6 | Reserves and surplus | Rs. (26,08,273/-) |
| 7 | Total assets (Current and Non-Current) | Rs. 3,10,21,627/- |
| 8 | Total Liabilities (Other Current Liabilities) | Rs. 29,900/- |
| 9 | Investments | Rs. 2,64,00,000/- |
| 10 | Turnover | Nil |
| 11 | Profit before taxation | Rs. (2,75,102/-) |
| 12 | Provision for taxation | Nil |
| 13 | Profit after taxation | Rs. (2,75,102/-) |
| 14 | Proposed Dividend | Nil |
| 15 | Extent of shareholding (in percentage) | 100% |

The audited financial statements of the above subsidiaries have been drawn up to the same reporting date as that of the company i.e. March 31, 2019.

- Names of subsidiaries which are yet to commence operations- Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year- Not Applicable

**For and on behalf of the Board of Directors
Mega Corporation Limited**

**Sd/-
Surendra Chhalani
(Director and CFO)
Din: 00002747**

**Sd/-
Kunal Lalani
(Director)
Din: 00002756**

**Place: New Delhi
Date: 30.05.2019**

REPORT ON CORPORATE GOVERNANCE

The Report for the financial year ended March 31, 2019 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

The Company's philosophy on Corporate Governance is aimed at:

- (a) Enhancing long term Shareholder value through
 - Assisting the top management in taking sound business decisions; and
 Prudent financial management.
- (b) Achieving transparency and professionalism in all decisions and activities of the Company.
- (c) Achieving excellence in Corporate Governance by
 - Conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible.
 - Reviewing periodically the existing systems and controls for further improvements.

1. BOARD OF DIRECTORS

The Company has put in place an internal governance structure. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Whole Time Director and CFO, who functions under the overall supervision, direction and control of the Board of Directors ("The Board") of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances. etc. Some of the powers of the Board have also been delegated to Committee(s), which monitors the day-to-day affairs relating to operational matters. The Board thus exercises close control over the overall functioning of the Company with a view to enhance the stakeholder's value.

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

BOARD MEETING AND PROCEDURES

The detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed notes is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s). In some instances, documents are tabled at the meetings and the presentations are also made by the respective executives on the matters related to them at the Board or Committee Meetings. The information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration. The Directors are also provided the facility of video /tele conferencing to enable them to participate effectively in the Meeting(s), as and when required.

During the year under review, Seven (7) Board Meetings were held on 30.05.2018, 09.08.2018, 14.08.2018, 27.08.2018, 14.11.2018, 26.12.2018 and 07.02.2019. The necessary quorum was present for all the meetings. The maximum gap between any two meetings was not more than One Hundred and Twenty Days. As mandated by proviso under Regulation 17A(1) of the Listing Regulations as of March 31, 2019, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees across all listed companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

COMPOSITION OF BOARD

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. The composition of Board of Directors as on 31.03.2019 is given in the table below and is in conformity with Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements.

| Name | Category | Designation | No. of Meetings Held | No. of Meetings Attended | No. of Membership in Boards of Other Companies | Attendance of each Director At last AGM |
|-----------------------|--------------------------------------|---------------------|----------------------|--------------------------|--|---|
| Mr. Surendra Chhalani | Executive Director | Director and CFO | 7 | 7 | 5 | Yes |
| Mr. Sachin Mehra | Non-Executive & Independent Director | Director | 7 | 3 | 3 | No |
| Mr. Hulas Mal Lalani | Non-Executive Director | Director | 7 | 2 | 5 | No |
| Mrs. Anisha Anand | Non-Executive & Independent Director | Director | 7 | 5 | 2 | Yes |
| Mr. Navratan Baid | Non-Executive & Independent Director | Director | 7 | 5 | 3 | Yes |
| Mr. Kunal Lalani | Executive Director- | Director & Chairman | 7 | 5 | 12 | Yes |

Designation of Mrs. Anisha Anand changed from Independent Director to Whole Time Director with effect from 23-04-2019

Committee position only of the Audit Committee and Stakeholder's Relationship Committee in Public Companies (whether listed or not) have been considered.

None of Independent Director is serving more than 7 listed companies and Managing Director of company is also not acting as independent director in more than 3 listed companies.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

The Board of Directors carried out annual evaluation of its own performance, its Committees and individual Directors based on criteria and framework adopted by the Board and in accordance with existing regulations.

The evaluation of performance of each Independent Director is being done by all the directors except the Independent Director evaluated. The review of the performance of non-independent directors, the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information is done by independent directors of the Company. This evaluation is being carried out once in a year. Criteria for evaluation includes qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc.

The Committees are reviewed by Board of Directors and whenever necessary the required changes are made in Committees by way of re - constitution to make them more effective by change in constitution and composition

FAMILIARISATION PROGRAMME

The Company has adopted a structured orientation of Independent Directors at the time of their joining so as to familiarize them with the Company- its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the members of Board of Directors on a continuing basis on any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

The Company through its Managing Director/Senior Managerial Personnel makes presentations regularly to the Board about the business strategies, operations review, quarterly and annual results, review of Internal Audit Report and Action Taken Report, statutory compliances, risk management, operations of its Subsidiaries etc. This enables the Directors to get a deeper insight into the operations of the Company and its subsidiaries. Functional Heads of Company are required to give presentation in Board Meeting to familiarize the Board with their activities and allied matters. Company held a separate training and familiarization programme for Independent Directors during the financial year which was conducted by experts to gain familiarization with change in regulations especially in SEBI LODR and Companies Act, 2013 and on allied matters including duties of Independent Directors and performance evaluation.

The detail of familiarization programme is available at the website of the Company at <http://www.megacorppltd.com/>.

CODE OF CONDUCT

- (i) The board has laid down a “Code of Conduct” for all the board members and the senior management of the company and the Code of Conduct has been posted on the website of the company at <http://www.megacorppltd.com/>. Annual declaration confirming compliance of the code is obtained from every person covered by the code of conduct. Annual declaration confirming compliance of the code is obtained from every person covered by the code of conduct.
- (ii) The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended 31 March, 2019. The Annual Report of the Company contains a Certificate by the CFO in terms of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

2. AUDIT COMMITTEE

(a) Terms of reference

(A) The terms of reference of the Audit Committee include inter-alia:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. The audit committee reviewed the following:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

(b) Composition, names of Members and Chairperson, its meetings and attendance:

The composition of the Audit Committee as on 31.03.2019 and number of meetings attended by the Members during the year are given below:

| Name of Member | Status | Meetings held during FY 2018-19 | Meetings attended |
|-----------------------|----------|---------------------------------|-------------------|
| Mrs. Anisha Anand | Chairman | 5 | 3 |
| Mr. Surendra Chhalani | Member | 5 | 5 |
| Mr. Navratan Baid | Member | 5 | 3 |

The Designation of Mrs. Anisha Anand has been changed from Independent Director to Whole Time Director on 23.04.2019.

Now the Composition of the Audit Committee as on the date of this report is mentioned below:

| S NO | NAME OF MEMBER | STATUS |
|------|-----------------------|-------------|
| 1 | Mr. Sachin Mehra | Chairperson |
| 2 | Mr. Navratan Baid | Member |
| 3 | Mr. Surendra Chhalani | Member |
| 4 | Mrs. Anisha Anand | Member |

During the year, 5 Audit Committee meetings were held on 30/05/2018, 09/08/2018, 27/08/2018, 14/11/2018 and 07/02/2019.

3. NOMINATION AND REMUNERATION COMMITTEE

(A) Composition, names of Members and Chairperson, its meetings and attendance:

The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

| Name of Member | Status | Meetings held during FY 2018-19 | Meetings attended |
|-------------------|----------|---------------------------------|-------------------|
| Mr. Navratan Baid | Chairman | 4 | 4 |
| Mr. Sachin Mehra | Member | 4 | 2 |
| Mrs. Anisha Anand | Member | 4 | 4 |

The Designation of Mrs. Anisha Anand has been changed from Independent Director to Whole Time Director on 23.04.2019.

Now the Composition of the Nomination and Remuneration Committee as on the date of this report is mentioned below:

| S NO | NAME OF MEMBER | STATUS |
|------|----------------------|-------------|
| 1 | Mr. Navratan Baid | Chairperson |
| 2 | Mr. Sachin Mehra | Member |
| 3 | Mr. Hulas Mal Lalani | Member |
| 4 | Mrs. Anisha Anand | Member |

During the year, 4 Nomination and Remuneration Committee meetings were held on 30/05/2018, 09/08/2018, 14/11/2018 and 07/02/2019.

(B) Terms of reference

The terms of the Committee are wide enough covering the matters specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and Terms of reference of the Committee briefly are as under:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(C) Remuneration Policy

Remuneration policy for the members of the Board of Directors of the Company takes into consideration their role and responsibilities. The salient features of the policy are highlighted below:

- The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors.
- The Nomination and Remuneration Committee decides the commission payable to the Non-Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013 and as approved by the shareholders at a General Meeting.
- Non-Executive Directors of the Company are eligible for sitting fees for attending meetings of the Board and meetings of Committees of the Board.
- The Company reimburses expenditure reasonably incurred by the Directors in the performance of their duties as per the provisions of the applicable laws Companies Act 2013 and in conjunction with the rules and policies of the Company.
- The Nomination and Remuneration Committee reviews and finalizes the remuneration of the key executives on an annual basis, or earlier if deemed necessary.

4. STAKEHOLDER'S GRIEVANCE COMMITTEE

The Stakeholders Relationship Committee of the Board of Directors was constituted in line with the provision of Regulation 20 of SEBI (LODR) Regulations 2015 read with section 178 of the Act to look after Shareholders'/Investors' Grievance like redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports etc.

(A) Composition, Members, its meetings and attendance:

During the year, 4 Stakeholder's Relationship Committee meetings were held on 30/05/2018, 09/08/2018, 14/11/2018 and 07/02/2019.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

| Name of Member | Status | Meetings held during FY 2018-19 | Meetings attended |
|-----------------------|----------|---------------------------------|-------------------|
| Mr. Sachin Mehra | Chairman | 4 | 3 |
| Mr. Surendra Chhalani | Member | 4 | 4 |
| Mr. Navratan Baid | Member | 4 | 3 |

There is no change in the composition of Stakeholder's Relationship Committee during the year.

(B) Terms of Reference/Charter of Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board is constituted with powers and responsibilities including, but not limited to:

- To approve/ reject registration of transfer/transmission/transposition of shares.
 - To authorize issue of Duplicate Share Certificates and Share Certificates after Split / Consolidation / Rematerialization and in Replacement of those which are defaced, mutilated, torn or old, decrepit or worn out.
 - To monitor and review the performance and service standards of the Registrar and Share Transfer Agents of the Company and provide continuous guidance to improve the service levels.
 - To monitor and review the mechanism for redressal of shareholders' / investors' grievances
- a. To authorize Managers/Officers/Signatories for signing Share Certificates;
 - b. To appoint and seek outside advice from professionals, consultants or advisors as deemed appropriate to assist the Committee in discharging its functions efficiently.
 - c. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Committee meets as often as required to discharge its functions. The status on complaints and share transfers is reported to the Board.

The Committee's terms of reference/Charter was amended during the year, in order to comply with the provisions of the Companies Act 2013, Rules made there under and the revised Clause 49 of the Listing agreement with the stock exchanges.

Investor Grievance Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review is as under:

| Particulars | Complaint Received | Complaint Resolved | Complaint Balance |
|-------------|--------------------|--------------------|-------------------|
| Complaints | Nil | Nil | Nil |

As on March 31, 2019 no complaints were outstanding.

Compliance officer

Ms. Sanjay Kumar Sharma, Company Secretary and Compliance Officer of the Company is responsible for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

5. INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on 15th February, 2019, inter alia, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole.
- ii) Evaluation of performance of the Chairman of the Company, taking into account the views of Executive & Non-Executive Directors.
- iii) Evaluation of quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

6. General Body Meetings

Details about General Meetings held in last three years

| For the Year | Venue | Day, Date & Time | Special Resolution ** |
|---|---|--|-----------------------|
| 2015-2016 | Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048 | Thursday, 22 nd September, 2016 at 11.30 A.M. | Nil |
| 2016-2017 | Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048 | Friday, 22 nd September, 2017 at 11.30 A.M. | Nil |
| 2017-18 (Meeting of | Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048 | Friday, 28 th March, 2018 at 11.30 A.M. | Nil |
| **2017-18 (Meeting of Equity Shareholders by the Order Hon,ble NCLT) | Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048 | Tuesday, 28 th March, 2018 at 11.00 A.M. | Nil |

**No Special Resolution has been passed during the year under review.

**** Meeting of Equity Shareholder was held on Tuesday, the 20th March, 2018 at 11:00 A.M. at Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048, under the Supervision of National Company Law Tribunal, New Delhi bench for the purpose of Considering and, if thought fit, approving, the Scheme of Amalgamation of Mega Airways Limited and Mega Corporation Limited.**

Meeting of Unsecured Creditors was held on Tuesday, the 20th March, 2018 at 02:00 P.M. at Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048, under the Supervision of National Company Law Tribunal, New Delhi bench for the purpose of Considering and, if thought fit, approving, the Scheme of Amalgamation of Mega Airways Limited and Mega Corporation Limited

7. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results were published in Financial Express (English, Edition) and Jansatta (Hindi Edition). The Company is also maintaining a functional website www.megacorppltd.com, wherein all the communications are updated including the quarterly financial results of the Company. The Annual reports containing the Audited Annual Accounts, Auditors' Reports, Boards' Report, the Management Discussion and Analysis Report forming part of Boards' Report and other material information are circulated to the members and others entitled thereto. Annual Reports of the Company are emailed to all shareholders who have provided their email IDs in the records of the Depository. All the disclosures and communications to be filed with the Stock Exchanges were submitted through e-filing platform/ email and there were no instances of non-compliances.

As a matter of policy, the company will display the official news release at its website, whenever applicable. There were no instances during the year, which requires the company to make any presentation before institutional investor or to the analyst.

8. GENERAL SHAREHOLDER INFORMATION

The Company is registered in the New Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L65100DL1985PLC092375. The Company being Systemically Important Non-Deposit Taking NBFC is registered with Reserve Bank of India.

A) Annual General Meeting

Day, Date and Time: Wednesday the 25th Day of September 2019, at 11:30 a.m.

Venue: Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048

B) Financial Year—01st April, 2018 to 31st March, 2019

C) Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2019.

D) Listing at Stock Exchanges

EQUITY SHARES

| Sr. No. | Name of Stock Exchange | Stock Code/Symbol |
|---------|---|-------------------|
| 1. | The Bombay Stock Exchange Limited PhirozeJeejeebhoy Towers Dalal Street, Mumbai- 400001 | 531417 |
| 2 | The Delhi Stock Exchange Ltd. 3/1, DSE House, AsafAli Road, New Delhi – 110002 | N.A. |

Delhi Stock Exchange has been derecognized w.e.f. 19th November, 2014 vide SEBI order.

Listing Fee for the year 2018-19 has been paid to Bombay Stock Exchange.

E) Stock Code -- INE804B01023

F) Market Price Data: High Low for the period April 2018 to March 2019

| Month | Low | High |
|-----------------|------|------|
| April, 2018 | 1.13 | 1.55 |
| May, 2018 | 1.20 | 2.36 |
| June, 2018 | 1.66 | 2.28 |
| July, 2018 | 1.26 | 1.63 |
| August, 2018 | 1.24 | 1.24 |
| September, 2018 | 1.04 | 1.24 |
| October, 2018 | 0.86 | 1.04 |
| November, 2018 | 0.73 | 0.86 |
| December, 2018 | 0.53 | 0.73 |
| January, 2019 | 0.38 | 0.53 |
| February, 2019 | 0.38 | 0.39 |
| March, 2019 | 0.33 | 0.39 |

Source: BSE Portal

****The Company was placed in Stage VI of the Graded Surveillance Measure as one of the Suspected Shell Company by Securities & Exchange Board of India (SEBI) vide their letter dated 07th August, 2017 bearing no. SEBI/HO/ISD/ISD/OW/P/2017/18183.**

G) Performance in comparison to broad based indices such as BSE Sensex, CRISIL Index, etc.: Not Applicable.

