

# ANNUAL REPORT

## 2015-16



**MegaCorp**

# CORPORATE INFORMATION

**Mr. Kunal Lalani**  
Chairman

**Mr. Surendra Chhalani**  
Director and CFO

**Mr. Hulas Mal Lalani**  
Director

**Mr. Navratan Baid**  
Director

**Ms. Nelu Devi**  
Company Secretary

**Statutory Auditors**  
M/s Sipani & Associates, Delhi  
(Chartered Accountants)

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

**Mr. Sachin Mehra**  
Director

**Mrs. Anisha Anand**  
Director

**Mr. Rajendra Bengani**  
Director

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

**Registered and Corporate Office**  
261, Ground Floor,  
Okhla Industrial Estate Phase-III,  
New Delhi- 110020  
Ph- +91 11 41516171,  
Fax- +91 11 26912728  
Email- info@megacorppltd.com,  
Website- www.megacorppltd.com  
CIN- L01120DL1985PLC092375

# INDEX

• Directors' Report	02-06
• Annexures to the Directors' Report	07-11
• Secretarial Audit Report	12-13
• Annexures to the Directors' Report	14-24
• Report on Corporate Governance	25-33
• Management's Discussion & Analysis Report	34-36
• CFO Certification	37-39
• Independent Auditor's Report	40-45
• Financial Statements	46-58
• Independent Auditor's Report	59-62
• Consolidated Financial Statements	63-76

TO THE MEMBERS OF MEGA CORPORATION LIMITED

Your Directors have pleasure in presenting the 31<sup>st</sup> Board’s Report of Mega Corporation Limited (“the Company”) for the financial year ended 31<sup>st</sup> March 2016.

1. FINANCIAL RESULTS

The Summarized financial results are

(₹ in Lakh)

Particulars	Standalone	
	2015-16	2014-15
Income from Operations	98.73	130.78
Other Income	2.37	1.39
<b>Total Income</b>	<b>101.11</b>	<b>132.17</b>
Operating Expenses	16.48	59.97
Depreciation and Amortization	38.10	39.42
Interest	7.18	1.01
Other Expenses	31.35	30.70
<b>Profit/ (Loss) before Tax</b>	<b>8.00</b>	<b>1.07</b>
Tax Expenses		
• Previous Year	3.00	0.02
• Deferred Tax	(6.27)	(4.24)
<b>Net Profit/ (Loss) for the Year</b>	<b>14.23</b>	<b>5.29</b>
Amount brought forward	1640.33	1620.80
<b>Balance carried to Balance Sheet</b>	<b>1654.56</b>	<b>1626.09</b>

2. DIVIDEND

Due to insufficiency of profits, your Directors are not recommending any dividend.

3. TRANSFER TO RESERVES

No amount is proposed to be transferred to reserves.

4. MATERIAL CHANGES

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.

5. OPERATING RESULTS AND BUSINESS OPERATIONS

During the year 2015-16, the Company earned the revenue of Rs 101.11 Lacs as compared to Revenue of Rs. 132.17 Lacs in Financial Year 2014-15. Profit before tax is Rs. 8.00 Lacs as against the Profit of Rs. 1.07 Lacs in the previous financial year.

6. HUMAN RESOURCES DEVELOPMENT

Your Company has continuously adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities. The Company’s people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year.

Company’s Health and Safety Policy commits to provide a healthy and safe work environment to all employees. The Company’s progressive workforce policies and benefits have addressed stress management, promoted work life balance.

At present, there are two regular employees in your Company.

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

As there are only two regular employees in your Company, comprising of one male and female, the requirement of formation of committee and policy under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 is not there.

8. 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.

9. SUBSIDIARY 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

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiary is set out in the prescribed form AOC-1, which forms part of this report.

10. AMALGAMATION

At the respective meetings held on 20<sup>th</sup> April, 2015, the Board of Directors of the Company and of its subsidiary company- Mega Airways Limited (MAL), have approved a scheme of amalgamation ("Scheme") between your Company, MAL and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956. Your Company's applications for grant of no objection certificates are still under consideration of RBI, however Company has received No Objection Certificate from BSE on 3<sup>rd</sup> June, 2016. The appointed date of the proposed scheme is 1<sup>st</sup> April, 2015 or such other date as the Hon'ble High Court may direct.

11. CORPORATE GOVERNANCE

As per Clause 49 of the listing agreement entered into the BSE, Corporate Governance Report with the Auditor certificate thereon and Management Discussion and Analysis report are given in a separate section in the Annual Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year 2015-16, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- iii. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. AUDITORS AND SECRETARIAL AUDITORS REPORT

There is no qualification, reservation or adverse remark in the report of Auditors and Secretarial Auditors.

The Secretarial Audit Report for financial year ended March 31, 2016 is annexed to this report as **Annexure - D**.

14. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURES

Your Directors are of the opinion that particulars with respect to conservation of Energy and technology Absorption as per Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant in view of the nature of business activities of the company and hence are not required to be given.

The company neither has any manufacturing unit nor any other activity where high levels of energy are used. The only usage of energy by the Company is in its office, where efforts are always made to save energy.

The Foreign exchange earnings during the year was Nil (Previous Year Nil) and outflow during the year was Nil (Previous year Rs. 63,586/-).

15. BOARD EVALUATION

In compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, the performance evaluation of the Board was carried out during the year under review based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

The evaluation involves Self- Evaluation by the Board Member(s) and subsequent assessment by the Board of Directors. A member of the Board does not participate in discussion of his/her evaluation. The performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC).

A separate meeting of the independent directors ("Annual ID meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the NRC with the Board's Chairman covering performance of the Board as a whole; performance of the non-independent directors and performance of the Board Chairman.

Some of the key criteria for performance evaluation are as follows –

**Performance evaluation of Directors:**

- Attendance at Board or Committee meetings.
- Contribution at Board or Committee meetings.
- Guidance/ support to management outside Board/ Committee meetings.

**Performance evaluation of Board and Committees:**

- Degree of fulfillment of key responsibilities.
- Board culture and dynamics.
- Quality of relationship between Board and management.
- Efficacy of communication with external stakeholders.

16. 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.

17. DIRECTORS

Mr. Kunal Lalani, Mr. Rajendra Kumar Bengani & Mr. Navratan Baid who were appointed as an Additional Director w.e.f. 20<sup>th</sup> October, 2015, based on the recommendation of Nomination and Remuneration Committee made at its meeting held on 20<sup>th</sup> Oct, 2015 and regularized in the AGM of the Company held on 22<sup>nd</sup> September, 2016.

Mr. Shurab Kumar resigned from the post of Whole- Time Director of the Company w.e.f. 20<sup>th</sup> October, 2015.

Mr. Surendra Chhalani, Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

18. KEY MANAGERIAL PERSONNEL

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

- Mr. Surendra Chhalani - Chief Financial Officer;
- Ms. Nelu Devi - Company Secretary.

19. AUDITORS

Pursuant to the provisions of Section 139(1) of the Act and the rules framed there under, M/s Sipani & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the 29<sup>th</sup> Annual General Meeting (AGM) of the Company till the conclusion of the 32<sup>nd</sup> AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. They have submitted their certificate to the Companies Act, 2013. The observation of the auditors is explained wherever necessary in appropriate notes to the accounts.

20. 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- F** and forms part of this report.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company, at present, does not fall in any of the criteria(s) as provided under Section 135 of the Companies Act, 2013 and the rules framed there under.