H) REGISTRAR & SHARE TRANSFER AGENTS:

Pursuant to the SEBI directive, the Company has appointed M/s Link Intime India Pvt. Ltd. as Share Transfer Agent for maintaining all the work related to share registry in terms of both physical and electronic form. Shareholders can communicate with them for lodgment of transfer deeds and their queries at the following address:

M/s Link Intime India Pvt. Ltd

Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058

Phone No.: **+91 11 49411000, 93 & 94, Fax: +91 11 4141 0591**

Email: **delhi@linkintime.co.in**

I) SHARE TRANSFER SYSTEM:

Transfers of Equity Shares are handled by Link Intime India Private Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to Link Intime India Private Limited at the above address in order to enable the Registrar and transfer agent to process the transfer.

The committee normally attends to share transfer formalities once in a fortnight. De-mat requests are normally confirmed within 21 days from the date of receipt of request. The Company obtains from a company secretary in Practice half yearly Certificate of compliance with the share transfer formalities as required under regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

Shareholding Pattern as on 31st March, 2019

| Category | No. of Shares held | % of Shareholding |
|--|---------------------|-------------------|
| A. PROMOTERS | | |
| Promoter and Promoter Group | 5,43,12,095 | 54.31% |
| B. PUBLIC | | |
| Bodies Corporate | 1,32,41,687 | 13.24% |
| Individuals holding nominal share capital upto 2lac | 1,45,13,858 | 14.52% |
| Individuals holding nominal share capital in excess of 2 lac | 1,71,44,527 | 17.14% |
| Others | 7,87,833 | 0.79% |
| Total | 10,00,00,000 | 100% |

J) Distribution of Shareholding as on 31st March, 2019

| Category | No. of Shareholders | % of Shareholders | No. of Shares Held | % of Shareholding |
|---------------|---------------------|-------------------|---------------------|-------------------|
| 1-500 | 2231 | 44.9436 | 4,84,586 | 0.4846 |
| 501-1000 | 897 | 18.0701 | 8,37,592 | 0.8376 |
| 1001-2000 | 587 | 11.8251 | 10,21,636 | 1.0216 |
| 2001-3000 | 283 | 5.7010 | 7,66,050 | 0.7661 |
| 3001-4000 | 131 | 2.6390 | 4,87,531 | 0.4875 |
| 4001-5000 | 223 | 4.4923 | 10,85,586 | 1.0856 |
| 5001-10000 | 303 | 6.1039 | 24,08,156 | 2.4082 |
| 10001 & above | 309 | 6.2248 | 9,29,08,863 | 92.9089 |
| Total | 4964 | 100 | 10,00,00,000 | 100 |

K) Dematerialization of shares:

The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scripless trading. 97.49 % of shares of the Company were held in dematerialized form as on March 31, 2019.

L) Outstanding GDR'S/ADR's/ Warrants or any Convertible instruments, conversion date and likely impact on equity.

There are no Outstanding GDR'S/ADR's/ Warrants or any Convertible instruments.

M) Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

N) Plant Location

The Company does not carry any manufacturing activity. However, it mainly operates from its registered office the address of which is given above.

O) Address for correspondence:

Mega Corporation Limited

Corporate Office: NSIC Complex, Maa Anadmayee Marg, Okhla Industrial Area, Phase-II, New Delhi-110020

9. Other Disclosures**1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.**

During the period under review, the company had not entered into any material transaction with any of its related party. None of the transactions with any of related parties were in conflict with the company's interest. All related party transactions are on arm's length basis and are intended to further the company's interest.

2. Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no non-compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.

3. Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.

Your Company has formulated a Whistle Blower Policy in compliance with Companies Act, 2013 and SEBI LODR as part of vigil mechanism of the Company. There is graded reporting structure under the Policy and also provides provision for direct access to Chairman of Audit Committee. Board of Directors affirms that no personnel have been denied access to the audit committee.

4. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

5. Web link where policy for determining 'material' subsidiaries is disclosed;

At present, your Company does not have a Material Subsidiary, so no policy for determining material subsidiary is required to be disclosed on the website of the company.

6. Disclosure of commodity price risks and commodity hedging activities

Not Applicable

7. Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. Company try to adopt the discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

General

A certificate duly signed by the Chief Financial Officer and Whole Time Director relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in Part B of Schedule II of SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 was placed before the Board, who took the same on record.

1. Profile and other information regarding the Directors being appointed/re-appointed as required under Regulations 36(3) of SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 have been given in the Notice of the Annual General Meeting annexed to this Annual Report.

2. The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the company and steps taken to rectify non-compliance, if any.

3. The Company's senior management has confirmed to the Board of Directors that they do not have any personal interest related to its material, financial and commercial transactions that may have a potential conflict with the interests of the Company at large.

4. Declarations by the Chief Financial Officer regarding compliance by board members and senior management personnel with the company's code of conduct

Mr. Surendra Chhalani, Chief Financial Officer of the Company has furnished the requisite declaration affirming compliance with the Code of Conduct by the board members and senior management personnel, for the financial year ended March 31, 2019, which is attached with the report.

5. The company has complied with all the Accounting Standards applicable to the company.

6. The company has not come out with any Public Issue / Preferential Issue in the Financial Year 2018-19.

7. Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is attached herewith as part of Annual Report.

**For and on behalf of the Board of Directors
Mega Corporation Limited**

Sd/-
Surendra Chhalani
(Director and CFO)
Din: 00002747

Sd/-
Kunal Lalani
(Director)
Din: 00002756

Place: New Delhi
Date: 30.05.2019

Annexure-D**Management's Discussion & Analysis of Financial Condition and Results of Operations**

Management's discussion and analysis of the financial condition and results of operations include forward-looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to Management perceptions.

1. Financial Services Sector

India's financial services sector comprises of commercial banks/co-operative banks, non-banking financial companies, insurance companies, pension / mutual funds and other various entities. Scheduled Commercial Banks' credit growth on a year-on-year (y-o-y) basis improved across bank groups between March and September 2018, largely driven by the private sector banks (from 21.30% in March 2018 to 22.5% in September 2018). Private sector banks' deposit growth continued to be robust at 18.40%. The performance of the Public Sector Banks (PSBs) has witnessed an overall improvement with credit growth increasing from 5.90% in March 2018 to 9.10% in September 2018 and deposit growth increasing from 3.20% to 5.00% in the same period. While, Non-Prompt Corrective Action (NPCA) PSBs' credit growth improved from 9.10% in March 2018 to 13.60% in September 2018 and deposits increased from 6.10% to 7.90% in the same period, the PCA-PSBs registered negative growth in both credit and deposits.

NBFCs in India

Non-Banking Finance Companies (NBFCs) are an integral part of the Indian financial system. Their importance has only grown over the years, with their innovative products, intelligent credit checks, quick turn-around times and ability to reach the last mile customer, who generally do not have banking habits.

The scope of NBFCs is expanding with the Government of India (GOI) focusing prominently on promoting entrepreneurship and innovation, especially in the micro, small and medium enterprises (MSMEs) segment. NBFCs enjoy the advantages of better product lines, lower cost, wider and effective reach, robust risk management capabilities to check and control bad debts and understanding of their customer segments vis-à-vis the traditional banks. Additionally, NBFC's credit growth is likely to remain healthy owing to improving macroeconomic conditions, higher credit penetration, increased consumption and disruptive digital trends.

2. Opportunities and Threats**2.1 Growth Opportunities**

- Latent credit demand
- Digital disruption, especially for micro, small and medium enterprises (MSMEs) and small and medium enterprises (SMEs)
- Increased consumption
- Distribution reach and sectors where traditional banks do not lend.

2.2 Threats

- **Competition from captive finance companies and small Banks**
- **Inadequate availability of bank finance and upsurge in borrowing cost**
- **External risks associated with liquidity stress, political uncertainties, fiscal slippage concerns, etc.**

3. Segment Wise performance

During the Year 2018-19, Your Company operated in Finance & Investments and Air Chartered Segment:

(Rs. In Lakh)

| S. No. | Particulars | Year ended 31.03.2019 | Year ended 31.03.2018 |
|--------|-----------------------|--------------------------|--------------------------|
| (a) | Finance / Investments | 211.11 | 217.26 |
| (b) | Air Charter Services | 6.00 | 6.00 |
| | Total | 217.11 | 223.26 |

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

The significant key financial ratio are as given below

| S. No | Particulars | FY 2018-19 | FY 2017-18 |
|-------|-----------------------------|------------|------------|
| (i) | Interest Coverage Ration | 1.002 | -1.550 |
| (ii) | Operating Profit Margin (%) | 0.52 | -0.688 |
| (iii) | Net profit Margin (%) | 0.0411 | -1.29 |
| (iv) | Return on Net Worth | 0.00367 | -0.1184 |

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in accordance with the requirement of the Companies Act, 2013 and applicable Accounting Standards issued by the Institute of Chartered Accountant of India.

| Particulars | Consolidated | | Standalone | |
|--|--------------------|----------------------|--------------------|----------------------|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| INCOME: | | | | |
| Revenue from Operations | 2,17,11,245 | 2,23,26,746 | 2,17,11,245 | 2,23,26,746 |
| Other Income | 28,08,249 | 1,70,723 | 28,08,249 | 1,70,723 |
| Total Revenue | 2,45,19,494 | 2,24,97,469 | 2,45,19,494 | 2,24,97,469 |
| EXPENSES: | | | | |
| Loss From Future Option Trade | - | 2,54,71,725 | - | 2,54,71,725 |
| Employee Benefits Expense | 48,33,810 | 39,83,084 | 48,33,810 | 39,83,084 |
| Interest and Finance Costs | 1,27,20,535 | 99,88,579 | 1,27,20,535 | 99,88,579 |
| Depreciation and Amortization | 39,05,626 | 39,01,584 | 36,76,974 | 36,72,932 |
| Other Expenses | 32,99,855 | 48,79,561 | 32,53,405 | 48,55,102 |
| Total Expenses | 2,47,59,826 | 4,82,24,533 | 2,44,84,724 | 4,79,71,422 |
| Profit From Operation Tax : | (2,40,332) | (2,57,27,064) | 34,770 | (2,54,73,953) |
| Less: Tax Expenses: | | | | |
| - Earlier Year | - | - | - | 23,003 |
| - Current Year | 6,692 | 23,003 | - | - |
| - Mat entitlement | (6,692) | - | - | - |
| - Deferred Tax Charge / (Credit) | (8,58,421) | 33,18,012 | (8,58,421) | 33,18,012 |
| Profit/(Loss) for the Year before adjustment of Minority Interest | 6,18,089 | (2,90,68,080) | - | - |
| Less: Minority Interest | (32) | (30) | - | - |
| Net Profit/(Loss) for the Year | 6,18,121 | (2,90,68,050) | 8,93,191 | (2,88,14,968) |

4. Outlook

The Indian economy is back on the growth path and democratization of credit, financialisation of assets and privatization of the economy will together lead to a compounding effect. Financial services will continue to be a standout performer in this golden age of compounding, private financial services even more so.

In this significant growth scenario, Mega Corporation Limited is well-gearred to take advantage of the unfolding opportunity with the multiple vectors of growth that we have. With the foundation we have laid, we are well placed to achieve sustainable growth in the years to come by following our time tested strategy of focusing on key vectors in our journey in future – people management, cost management, risk management, technology, simplicity and customer obsession.

5. Risks Management

Financial Services Industry has seen significant shifts in business practices in last one year with the digital revolution making the environment dynamic. Risk Management practices; therefore, require a dynamic, proactive and efficient approach to keep pace with the constant change.

The structural trends that are driving many of these significant shifts stem from multiple sources: digitization of business decisions, public sentiment being less tolerant of any appearance of preventable errors and/or inappropriate business practices, rising customer expectations of holistic experience and environment where incidents of frauds are being reported frequently. Going forward, risk management will have to cope with many new risks in addition to the conventional risks.

Risk management has been core to Mega Corporation Limited since we began our journey. By embedding risk management into the DNA of the organization, we ensure that the first line of defence starts from each individual.

6. Future Strategy

The Board has determined the following medium-term and long term strategies to achieve its corporate goals over a period of next 3-5 years:

- To focus on digital initiatives and customer awareness
- Effective use and implementation of data analytics in the process of loan disbursement and loan recovery process
- Further strengthening the leadership position in financing Vehicles
- Further enhancing quality of loan portfolio
- Maintaining customer loyalty through winning relationship and customer satisfaction

7. Internal systems and their adequacy

The Company has an adequate internal control system in place to safeguard assets and protect against losses from any unauthorized use or disposition. The system authorizes records and reports transactions and ensures that recorded data are reliable to prepare financial information and to maintain accountability of assets. The Company's internal controls are supplemented by an extensive programme of internal audits, reviews by the management, and documented policies, guidelines and procedures.

8. Compliance And Internal Control

Mega Corporation Limited observes compliance practices of the highest standard. The Compliance team closely monitors RBI and other notifications on NBFC's with special attention to those relevant to the Company. The Company follows all prudential norms laid down for NBFCs and submits all mandatory returns and statements in time. The Company has put in place a robust framework of internal controls that include precise delegation of authority and Standard Operating Processes which are available in all business segments and functions. The Company follows a practice of monitoring various internal control functions in-house as well as through external auditors whenever required or mandated. The Company also reviews risk management processes on a regular basis and documents the results.

9. Human Resources

At Mega Corporation Limited we believe that our human capital is the major driver of our growth, efficiency and productivity. Mega Corporation Limited is a cross-cultural mosaic and our strength lies in our diversity everywhere, within teams and across businesses. This diversity makes us a stronger organization by bringing in fresh ideas, perspectives, experiences and fostering a truly collaborative workplace. One of the most important factors contributing to our success is the Mega Corporation Limited culture which is defined by attributes such as entrepreneurship, risk management, creating leaders, attributes which will hold us in good stead in our journey. Culture is, thus, the most important aspect on our mind as we move ahead.

10. Cautionary Statement:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Important developments that could affect the Company's operations include a downtrend in the financial services industry – global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other factors. Actual results might differ substantially or materially from those expressed or implied.

This report should be read in conjunction with the financial statements included herein and the notes thereto.

**For and on behalf of the Board of Directors
Mega Corporation Limited**

Sd/-
Surendra Chhalani
(Director and CFO)
Din: 00002747

Sd/-
Kunal Lalani
(Director)
Din: 00002756

Place: New Delhi
Date: 30.05.2019

Particulars of Employees

DETAILS OF TOP EMPLOYEES IN TERMS OF REMUNERATION DRAWN AS PER PROVISIONS OF SECTION 197(12) OF THE ACT READ WITH RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| S. No | Name and Age of the Employee | Designation of the Employee | Remuneration Received (Amount in Rs.) | Nature of employment whether contractual or otherwise | Qualifications and experience of the employee | Date of commencement of employment | The percentage of equity shares held by the employee within the meaning of clause (iii) of sub-rule (2) of rule 2 of Companies (Appointment and Remuneration) Rules, 2014 | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager |
|-------|---------------------------------|-----------------------------|---------------------------------------|---|---|------------------------------------|---|---|
| 1 | Surendra Chhalani 60 years | Director & CFO | 8,46,200 | Non Contractual | Graduate | 27.03.1998 | 2000 | N.A. |
| 2 | Sanjay Kumar Sharma 44 years | Company Secretary | 7,83,596 | Non Contractual | Company Secretary | 24.09.2018 | Nil | N.A. |

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| Name of Director/KMP and designation | Remuneration of Director/KMP for financial year 2017-18 | Ratio of remuneration of each Director/KMP to median remuneration of employees | % increase in Remuneration of each director CFO, CEO, CS or Manager |
|--|---|--|---|
| Surendra Chhalani (Director & CFO) | 8,46,200 | 1.336:1 | Nil |
| Sanjay Kumar Sharma (Company Secretary) | 7,83,596 | 2.369:1 | Nil |

- (1) The percentage increase in remuneration of Key Managerial Personnel (KMP) in the financial year and comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the Company: NIL

Ms. Swati Kapoor has resigned from the post of Company Secretary and Ms. Sanjay Kumar Sharma has been appointed as Company Secretary w.e.f. 24.09.2018.

- A. The Number of permanent employees on the rolls of company:

There are four (4) regular employees on the rolls of Company as on 31st March, 2019.

- B. The explanation on the relation between average in remuneration and Company performance:

There was no increase in the salaries of employees and managerial personnel in the financial year under review.

- C. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Since there is no increase in the remuneration of Director/Key Managerial Personnel and any employee of the company, therefore percentile calculation is not required.

D. The key parameters for any variable component of remuneration availed by the Directors:

None.

E. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

None.

F. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that remuneration is as per the remuneration policy of the Company's.

For and on behalf of the Board of Directors
Mega Corporation Limited

Sd/-
Surendra Chhalani
(Director and CFO)
Din: 00002747

Sd/-
Kunal Lalani
(Director)
Din: 00002756

Place: New Delhi

Date: 30.05.2019

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

A. Definitions

1. **“The Policy”** means Nomination and Remuneration Policy.
2. **“The Board”** means Board of Directors of the Company.
3. **“The Act”** means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
4. **“The Committee”** means the Nomination and Remuneration Committee of the Company as constituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.
5. **“Directors”** means Directors of the Company.
6. **“Independent Director”** means a Director appointed as such in accordance with the requirements laid down by the Companies Act, 2013 and applicable rules and regulations of Clause 49 of the Listing Agreement, including amendments thereto.
7. **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
8. **“Key Managerial Personnel”** means:
 - i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
 - ii) Chief Financial Officer;
 - iii) Company Secretary; and
 - iv) Such other officer as may be prescribed.
9. **“Senior Managerial Personnel”** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Rules made there under as amended from time to time shall have the meaning respectively assigned to them therein.

B. Objective

Nomination and Remuneration Committee of the Board shall recommend this policy to the Board, relating to the remuneration of the Directors, key Managerial Personnel and other employees. The object of this policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

C. Appointment and Removal of Director, Key Managerial Personnel and Senior Management

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

D. Term/Tenure of a Director**1. Managing Director/Whole-Time Director**

The Board shall appoint any person as a Managing Director and CEO or Whole-Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

E. Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

F. Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

G. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

H. Policy for Remuneration to Directors/ KMP/ Senior Management Personnel**1. Remuneration to Executive Directors**

The Remuneration to be paid to Executive Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under. The same shall be determined by the Committee and recommended to Board for approval.

- i. Remuneration structure of the Executive Directors shall include following components:
 - a. Fixed Pay
 - b. Perquisites and allowances
 - c. Commission
 - d. Stock options
- ii. The Committee may recommend an increase in existing remuneration structure to the Board, within the limits as approved by shareholders.
- iii. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

2. Remuneration to Non-Executive/Independent Directors

The Remuneration to be paid to Non-Executive/Independent Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under. The same shall be determined by the Committee and recommended to Board for approval.

i. Commission-based payment

Non-Executive/ Independent Directors of the Company may be paid an amount not exceeding one percent of the net profits of the Company in terms of provisions of the Companies Act, 2013 and Rules made there under as amended from time to time, and as approved by the shareholders.

ii. Sitting fee

Non-Executive/ Independent Directors of the Company shall be paid a sitting fee for attending the Board as well as the Committee meetings as per the Companies Act, 2013 and Rules made there under as amended from time to time.

iii. Employee Stock Options (ESOP)

An Independent Director shall not be entitled to stock option of the Company, if any.

iv. Pension

The Board of Directors of the Company are not covered by any pension scheme or any defined benefit pension scheme.

v. Reimbursement of expenses

The Company shall reimburse the Directors all traveling, hotel, and other incidental expenses properly and reasonably incurred by them in the performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

3. Remuneration of Key Managerial Personnel (KMP) and Senior Management Personnel

Remuneration of KMP's (excluding the Managing Director and Executive Director, which is already covered above) and senior management personnel shall be reviewed /decided on a bi-annual basis, or earlier if deemed necessary, by the Nomination and Remuneration Committee.

The Remuneration shall consist of the following components:

- **Fixed remuneration**
- **Variable pay**
- **Incentives if any**
- **Employee Stock Options (ESOP)**
- **Reimbursement of expenses**

I. Policy Review

This Policy is purely at the discretion of the Nomination and Remuneration Committee and it reserves its right to recommend modifications in this Policy to the Board, as per applicable laws and regulations, at any time without assigning any reason whatsoever.

FORM NO. AOC -2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

The material transactions entered into by the company with related party were at arm's length price and are in the normal course of the business of the company.

**For and on behalf of the Board of Directors
Mega Corporation Limited**

**Sd/-
Surendra Chhalani
(Director and CFO)
Din: 00002747**

**Sd/-
Kunal Lalani
(Director)
Din: 00002756**

Place: New Delhi

Date: 30.05.2019

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31st March, 2019

*[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | L65100DL1985PLC092375 |
| 2. | Registration Date | 26 th March, 1985 |
| 3. | Name of the Company | Mega Corporation Limited |
| 4. | Category/Sub-category of the Company | Company Limited by Shares/ Indian Non-Government Company |
| 5. | Address of the Registered office & contact details | 108, First Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025 Phone No.: +91 11 41516171 Email Id: info@megacorpltd.com |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s Link Intime India Private Limited Noble Heights, 1 st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Phone No.: +91 11 49411000, 93 & 94 Fax: +91 11 4141 0591 Email: delhi@linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| S. No. | Name and Description of main Products/services | NIC Code of the Product / Service | % to total turnover of the company |
|--------|--|-----------------------------------|------------------------------------|
| 1 | NBFC Activity | 641 | 88.55% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. No. | Name and Address of the Company | CIN/ GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|--------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1. | Mega Airways Limited 108, First Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025 | U00072DL2005PLC136054 | Subsidiary Company | 99.99% | 2(87) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(A) Category-wise Share Holding:-

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | %age change during the years |
|-------|--|--|----------|--------------|-------------------|--|----------|--------------|-------------------|------------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 629374 6 | 0 | 62937 46 | '6.2937 | 62937 46 | 0 | 629374 6 | '6.2937 | '0.0000 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Any Other (Specify) | | | | | | | | | |
| | Bodies Corporate | 480183 49 | 0 | 48018 349 | '48.0183 | 48018 349 | 0 | 480183 49 | '48.0183 | '0.0000 |
| | Sub Total (A)(1) | 543120 95 | 0 | 54312 095 | '54.3121 | 54312 095 | 0 | 543120 95 | '54.3121 | '0.0000 |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (b) | Government | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (c) | Institutions | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (A)(2) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 543120 95 | 0 | 54312 095 | '54.3121 | 54312 095 | 0 | 543120 95 | '54.3121 | '0.0000 |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| (a) | Mutual Funds / UTI | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (e) | Foreign Portfolio Investor | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (f) | Financial Institutions / Banks | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (g) | Insurance Companies | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (i) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (B)(1) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| [2] | Central Government/ State Government(s)/ President of India | | | | | | | | | |
| | Sub Total (B)(2) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(A) Category-wise Share Holding:-

| Sr No | Category of Shareholders | Shareholding at the beginning of the year - 2018 | | | | Shareholding at the end of the year - 2019 | | | | %age change during the years |
|-------|--|--|-------------|---------------|-------------------|--|-------------|---------------|-------------------|------------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh. | 122885 64 | 65632 | 123541 96 | '12.3542 | 12499 952 | 6563 2 | 125655 84 | '12.5656 | '0.2114 |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 166114 79 | 24390 00 | 19050 479 | '19.0505 | 16653 801 | 2439 000 | 190928 01 | '19.0928 | '0.0423 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Hindu Undivided Family | 517299 | 0 | 51729 9 | '0.5173 | 55108 8 | 0 | 551088 | '0.5511 | '0.0338 |
| | Non Resident Indians (Non Repat) | 35065 | 0 | 35065 | '0.0351 | 20115 | 0 | 20115 | '0.0201 | '-0.0150 |
| | Non Resident Indians (Repat) | 120738 | 0 | 12073 8 | '0.1207 | 11776 8 | 0 | 117768 | '0.1178 | '-0.0029 |
| | Clearing Member | 381546 | 0 | 381546 | '0.3815 | 98862 | 0 | 98862 | '0.0989 | '-0.2826 |
| | Bodies Corporate | 132275 82 | 1000 | 13228 582 | '13.2286 | 13240 687 | 1000 | 132416 87 | '13.2417 | '0.0131 |
| | Sub Total (B)(3) | 431822 73 | 25056 32 | 45687 905 | '45.6879 | 43182 273 | 2505 632 | 456879 05 | '45.6879 | '0.0000 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3) | 431822 73 | 25056 32 | 45687 905 | '45.6879 | 43182 273 | 2505 632 | 456879 05 | '45.6879 | '0.0000 |
| | Total (A)+(B) | 974943 68 | 25056 32 | 10000 0000 | '100.0000 | 97494 368 | 2505 632 | 10000 0000 | '100.0000 | '0.0000 |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| | Total (A)+(B)+(C) | 974943 68 | 25056 32 | 10000 0000 | '100.0000 | 97494 368 | 2505 632 | 10000 000 | '100.0000 | |

(B) Shareholding of Promoter-

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year - 2018 | | Shareholding at the end of the year - 2019 | | |
|--------|--------------------------------------|--|----------------------------------|--|----------------------------------|--|
| | | No. of Shares Held | % of total Shares of the company | No. of Shares Held | % of total Shares of the company | % change in shareholding during the year |
| 1 | Vimi Investments And Finance Pvt Ltd | 46573000 | '46.5730 | 46573000 | '46.5730 | '0.0000 |
| 2 | Kunal Lalani | 3395000 | '3.3950 | 3395000 | '3.3950 | '0.0000 |
| 3 | Crayons Advertising Private Limited | 1445349 | '1.4453 | 1445349 | '1.4453 | '0.0000 |
| 4 | Hulas Mal Lalani | 786000 | '0.7860 | 786000 | '0.7860 | '0.0000 |
| 5 | Vimi Lalani | 541000 | '0.5410 | 541000 | '0.5410 | '0.0000 |
| 6 | Varsha Bengani | 500000 | '0.5000 | 500000 | '0.5000 | '0.0000 |
| 7 | Hansraj Deepchand Jain | 453160 | '0.4532 | 453160 | '0.4532 | '0.0000 |
| 8 | Seema Lalani | 250000 | '0.2500 | 250000 | '0.2500 | '0.0000 |
| 9 | Smita Dhariwal | 240000 | '0.2400 | 240000 | '0.2400 | '0.0000 |
| 10 | Mayank Lalani | 128586 | '0.1286 | 128586 | '0.1286 | '0.0000 |
| | Total | 54312095 | '54.3121 | 54312095 | '54.3121 | '0.0000 |

(C) Change in Promoters' Shareholding (please specify, if there is no change)

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------------|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| N o | C h | a n | g | e |

(D) Shareholding Pattern of top ten Shareholders:**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---------|-----------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares Held | % of total shares of the company | Date of transaction | No. of shares | No. of shares Held | % of total shares of the company |
| 1 | FINELINE MERCANTILE CO PVT LTD | 4785478 | 4.7855 | - | - | 4785478 | 4.7855 |
| | AT THE END OF THE YEAR | | | - | - | 4785478 | 4.7855 |
| 2 | PANKAJ NARENDRA SHAH | 2589768 | 2.5898 | - | - | 2589768 | 2.5898 |
| | AT THE END OF THE YEAR | | | - | - | 2589768 | 2.5898 |
| 3 | EDC LIMITED | 2000000 | 2.0000 | - | - | 2000000 | 2.0000 |
| | AT THE END OF THE YEAR | | | - | - | 2000000 | 2.0000 |
| 4 | RIGHTSTAR TRADING CO PVT LTD | 1919567 | 1.9196 | - | - | 1919567 | 1.9196 |
| | AT THE END OF THE YEAR | | | - | - | 1919567 | 1.9196 |
| 5 | INTERLINK FINANCIAL SERVICES LTD. | 1700000 | 1.7000 | - | - | 1700000 | 1.7000 |
| | AT THE END OF THE YEAR | | | - | - | 1700000 | 1.7000 |
| 6 | RAJKISHOR SINGH | 1517703 | 1.5177 | - | - | 1517703 | 1.5177 |
| | AT THE END OF THE YEAR | | | - | - | 1517703 | 1.5177 |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2018 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2019 | |
|---------|----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares Held | % of total shares of the company | Date of transaction | No. of shares | No. of shares Held | % of total shares of the company |
| 7 | LAXMAN SINGH SAIJARI | 1469000 | 1.4690 | - | - | 1469000 | 1.4690 |
| | AT THE END OF THE YEAR | | | - | - | 1469000 | 1.4690 |
| 8 | SANTOSH JAGTAP | 1193000 | 1.1930 | - | - | 1193000 | 1.1930 |
| | AT THE END OF THE YEAR | | | - | - | 1193000 | 0.0000 |
| 9 | PATRIC XESS | 1078000 | 1.0780 | - | - | 1078000 | 1.0780 |
| | AT THE END OF THE YEAR | | | - | - | 1078000 | 1.0780 |
| 10 | HEMANT CHADHA | 1000000 | 1.000 | - | - | 1000000 | 1.0 |
| | AT THE END OF THE YEAR | | | - | - | 1000000 | 1.0 |

(E) Shareholding of Directors and Key Managerial Personnel:

| Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year: | | | | |
| 1. Mr. Surendra Chhalani | 2000 | 0.0020 | 2000 | 0.0020 |
| 2. Mr. Sachin Mehra | 3000 | 0.0030 | 3000 | 0.0030 |
| 3. Mr. Hulas Mal Lalani | 786000 | 0.7860 | 786000 | 0.7860 |
| 4. Mr. Kunal Lalani | 3395000 | 3.3950 | 3395000 | 3.3950 |
| 5. Mr. Rajendra Kumar Bengani | NIL | NIL | NIL | NIL |
| 6. Mrs. Anisha Anand | NIL | NIL | NIL | NIL |
| 7. Mr. Navratan Baid | NIL | NIL | NIL | NIL |
| 8. Mrs. Swati Kapoor | NIL | NIL | NIL | NIL |
| Date wise Increase/Decrease in Promoters Shareholding during the year | NIL | NIL | NIL | NIL |
| At the end of the year: | | | | |
| 1. Mr. Surendra Chhalani | 2000 | 0.0020 | 2000 | 0.0020 |
| 2. Mr. Sachin Mehra | 3000 | 0.0030 | 3000 | 0.0030 |
| 3. Mr. Hulas Mal Lalani | 786000 | 0.7860 | 786000 | 0.7860 |
| 4. Mr. Kunal Lalani | 3395000 | 3.3950 | 3395000 | 3.3950 |
| 5. Mrs. Anisha Anand | NIL | NIL | NIL | NIL |
| 6. Mr. Navratan Baid | NIL | NIL | NIL | NIL |
| 7. Mr. Sanjay Kumar Sharma | NIL | NIL | NIL | NIL |

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in INR)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | -- | 86481180 | -- | 86481180 |
| ii) Interest due but not paid | -- | -- | -- | -- |
| iii) Interest accrued but not due | -- | -- | -- | -- |
| Total (i+ii+iii) | -- | 86481180 | -- | 86481180 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | -- | -- | -- | -- |
| * Reduction | -- | 4436285 | -- | 4436285 |
| Net Change | -- | 4436285 | -- | 4436285 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | -- | 82044895 | -- | 82044895 |
| ii) Interest due but not paid | -- | -- | -- | -- |
| iii) Interest accrued but not due | -- | 82044895 | -- | 82044895 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

| S. No. | Particulars of Remuneration | Shurab Kumar Whole Time Director | Total Amount |
|--------|---|-------------------------------------|------------------|
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 13,50,000 | 13,50,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | NIL |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | NIL | NIL |
| 2 | Stock Option | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL |
| 4 | Commission - as % of profit | NIL | NIL |
| | - others, specify... | NIL | NIL |
| 5 | Others, please specify (Special Allowance) | NIL | NIL |
| | Total (A) | 13,50,000 | 13,50,000 |