22. MEETINGS OF THE BOARD OF DIRECTORS

During the year 2015-16, 10 (Ten) meetings of the Board of Directors were held as follows:

1. 20 April 2015,
2. 30 May 2015,
3. 12 August 2015,
4. 26 August 2015,
5. 22 September, 2015
6. 9 October, 2015
7. 20 October 2015,
8. 5 November, 2016
9. 9 February 2016, and
10. 14 March, 2016

The maximum time gap between any two consecutive meetings did not exceed 120 days. Details of the Board Meeting are provided in the Report on Corporate Governance, which forms a part of this Report.

**23. COMPOSITION OF COMMITTEES**

**a) Audit Committee**

The Audit Committee of your Company consists of Mrs. Anisha Anand as Chairman and Mr. Rajendra Bengani, Mr. Surendra Chhalani and Mr. Sachin Mehra as members of the Committee. Further, all recommendations made by Audit Committee were accepted by the Board of Directors.

**b) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Mr. Navratan Baid as chairman, Mr. Rajendra Bengani and Mrs. Anisha Anand as members, all of whom are Non- Executive Directors. Further, all recommendations made by Nomination and Remuneration Committee were accepted by the Board of Directors.

**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. 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.

**24. 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 C**.

**25. RELATED PARTY TRANSACTIONS**

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Agreement. There are no materially significant related party transactions made by the company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large.

All Related Party Transactions are presented to the Audit committee. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of related party transactions was presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

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

The company has not made any investment and has not given any guarantee under Sec 186 of the Companies Act, 2013. Details of loans covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

**27. PAYMENT OF LISTING FEES**

Your Company has paid Listing fees for the financial year 2016-17 to the BSE.

**28. EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company in the prescribed Form MGT-9, is appointed as **Annexure- E** 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 [www.megacorppltd.com](http://www.megacorppltd.com).

**29. RISK MANAGEMENT POLICY**

Enterprise Risk Management is a risk based approach to manage an enterprise, identifying events that may affect the entity and manage risks to provide reasonable assurance regarding achievement of entity's objective.

The risks identified by the Company broadly fall into the following categories viz. strategic risks, operational risks, regulatory risks, financial and accounting risks, foreign currency and other treasury related risks and information systems risks. The risk management process consists of risk identification, risk assessment, risk prioritization, risk treatment or mitigation, risk monitoring and documenting the new risks.

Your Board has laid down a risk management framework and policy to address the above risks. The objective of the policy is to identify existing & emerging challenges that may adversely affect the Company and manage risks in order to provide reasonable assurance to the various stakeholders. In the opinion of your Board, none of the risks which have been identified may threaten the existence of the Company.

**30. DECLARATION BY INDEPENDENT DIRECTORS**

Your Company has received necessary declaration from each independent director under section 149(7) of the Company, 2013, that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligation and Disclosure) Regulation 2015.

**31. VIGIL MECHANISM**

Your Company has established 'Vigil Mechanism' for directors and employees to report concerns about unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguard against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company.

**32. INTERNAL FINANCIAL CONTROLS**

Your Company has a well placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly.

**33. SIGNIFICANT AND MATERIAL ORDERS**

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.

**34. ACKNOWLEDGEMENTS**

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, bankers and regulatory and government authorities for the continued support given by them to the Company and their confidence reposed in the management.

For and on behalf of the Board of Directors

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

House No. 246, Sector 31, Faridabad- 121003

Place: New Delhi  
Date: 02.08.2016

<b>Annexure A</b>	Particulars of contracts or arrangements with related parties in Form AOC-2
<b>Annexure B</b>	Salient features of the financial statement of subsidiaries in Form AOC-1
<b>Annexure C</b>	Nomination and Remuneration Policy
<b>Annexure D</b>	Secretarial Audit Report in Form MR- 3
<b>Annexure E</b>	Extract of Annual Return of the Company in the prescribed Form MGT- 9
<b>Annexure F</b>	Information under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Annexure A

FORM NO. AOC -2

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 arms length transaction under third proviso thereto

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

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

There were no contracts or arrangements entered by the Company during FY 2015-16 which were not at arm's length.

2. Details of material contracts or arrangement or transactions at arm's length basis-

The material transactions/ entered into by the Company with related parties were at arm's length and were in the normal course of business of the Company.

For and on behalf of the Board of Directors

Sd/-  
Surendra Chhalani  
(Director and CFO)  
DIN: 00002747  
House No. 246, Sector 31, Faridabad- 121003

Place: New Delhi  
Date: 02.08.2016

Annexure B

Form AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

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

Part "A": Subsidiaries

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	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable INR
5. Share capital	6,00,00,000
6. Reserves & surplus	30,63,066
7. Total assets	3,16,85,966
8. Total Liabilities	22,900
9. Investments	3,14,00,000
10. Turnover	NIL
11. Profit before taxation	(3,24,847)
12. Provision for taxation	NIL
13. Profit after taxation	(3,24,847)
14. Proposed Dividend	NIL
15. % of shareholding	100%

For and on behalf of the Board of Directors

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

Sd/-  
Kunal Lalani  
(Director)  
DIN : 00002756

Sd/-  
Nelu Devi  
(Company Secretary)  
M. No. 43403

Place: New Delhi  
Dated: 02.08.2016

## Annexure C

## 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.

Annexure D

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For The Financial Year Ended 31.03.2016**

*[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: L01120DL1985PLC092375**  
**ADDRESS: 261, GROUND FLOOR,**  
**OKHLA INDUSTRIAL ESTATE**  
**PHASE-III, NEW DELHI- 110020**

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: L01120DL1985PLC092375. 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 31<sup>st</sup> March, 2016 ("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 31<sup>st</sup> day of March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The SEBI (Prohibition of Insider Trading) Regulations, 1992;
  - c. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The SEBI (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (vi) Other laws applicable to the Company as per the representations made by the Company. However due to non-availability of Information, comment on Labour related laws are not possible.

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. The Listing Agreement entered into by the Company with Bombay Stock Exchange and The 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) Where ever 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.

**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, The Company has initiated the process of amalgamation of its subsidiary M/s Mega Airways Limited with itself in terms of "scheme of amalgamation" agreed between both the companies. The Company, being a listed company and RBI registered NBFC, is required to obtain no objection certificates from Bombay Stock Exchange and RBI for above referred amalgamation/merger. The Company's applications for grant of no objection certificates are still under consideration of RBI, however Company has received No Objection Certificate from BSE on 3rd June, 2016. The scheme is further subject to approval of Delhi High Court under section 391 and 394 of the Companies Act, 1956. Though as per the "Scheme of Amalgamation" the appointed date of merger is 01-04-2015 but it is anticipated by the management that due to pending court approval and other legal requirements the Company may not be able to implement the scheme of merger from the above referred appointed date. The effective date of merger is subject to change by mutual agreement between both the parties to merger.

**For Vikash Gupta & Co.**  
**(Practicing Company Secretaries)**

**Vikash Gupta**  
**Proprietor**  
**Membership No.: 29948**  
**C.P. No.: 10785**

**Date: 15.06.2016**

**Place: New Delhi**

**Annexure E**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on Financial Year ended on 31<sup>st</sup> March, 2016**

*[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	L01120DL1985PLC092375
2.	Registration Date	March 26, 1985
3.	Name of the Company	<b>Mega Corporation Limited</b>
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	261, Ground Floor, Okhla Industrial Estate Phase-III, New Delhi-110020 Phone No.: +91 11 41516171 Email Id: info@megacorppltd.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Contact Person: Mr. Swapan Kumar Naskar, Address: 44, Community Center, Naraina Industrial Area, Phase-I, New Delhi – 110028 Phone No.: +91-11-41410592-94

**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	93.19 %

**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.	<b>Mega Airways Limited</b> 261, Ground Floor, Okhla Industrial Estate Phase-III, New Delhi- 110020	U00072DL2005PLC136054	Subsidiary Company	100 %	2(87)

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

(A) Category-wise Share Holding -

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	6293746	---	6293746	6.29	6293746	---	6293746	6.29	0.00
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	47349394	---	47349394	47.35	48018349	---	48018349	48.02	0.67
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any other	---	---	---	---	---	---	---	---	---
<b>Total shareholding of Promoter (A) (1):-</b>	<b>53643140</b>	<b>---</b>	<b>53643140</b>	<b>53.64</b>	<b>54312095</b>	<b>---</b>	<b>54312095</b>	<b>54.31</b>	<b>0.67</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	---	---	---	---	---	---	---	---	---
b) Other Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corporate	---	---	---	---	---	---	---	---	---
d) Banks/FI	---	---	---	---	---	---	---	---	---
e) Any Other (specify)	---	---	---	---	---	---	---	---	---
<b>Sub-Total (A)(2):-</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>53643140</b>	<b>---</b>	<b>53643140</b>	<b>53.64</b>	<b>54312095</b>	<b>---</b>	<b>54312095</b>	<b>54.31</b>	<b>0.67</b>
<b>B. Public Shareholding</b>									
1. Institutions	---	---	---	---	---	---	---	---	---
a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks / FI	---	---	---	---	---	---	---	---	---
c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(1):-</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
		Demat	Physical	Total Total Shares	% of	Demat	Physical	Total Total Shares	% of
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	14108113	1000	14109113	14.11	13942769	1000	13943769	13.94	(0.17)
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11685388	64642	11750030	11.75	12109325	64642	12173967	12.17	0.42
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	17549356	2439000	19988356	19.99	15985384	2439000	18424384	18.42	(1.57)
c) Others (specify)									
Non Resident Indians	320609	---	320609	0.32	417859	-----	417859	0.42	00.1
Directors/ Relatives	11100	1000	12100	0.01	11100	1000	12100	0.01	---
HUF	---	---	---	---	520636	-----	520636	0.52	0.52
Clearing Members	176652	---	176652	0.18	195190	-----	195190	0.02	(0.16)
<b>Sub-total (B)(2):-</b>	<b>43851218</b>	<b>2505642</b>	<b>46356860</b>	<b>46.36</b>	<b>43182263</b>	<b>2505642</b>	<b>45687905</b>	<b>45.69</b>	<b>(0.67)</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	43851218	2505642	46356860	46.36	43182263	2505642	45687905	45.69	(0.67)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Grand Total (A+B+C)</b>	<b>97494358</b>	<b>2505642</b>	<b>100000000</b>	<b>100.00</b>	<b>97494358</b>	<b>2505642</b>	<b>100000000</b>	<b>100.00</b>	<b>---</b>

## (B) Shareholding of Promoter-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2015]			Shareholding at the end of the year [As on 31-March-2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vimi Investments and Finance Pvt. Ltd.	24043000	24.04	---	46573000	46.57	---	22.53
2	Crayons Global Finance Pvt. Ltd.	22530000	22.53	---	---	---	---	(22.53)
3	Crayons Advertising Private Ltd.	776394	0.78	---	1445349	1.45	---	0.67
4	Kunal Lalani	3395000	3.40	---	3395000	3.40	---	00.00
5	Hulas Mal Lalani	786000	0.79	---	786000	0.79	---	00.00
6	Vimi Lalani	541000	0.54	---	541000	0.54	---	00.00
7	Varsha Bengani	500000	0.50	---	500000	0.50	---	00.00
8	Hans raj Deepchand Jain	453160	0.45	---	453160	0.45	---	00.00
9	Seema Lalani	250000	0.25	---	250000	0.25	---	00.00
10	Smita Dhariwal	240000	0.24	---	240000	0.24	---	00.00
11	Mayank Lalani	128586	0.13	---	128586	0.13	---	00.00
	<b>Total</b>	<b>53643140</b>	<b>53.64</b>	<b>00.00</b>	<b>54312095</b>	<b>54.31</b>	<b>00.00</b>	<b>0.67</b>

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

Name of Shareholder	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
<b>1. Crayons Advertising Pvt. Ltd.</b>	<b>Date</b>	<b>No. of Shares</b>	<b>Reason</b>	<b>No. of Shares</b>	<b>% of total shares of the company</b>
	01.04.2015	776394	Opening No. of Shares	776394	0.77
	16.04.2015	18800	Purchase	795194	0.79
	17.04.2015	3573	Purchase	798767	0.79
	20.04.2015	290000	Purchase	1088767	1.19
	23.06.2015	20000	Purchase	1108767	1.11
	24.06.2015	21500	Purchase	1130267	1.13
	25.06.2015	20100	Purchase	1150367	1.15
	26.06.2015	5000	Purchase	1155367	1.16
	03.07.2015	50000	Purchase	1205367	1.21
	06.07.2015	16000	Purchase	1221367	1.22
	07.07.2015	11178	Purchase	1232545	1.23
	08.07.2015	212804	Purchase	1445349	1.45

<b>2. Crayons Global Finance Pvt. Ltd.</b>	<b>Date</b>	<b>No. of Shares</b>	<b>Reason</b>	<b>No. of Shares</b>	<b>% of total shares of the company</b>
	01.04.2015	22530000	Opening No. of Shares	22530000	22.53
	09.02.2016	-50000	Transfer due to Amalgamation	22480000	22.48
	13.02.2016	-30000	Transfer due to Amalgamation	22450000	22.45
	17.02.2016	-7450000	Transfer due to Amalgamation	15000000	15.00
	18.02.2016	-5000000	Transfer due to Amalgamation	10000000	10.00
	19.02.2016	-10000000	Transfer due to Amalgamation	0	0.00
<b>3. Vimi Investments and Finance Pvt. Ltd.</b>	<b>Date</b>	<b>No. of Shares</b>	<b>Reason</b>	<b>No. of Shares</b>	<b>% of total shares of the company</b>
	01.04.2015	24043000	Opening No. of Shares	24043000	24.04
	09.02.2016	50000	Transfer due to Amalgamation	24093000	24.09
	13.02.2016	30000	Transfer due to Amalgamation	24123000	24.12
	17.02.2016	7450000	Transfer due to Amalgamation	31573000	31.57
	18.02.2016	5000000	Transfer due to Amalgamation	36573000	36.57
	19.02.2016	10000000	Transfer due to Amalgamation	46573000	46.57

Notes: Since date wise changes in Promoter's Shareholding are a bulky data, we've hereby given the changes at weekly ends as provided by the RTA.