(B) Remuneration to other Directors

(Amount in INR)

| S.No. | Particulars of Remuneration | Mr. Navratan Baid (Non-Executive Independent Director) | Total Amount |
|-------|--|---|--------------|
| 1 | Independent Directors | NIL | NIL |
| | Fee for attending board committee meetings | 15,000 | 15,000 |
| | Commission | NIL | NIL |
| | Others, please specify | NIL | NIL |
| | Total (1) | 15,000 | 15,000 |
| 2 | Other Non-Executive Directors | NIL | NIL |
| | Fee for attending board committee meetings | NIL | NIL |
| | Commission | NIL | NIL |
| | Others, please specify. | NIL | NIL |
| | Total (2) | NIL | NIL |
| | Total (B)=(1+2) | NIL | NIL |
| | Total Managerial Remuneration | 15,000 | 15,000 |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in INR)

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|---|--------------------------|---------------------|-------------------|------------------|
| | | Company Secretary# | Company Secretary## | CFO** | Total |
| | | Swati Kapoor | Sanjay Kumar Sharma | Surendra Chhalani | |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 4,41,000 | 7,83,596 | 7,31,000 | 19,55,596 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | NIL | 21,600 | 21,600 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL | NIL |
| | Stock Option | NIL | NIL | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL | NIL | NIL |
| 4 | Commission | | | | |
| | - as % of profit | NIL | NIL | NIL | NIL |
| | Others, specify... | NIL | NIL | NIL | NIL |
| 5 | Others, please specify | NIL | NIL | NIL | NIL |
| | Total | 4,41,000 | 7,83,596 | 7,52,600 | 19,77,196 |

Ms. Swati Kapoor has resigned from the position of Company Secretary on 03.11.2019

Mr. Sanjay Kumar Sharma has appointed as Company Secretary on 14.11.2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | -- | -- | -- | -- | -- |
| Punishment | -- | -- | -- | -- | -- |
| Compounding | -- | -- | -- | -- | -- |
| B. DIRECTORS | | | | | |
| Penalty | -- | -- | -- | -- | -- |
| Punishment | -- | -- | -- | -- | -- |
| Compounding | -- | -- | -- | -- | -- |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | -- | -- | -- | -- | -- |
| Punishment | -- | -- | -- | -- | -- |
| Compounding | -- | -- | -- | -- | -- |

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of Mega Corporation Limited

(L65100DL1985PLC092375)

We have examined all relevant records of MEGA CORPORATION LIMITED for the purpose of certifying compliance of conditions of Corporate Governance as per para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 read with Regulation 34(3) of the said Listing Regulations (hereinafter, collectively referred to as the Listing Regulations) of the Company with stock exchanges in India for the Financial year ended on 31st March, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

On the basis of our review and according to the information and explanation given to us, the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as applicable has been complied by the Company in all material respect.

**Vikash Gupta & Association
(Company Secretaries)**

Sd/-

CS Vikash Gupta

CP No:-10785

M. No: - 9198

Place: New Delhi

Date : 30.05.2019

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

To The Members of Mega Corporation Limited

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT
PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

In Compliance with Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Surendra Chhalani, Director & CFO of the Company, hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct formulated by the Company for the financial year ended March 31, 2019 and there is no non-compliance thereof during the period under review.

For MEGA CORPORATION LIMITED

**Sd/-
(Surendra Chhalani)
Director and CFO
DIN: 00002747**

**Place: New Delhi
Date : 30.05.2019**

House No. 246, Sector 31, Faridabad- 121003

CEO / CFO Certification

The Board of Directors
Mega Corporation Limited
108, First Floor, Taimoor Nagar,
Opp. New Friends Colony, New Delhi 110025

I Surendra Chhalani, Chief Financial Officer of Mega Corporation Limited to the best of my knowledge and belief, certify that:

- A.** We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2019 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit committee;
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date: 30.05.2019

Sd/-
Surendra Chhalani
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MEGA CORPORATION LIMITED
Report on the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of Mega Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including summary of the 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 as amended ("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, 2019, its profit and its cash flows for the year ended on that date.

BASIS OF OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Litigation Matters

- a) The Company has open legal proceeding before Hon'ble Supreme Court of India relating to demand of income tax by Income Tax Department relating to AY 2006-07.
- b) The Company has disputed demand of Customs Duty in respect of passenger aircraft owned by it by Customs Department. Though the Company had deposited demanded Custom Duty under protest during previous years but it has contested the levy of same before appropriate appellate authorities which is pending for final adjudication.

As the outcome of above legal proceedings is uncertain and management judgement regarding recognition and measurement of required provision might change over time as the outcome of these proceedings determined.

Our Audit procedures included and were not limited to the following:

- Assessing management's position through discussions with the concerned officials of the Company and external legal experts hired by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss.
- Discussion with the management on the development in these litigations during the year ended March 31, 2019.
- Review of the disclosures made by the Company in the financial statements in this regard.
- Obtained representation letter from the management on the assessment of these matters.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do 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 and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 implementation and maintenance of 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. Those 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 Standalone 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 Act, 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 Standalone Financial Statements, including the disclosures, and whether the Standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

As required by Section 143(3) of the Act, based on our audit 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 Statement of Cash Flow Statement dealt with by this Report are in agreement with the relevant 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) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigation on its financial position in its Standalone Financial Statements. (refer to Note 24 to the financial statements)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For VIRENDRA PRADEEP & CO

Chartered Accountants

Firm's Registration No. 007409N

Sd/-

(Pradeep Kumar Agarwal)

Prop.

M. No. 085534

Place: Delhi

Date: 30-05-2019

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Mega Corporation Limited)

We report that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification of its fixed assets by which fixed assets have been verified during the year and no material discrepancies were noticed on such verification. In our opinion periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
 - c) According to the Information and explanations given to us and on the basis of our examination of the records of the company, the Company does not own any immovable property. Other fixed assets are held in the name of the company.
- ii) The company is a service company, primarily rendering financing services and Air Charter Services. Accordingly, it does not hold any physical inventories. Accordingly, the provisions of paragraph 3(ii) of the Order are not applicable to the company.
- iii) The company has granted loans to four companies & one LLP covered in the register maintained under section 189 of the Companies Act 2013 ('the Act').
 - a) In our opinion the rate of interest and other terms and conditions on which the loans had been granted to the companies & LLP listed in the register maintained under section 189 of the act were not, prima facie, prejudicial to the interest of the company.
 - b) In the case of the loans granted to the companies & LLP listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest stipulated.
 - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us the company has complied with the provisions of section 185 and 186 of act, with respect to the loans and investments made.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the rules framed there under during the year, Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the company.
- vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- vii) a) According to the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, value added tax, service tax, duty of customs, duty of excise and any other material statutory dues with the appropriate authorities.

According to information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax and other material statutory dues were in arrears as at 31 March, 2019 for a period of more than six months from the date they become payable.

b) According to information and explanations given to us and the records of the company examined by us, there are no statutory dues of sales tax, duty of excise, service tax, value added tax and duty of customs which have not been deposited with the appropriate authority on account of any dispute.

The following dues of income tax, have not been deposited by the company on account of dispute:

| Name of Statute | Nature of Dues | Amount Rs. in Lacs | Forum where dispute is pending |
|------------------------|-----------------------|---------------------------|---|
| Income Tax Act | Demand for AY 2006-07 | 396.57 | Matter is pending for adjudication before Supreme Court |

- viii) Based upon the audit procedure performed and information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) or term loan during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

- x) Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the act, wherever required.
- xii) To the best of our knowledge and according to the information and explanations given to us, The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) To the best of our knowledge and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of share or fully or partly convertible debenture during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is duly registered with Reserve Bank of India as NBFC under section 45-IA of the Reserve Bank of India Act, 1934.

For VIRENDRA PRADEEP & CO
Chartered Accountants
Firm's Registration No. 007409N

Sd/-
(PRADEEP KUMAR AGARWAL)
Prop.
M. No. 085534
Place: Delhi
Date: 30-05-2019

Annexure 'B' referred to in Independent Auditor's Report of even date to the members of Mega Corporation Limited ("the Company") on the Standalone Financial Statements or the year ended March 31, 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Mega Corporation Limited ("the Company") as of March 31, 2019 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

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 Companies Act, 2013.

AUDITORS' RESPONSIBILITY

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, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, 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 ICAI. 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

In our opinion, the Company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For VIRENDRA PRADEEP & CO**Chartered Accountants****Firm's Registration No. 007409N****Sd/-****(PRADEEP KUMARAGARWAL)****Prop.****M. No. 085534****Place: Delhi****Date: 30-05-2019**

BALANCE SHEET AS AT MARCH 31, 2019

(Amount in INR)

| Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------|--------------|-------------------------|-------------------------|
| Equity and Liabilities | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 100,000,000 | 100,000,000 |
| Reserves and Surplus | 4 | 143,242,390 | 142,349,200 |
| | | 243,242,390 | 242,349,200 |
| Non-Current Liabilities | | | |
| Other Long Term Liabilities | 5 | 30,450,652 | 30,450,652 |
| Long-Term Provisions | 6 | 780,840 | 751,025 |
| | | 31,231,492 | 31,201,677 |
| Current Liabilities | | | |
| Short-Term Borrowings | 7 | 82,044,895 | 86,481,180 |
| Other Current Liabilities | 8 | 570,402 | 23,524,896 |
| Short-Term Provisions | 9 | 701,086 | 769,282 |
| | | 83,316,383 | 110,775,358 |
| | TOTAL | 357,790,265 | 384,326,234 |
| Assets | | | |
| Non-Current Assets | | | |
| Fixed Assets - Tangible Assets | 10 | 42,651,913 | 47,080,886 |
| Non-Current Investments | 11 | 77,380,515 | 77,380,515 |
| Deferred Tax Assets (Net) | 12 | 5,796,798 | 4,938,377 |
| Long-Term Loans and Advances | 13 | 3,020,968 | 3,014,276 |
| Other Non-Current Assets | 14 | 1,522,050 | 1,443,039 |
| | | 130,372,244 | 133,857,093 |
| Current Assets | | | |
| Trade Receivable | 15 | 708,000 | 0 |
| Cash and Cash Equivalents | 16 | 2,422,872 | 851,093 |
| Short-Term Loans and Advances | 17 | | |
| (a) Financial Activity | | 175,271,470 | 192,320,503 |
| (b) Others | | 49,015,679 | 57,297,545 |
| | | 227,418,021 | 250,469,141 |
| | TOTAL | 357,790,265 | 384,326,234 |

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Virendra Pradeep & Co
Chartered Accountants
Registration No.: 007409N

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2019

Sd/-
Surendra Chhalani
(Director & CFO)
DIN : 00002747

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Sanjay Kumar Sharma
(Company Secretary)
M. No. 7311

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in INR)

| Particulars | Note No. | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|----------|--------------------------------------|--------------------------------------|
| INCOME: | | | |
| Revenue from Operations | 18 | 21,711,245 | 22,326,746 |
| Other Income | 19 | 2,808,249 | 170,723 |
| Total Revenue | | <u>24,519,494</u> | <u>22,497,469</u> |
| EXPENSES: | | | |
| Loss From Future Option Trade | 20 | 0 | 25,471,725 |
| Interest and Finance Costs | 21 | 12,720,535 | 9,988,579 |
| Employee Benefits Expense | 22 | 4,833,810 | 3,983,084 |
| Other Expenses | 23 | 3,253,405 | 4,855,102 |
| Depreciation and Amortization | | 3,676,974 | 3,672,932 |
| Total Expenses | | <u>24,484,724</u> | <u>47,971,422</u> |
| Profit From Operation Before Tax : | | 34,770 | (25,473,953) |
| Tax Expenses: | | | |
| - Earlier Years | | 0 | 23,003 |
| - Current Year (MAT) | 6,692 | | 0 |
| - MAT Credit allowed | (6,692) | | 0 |
| - Deferred Tax | | (858,421) | 3,318,012 |
| Net Profit/(Loss) for the Year | | <u>893,191</u> | <u>(28,814,968)</u> |
| Earning Per Equity Share: | | | |
| Basic & Diluted (in Rupees) | | 0.01 | (0.29) |
| Face Value per Share (in Rupees) | | 1 | 1 |

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Virendra Pradeep & Co
Chartered Accountants
Registration No.: 007409N

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2019

Sd/-
Surendra Chhalani
(Director & CFO)
DIN : 00002747

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Sanjay Kumar Sharma
(Company Secretary)
M. No. 7311

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Amount in INR)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit / (Loss) Before Tax | 34,770 | (25,473,953) |
| Adjustment for : | | |
| Depreciation and Amortisation | 3,676,974 | 3,672,932 |
| Interest Income | (21,111,245) | (21,726,746) |
| Loss/(Profit) on sale of Fixed assets | (3,001) | 0 |
| Interest and Finance charges | 12,717,290 | 9,979,735 |
| Operating Profit before change in Working Capital | (4,685,212) | (33,548,032) |
| Adjustment for changes in working capital : | | |
| Increase/ (Decrease) in Other Long Term Liabilities | 0 | 0 |
| (Increase) / Decrease in Trade Receivables | (708,000) | 562,500 |
| Increase/ (Decrease) in Short-Term Borrowings | (4,436,285) | 38,469,734 |
| Increase/ (Decrease) in Other Current Liabilities | (22,954,494) | 23,209,767 |
| (Increase)/ Decrease in Short-Term Loans and Advances | 25,330,899 | (28,996,019) |
| (Increase)/ Decrease in Short-Term Provisions | (68,196) | (940,603) |
| | (2,836,075) | 32,305,379 |
| Cash Generated From Operations | (7,521,287) | (1,242,653) |
| Adjustment for :- | | |
| Income Tax Deposit | (6,692) | (23,003) |
| Interest Paid | (12,717,290) | (9,979,732) |
| Net Cash Flow From Operating activities (A) | (20,245,270) | (11,245,387) |
| B. Cash Flow from Investing Activities | | |
| Interest Income | 21,111,245 | 21,726,746 |
| Purchase of Tangible Assets | 0 | (930,844) |
| Proceeds from sale of Fixed assets | 755,000 | 0 |
| Purchase of Investments | 0 | (10,069,754) |
| Proceeds from Other Non-Current Assets | (79,011) | (72,781) |
| Net Cash Flow from Investing Activities (B) | 21,787,234 | 10,653,368 |
| C. Cash Flow from Financing Activities | | |
| Repayment of Long-Term Provisions | 29,815 | 102,358 |
| Net Cash Flow from Financing Activities (C) | 29,815 | 102,358 |
| Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C) | 1,571,779 | (489,662) |
| Cash and Cash Equivalents as at beginning of the year (E) | 851,093 | 1,340,755 |
| Cash and Cash Equivalents as at the end of the year (D + E) | 2,422,872 | 851,093 |

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Virendra Pradeep & Co
Chartered Accountants
Registration No.: 007409N

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2019

Sd/-
Surendra Chhalani
(Director & CFO)
DIN : 00002747

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Sanjay Kumar Sharma
(Company Secretary)
M. No. 7311

1. Corporate Information:

Mega Corporation Limited (the company) is a public limited company domiciled in India and was incorporated under the provisions of the Indian Companies Act, 1956. Company's Shares are listed on Bombay Stock Exchanges and Delhi Stock Exchange. The Company is Non Systemically Important Non Deposit Accepting Non-Banking Financial Company ("NBFC") holding a certificate of registration from Reserve Bank of India ("RBI") and has been engaged in Finance and Investments Business. The Company is also engaged in providing Air Charter Services and presently owns one small passenger aircraft.