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

For Each of the Top 10 Shareholders	Shareholding		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. Fineline Mercantile Co. Private Limited	4785478	4.79	4785478	4.79
2. Pankaj Narendra Shah	2589768	2.59	2589768	2.59
3. EDC Limited	2000000	2.00	2000000	2.00
4. Rightstar Trading Co. Private Limited	1919567	1.92	1919567	1.92
5. Interlink Financial Services Limited	1700000	1.70	1700000	1.70
6. Rajkishor Singh	1517703	1.52	1517703	1.52
7. Laxman Singh Saijari	1469000	1.47	1469000	1.47
8. Jayesh N Waghela	1367253	1.37	1367253	1.37
9. Santosh Jagtap	1193000	1.19	1193000	1.19
10. Patric Xess	1078000	1.08	1078000	1.08
Decrease in Shareholding during the year 1. Jayesh N Waghela	1170253	1.17	1170253	1.17
At the end of the year:				
1. Fineline Mercantile Co. Private Limited	4785478	4.79	4785478	4.79
2. Pankaj Narendra Shah	2589768	2.59	2589768	2.59
3. EDC Limited	2000000	2.00	2000000	2.00
4. Rightstar Trading Co. Private Limited	1919567	1.92	1919567	1.92
5. Interlink Financial Services Limited	1700000	1.70	1700000	1.70
6. Rajkishor Singh	1517703	1.52	1517703	1.52
7. Laxman Singh Saijari	1469000	1.47	1469000	1.47
8. Santosh Jagtap	1193000	1.19	1193000	1.19
9. Patric Xess	1078000	1.08	1078000	1.08
10. Hemant Chadha	1000000	1.00	1000000	1.00

**(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. Shurab Kumar	NIL	NIL	NIL	NIL
3. Mr. Sachin Mehra	3000	0.0030	3000	0.0030
4. Mr. Ajay Chopra	1000	0.0010	1000	0.0010
5. Mr. Hulas Mal Lalani	786000	0.7860	786000	0.7860
6. Mrs. Anisha Anand	NIL	NIL	NIL	NIL
7. Ms. Urvashi Aggarwal	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. Ajay Chopra	1000	0.0010	1000	0.0010
4. Mr. Hulas Mal Lalani	786000	0.7860	786000	0.7860
5. Mr. Kunal Lalani	3395000	3.3950	3395000	3.3950
6. Mr. Rajendra Kumar Bengani	NIL	NIL	NIL	NIL
7. Mrs. Anisha Anand	NIL	NIL	NIL	NIL
8. Mr. Navratan Baid	NIL	NIL	NIL	NIL
9. Ms. Nelu Devi	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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	298220	--	--	611019
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>298220</b>	<b>--</b>	<b>--</b>	<b>611019</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	--	--	--	--
* Reduction	280054	--	--	312799
<b>Net Change</b>	<b>280054</b>	<b>--</b>	<b>--</b>	<b>312799</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18166	--	--	298220
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>18166</b>	<b>--</b>	<b>--</b>	<b>298220</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(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	NIL	NIL
	- as % of profit - others, specify...		
5	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	4200000	4200000

**(B) Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL
	Commission	NIL	NIL
	Others, please specify	NIL	NIL
	Total (1)	NIL	NIL
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	NIL	NIL
	Overall Ceiling as per the Act	4200000	4200000

**(C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Amount in INR)

S. No	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary*		CFO	Total
		Nelu Devi	Urvashi Aggarwal	Surendra Chhalani	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,000	2,43,145	7,41,600	10,19,745
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	15,000	15,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	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
	<b>Total</b>	<b>35,000</b>	<b>2,43,145</b>	<b>7,56,600</b>	<b>10,34,745</b>

\*Ms. Urvashi Aggarwal resigned on 29.01.2016 whereas Ms. Nelu Devi was appointed on 14.03.2016.

**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)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

## Annexure F

## Particulars of Employees

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 are given below:

**A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company:

Independent Directors	Ratio to median remuneration (FY 2015-16)
Mr. Sachin Mehra	---
Mr. Ajay Chopra	---
Mrs. Anisha Anand	---
Mr. Hulas Mal Lalani	---
Mr. Rajendra Kumar Bengani	---
Mr. Navratan Baid	---

Executive Directors	Ratio to median remuneration (FY 2015-16)
Mr. Surendra Chhalani	0.53
Mr. Kunal Lalani	---

**B. (1) The percentage increase in remuneration of each Director:**

**Remuneration paid to whole time Directors**

Name of the Director	Title	Remuneration in Fiscal 2016(in Rs.)	Remuneration in Fiscal 2015(in Rs.)	No. of Stock option/ RSUs granted in fiscal 2016	% increase of remuneration in 2016 as compared to 2015	Ratio of remuneration to MRE
*Mr. Shurab Kumar	WTD	Nil	4,65,000	Nil	Nil	Nil
**Mr. Surendra Chhalani	WTD	Nil	1,24,300	Nil	Nil	Nil

\*Mr. Shurab Kumar Ceases to be a WTD of Company w.e.f. 20.10.2015

\*\*Mr. Surendra Chhalani Ceases to be a WTD of Company w.e.f. 30.05.2014

**Remuneration paid to independent Director:**

Name of the Director	Remuneration in fiscal 2016 (in Rs.)	Remuneration in fiscal 2015 (In Rs.)	Number of Stock options/RSUs Granted in fiscal 2016	% increase of remuneration (2016 over 2015)
Mr. Sachin Mehra	---	---	---	---
Mr. Ajay Chopra	---	---	---	---
Mrs. Anisha Anand	---	---	---	---
Mr. Hulas Mal Lalani	---	---	---	---
Mr. Rajendra Kumar Bengani	---	---	---	---
Mr. Navratan Baid	---	---	---	---

**(2) 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:**

**Remuneration of other key managerial personnel (KMP)**

Name of the KMP	Title	Remuneration in FY 2015- 16 (in Rs.)	Remuneration in FY 2014-15 (in Rs.)	No. of Stock option/ RSUs granted in FY 2014-15	% increase of remuneration in 2016 as compared to 2015	Ratio of remuneration to MRE
Mr. Surendra Chhalani	CFO	7,56,600	6,27,800	NIL	N.A.	0.53
Ms. Urvashi Aggarwal	CS	2,43,145	2,22,822	NIL	N.A.	0.17
Ms. Nelu Devi	CS	35,000	-----	NIL	N.A.	---
Ms. Riyanka Jain	CS	-----	61,233	NIL	N.A.	---

**Ms. Urvashi Aggarwal & Riyanka Jain resigned from the post of Company Secretary w.e.f. 29.01.2016.**

**Ms. Nelu Devi was appointed as Company Secretary w.e.f. 14.03.2016.**

RSU-Restricted Stock Units

WTD- Whole Time Director

MRE-Median Remuneration of Employees

**C. The Number of permanent employees on the rolls of company:**

There are two regular employees on the rolls of Company as on 31<sup>st</sup> March, 2016.

**D. The explanation on the relation between average in remuneration and Company performance:**

On an average, employees received an annual increase of 12% in India. The increase in remuneration is in line with the industry benchmarks. In order to ensure that remuneration reflects Company performance, the Variable Salary of the employees above a particular grade is also linked to organization performance, apart from an individual's performance.

**E. Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

The Company market capitalization decreased by 2.94 % to 3.30 crores as of March 31, 2016 from Rs. 3.40 crores as of March 31, 2015. The price earning ratio was 33 as of March 31, 2016 which was a increase as compared to March 31, 2015. The Closing price of the Company's equity shares on the BSE as of March 31, 2016 was Rs. 0.33.

**F. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:**

Particulars	31 <sup>st</sup> March , 2016 (Rs.)	October 1986 (Rs.)	Sub-Division (August 2002)	% change
Market Price (BSE)	0.33	10	1	67%

\* The Shares of the Company were sub-divided from Rs. 10 to Re. 1 on 24<sup>th</sup> August, 2002.

**G. 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 employee in the Company other than managerial personnel, it is not possible to calculate the required percentile.

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

None.

**I. 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.

**J. 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.

**“Corporate Governance** is the acceptance by Management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a Company.” - Excerpts from Securities and Exchange Board of India (SEBI) Consultative Paper on Review of Corporate Governance Norms in India.

Both globally as well as in India, Corporate Governance is increasingly being recognized as a key component in the efficient functioning of every business. Good Corporate Governance practices are sine qua non for a sustainable business organization that aims at generating long term value for all its stakeholders. It mainly involves the establishment of structures and processes, with appropriate checks and balances, which enable the Board to discharge its responsibilities accordingly.

In order to align with the provisions of the Companies Act, 2013, to adopt best practices on Corporate Governance and to make the Corporate Governance framework more effective, in April 2015, the Securities and Exchange Board of India (SEBI) made amendments to Clauses 35B and 49 with a view to review the provisions of the Listing Agreement. Upon examination of the representations and concerns therein raised by representatives of market participants including companies and industry associations, SEBI further made amendments to Clause 49 of the Listing Agreement to foster an environment of adoption of best practices of Corporate Governance for listed entities, effective October 1, 2015.

Our commitment to adoption of best practices of Corporate Governance makes us compliant with the Companies Act 2013 as well as the mandatory provisions of Corporate Governance of Listing Agreement.

**Company's philosophy on code of Corporate Governance**

Mega Corporation Ltd. (MCL) defines Corporate Governance as a systematic process by which companies are directed and controlled keeping in mind the long-term interest of shareholders. The Company emphasizes on transparency, independence, accountability, fairness and social responsibility. It focuses on equitable treatment of all shareholders and reinforces that it is “Your Company” and it belongs to you, the shareholders. The Chairman and the Board of Directors are your trustees pushing the business forward in maximizing long-term value for its shareholders.

MCL's Corporate Governance is based on two core principles:

1. Management must have the executive freedom to drive the enterprise forward without undue restraints; and
2. This freedom of management should be exercised within a framework of effective accountability.

MCL believes that effective Corporate Governance implies fair, transparent and equitable treatment of all its stakeholders including shareholders, partners, vendors, customers and employees. The driving forces of Corporate Governance at MCL are its core values: belief in people, entrepreneurship, customer orientation and pursuit of excellence. Corporate Governance philosophy at MCL is to not only comply, not just in letter but also in spirit, with the statutory requirements, but also voluntarily formulate and adhere to best Corporate Governance practices.

**The Company's Corporate Governance practice is based on the following:****1. Board of Directors**

The Company's Board of Directors plays a key role in providing direction in terms of strategy, target setting and performance evaluation of top management. It places special emphasis on compliance as also ensuring that the Company operates in the best interests of all its shareholders.

MCL firmly believes that Board's independence is essential to bring objectivity and transparency in the management of the Company. The current policy is to have an appropriate mix of executive and independent Directors to maintain the independence of Board, and separate its functions of governance and management.

**(A) Composition of Board**

The present Board of the Company consists of two Executive Directors and five Non-Executive Directors including one woman director, the chairperson of the Company being an Executive Director. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and viewpoints.

Mr. Ajay Chopra, an independent director of the company ceases to be director of the company w.e.f. 07.07.2016.

Independent Directors are not serving as Independent Directors in more than seven listed companies.

None of the Whole Time Directors of the Company serve as Independent Director in any of the listed companies.

All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

**(B) Non-Executive Directors' compensation and disclosures**

The Non-Executive Directors are currently not paid any sitting fee or commission. The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company during the year 2015-16.

**(C) Performance evaluation of Independent Directors:**

The Nomination and Remuneration Committee evaluates the performance of Independent Directors and recommends Commission payable to them based on their commitment towards attending the meetings of the Board/Committees, contribution and attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and committee meetings attended by them.

**(D) Other provisions as to Board and Committees**

During the year 2015-16, 10 (Ten) meetings of the Board of Directors were held on 20 April 2015, 30 May 2015, 12 August 2015, 26 August, 2015, 22 September 2015, 9 October, 2015, 20 October, 2015, 5 November 2015, 9 February, 2016, and on 14 March, 2016. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31 March, 2016 have been made by the Directors as per Clause 49 (II) (D) of the listing agreement.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 22<sup>nd</sup> September, 2015, with particulars of their Directorships of other Companies showing the position as on 31<sup>st</sup> March, 2016 held during the year are given below:

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	10	10	3	Yes
Mr. Sachin Mehra	Non-Executive & Independent Director	Director	10	10	4	No
Mr. Hulas Mal Lalani	Non-Executive	Director	10	10	6	No
Mr. Ajay Chopra	Non-Executive & Independent Director	Director	10	10	2	No
Mr. Shurab Kumar	Non-Executive & Independent Director	Director	10	7	1	Yes
Mrs. Anisha Anand	Non-Executive & Independent Director	Director	10	9	4	Yes
*Mr. Navratan Baid	Non-Executive & Independent Director	Director	10	3	5	No
*Mr. Rajendra Kumar Bengani	Non-Executive & Independent Director	Director	10	3	8	No
*Mr. Kunal Lalani	Executive Director	Director and Chairman	10	3	13	No

\*Appointed as Additional Director of the Company w.e.f. 20.10.2015.

**(E) Code of Conduct**

- The Board of Directors has laid down Code of Conduct for Non-Executive Directors, Independent Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company- [www.megacorppltd.com](http://www.megacorppltd.com)
- 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, 2016. The Annual Report of the Company contains a Certificate by the CFO in terms of Clause 49 of the listing agreement based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

2. Committees of Board of Directors

2.1 Audit Committee

(A) Qualified and Independent Audit Committee

The Company complies with Section 177 of the Companies Act, 2013 as well as requirement under the listing agreement pertaining to Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of four Directors, out of which three are Non- Executive Independent Directors;
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise;
- (iii) The Chairman of the Audit Committee is an Independent Director;
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 22 September, 2015.

(B) Terms of reference

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information;
- Recommending to the Board the appointment, re-appointment and if required the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payments to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and Auditors' Report thereon;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Approval of the related party transactions as per policy of the Company;
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments;
- Evaluation on internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal observations by the internal auditors into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 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;
- To review the functioning of Vigil mechanism;
- Management discussion and analysis of financial condition and results of operations.

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

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

Name of Member	Status	Meetings held during FY 2015-16	Meetings attended
*Mrs. Anisha Anand	Chairman	4	4
*Mr. Sachin Mehra	Member	4	4
**Mr. Ajay Chopra	Member	4	4
Mr. Surendra Chhalani	Member	4	4
**Mr. Rajendra Kumar Bengani	Member	4	1

During the year, 4 Audit Committee meetings were held as on 29 May 2015, 12 August 2015, 5 November 2015 and 9 February 2016.

\* Mr. Sachin Mehra ceases to be Chairman of Audit Committee whereas Mrs. Anisha Anand Appointed as Chariman.

\*\* Mr. Ajay Chopra ceases to be member of Audit Comittee and Mr. Rajendra Kumar Bengani joined as Member of Audit Committee.