2. Significant Accounting Policies:

a) Basis of Accounting:

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standard notified under the relevant provisions of the Companies Act, 2013. The Company has prepared these financial statements to comply in all material respects with the Companies (Account) Rules, 2014 and the relevant provisions of the Companies Act, 2013. Further, the company follows the Reserve Bank of India (RBI) direction issued for Non-Banking Financial Companies (NBFC). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of these financial statements are consistent with those of previous year.

b) Use of Estimates:

The presentation of financial statements in conformity with the generally accepted accounting principles requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

c) Revenue Recognition:

Revenue from operations and other income are recognized in accordance with Accounting Standard (AS-9). Accordingly wherever there are uncertainties in the ascertainment or realization of income, the same is not accounted for.

The revenue and expenditure related to Air Charter Services and Financing Services are accounted ongoing concern basis.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable, except that no income is recognized on non-performing assets as per the prudential norms for income recognition issued by the RBI for NBFCs. Interest income on such assets is recognized on receipt basis. Other receipts / incomes are recognised when the right to receive the same is established, i.e. accrual basis.

d) Provision for Standard assets

The Company makes "Contingent Provision Against Standard Assets" as prudential norms prescribed by the RBI.

e) Tangible Fixed Assets:

Expenditure, which are of capital nature, are capitalised at acquisition cost, which comprises net purchases price (net of rebates and discounts), levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

f) Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Amortisation is done on straight line basis. Software is amortized on straight line basis over the useful life of the asset or five years whichever is earlier.

g) Depreciation on Tangible Fixed Assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on Tangible Fixed Assets has been provided to the extent of depreciable amount on Written Down Value (WDV) Method as per useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except that Commercial Aircraft has been depreciated on the basis of Straight Line Method at the rates calculated on the basis of expected useful life of the said assets.

Tangible Fixed Assets costing below Rs.5000/- fully depreciated in the year of acquisition.

Estimated useful life considered by the company are:

| Asset | Estimated Useful Life | As per Schedule II |
|---------------------|-----------------------|--------------------|
| Furniture & Fixture | 10 Years | 10 Years |
| Office Equipment | 5 Years | 5 Years |
| Computer Equipment | 3 Years | 3 Years |
| Vehicle | 8 Years | 8 Years |
| Aircraft | 10 Years | 20 Years |

h) Leases

Leases are classified as operating leases where significant portion of risks and reward of ownership of assets acquired under lease is retained by the lessor.

Assets given on operating lease are capitalised at cost. Rentals received or receivable by the Company are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, provided recovery is certain.

Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

i) Impairment of Assets:

The carrying value of intangible assets is reviewed for impairment at each Balance Sheet date to ascertain if there is any indication of impairment based on internal / external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

j) Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

k) Investments:

Investments are classified into non-current and current investments.

• Current Investments

Investments, which are readily realizable and intended to be held not more than one year from the date on which such was made, are classified as current investments.

• Non-Current Investments

All other investments are classified as non-current investments. Non trade and unquoted non-current investments are stated at cost and quoted non-current investments at lower of cost or market value. Provision for diminution in the value of quoted non-current investment is made only if such a decline is other than temporary in the opinion of management.

Unquoted investments in subsidiaries / associates companies are non-current and valued at cost. No loss is recognized in the fall in their net worth, if any, unless there are permanent fall in their value.

l) Foreign Currency Transactions:

All income and expenditure items are accounted for on the basis of exchange rate prevailing on the date of transaction. The net exchange difference arising from realization of foreign currency and transaction amount has been dealt with in the statement of profit and loss and capitalized where it relates to fixed assets. Current Assets and Current Liabilities in foreign currency are accounted for at the rate prevailing as on the date of Balance Sheet.

m) Employees Benefits:

The liability for Gratuity is provided on the basis of Valuation carried out at the end of each financial year internally by the Company.

Retirement benefits in the form of contribution to Provident Fund are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due. Leave Encashment Benefit is accounted for on basis of valuation made at the end of each financial year by the Company.

n) Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date

o) GST/Service Tax Input Credit

GST/Service Tax Input Credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty is availing/utilizing the credits.

p) Borrowing Costs:

Borrowing costs that are allocated to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

q) Business segment

The company's reportable segments consist of "Financing/Investment Activity" and "Aircraft Services". The "Financing/Investment Activity" segment consists of asset financing, term loan and corporate investments and "Aircraft Services" includes leasing of Aircraft.

r) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

s) Earnings per Share

Basic earnings per share is 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

(Amount in INR)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| 3. Share Capital | | |
| Authorised | | |
| 30,00,00,000 (30,00,00,000) Equity Shares of Rs.1/- each | <u>300,000,000</u> | <u>300,000,000</u> |
| Issued, Subscribed and Paid Up | | |
| 10,00,00,000 (10,00,00,000) Equity Shares of Rs.1/- each fully paid up | <u>100,000,000</u> | <u>100,000,000</u> |

a) Reconciliation of shares outstanding at beginning and at end of the year

During the current year and in the previous year, there have been no movements in the number of equity shares outstanding.

(Amount in INR)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

b) Terms / Rights attached to Equity Shares

The Company has only one class of share having a par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2019, the Company has not declared any dividend.

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

c) Details of shareholders holding more than 5% shares in the Company

| Name | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|---------------|----------------------|---------------|
| | No. of Shares | % Shares Held | No. of Shares | % Shares Held |
| Vimi Investments & Finance Private Limited | 46,573,000 | 46.57% | 46,573,000 | 46.57% |

4. Reserves and Surplus**(a) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934**

| | | |
|--|------------------|------------------|
| Opening Balance | 1,710,888 | 1,710,888 |
| Add : Transfer from Surplus in the Statement of Profit and Loss (Ref : Note below) | 178,638 | 0 |
| Closing Balance | 1,889,526 | 1,710,888 |

(b) Surplus /(Deficit) in the Statement of Profit and Loss

| | | |
|---|--------------------|--------------------|
| Opening Balance | 140,638,312 | 169,453,280 |
| Add : Profit / (Loss) for the year | 893,191 | (28,814,968) |
| Amount available for appropriations | 141,531,502 | 140,638,312 |
| Less : appropriations | | |
| - Transfer to Statutory Reserve A/C for YE 31-03-2019 | 178,638 | 0 |
| Closing Balance | 141,352,864 | 140,638,312 |
| Total - Reserve and Surplus | 143,242,390 | 142,349,200 |

Note:

Rs. 1,78,638 (P.Y - NIL) to Statutory reserve as prescribed by section 45- IC of the RBI Act, 1934 being 20% of profit after taxes for the year ended 31 march 2019.

5. Other Long Term Liabilities

| | | |
|--|-------------------|-------------------|
| Security Deposit Against Dry Lease of Aircraft | 30,450,652 | 30,450,652 |
| | 30,450,652 | 30,450,652 |

6. Long-Term Provisions

| | | |
|---------------------------------|----------------|----------------|
| Provision for Employee Benefits | | |
| - Gratuity | 707,019 | 600,000 |
| - Leave Encashment | 73,821 | 151,025 |
| | 780,840 | 751,025 |

7. Short-Term Borrowings

| | | |
|---------------------------------|----------|----------|
| (a) Secured - Term Loans | 0 | 0 |
|---------------------------------|----------|----------|

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| (b) Other unsecured Loans and advances | | |
| - Inter corporate Deposits from Related Parties | 40,492,268 | 34,534,431 |
| - Inter corporate Deposits from Others | 41,552,627 | 51,946,749 |
| | 82,044,895 | 86,481,180 |
| 8. Other Current Liabilities | | |
| Sundry Creditors | 0 | 22,253,894 |
| Salaries and other employee benefits | 240,400 | 585,200 |
| Expenses Payable | 155,442 | 307,536 |
| GST/ Dvat Payable | 4,500 | 96,650 |
| EPF Payable | 7,864 | 4,175 |
| TDS Payable | 162,196 | 277,441 |
| | 570,402 | 23,524,896 |
| 9. Short Term Provisions | | |
| Contingent Provision against Standard Assets | 701,086 | 769,282 |
| | 701,086 | 769,282 |
| 10. Tangible Assets | | |

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|---------------------|--------------------------------|---------------------------|---------------------|---------------------|---------------------------|------------------|---------------------|---------------------|---------------------|
| | As at 01.04.2018 | Addition during the Year | Deduction & Adjustment | As at 31.03.2019 | As at 01.04.2018 | Deduction & Adjustment | For the Year | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Air Craft - Commercial | 125,573,210 | - | - | 125,573,210 | 79,588,796 | - | 3,497,402 | 83,086,198 | 42,487,012 | 45,984,414 |
| Computer System | 51,500 | - | - | 51,500 | 48,925 | - | - | 48,925 | 2,575 | 2,575 |
| Furniture and Fixtures | 912,544 | - | 903,944 | 8,600 | 63,711 | 151,945 | 94,911 | 6,677 | 1,923 | 8,48,833 |
| Vehicles | 1,249,894 | - | - | 1,249,894 | 10,29,631 | - | 74,394 | 11,04,025 | 1,45,869 | 2,20,263 |
| Office Equipments | 67,300 | - | - | 67,300 | 42,499 | - | 10,267 | 52,766 | 14,534 | 24,801 |
| Total | 127,854,448 | - | 903,944 | 126,950,504 | 80,773,563 | 151,945 | 3,676,974 | 84,298,592 | 42,651,913 | 47,080,886 |
| Previous Year | 126,923,604 | 930,844 | - | 127,854,448 | 77,100,630 | - | 3,672,932 | 80,773,563 | 47,080,886 | 49,822,974 |

11. Non-Current Investments**Trade Investments (valued at cost unless stated otherwise)****Unquoted Equity Instruments****Investment in Subsidiaries**

59,99,300 (59,99,300) Equity Shares of Rs. 10/- each fully paid up of Mega Airways Limited

59,993,000 59,993,000

Investment in Associates

1,50,000 (1,50,000) Equity Shares of Rs. 10/- each fully paid up of Anand Power Limited

1,500,000 1,500,000

37,500 (37,500) Equity Shares of Rs. 10/- each fully paid up of Plasopan Engineers (I) Private Limited

375,000 375,000

62,000 (62,000) Equity Shares of Rs. 10/- each fully paid up of Mediaware Infotech Private Limited

3,418,525 3,418,525

10,39,999 (10,39,999) Equity Shares of Rs. 10/- each fully paid up of Britonna Hotel & Yacht Club Pvt Ltd

10,399,990 10,399,990

75,686,515 75,686,515

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| Other Investment (valued at cost unless stated otherwise) | | |
| Quoted Equity Instruments | | |
| 110 (110) Equity Shares of Rs. 2/- each fully paid up of Tata Motors Limited | 24,236 | 24,236 |
| | <u>24,236</u> | <u>24,236</u> |
| Other Investments | | |
| Acrylicon Canvas | 1,568,000 | 1,568,000 |
| Silver Aarti Thali | 101,764 | 101,764 |
| | <u>1,669,764</u> | <u>1,669,764</u> |
| | <u>77,380,515</u> | <u>77,380,515</u> |
| Aggregate amount of Quoted Investments | 24,236 | 24,236 |
| Aggregate Market value of Quoted Investments | 19,228 | 35,954 |
| Aggregate amount of Unquoted Investments | 75,686,515 | 75,686,515 |
| Aggregate Provision for Diminution in the value of Investments | 0 | 0 |
| 12. Deferred Tax Assets (Net) | | |
| Deferred Tax Assets : | | |
| Impact of expenses charges to the Statement of Profit and Loss in the current financial year but allowed for tax purpose on payment basis | | |
| Provision for Gratuity | 183,825 | 154,500 |
| Provision for Leave Encashment | 19,193 | 38,889 |
| Others - Unabsorbed Depreciation | 16,065,884 | 15,911,405 |
| | <u>16,268,903</u> | <u>16,104,794</u> |
| Deferred Tax Liabilities : | | |
| Fixed Assets: Impact of difference between book and tax depreciation | 10,472,105 | 11,166,416 |
| | <u>10,472,105</u> | <u>11,166,416</u> |
| | <u>5,796,798</u> | <u>4,938,377</u> |
| 13. Long-Term Loans and Advances | | |
| MAT Credit Carried Forward | 3,020,968 | 3,014,276 |
| | <u>3,020,968</u> | <u>3,014,276</u> |
| 14. Other Non-Current Assets | | |
| Fixed Deposits with original maturity more than twelve month | 1,522,050 | 1,443,039 |
| | <u>1,522,050</u> | <u>1,443,039</u> |
| 15. Trade Receivable (Unsecured) | | |
| Outstanding for a period exceeding six months (Considered good) | 354,000 | 0 |
| Other receivables (Considered good) | 354,000 | 0 |
| | <u>708,000</u> | <u>0</u> |
| 16. Cash and Cash Equivalent | | |
| Balances with Scheduled Banks in Current Accounts | 1,679,730 | 824,832 |
| Cash on Hand (as certified by the management) | 743,142 | 26,261 |
| | <u>2,422,872</u> | <u>851,093</u> |

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| 17. Short-Term Loans and Advances | | |
| (a) Unsecured Loans - Financing Activity | | |
| (i) Considered Good | 175,271,470 | 192,320,503 |
| (ii) Considered Doubtful | 0 | 0 |
| Total (A) | 175,271,470 | 192,320,503 |
| (b) Short-Term Loans and Advances - Others (Unsecured, considered good) | | |
| Advance Against Property purchase | 0 | 10,000,000 |
| Security Deposits | 692,117 | 692,117 |
| Income Tax Deposit against Disputed Demand | 1,409,890 | 1,409,890 |
| Custom Duty Deposit under Protest | 23,682,303 | 23,682,303 |
| Insurance Claim Receivable | 17,508,881 | 17,508,881 |
| Income Tax Refundable | 3,107,938 | 1,272,807 |
| Advance Income Tax/TDS | 1,980,083 | 1,911,252 |
| Prepaid Expenses | 27,433 | 29,925 |
| Other Loan & Advance | 1,000 | 16,068 |
| GST/ Service Tax Cenvat | 606,034 | 774,302 |
| Total (B) | 49,015,679 | 57,297,545 |
| 18. Revenue from Operations | | |
| Interest Receipts on unsecured loan | 21,111,245 | 21,726,746 |
| Aircraft Lease Rental | 600,000 | 600,000 |
| | 21,711,245 | 22,326,746 |
| 19. Other Income | | |
| Liabilities Written Back | 2,620,943 | 0 |
| Interest Receipts on FDR | 122,101 | 170,469 |
| Profit on sale of Assets | 3,001 | 0 |
| Leave Salary Provision Reversed | 62,204 | 0 |
| Misc. Income | 0 | 254 |
| | 2,808,249 | 170,723 |
| 20. Loss From Future Option Trade | | |
| Future Option Trade Loss | 0 | 25,471,725 |
| | 0 | 25,471,725 |
| 21. Interest and Finance Costs | | |
| Interest | 12,717,290 | 9,979,735 |
| Bank Charges | 3,245 | 8,844 |
| | 12,720,535 | 9,988,579 |

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| 22. Employee Benefits Expenses | | |
| Salaries and Allowances | 2,618,246 | 1,998,384 |
| Directors Remuneration | 2,102,600 | 1,877,850 |
| Staff Welfare | 5,945 | 892 |
| Gratuity Expense | 107,019 | 30,000 |
| Leave Encashment | 0 | 75,958 |
| | 4,833,810 | 3,983,084 |
| 23. Other Expenses | | |
| Advertisement Expenses | 110,227 | 140,813 |
| Auditors Remuneration | 122,600 | 117,200 |
| Books and Periodicals | 10,290 | 10,125 |
| Contingent Provision Against Standard Assets | (68,196) | 367,411 |
| Conveyance Expenses | 34,143 | 75,417 |
| Commission Exp | 0 | 7,500 |
| Director Sitting Fees | 15,000 | 30,000 |
| Electricity & Water Exp | 54,853 | 9,847 |
| Fees and Subscription | 426,913 | 460,730 |
| Filing Fees | 4,800 | 13,300 |
| General Expenses | 31,442 | 203,384 |
| Insurance | 30,742 | 34,244 |
| Legal and Professional Charges | 1,319,127 | 1,999,900 |
| Meeting (AGM) Expenses | 72,000 | 161,595 |
| Postage and Telegram | 33,285 | 124,105 |
| Printing and Stationery | 49,368 | 115,197 |
| Rent Paid | 576,000 | 508,500 |
| Repair and Maintenance | 4,496 | 4,000 |
| Telephone and Mobile Expenses | 24,636 | 37,342 |
| GST Exp | 11,626 | 0 |
| Travelling Expenses | 43,163 | 138,319 |
| Vehicle running & maintenance Expenses | 346,890 | 296,172 |
| | 3,253,405 | 4,855,102 |

24. Contingent Liabilities not provided for:

Claims not acknowledged by the company relating to cases contested by the Company and which are not likely to be devolved on the Company relating to following areas:

(Amount in Lacs)

| Particulars | As at 31-03-2019 | As at 31-03-2018 |
|--|------------------|------------------|
| Income Tax Matters* | 137.33 | 137.33 |
| Demand of Custom Duty on Import of Commercial Aircraft (Amount paid under protest Rs. 236.82 Lacs**) | 236.82 | 236.82 |

*The Income Tax Department had raised demand against the company for AY 2006-07 which was contested by the company before the appellate authorities. The appeal filed by the company with ITAT, Delhi Bench was decided in company's favour against which the Income Tax Department had filed appeal with Hon'ble Delhi High Court. Hon'ble Delhi High Court has ruled against the Company and has stayed the order of ITAT, Delhi. Consequently the demand raised by the Income Tax Department for AY 2006-07 has been revived. The company had filed Special Leave Petition with Hon'ble Supreme Court of India against the order of Delhi High Court which has been admitted by Hon'ble Supreme Court. The management of the company has been advised by the legal experts that the order passed by the Hon'ble Delhi High Court is factually incorrect and shall not be tenable before the Hon'ble Supreme Court. Therefore in the opinion of the management of the company there will be no liability for tax payment.

**The Company has deposited a sum of Rs. 236.82 Lacs as additional Custom Duty on Import of Aircraft in FY 2007-08. Though the Company had disputed the said demand but had deposited the said amount in FY 2008-09 under protest to safeguard its business interest. The matter is still pending for disposal before the Customs Authorities. The Company has been advised that the contention of the Customs Authorities is not tenable hence there shall be no liability for payment of additional customs duty

25. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for amounts to Rs. NIL (Previous Year: Rs. 1.75 Crore).

26. The Company has initiated the process of amalgamation of its Subsidiary i.e. Mega Airways Limited with itself in terms of "scheme of amalgamation" approved by the Board of Directors of both the Companies. The Company, being a listed company and RBI registered NBFC, had obtained 'No Objection Certificates' from Bombay Stock Exchange and RBI as well in respect of the aforesaid Scheme of Amalgamation. The Company's applications for process of amalgamation are still under consideration of Hon'ble National Company Law Tribunal New Delhi.
27. The Board has certified that all the income accrued to the Company has been taken into consideration and belong entirely and exclusively to the business of the Company.
28. In the opinion of Board of Directors the "Current / Non-Current Assets" have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet, except the amount of Insurance Claim Receivable out came of which shall depend on acceptance of claim by the Insurer.
29. Balances of Debtors, Creditors, Loans and Advances and Unsecured Loans are subject to confirmation and reconciliation adjustment, if any.
30. The amount of Insurance Claim amounting to Rs. 175.08 Lacs shown under the Schedule "Short Term Loans and Advances" is subject to final approval of the claim by the concerned Insurance Company.
31. The Company has not carried on Air Charter Services during the year on its own and has given its Aircraft on dry lease basis to other parties for operating the same.
32. The Company has Made "Contingent Provision against Standard Assets" of @ 0.40% of Standard Assets as of March 31, 2019 as specified by RBI Notification No. DNBS.223/ CGM(US)-2011 dated January 17, 2011.
33. In the absence of receipt of information regarding small scale industrial status from the parties, the details of names of Small Scale Industrial Undertakings to which the company owe any sum together with interest outstanding for more than 30 days could not be ascertained.

34. Movement in Contingent Provisions against Standard assets during the year as Under:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|--|--------------------|---------------------|
| Opening Balance | 7,69,282 | 4,01,871 |
| Add : Addition during the year | NIL | 3,67,411 |
| Less : Utilised/Reversed during the year | (68,196) | NIL |
| Closing Balance | 7,01,086 | 7,69,282 |

35. Foreign Exchange Earned and Used:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|-------------------------|--------------------|---------------------|
| Foreign Exchange Earned | NIL | NIL |
| Foreign Exchange Used | NIL | NIL |

36. Auditors Remuneration (Excluding Service Tax / Cess):

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|---------------------------|--------------------|---------------------|
| Statutory Auditor's Fee | 70,000 | 70,000 |
| Secretarial Auditor's Fee | 25,000 | 25,000 |
| Internal Auditor's Fee | 15,000 | 15,000 |

37. Payments to Whole Time and other Directors:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|--|--------------------|---------------------|
| <u>Whole Time Directors:</u> | | |
| Basic Salary | 12,99,000 | 11,86,500 |
| HRA and Other Allowances | 8,03,600 | 6,91,350 |
| Total | 21,02,600 | 18,77,850 |
| The Managerial Remuneration as computed above does not include the liability in respect of leave salary and gratuity accrued | | |

38. Segment Reporting:**Identification of Segments****Primary Segment:**

Business Segment: The Company's operating businesses are organised and managed separately according to the nature of operations with each segment representing a strategic business unit that carries out different operations. The Company has two identified segments comprising of Aircraft Charter Services and Finance & Investments.

Secondary Segment:

Geographical Segment: The Company does not have any identified segment on the basis of geographical locations as company's operations are mainly confined to single location.

Unallocable Items

Corporate income, expenses, capital and reserves are considered as part of unallocable items which are not identifiable to any business segment.

Primary Business Segments

Segment Revenues, Results and other information

| Particulars | Finance / Investment | Aircraft Services | Total Amount in Rs. |
|---|----------------------|--------------------|---------------------|
| Revenue | 2,11,11,245 | 6,00,000 | 2,17,11,245 |
| Identified Operating Exp. | 1,77,30,672 | 34,97,402 | 2,12,28,074 |
| Profit/(Loss) before Interest and Tax | 33,80,573 | (28,97,402) | 4,83,171 |
| Less : Other Expenses net of Income (unallocable) | | | 4,48,401 |
| Net Loss before Tax | | | 34,770 |
| Less : Income Tax and other Taxes | | | (8,58,421) |
| Net Loss after Tax | | | 8,93,191 |
| Segment Assets | 26,76,13,446 | 9,01,76,819 | 35,77,90,265 |
| Segment Liabilities | 8,40,97,223 | 3,04,50,652 | 11,45,47,875 |
| Capital Employed (Assets - Liabilities) | 18,35,16,223 | 5,97,26,167 | 24,32,42,390 |
| Depreciation | 1,79,572 | 34,97,402 | 36,76,974 |

39. **Related Parties Disclosures:** Disclosures in respect of Related Parties as defined in Accounting Standard (AS) 18, with whom transactions were carried out in the ordinary course of business during the year as given below:

Related Parties and their Relationship:

a) **Subsidiary Company:** Mega Airways Limited

b) **Directors, Key Management Persons (KMP) and their Relative:**

Directors:- Mr. Surendra Chhalani, Mr. H. M. Lalani, Mr. Kunal Lalani, Mr. Sachin Mehra, Mr. Shurab Kumar, Ms. Anisha Anand and Mr. Nav Ratan Baid

KMP :- Mr. Sanjay Kumar Sharma, Mrs. Swati Kapoor

Relatives:- Mrs. Kiran Chhalani

Other Related Parties where common control exists and with whom the company had transactions during the year: Crayons Advertising Pvt Ltd, Sahyog Properties Pvt Ltd, Mega Cabs Pvt Ltd, Britonna Hotel & Yatch club Pvt Ltd, Sanya Resorts & Hospitality Private Limited, Indication Instruments Ltd, Ultraviolet Digital Solutions LLP, Vimi Investments & Finance Pvt Ltd, Mega Luxuries & Hotel LLP, Bangluru Mega Cabs Pvt Ltd and Omni Media Communications Private Limited

Transactions with Related parties

(Amount in INR Lakh)

| Nature of transactions | Subsidiaries | | KMP and their Relatives | | Associates | | Total | |
|--|--------------|--------|-------------------------|-------|------------|---------|--------|---------|
| | C.Y. | P.Y. | C.Y. | P.Y. | C.Y. | P.Y. | C.Y. | P.Y. |
| Interest Paid | 0.00 | 0.00 | 0.00 | 0.00 | 32.45 | 52.26 | 32.45 | 52.26 |
| Interest Received | 0.00 | 0.00 | 0.00 | 0.00 | 23.74 | 56.66 | 23.74 | 56.66 |
| Rent Paid | 0.00 | 0.00 | 3.96 | 3.96 | 0.00 | 0.00 | 3.96 | 3.96 |
| Directors' Remuneration | 0.00 | 0.00 | 21.03 | 18.78 | 0.00 | 0.00 | 21.03 | 18.78 |
| Director Sitting Fees | 0.00 | 0.00 | 0.15 | 0.00 | 0.00 | 0.00 | 0.15 | 0.00 |
| Advertising Charges | 0.00 | 0.00 | 0.00 | 0.00 | 1.10 | 0.00 | 1.10 | 0.00 |
| Furniture Sold | 0.00 | 0.00 | 0.00 | 0.00 | 7.55 | 0.00 | 7.55 | 0.00 |
| CS Remuneration | 0.00 | 0.00 | 12.24 | 0.00 | 0.00 | 0.00 | 12.24 | 0.00 |
| Loans and Advances Given | 0.00 | 0.00 | 0.00 | 0.00 | 725.38 | 549.00 | 725.38 | 549.00 |
| Loans and Advances Received Back | 0.00 | 0.00 | 0.00 | 0.00 | 649.38 | 1160.00 | 649.38 | 1160.00 |
| Loan Taken | 0.00 | 0.00 | 0.00 | 0.00 | 940.00 | 1112.50 | 940.00 | 1112.50 |
| Loan Returned | 0.00 | 0.00 | 0.00 | 0.00 | 872.00 | 1135.50 | 872.00 | 1135.50 |
| Shares Purchase | 0.00 | 0.00 | 20.00 | 0.00 | 50.00 | 204.00 | 70.00 | 204.00 |
| Shares Sold | 0.00 | 0.00 | 0.00 | 0.00 | 120.00 | 120.00 | 120.00 | 120.00 |
| Balance of Investments at the year end | 599.93 | 599.93 | 0.00 | 0.00 | 122.74 | 122.74 | 722.68 | 722.68 |

40. Earnings per Share (Basic and Diluted):

Basic and diluted earnings (loss) 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 share outstanding during the year as follows:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|---|--------------------|---------------------|
| Net profit after Tax as per Statement of Profit and Loss | 8,93,191 | (2,88,14,969) |
| Weighted average number of Shares outstanding during the year (Face value Rs. 1/- each) | 10,00,00,000 | 10,00,00,000 |
| Basic and Diluted Earnings per share | 0.01 | (0.29) |

41. Company, being RBI registered NBFC, is not required to disclose Information U/S 186(4) of the Companies Act, 2013 in respect of Loans given, Investments made or Guarantees given or Security provided.

42. Previous year figures have been regrouped, reworked and reclassified wherever necessary.

As per our Report of even date

For Virendra Pradeep & Co
Chartered Accountants
 Registration No.: 007409N

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
 Proprietor
 M. No. 085534
 Place: Delhi
 Dated: 30.05.2019

Sd/-
Surendra Chhalani
 (Director & CFO)
 DIN : 00002747

Sd/-
Kunal Lalani
 (Director)
 DIN : 00002756

Sd/-
Sanjay Kumar Sharma
 (Company Secretary)
 M. No. 7311

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MEGA CORPORATION LIMITED
Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of **Mega Corporation Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Litigation Matters

- a) The Company has open legal proceeding before Hon'ble Supreme Court of India relating to demand of income tax by Income Tax Department relating to AY 2006-07.
- b) The Company has disputed demand of Customs Duty in respect of passenger aircraft owned by it by Customs Department. Though the Company had deposited demanded Custom Duty under protest during previous years but it has contested the levy of the same before appropriate appellate authorities which is pending for final adjudication.

As the outcome of above legal proceedings is uncertain and management judgement regarding recognition and measurement of required provision might change over time as the outcome of these proceedings determined.

Our Audit procedures included and were not limited to the following:

- Assessing management's position through discussions with the concerned officials of the Company and external legal experts hired by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss.
- Discussion with the management on the development in these litigations during the year ended March 31, 2019.
- Review of the disclosures made by the Company in the financial statements in this regard.
- Obtained representation letter from the management on the assessment of these matters.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 consolidated 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 Consolidated 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 controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of subsidiary company (Mega Airways Limited), whose financial statements reflect total assets of Rs. 5.74 crore as at March 31, 2019, total revenues of Rs. NIL and net cash flows of Rs. 4.63 Lacs for the year then ended. These financial statements have been audited by other auditors whose report have been furnished to us and our opinion is based solely on the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h)** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- i. The Consolidated Financial Statements disclose the impact of pending litigation on the consolidated financial position of the group (refer to Note 24 to the consolidated financial statements).
 - ii. The Group 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 Holding Company and Subsidiary Company incorporated in India.

For VIRENDRA PRADEEP & CO
Chartered Accountants
Firm's Registration No. 007409N

Sd/-
(PRADEEP KUMAR AGARWAL)
Prop.
M. No. 085534
Place: Delhi
Date: 30-05-2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Mega Corporation Limited of even date)

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Mega Corporation Limited (hereinafter referred to as “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2019, based on the internal control over financial reporting criteria established by the respective companies 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 VIRENDRA PRADEEP & CO

Chartered Accountants

Firm's Registration No. 007409N

Sd/-

(PRADEEP KUMAR AGARWAL)

Prop.