2.2 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 2015-16	Meetings attended
*Mr. Sachin Mehra	---	3	2
**Mr. Ajay Chopra	---	3	2
**Mr. Surendra Chhalani	---	3	2
*Mr. Navratan Baid	Chairman	3	1
**Mr. Rajendra Kumar Bengani	Member	3	1
**Mrs. Anisha Anand	Member	3	1

During the year, 3 NRC meetings were held as on 20 April 2015, 20 October 2015 and 14 March, 2016.

\* Mr. Sachin Mehra ceases to be Chairman of Nomination and Remuneration Committee whereas Mr. Navratan Baid joined the Nomination and Remuneration Committee as Chairman.

\*\* Mr. Ajay Chopra and Mr. Surendra Chhalani ceases to be Member of Nomination and Remuneration Committee whereas Mr. Rajendra Kumar Bengani and Mrs. Anisha Anand joined the Nomination and Remuneration Committee as Member.

(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:

- Formulation of the criteria for determining qualifications, positive attributes and independence of directors.
- Formulation of criteria for evaluation of independent Directors and the Board
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, KMP, Senior Management Personnel and functional heads:
- Identification and recommendation to Board of persons who are qualified to become Directors, key Management Personnel and function heads in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, KMP, Senior Management Personnel and such heads.
- Evaluation of the performance of Directors (other than independent directors).
- Evaluation of the performance of independent directors and make recommendations to Board.
- Evaluation of the performance of KMP, Senior Management personal and functional heads as a team.

(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 currently not paid 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.

### 2.3 Stakeholder Relationship Committee

The Stakeholder Relationship Committee is constituted in line with the provision of Regulation 20 of SEBI (LODR) Regulations 2015 read with section 178 of the Act. The Stakeholder Relationship Committee has been constituted to assist the Board in safeguarding the interests of and redressing the Grievances of the security holders of the Company.

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

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

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. The Committee would also recommend measures for overall improvement of the quality of Investor services.

The Board has delegated the powers to the Registrar and Transfer Agents (RTA) to attend to Share Transfer formalities once in a fortnight.

During the year, 5 Stakeholder Relationship Committee meetings were held on 30 May 2015, 12 August 2015, 20 October, 2015, 5 November 2015 and 9 February 2016.

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 2015-16	Meetings attended
Mr. Sachin Mehra	Chairman	5	5
*Mr. Ajay Chopra	---	5	4
Mr. Surendra Chhalani	Member	5	5
*Mr. Navratan Baid	Member	5	1

\* Mr. Ajay Chopra Ceased to be Member of Stakeholders Relationship Committee whereas Mr. Navratan Baid joined the Stakeholders Relationship Committee as Member.

#### (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.

#### (C) Complaints received and redressed during the year 2015-16

Opening Balance	Received during the year 2015-16	Resolved during the year 2015-16	Closing Balance
0	3	3	0

Pursuant to clause 47(c) of the Listing Agreement, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

### 2.4 Independent Directors Meeting

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors namely, Mrs. Anisha Anand, Mr. Ajay Chopra and Mr. Sachin Mehra met on 9th February, 2016 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

#### 3. Subsidiary Company

The financial statements of the unlisted Subsidiary Company are being placed before the Board and discussed.

#### 4. Disclosures

##### (A) Basis of related party transactions

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- (ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.
- (iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

##### (B) Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### (C) Board Disclosures - Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

##### (D) Proceeds from public issues, right issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

##### (E) Secretarial Audit Report

The Company has obtained Secretarial Audit Report from the Company Secretary in practice for compliance with Section 204(1) of the Companies Act, 2013, Listing Agreement, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the Annual Secretarial Audit Report is annexed with Board's Report.

##### (F) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

##### (G) Shareholders

- (i) The quarterly results and presentations made by the company to analysis are put on the Company's website ([www.megacorppltd.com](http://www.megacorppltd.com))
- (ii) The Company has also sent Annual Report through email to those shareholders who have registered their email ids with the Depository Participant.
- (iii) Mr. Surendra Chhalani retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as an Executive Director.

#### 5. CEO and CFO Certification

Since your Company do not have any CEO, therefore, the CFO of the Company has given certification on financial reporting and internal controls to the Board in terms of Clause 41 and 49 II(E)(2) of the Listing Agreement which forms part of this report.

#### 6. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Director and CFO.

Pursuant to Clause 49 of the Listing Agreement, the Auditor's Certificate incompliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

## 7. General Body Meetings

Location and time of General Meetings held in the last 3 years:

Year	Date	Venue	Time	Whether any Special Resolution passed in previous AGM
2013	30.09.2013	Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048	11.30 A. M.	Yes
2014	30.09.2014	Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048	11.30 A. M.	No
2015	22.09.2015	Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048	11.30 A. M.	Yes

No Extra-Ordinary General Meeting held during the financial year under review.

## 8. Means of Communication

The Quarterly/Annual Financial Results of the Company are published in Financial Express (English, Edition) and Jansatta (Hindi Edition). The financial results and the annual reports of the Company are uploaded on the Company's website: [www.megacorppltd.com](http://www.megacorppltd.com) and on the websites: [www.bseindia.com](http://www.bseindia.com).

## 9. General Shareholder Information

### Annual General Meeting:

- (i) **Date, time and Venue:** Thursday, 22<sup>nd</sup> September, 2016 at 11:30 a.m.  
Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048
- (ii) **Financial Year:** 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016
- (iii) **Date of Book Closure:** Friday, 16<sup>th</sup> September, 2016 to Thursday 22<sup>nd</sup> September, 2016 (both days inclusive)
- (iv) **Dividend:** No dividend is declared for Financial Year 2015-16
- (v) **Listing:**

The Stock Exchanges on which the Company's shares are listed:

Stock Exchange	Stock Code
Bombay Stock Exchange Ltd.	531417

The ISIN of the Company for its shares: INE804B01023.

### (vi) Market price information:

The reported high and low closing prices during the year ended 31 March, 2016 on the BSE, where your Company's shares are traded are given below:

Month	Bombay Stock Exchange		
	Low	High	Volume (No. of Shares)
April, 2015	0.29	0.34	391717
May, 2015	0.18	0.31	318616
June, 2015	0.12	0.28	795926
July, 2015	0.26	0.37	524811
August, 2015	0.34	0.42	203922
September, 2015	0.30	0.37	23704
October, 2015	0.25	0.34	91354
November, 2015	0.31	0.39	122200
December, 2015	0.36	0.46	252178
January, 2016	0.44	0.59	126483
February, 2016	0.55	0.65	209728
March, 2016	0.33	0.53	134908

Source: [www.bseindia.com](http://www.bseindia.com)

## (vii) Registrar & Transfer Agent

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

44, Community Center, Naraina Industrial Area,  
Phase-I, New Delhi- 110 028

**Phone No.:** 011-41410592, 93 & 94, **Fax:** 011-41410591

**Email:** [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

## (viii) Shareholding as on 31 March, 2016

### (a) Distribution of shareholding as on 31 March, 2016

Shareholding	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	2091	44.40	468429	0.47%
501- 1000	850	18.00	798306	0.80%
1001- 2000	555	11.76	968337	0.97%
2001- 3000	267	5.66	726395	0.72%
3001- 4000	121	2.56	449698	0.45%
4001-5000	229	4.85	1118524	1.12%
5001-10000	279	5.91	2235749	2.24%
10001 and above	324	6.86	93234562	93.23%
<b>Total</b>	<b>4721</b>	<b>100 %</b>	<b>100000000</b>	<b>100 %</b>

### (b) Shareholding pattern as on 31 March, 2016

Category	No. of Shares Held	% of Shareholding
Promoter and Promoter Group	54312095	54.31 %
Private Bodies Corporate	13943769	13.94 %
NRI/OCBs	417859	00.42 %
Indian Public	31326277	31.33 %
<b>Total</b>	<b>100000000</b>	<b>100 %</b>

## (c) Capital of the Company

The authorized and paid-up capital of your Company is Rs. 30 crores and Rs. 10 crores respectively.

## (ix) Dematerialization of Shares

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has enlisted its shares with National Securities Depository Limited (NSDL) & Central Depository Services (India) Ltd. (CDSL). Company has been allotted ISIN No. INE804B01023. As at 31.03.2016, 97494358 number of Equity Shares (97.50 %) have been dematerialized.

## (x) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

## (xi) Plant locations

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

(xii) Address for correspondence

Mega Corporation Limited

261, Ground Floor,  
Okhla Industrial Estate, Phase-III,  
New Delhi-110020  
Ph.No- +91 11 41516171  
Fax no- +91 11 26912728  
Email: info@megacorpLtd.com

10. Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

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. INDUSTRY

Presently, the Company is into following segment:

Financial Services Sector

The importance of financial sector is known to everyone today. This sector highly contributes to the GDP of the Company. There are ample of opportunities in this sector. Company is not into big way under this industry.

2. Opportunities and Threats

2.1 Opportunities

Financial Services Sector:

Financial Sector is an ever green market. The following are the growth drivers for the sector which shows the brighter prospects for the segment:

GROWTH  
DRIVERS

➤ Financial Inclusion

➤ Increase in incomes with potentially high penetration of both banking and Share Market products to increase the market size

➤ Regulatory Reforms

2.2 Threats

Regulatory decisions and changes: On the regulatory front, changes in policies by the regulatory authority may impact on the profitability of the Company. The Company may face competitive pressure from other players in the market, which may emerge due to the lucrative market in future.

3. Segment Wise performance

During the Year 2015-16, Your Company operated in Finance & Investments and Air Chartered Segment:

(Rs. In Lacs)		
Particulars	Year ended 31.03.2016	Year Ended 31.03.2015
(a) Finance / Investments	92.00	68.61
(b) Air Charter Services	06.72	62.71
Total	98.72	130.78

4. Outlook

The Indian services sector is at a stage that provides significant opportunities for growth and investment. In this scenario, the Non-Banking Finance Companies (NBFC) sector has scripted a story that is remarkable. It speaks to the truly diverse and entrepreneurial spirit of India. From large infrastructure financing to small microfinance, the sector has innovated over time and found ways to address the debt requirements of every segment of the economy. To it's credit, the industry has also responded positively to regulatory efforts to better understand risks and to address such risks through regulations. Over time, the sector has evolved from being fragmented and informally governed to being well regulated and in many instances, adopted best practices in technology, innovation and risk management as well as governance.

5. Risks and Concern

For a company to grow, necessary risks are always involved. Risks indicate progress, but they are never fixed. They may vary from the industry type to planning strategies and various other factors. Some of the threats concerning this company are:

- Changes in Government policies may affect the company significantly;
- Natural Calamities;
- inflation, particularly in India, which could increase our costs and decrease our operating margins;

6. Control systems and their adequacy

Effective governance consists of competent management; implementation of standard policies and processes; maintenance of an appropriate audit programme and internal control environment and effective risk monitoring and management information systems.

Mega Corporation Limited (MCL) has both external and internal audit systems in place. Auditors have access to all records and information of the company. The Board and the management periodically review the findings and recommendations of the Auditors and take necessary corrective actions wherever necessary. The Board recognizes the work of Auditors as an independent check on the information received from the management on the operations and performance of the Company.

The company maintains a system of internal controls designed to provide reasonable assurance regarding the achievement of objectives in following categories:

- Effectiveness and efficiency of operations;
- Adequacy of safeguarding of assets;
- Reliability of financial controls and
- Compliance with applicable laws and regulations.

The internal control system provides for well documented policies/guidelines, authorizations and approval procedures .The Company has effective internal audit system, which reviews internal controls periodically to ensure their adequacy and effectiveness

7. Financial Outlook

Complete financial performance of the company has been reviewed. With the expansion plan in place the coming year is expected to be better.

8. Human Resources

During the period under review, the Company has been under various constraints. The aircraft was leased out and not much practical activity(ies) took place in the financial segment. Therefore, in order to cut cost, your Company tried to work with minimum resources. As at 31st March, 2016, there were only two regular employees in the Company. However, in future whenever the requirement occurs, the Company shall deploy more resource(s).

9. Risks Management

The Risks Management policies of the Company ensure that all the moveable and immoveable assets of the Company are adequately covered. Strategic plans for the company's businesses take into account likely risks in the industrial environment from competition, changing customer needs, obsolescence and technological changes. The annual plans that are drawn up consider the risks that are likely to impact the company's objectives in that year, and the counter – measures put in place. To manage operational risks, MCL has well documented policies and procedures, which are followed in its day-to-day working. Besides, the Company is prone to usual risks of the business like change in demand, any change in policy of the Government, International agreements on trade and tariffs etc.

10. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include change in Government regulations, tax laws, economic & political developments within and outside the country and such other factors.

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

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – [www.megacorppltd.com](http://www.megacorppltd.com).

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31<sup>st</sup> March, 2016.

For MEGA CORPORATION LIMITED

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

House No. 246, Sector 31, Faridabad- 121003

Place: New Delhi  
Date: 02.08.2016

**CERTIFICATION BY CHIEF FINANCIAL OFFICER OF THE  
COMPANY PURSUANT TO CLAUSE 49(IX) OF THE LISTING AGREEMENT**

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

1. We have reviewed the financial statements for the Quarter & Financial Year ended March 31, 2016 along with its schedules and notes on accounts, as well as the cash flow statements;
2. These statements do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, misleading with respect to the statements made;
3. These financial statements, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and applicable laws and regulations;
4. Based on our knowledge and information, no transactions entered into by the Company during the period, are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls and steps proposed to be taken to rectify these deficiencies.
6. We have disclosed, based on our most recent evaluation, to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
  - a. Significant changes in internal control over financial reporting during the period, if any;
  - b. There are no significant changes in accounting policies during the period; and
  - c. There are no instances of fraud of which we have become aware and the involvement, therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For MEGA CORPORATION LIMITED**

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

**House No. 246, Sector 31, Faridabad- 121003**

**Place: New Delhi  
Date: 02.08.2016**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT  
THE ANNUAL GENERAL MEETING**

**(Pursuant to Clause 49 of the Listing Agreement)**

Particulars	Mr. Kunal Lalani	Mr. Navratan Baid
<b>Age</b>	56	59
<b>Qualification</b>	B. Com.	B. Com.
<b>Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 8 Companies)</b>	1. Sanya Resorts and Hospitality Private Limited 2. V and R Auto Gauges Private Limited 3. Bollywood Merchandise Private Limited 4. Crayons Advertising Private Limited 5. Kolkata Call Taxi Private Limited 6. Bengaluru Megacabs Private Limited 7. Vimi Investments & Finance Private Limited 8. Plasopan Engineers India Private Limited 9. Sahyog Properties Private Limited 10. Mega Cabs Private Limited 11. Jam India Private Limited	1. Jaimeera Parivar Enterprises Private Limited 2. Vijex Retail Business Private Limited 3. Kulin Properties Private Limited 4. P B Tech Impact Solutions Private Limited 5. Vijex Vyapaar Private Limited
<b>Number of shares held in the Company</b>	3395000	----
<b>Experience</b>	He has more than 32 years of experience in Advertising & Service Sector Industry.	He has more than 35 years of experience in Xerox Industry.