M. No. 085534

Place: Delhi

Date: 30-05-2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(Amount in INR)

| Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------|----------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 100,000,000 | 100,000,000 |
| Reserves and Surplus | 3 | 140,634,419 | 140,016,298 |
| | | <u>240,634,419</u> | <u>240,016,298</u> |
| Minority Interest | | 6,698 | 6,730 |
| Non-Current Liabilities | | | |
| Other Long Term Liabilities | 4 | 30,450,652 | 30,450,652 |
| Long-Term Provisions | 5 | 780,840 | 751,025 |
| | | <u>31,231,492</u> | <u>31,201,677</u> |
| Current Liabilities | | | |
| Short-Term Borrowings | 6 | 82,044,895 | 86,481,180 |
| Other Current Liabilities | 7 | 600,302 | 23,544,896 |
| Short-Term Provisions | 8 | 701,086 | 769,282 |
| | | <u>83,346,282</u> | <u>110,795,358</u> |
| TOTAL | | <u>355,218,891</u> | <u>382,020,063</u> |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets - Tangible Assets | 9 | 42,651,912 | 47,080,885 |
| Non-Current Investments | 10 | 43,787,515 | 43,787,515 |
| Deferred Tax Assets (Net) | 11 | 5,796,798 | 4,938,377 |
| Long-Term Loans and Advances | 12 | 3,020,968 | 3,014,276 |
| Other Non-Current Assets | 13 | 2,477,893 | 2,627,534 |
| | | <u>97,735,087</u> | <u>101,448,588</u> |
| Current Assets | | | |
| Trade Receivables | 14 | 708,000 | 0 |
| Cash and Cash Equivalents | 15 | 2,670,312 | 941,033 |
| Short-Term Loans and Advances | 16 | 254,105,493 | 279,630,442 |
| | | <u>257,483,804</u> | <u>280,571,475</u> |
| TOTAL | | <u>355,218,891</u> | <u>382,020,063</u> |

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Virendra Pradeep & Co
Chartered Accountants
Registration No.: 007409N

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2019

Sd/-
Surendra Chhalani
(Director & CFO)
DIN : 00002747

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Sanjay Kumar Sharma
(Company Secretary)
M. No. 7311

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

| Particulars | Note No. | (Amount in INR) | |
|--|----------|--------------------------------------|--------------------------------------|
| | | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
| INCOME: | | | |
| Revenue from Operations | 17 | 21,711,245 | 22,326,746 |
| Other Income | 18 | 2,808,249 | 170,723 |
| Total Revenue | | 24,519,494 | 22,497,469 |
| EXPENSES: | | | |
| Loss From Future Option Trade | 19 | 0 | 25,471,725 |
| Employee Benefits Expense | 20 | 4,833,810 | 3,983,084 |
| Interest and Finance Costs | 21 | 12,720,535 | 9,988,579 |
| Depreciation and Amortization | 22 | 3,905,626 | 3,901,584 |
| Other Expenses | 23 | 3,299,855 | 4,879,561 |
| Total Expenses | | 24,759,826 | 48,224,533 |
| Profit From Operation Tax : | | (240,332) | (25,727,064) |
| Less: Tax Expenses: | | | |
| - Current Year /Earlier Years | | 6,692 | 23,003 |
| - Mat entitlement | | (6,692) | 0 |
| - Deferred Tax Charge / (Credit) | | (858,421) | 3,318,012 |
| Profit/(Loss) for the Year before adjustment of Minority Interest | | 618,089 | (29,068,080) |
| Less: Minority Interest | | (32) | (30) |
| Net Profit/(Loss) for the Year | | 618,121 | (29,068,050) |
| Earning Per Equity Share: | | | |
| Basic & Diluted Earning Per Share of Rs. 1/- each | | 0.01 | (0.29) |

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Virendra Pradeep & Co
Chartered Accountants
Registration No.: 007409N

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2019

Sd/-
Surendra Chhalani
(Director & CFO)
DIN : 00002747

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Sanjay Kumar Sharma
(Company Secretary)
M. No. 7311

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Amount in INR)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit / (Loss) Before Tax | (240,332) | (25,727,064) |
| Adjustment for : | | |
| Depreciation and Amortisation | 3,905,626 | 3,901,584 |
| Interest Income | (21,111,245) | (21,726,746) |
| Contingent Provision Against Standard Assets | (68,196) | 367,411 |
| Loss/(Profit) on sale of Fixed assets | (3,001) | |
| Interest and Finance charges | 12,717,290 | 9,979,735 |
| Operating Profit before change in Working Capital | (4,799,858) | (33,205,079) |
| Adjustment for changes in working capital : | | |
| Increase/ (Decrease) in Other Long Term Liabilities | 0 | 0 |
| (Increase)/ Decrease in Trade Receivables | (708,000) | 562,500 |
| Increase/ (Decrease) in Short-Term Borrowings | (4,436,285) | 38,469,734 |
| Increase/ (Decrease) in Other Current Liabilities | (22,944,594) | 23,204,243 |
| (Increase)/ Decrease in Short-Term Loans and Advances | 25,524,949 | (28,996,020) |
| | (2,563,930) | 33,240,456 |
| Cash Generated From Operations | (7,363,788) | 35,377 |
| Adjustment for :- | | |
| Income Tax Deposit | (6,692) | (1,331,012) |
| Interest Paid | (12,717,290) | (9,979,735) |
| Net Cash Flow From Operating activities (A) | (20,087,770) | (11,275,370) |
| B. Cash Flow from Investing Activities | | |
| Interest Income | 21,111,245 | 21,726,746 |
| Proceeds from sale of Fixed assets | 755,000 | 0 |
| Purchase of Tangible Assets | 0 | (930,844) |
| Purchase of Non Current Investment | 0 | (10,069,754) |
| Proceeds from Other Non-Current Assets | (79,011) | (72,780) |
| Net Cash Flow from Investing Activities (B) | 21,787,234 | 10,653,368 |
| C. Cash Flow from Financing Activities | | |
| Repayment of Long-Term Provisions | 29,815 | 102,358 |
| Increase/ (Decrease) in Long-Term Borrowings | 0 | 0 |
| Net Cash Flow from Financing Activities (C) | 29,815 | 102,358 |
| Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C) | 1,729,279 | (519,644) |
| Cash and Cash Equivalents as at beginning of the year (E) | 941,033 | 1,460,677 |
| Cash and Cash Equivalents as at the end of the year (D + E) | 2,670,312 | 941,033 |

As per our Report of even date

For Virendra Pradeep & Co
Chartered Accountants
Registration No.: 007409N

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2019

Sd/-
Surendra Chhalani
(Director & CFO)
DIN : 00002747

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Sanjay Kumar Sharma
(Company Secretary)
M. No. 7311

1. SIGNIFICANT ACCOUNTING POLICIES:**A. Basis of Preparation of Financial Statements:**

The accompanying Consolidated Financial Statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standard notified under the relevant provisions of the Companies Act, 2013. The Company has prepared these consolidated financial statements to comply in all material respects with the Companies (Account) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of these financial statements are consistent with those of previous year.

B. Principles of Consolidation of Financial Statements:

The financial statements of the Company and its Subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard – 21 “Consolidated financial statements” as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).

The Financial Statements of the Subsidiary Company used in the consolidation is drawn for the same period as that of the Parent Company i.e. year ended March 31, 2019.

Name of Subsidiary considered for Consolidation:

| Name of the Company | Nature of relationship | Country of Incorporation | Extent of Holding/ Voting Power as at March 31, 2019 |
|----------------------|------------------------|--------------------------|--|
| Mega Airways Limited | Subsidiary | India | 99.99% |

As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements. Differences in the Accounting Policies have been disclosed separately

C. Use of Estimates:

The presentation of financial statements, in conformity with the Generally Accepted Accounting Principles, requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

D. Tangible Fixed Assets:

Expenditure, which are of capital nature, are capitalised at acquisition cost, which comprises net purchases price (net of rebates and discounts), levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

E. Provision for Standard assets

The Company makes “Contingent Provision Against Standard Assets” as required by the directions issued by the RBI.

F. Depreciation on Tangible Fixed Assets:

Depreciation on Tangible Fixed Assets has been provided to the extent of depreciable amount on Written Down Value (WDV) Method as per useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except that Commercial Aircraft has been depreciated on the basis of Straight Line Method at the rates calculated on the basis of expected useful life of the said assets.

The depreciation charged for the assets which have been impaired are adjusted to allocate the assets revised carrying amount less its residual value, if any, over its remaining useful life. Depreciation on Tangible Fixed Assets disposed off during the year is provided on pro-rata basis. Tangible Fixed Assets costing below Rs.5000/- fully depreciated in the year of acquisition.

G. Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortization. Amortization is done on straight line basis. Software is amortized on straight line basis over the useful life of the asset or five years whichever is earlier.

H. Impairment of Assets:

The carrying value of intangible assets is reviewed for impairment at each Balance Sheet date to ascertain if there is any indication of impairment based on internal / external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

I. Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

J. Investments:

Investments, which are readily realizable and intended to be held not more than one year from the date on which such was made, are classified as current investments. All other investments are classified as non-current investments. Non trade and unquoted non-current investments are stated at cost and quoted non-current investments at lower of cost or market value. Provision for diminution in the value of quoted non-current investment is made only if such a decline is other than temporary in the opinion of management.

Unquoted investments in subsidiaries / associates companies are non-current and valued at cost. No loss is recognized in the fall in their net worth, if any, unless there are permanent fall in their value.

K. Borrowing Costs:

Borrowing costs that are allocated to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

L. Foreign Currency Transactions:

All income and expenditure items are accounted for on the basis of exchange rate prevailing on the date of transaction. The net exchange difference arising from realization of foreign currency and transaction amount has been dealt with in the statement of profit and loss and capitalized where it relates to fixed assets. Current Assets and Current Liabilities in foreign currency are accounted for at the rate prevailing as on the date of Balance Sheet.

M. Employees Benefits:

The liability for gratuity is provided on the basis of valuation carried out at the end of each financial year internally by the Company.

Retirement Benefits in the form of Provident Fund is charged to the Statement of Profit and Loss for the year in which the contributions to the respective funds are due.

Leave encashment benefit is accounted for on basis of valuation made at the end of each financial year by the Company.

N. Taxation:

Provision for current Tax is made and retained in accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961 including provisions regarding minimum alternate tax and considering assessment orders and decisions of the appellate authorities in company's case.

Deferred Tax for timing differences between Tax Profits and Book Profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax Assets are recognized to the extent there is reasonable certainty that these assets can be realised in future.

O. Earnings per Share

Basic earnings per share is 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

P. Revenue Recognition:

Revenue from operations and other income are recognized in accordance with Accounting Standard (AS-9). Accordingly wherever there are uncertainties in the ascertainment or realization of income, the same is not accounted for.

The Revenue and Expenditure related to Air Charter Services and Financing Services are accounted ongoing concern basis.

Interest income / expenses are recognised using the time proportion method based on the rates implicit in the transaction. Other receipts / incomes are recognised when the right to receive the same is established, i.e. Accrual Basis.

| Particulars | (Amount in INR) | |
|-------------|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |

2. Share Capital

Authorised

| | | |
|--|--------------------|--------------------|
| 30,00,00,000 (30,00,00,000) Equity Shares of Rs.1/- each | 300,000,000 | 300,000,000 |
|--|--------------------|--------------------|

Issued, Subscribed and Paid Up

| | | |
|--|--------------------|--------------------|
| 10,00,00,000 (10,00,00,000) Equity Shares of Rs.1/- each fully paid up | 100,000,000 | 100,000,000 |
|--|--------------------|--------------------|

a) Reconciliation of shares outstanding at beginning and at end of the year

During the current year and in the previous year, there have been no movements in the number of equity shares outstanding.

b) Terms / Rights attached to Equity Shares

The Company has only one class of share having a par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2019, the Company has not declared any dividend.

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

c) Details of shareholders holding more than 5% shares in the Company

| Names | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|---------------|----------------------|---------------|
| | No. of Shares | % Shares Held | No. of Shares | % Shares Held |
| Vimi Investments & Finance Private Limited | 46,573,000 | 46.57% | 46,573,000 | 46.57% |

3. Reserves and Surplus

(a) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934

| | | |
|---|------------------|------------------|
| Opening Balance | 1,710,888 | 1,710,888 |
| Add : Transfer from surplus in the Statement of Profit and Loss | 178,393 | 0 |
| Closing Balance | 1,889,281 | 1,710,888 |

| Particulars | (Amount in INR) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| (b) Surplus /(Deficit) in the Statement of Profit and Loss | | |
| Balance as per last Financial Statements | 138,305,410 | 167,373,460 |
| Profit / (Loss) for the year | 618,121 | (29,068,050) |
| Amount available for appropriations | 138,923,531 | 138,305,410 |
| Less : appropriations | | |
| - Transfer to Statutory Reserve A/C for YE 31-03-2019 | 178,393 | 0 |
| Closing Balance | 138,745,138 | 138,305,410 |
| Total - Reserve and Surplus | 140,634,419 | 140,016,298 |
| 4. Other Long Term Liabilities | | |
| Security Deposit Against Dry Lease of Aircraft | 30,450,652 | 30,450,652 |
| | 30,450,652 | 30,450,652 |
| 5. Long-Term Provisions | | |
| Provision for Employee Benefits | | |
| - Gratuity | 707,019 | 600,000 |
| - Leave Encashment | 73,821 | 151,025 |
| | 780,840 | 751,025 |
| 6. Short-Term Borrowings | | |
| (a) Secured - Term Loans | | |
| - From Banks | 0 | 0 |
| (b) Other unsecured Loans and advances | | |
| - Inter corporate Deposits from Related Parties | 40,492,268 | 34,534,431 |
| - Inter corporate Deposits from Others | 41,552,627 | 51,946,749 |
| | 82,044,895 | 86,481,180 |
| 7. Other Current Liabilities | | |
| Sundry Creditors | 0 | 22,253,894 |
| Salaries and other employee benefits | 240,400 | 585,200 |
| Other Expenses Payable | 185,342 | 327,536 |
| GST/ Dvat Payable | 4,500 | 96,650 |
| EPF Payable | 7,864 | 4,175 |
| TDS Payable | 162,196 | 277,441 |
| | 600,302 | 23,544,896 |
| 8. Short-Term Provisions | | |
| Provision for Income Tax | 0 | 0 |
| Contingent Provision against Standard Assets | 701,086 | 769,282 |
| | 701,086 | 769,282 |

(Amount in INR)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

9. Tangible Assets

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|---------------------|--------------------------------|---------------------------|---------------------|---------------------|---------------------------|------------------|---------------------|---------------------|---------------------|
| | As at 01.04.2018 | Addition during the Year | Deduction & Adjustment | As at 31.03.2019 | As at 01.04.2018 | Deduction & Adjustment | For the Year | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Air Craft - Commercial | 125,573,210 | - | - | 125,573,210 | 79,588,796 | - | 3,497,402 | 83,086,198 | 42,487,012 | 45,984,414 |
| Computer System | 51,500 | - | - | 51,500 | 48,925 | - | - | 48,925 | 2,575 | 2,575 |
| Furniture and Fixtures | 912,544 | - | 903,944 | 8,600 | 63,711 | 151,945 | 94,911 | 6,677 | 1,923 | 848,833 |
| Vehicles | 1,249,894 | - | - | 1,249,894 | 1,029,631 | - | 74,394 | 1,104,025 | 145,869 | 220,263 |
| Office Equipments | 67,300 | - | - | 67,300 | 42,499 | - | 10,267 | 52,766 | 14,534 | 24,801 |
| Total | 127,854,448 | - | 903,944 | 126,950,504 | 80,773,563 | 151,945 | 3,676,974 | 84,298,592 | 42,651,912 | 47,080,886 |
| Previous Year | 126,923,604 | 903,944 | - | 127,854,448 | 77,100,630 | - | 3,672,932 | 80,773,563 | 47,080,885 | 49,822,974 |

10. Non-Current Investments**Trade Investments (valued at cost unless stated otherwise)****a) Quoted Equity Instruments****110 (110) Equity Shares of Rs. 2/- each fully paid up****of Tata Motors Limited****24,236****24,236****24,236****24,236****b) Unquoted Equity Instruments****Investment in Associates**1,50,000 (1,50,000) Equity Shares of Rs. 10/-
each fully paid up of Anand Power Limited

1,500,000

1,500,000

37,500 (37,500) Equity Shares of Rs. 10/-

each fully paid up of Plasopan Engineers (I) Private Limited

375,000

375,000

62,000 (62,000) Equity Shares of Rs. 10/-

each fully paid up of Mediaware Infotech Private Limited

3,418,525

3,418,525

10,39,999 (10,39,999) Equity Shares of Rs. 10/-

each fully paid up of Britonna Hotel & Yacht Club Pvt Ltd

10,399,990

10,399,990

26,40,000 (26,40,000) Equity Shares of Rs. 10/- each of
Mega Cabs Private Limited**26,400,000****26,400,000****42,093,515****42,093,515****Other Investments**

Acrylicon Canvas

1,568,000

1,568,000

Silver Aarti Thali

101,764

101,764

1,669,764**1,669,764****Total (a+b)****43,787,515****43,787,515**

Aggregate amount of Quoted Investments

24,236

24,236

Aggregate Market value of Quoted Investments

35,954

35,954

Aggregate amount of Unquoted Investments

42,093,515

42,093,515

Aggregate Provision for Diminution in the value of Investments

0

0

(Amount in INR)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|-------------------------|-------------------------|
| 11. A. Deferred Tax Assets | | |
| Impact of expenses charges to the Statement of Profit and Loss in the current financial year but allowed for tax purpose on payment basis | | |
| Provision for Gratuity | 183,825 | 154,500 |
| Provision for Leave Encashment | 19,193 | 38,889 |
| Others - Unabsorbed Depreciation | 16,065,884 | 15,911,405 |
| | 16,268,903 | 16,104,794 |
| B. Deferred Tax Liabilities : | | |
| Fixed Assets: Impact of difference between book and tax depreciation | 10,472,105 | 11,166,416 |
| | 10,472,105 | 11,166,416 |
| Net Deferred Tax Assets (A- B) | 5,796,798 | 4,938,377 |
| 12. Long-Term Loans and Advances | | |
| MAT Credit Carried Forward | 3,020,968 | 3,014,276 |
| | 3,020,968 | 3,014,276 |
| 13. Other Non-Current Assets | | |
| Fixed Deposits with original maturity more than twelve month | 1,522,050 | 1,443,039 |
| Misc. Expenses (To the extent not Written Off or adjusted) | | |
| A. Preliminary Expenses | | |
| As per last year | 37,484 | 74,968 |
| Less : Written off during the year | 37,484 | 37,484 |
| Total `A` | - | 37,484 |
| B. Share Issue Expenses | | |
| As per last year | 360,300 | 420,350 |
| Less : Written off during the year | 60,050 | 60,050 |
| Total `B` | 300,250 | 360,300 |
| C. Pre- Operative Expenses | | |
| As per last year | 786,711 | 917,829 |
| Less : Written off during the year | 131,118 | 131,118 |
| Total `C` | 655,593 | 786,711 |
| TOTAL (A + B + C) | 955,843 | 1,184,495 |
| | 2,477,893 | 2,627,534 |
| 14. Trade Receivables | | |
| Exceeding Six Month | 354,000 | 0 |
| Others | 354,000 | 0 |
| | 708,000 | 0 |

| Particulars | (Amount in INR) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| 15. Cash and Cash Equivalents | | |
| Balances with Scheduled Banks in Current Accounts | 1,427,170 | 914,772 |
| Cash on Hand (as certified by the management) | 1,243,142 | 26,261 |
| | <u>2,670,312</u> | <u>941,033</u> |
| 16. A) Short-Term Loans and Advances - Financing Activity | | |
| Unsecured Loans | | |
| (i) Considered Good | 175,577,420 | 192,320,503 |
| (ii) Considered Doubtful | 0 | 0 |
| | <u>175,577,420</u> | <u>192,320,503</u> |
| B) Short-Term Loans and Advances - Others (Unsecured, considered good) | | |
| Security Deposits (Unsecured, considered good) | 692,117 | 692,117 |
| Advance Against Property | 29,500,000 | 40,000,000 |
| Income Tax Deposit against Disputed Demand | 1,409,890 | 1,409,890 |
| Custom Duty Deposit under Protest | 23,682,303 | 23,682,303 |
| Insurance Claim Receivable | 17,508,881 | 17,508,881 |
| Income Tax Refundable | 3,120,332 | 1,285,201 |
| Advance Income Tax/TDS | 1,980,083 | 1,911,252 |
| Prepaid Expenses | 27,433 | 29,925 |
| Other Loan & Advances | 1,000 | 16,068 |
| GST/ Service Tax Cenvat | 606,034 | 774,302 |
| | <u>254,105,493</u> | <u>279,630,442</u> |
| 17. Revenue from Operations | | |
| Interest Receipts | 21,111,245 | 21,726,746 |
| Aircraft Lease Rental | 600,000 | 600,000 |
| | <u>21,711,245</u> | <u>22,326,746</u> |
| 18. Other Income | | |
| Liabilities Written Back | 2,620,943 | 0 |
| Interest Receipts | 122,101 | 170,469 |
| Profit on sale of Assets | 3,001 | 0 |
| Leave Salary Provision Reversed | 62,204 | 0 |
| Dividend / Misc. Income | 0 | 254 |
| | <u>2,808,249</u> | <u>170,723</u> |
| 19. Loss From Future Option Trade | | |
| Future Option Trade Loss | 0 | 25,471,725 |
| | <u>0</u> | <u>25,471,725</u> |

(Amount in INR)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| 20. Employee Benefits Expenses | | |
| Salaries and Allowances | 2,618,246 | 1,998,384 |
| Directors Remuneration | 2,102,600 | 1,877,850 |
| Staff Welfare | 5,945 | 892 |
| Gratuity Expense | 107,019 | 30,000 |
| Leave Encashment | 0 | 75,958 |
| | 4,833,810 | 3,983,084 |
| 21. Interest and Finance Costs | | |
| Interest | 12,717,290 | 9,979,735 |
| Bank Charges | 3,245 | 8,844 |
| | 12,720,535 | 9,988,579 |
| 22. Depreciation and Amortisation | | |
| Depreciation on Tangible Assets | 3,676,974 | 3,672,932 |
| Preliminary Expenses W/off | 37,484 | 37,484 |
| Share Issue Expenses W/off | 60,050 | 60,050 |
| Pre-Operative Expenses W/off | 131,118 | 131,118 |
| | 3,905,626 | 3,901,584 |
| 23. Other Expenses | | |
| Auditors Remuneration | 146,200 | 137,200 |
| Advertisement Expenses | 110,227 | 140,813 |
| Director Sitting Fees | 15,000 | 30,000 |
| Rent Paid | 576,000 | 508,500 |
| Legal and Professional Charges | 1,340,177 | 1,999,900 |
| Fees and Subscription | 426,913 | 460,730 |
| Commision Exp | 0 | 7,500 |
| Electricity & Water Exp | 54,853 | 9,847 |
| Travelling Expenses | 43,163 | 138,319 |
| Vehicle running & maintainance Expenses | 346,890 | 296,172 |
| Telephone and Internet Expenses | 24,636 | 37,342 |
| Repair and Maintenance | 4,496 | 4,000 |
| Conveyance Expenses | 34,143 | 75,417 |
| Postage and Telegram | 33,285 | 124,105 |
| Printing and Stationery | 49,368 | 115,197 |
| Meeting (AGM) Expenses | 72,000 | 161,595 |
| GST Exp | 11,626 | 0 |
| Insurance Charges | 30,742 | 34,244 |
| Filing Fees | 6,600 | 17,600 |
| Books and Periodicals | 10,290 | 10,125 |
| Contingent Provision Against Standard Assets | (68,196) | 367,411 |
| General Expenses | 31,442 | 203,543 |
| | 3,299,855 | 4,879,561 |

24. Contingent Liabilities not provided for:**(Amount in Lakh)**

| Particulars | As at 31-03-2019 | As at 31-03-2018 |
|---|------------------|------------------|
| Income Tax Matters* | 137.33 | 137.33 |
| Custom Duty on Import of Commercial Aircraft (Amount paid under protest Rs. 236.82 Lacs**) | 236.82 | 236.82 |
| Outstanding Bank Guarantees | 500.00 | 300.00 |

*The Income Tax Department had raised demand against the company for AY 2006-07 which was contested by the company before the appellate authorities. The appeal filed by the company with ITAT, Delhi Bench was decided in company's favour against which the Income Tax Department had filed appeal with Hon'ble Delhi High Court. Hon'ble Delhi High Court has ruled against the Company and has stayed the order of ITAT, Delhi. Consequently the demand raised by the Income Tax Department for AY 2006-07 has been revived. The company had filed Special Leave Petition with Hon'ble Supreme Court of India against the order of Delhi High Court which has been admitted by Hon'ble Supreme Court. The management of the company has been advised by the legal experts that the order passed by the Hon'ble Delhi High Court is factually incorrect and shall not be tenable before the Hon'ble Supreme Court. Therefore in the opinion of the management of the company there will be no liability for tax payment.

**The Company has deposited a sum of Rs. 236.82 Lacs as additional Custom Duty on Import of Aircraft in FY 2007-08. Though the Company had disputed the said demand but had deposited the said amount in FY 2008-09 under protest to safeguard its business interest. The matter is still pending for disposal before the Customs Authorities. The Company has been advised that the contention of the Customs Authorities is not tenable hence there shall be no liability for payment of additional customs duty

25. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for: Rs. 40.225 Lacs (Previous Year: Rs. 210.22 Lacs).

26. The parent Company has initiated the process of amalgamation of its Subsidiary i.e. Mega Airways Limited with itself in terms of "scheme of amalgamation" approved by the Board of Directors of both the Companies. The parent Company, being a listed company and RBI registered NBFC, is required to obtain 'No Objection Certificates' from Bombay Stock Exchange and RBI as well in respect of the aforesaid Scheme of Amalgamation. The Company's applications for grant of 'No Objection Certificates' are still under consideration of RBI.

In the meanwhile the relevant provisions of the Companies Act, 2013 have been notified and the jurisdiction has been transferred from Hon'ble High Court to Hon'ble National Company Law Tribunal. Accordingly the Scheme of Amalgamation is being revisited for incorporating suitable changes to comply with the Companies Act, 2013.

27. The Board has certified that all the income accrued to the Company has been taken into consideration and belong entirely and exclusively to the business of the Company.

28. In the opinion of Board of Directors the "Current / Non-Current Assets" have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet, except the amount of Insurance Claim Receivable out come of which shall depend on acceptance of claim by the Insurer.

29. Balances of Debtors, Creditors, Loans and Advances and Unsecured Loans are subject to confirmation and reconciliation adjustment, if any.

30. The amount of Insurance Claim amounting to Rs. 175.08 Lacs (P.Y. - 175.08 Lacs) shown under the Schedule "Short Term Loans and Advances" is subject to final approval of the claim by the concerned Insurance Company.

31. The Company has not carried on Air Charter Services during the year on its own and has given its Aircraft on dry lease basis to other parties for operating the same.

32. In the absence of receipt of information regarding small scale industrial status from the parties, the details of names of Small Scale Industrial Undertakings to which the company owe any sum together with interest outstanding for more than 30 days could not be ascertained.

33. Foreign Exchange Earned and Used:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|-------------------------|--------------------|---------------------|
| Foreign Exchange Earned | NIL | NIL |
| Foreign Exchange Used | NIL | NIL |

34. Payments to Whole Time and other Directors:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|--|--------------------|---------------------|
| Whole Time Directors: | | |
| Basic Salary | 12,99,000 | 11,86,500 |
| HRA and Other Allowances | 8,03,600 | 6,91,350 |
| Total | 21,02,600 | 18,77,850 |
| The Managerial Remuneration as computed above does not include the liability in respect of leave salary and gratuity accrued | | |

35. Auditors Remuneration (Excluding Service Tax / Cess):

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|-----------------------|--------------------|---------------------|
| Statutory Audit Fee | 90,000 | 90,000 |
| Secretarial Audit Fee | 25000 | 25000 |
| Internal Audit Fee | 15000 | 15000 |

36. Segment Reporting:**Identification of Segments****Primary Segment:**

Business Segment: The Company's operating businesses are organised and managed separately according to the nature of operations with each segment representing a strategic business unit that carries out different operations. The Company has two identified segments comprising of Aircraft Charter Services and Finance & Investments.

Secondary Segment:

Geographical Segment: The Company does not have any identified segment on the basis of geographical locations as company's operations are mainly confined to single location.

Unallocable Items

Corporate income, expenses, capital and reserves are considered as part of unallocable items which are not identifiable to any business segment.

Primary Business Segments

Segment Revenues, Results and other information

| Particulars | Finance / Investment | Aircraft Services | Total Amount in Rs. |
|---|----------------------|--------------------|---------------------|
| Revenue | 2,11,11,245 | 6,00,000 | 2,17,11,245 |
| Identified Operating Exp. | 1,77,30,672 | 34,97,402 | 2,12,28,074 |
| Profit/(Loss) before Interest and Tax | 33,80,573 | (28,97,402) | 4,83,171 |
| Less : Other Expenses net of Income (unallocable) | | | 7,23,503 |
| Net Loss before Tax | | | (2,40,332) |
| Less : Income Tax and other Taxes | | | (8,58,421) |
| Net Loss after Tax | | | 6,18,089 |
| Segment Assets | 26,50,42,072 | 9,01,76,819 | 35,52,18,891 |
| Segment Liabilities | 8,41,33,820 | 3,04,50,652 | 11,45,84,872 |
| Capital Employed (Assets - Liabilities) | 18,09,08,252 | 5,97,26,167 | 24,06,34,419 |
| Depreciation | 1,79,572 | 34,97,402 | 36,76,974 |

37. Related Parties Disclosures: Disclosures in respect of Related Parties as defined in Accounting Standard (AS) 18, with whom transactions were carried out in the ordinary course of business during the year as given below:

Related Parties and their Relationship:

a) Directors, Key Management Persons (KMP) and their Relative:

Directors:- Mr. Surendra Chhalani, Mr. H. M. Lalani, Mr. Kunal Lalani, Mr. Sachin Mehra, Mr. Shurab Kumar, Ms. Anisha Anand, Mr. Nav Ratan Baid, Mr. Jitendra Singh Ranawat and Mrs. Anisha Anand.

KMP : Mr. Sanjay Kumar Sharma, Mrs. Swati Kapoor

Relatives:- Mrs. Kiran Chhalani

b) Other Related Parties where common control exists and with whom the company had transactions during the year: Crayons Advertising Private Limited, Sahyog Properties Private Limited, Mega Cabs Private Limited, Britonna Hotel & Yatch Club Private Limited, Sanya Resorts & Hospitality Private Limited, Indication Instruments Limited, Ultraviolet Digital Solutions LLP, Vimi Investments & Finance Private Limited and Omni Media Communications Private Limited

Transactions with Related parties

(Amount in Lakh)

| Nature of transactions | KMP and their Relatives | | Associates & Others | | Total | |
|----------------------------------|-------------------------|-------|---------------------|---------|--------|---------|
| | C.Y. | P.Y. | C.Y. | P.Y. | C.Y. | P.Y. |
| Receiving of Services | 0.00 | 0.00 | 1.10 | 0.00 | 1.10 | 0.00 |
| Sale of Furniture | 0.00 | 0.00 | 7.55 | 0.00 | 7.55 | 0.00 |
| Interest Paid | 0.00 | 0.00 | 32.45 | 52.26 | 32.45 | 52.26 |
| Interest Received | 0.00 | 0.00 | 23.74 | 56.66 | 23.74 | 56.66 |
| Rent Paid | 3.96 | 3.96 | 0.00 | 0.00 | 3.96 | 3.96 |
| Directors' Remuneration | 21.03 | 18.78 | 0.00 | 0.00 | 21.03 | 18.78 |
| Directors' Sitting Fees | 0.15 | 0.30 | 0.00 | 0.00 | 0.15 | 0.30 |
| CS Remuneration | 12.24 | 6.28 | 0.00 | 0.00 | 12.24 | 6.28 |
| Loans and Advances Given | 0.00 | 0.00 | 725.38 | 549.00 | 725.38 | 549.00 |
| Loans and Advances Received Back | 0.00 | 0.00 | 649.38 | 1160.00 | 649.38 | 1160.00 |
| Loan Taken | 0.00 | 0.00 | 940.00 | 1110.50 | 940.00 | 1110.50 |
| Loan Returned/ Repaid | 0.00 | 0.00 | 872.00 | 1133.50 | 872.00 | 1133.50 |
| Shares Purchased | 20.00 | 0.00 | 50.00 | 204.00 | 70.00 | 204.00 |
| Investments Sold | 0.00 | 0.00 | 120.00 | 120.00 | 120.00 | 120.00 |

38. Earnings per Share (Basic and Diluted):

Basic and diluted earnings (loss) 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 share outstanding during the year as follows:

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|--|--------------------|---------------------|
| Net profit after Tax as per Statement of Profit and Loss | 6,18,121 | (2,90,68,080) |
| Weighted average number of Shares outstanding during the year (Face value Rs. 1/- each) | 10,00,00,000 | 10,00,00,000 |
| Basic and Diluted Earnings per share | 0.01 | (0.29) |

39. The Company, being RBI registered NBFC, is not required to disclose Information U/S 186(4) of the Companies Act, 2013 in respect of Loans given, Investments made or Guarantees given or Security provided.

40. Previous year figures have been regrouped/ rearranged to accord with current year reclassification. Figures pertaining to subsidiaries have been reclassified wherever considered necessary to bring them in line with the Company's financial statements.

As per our Report of even date

For Virendra Pradeep & Co
Chartered Accountants
Registration No.: 007409N

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2019

Sd/-
Surendra Chhalani
(Director & CFO)
DIN : 00002747

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Sanjay Kumar Sharma
(Company Secretary)
M. No. 7311



MegaCo₹p

Mega Corporation Limited

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CIN: L65100DL1985PLC092375