Particulars	Mr. Rajendra Kumar Bengani	Mr. Surendra Chhalani
<b>Age</b>	53	57
<b>Qualification</b>	B.Com., CA	B.Com.
<b>Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 8 Companies)</b>	1. SMB Marketing Private Limited 2. Exmart Trading Private Limited 3. TML Investments Private Limited 4. Bengani Securities Private Limited 5. Ecartes Technology Private Limited 6. SMB Polymers Private Limited 7. Bengani Capital Services Private Limited 8. Mega Cabs Private Limited	1. Mega Airways Limited 2. Ecotec Developers Private Limited 3. Chandra Mukhi Goods Private Limited
<b>Number of shares held in the Company</b>	----	2000
<b>Experience</b>	He is a Chartered Accountant and has more than 30 years of experience in finance & Accounts.	He is an expert in Finance & Accounts about 30 years vast experience in Limited & Private Limited Companies.

CERTIFICATE OF AUDITORS

To the Members of  
Mega Corporation Limited

We have examined the compliance of conditions of Corporate Governance by MEGA CORPORATION LIMITED, for the financial year ended on March 31, 2016 as stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the said Company with stock exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the 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.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Lisitng Regulations, as applicable.

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

For SIPANI & ASSOCIATES  
Chartered Accountants  
(FRN 007712N)

Sd/-  
Vijay Sipani  
Proprietor  
Membership No. 083850

Place: Delhi  
Date: 28.05.2016

TO THE MEMBERS OF MEGA CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Mega Corporation Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

Opinion

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 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 31<sup>st</sup> March, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Subsection (11) of section 143 of the Act, we give the Annexure- A, a Statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in “**Annexure -B**”; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 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 financial statement – refer to Note 26 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 SIPANI & ASSOCIATES**  
**(Chartered Accountants)**  
 Firm's Registration No.007712N

**VIJAY SIPANI**  
 Proprietor  
 M. No. 083850

**Place: Delhi**  
**Date: 28.05.2016**

#### **Annexure-A to the Auditors' Report:**

**The Annexure referred to in our report to the members of Mega Corporation Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2016.**

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 regular programme of physical verification of its fixed assets by which fixed assets has 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. Thus, paragraph 3(ii) of the Order is not applicable to the company.
- iii) The company has granted loans to three bodies corporate 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 bodies corporate 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 bodies corporate 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) The Company has not accepted any deposits from the public.
- 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 regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and any other statutory dues with the appropriate authorities.
- b) 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<sup>st</sup> March, 2016 for a period of more than six months from the date they become payable.
- c) 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<sup>st</sup> March, 2016 for a period of more than six months from the date they become payable.
- viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) or term loan.
- 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. Accordingly paragraph 3(xii) of the Order is not applicable.

- 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 have been disclosed in the 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.
- 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. Accordingly paragraph 3(xv) of the Order is not applicable.
- 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 SIPANI & ASSOCIATES  
(Chartered Accountants)  
Firm's Registration No.007712N

Place: Delhi  
Date: 28.05.2016

VIJAY SIPANI  
Proprietor  
M. No. 083850

Annexure -B to the Independent Auditors’ Report  
Report on the Internal Financial controls under clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Mega Corporation Limited** (“the Company”) as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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 31<sup>st</sup> March, 2016, 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 SIPANI & ASSOCIATES  
(Chartered Accountants)  
Firm's Registration No.007712N

VIJAY SIPANI  
Proprietor  
M. No. 083850

Place : Delhi  
Date : 28.05.2016

BALANCE SHEET AS AT MARCH 31, 2016

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	100,000,000	100,000,000
Reserves and Surplus	4	164,032,599	162,609,728
		<b>264,032,599</b>	<b>262,609,728</b>
<b>Non-Current Liabilities</b>			
Long - Term Borrowings	5	-	18,166
Other Long Term Liabilities	6	15,000,000	-
Long-Term Provisions	7	590,267	559,865
		<b>15,590,267</b>	<b>578,031</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	18,166	280,054
Trade Payables	9	-	3,037,627
Other Current Liabilities	10	259,712	207,714
Short-Term Provisions	11	152,505	-
		<b>430,383</b>	<b>3,525,395</b>
<b>TOTAL</b>		<b>280,053,249</b>	<b>266,713,154</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets - Tangible Assets	12	53,500,530	57,099,118
Non-Current Investments	13	65,310,761	65,306,261
Deferred Tax Assets (Net)	14	8,055,298	7,428,340
Long-Term Loans and Advances	15	1,706,265	1,558,200
Other Non-Current Assets	16	1,304,436	1,241,557
		<b>129,877,290</b>	<b>132,633,476</b>
<b>Current Assets</b>			
Trade Receivable	17	700,861	-
Cash and Cash Equivalents	18	651,595	3,356,001
Short-Term Loans and Advances	19	148,823,503	130,723,677
		<b>150,175,959</b>	<b>134,079,678</b>
<b>TOTAL</b>		<b>280,053,249</b>	<b>266,713,154</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Sipani & Associates  
Chartered Accountants  
Registration No.: 007712N

For and on behalf of the Board

Sd/-  
VIJAY SIPANI  
Proprietor  
M. No. 083850  
Place: Delhi  
Dated: 28.05.2016

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

Sd/-  
Kunal Lalani  
(Director)  
DIN : 00002756

Sd/-  
Nelu Devi  
(Company Secretary)  
M. No. 43403

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)			
Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>INCOME:</b>			
Revenue from Operations	20	9,873,276	13,078,329
Other Income	21	237,436	138,822
<b>Total Revenue</b>		<b>10,110,712</b>	<b>13,217,151</b>
<b>EXPENSES:</b>			
Cost of Aircraft Charter Operations	22	321,195	3,661,793
Employee Benefits Expense	23	1,325,875	2,335,265
Interest and Finance Costs	24	718,445	101,544
Depreciation and Amortization		3,809,974	3,941,576
Other Expenses	25	3,134,870	3,069,929
<b>Total Expenses</b>		<b>9,310,359</b>	<b>13,110,107</b>
<b>Profit Before Tax:</b>		<b>800,353</b>	<b>107,044</b>
<b>Tax Expenses:</b>			
- Current Year		152,505	2,000
- Mat Entitlement		(148,065)	-
- Deferred Tax		(626,958)	(424,294)
<b>Net Profit/(Loss) for the Year</b>		<b>1,422,871</b>	<b>529,338</b>
<b>Earning Per Equity Share:</b>			
Basic & Diluted Earning Per Share of Rs. 1/- each		0.01	0.01

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

**For Sipani & Associates**  
Chartered Accountants  
Registration No.: 007712N

**For and on behalf of the Board**

**Sd/-**  
**(VIJAY SIPANI)**

Proprietor  
M. No. 083850

Place: Delhi  
Dated: 28.05.2016

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

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

**Sd/-**  
**Nelu Devi**  
(Company Secretary)  
M. No. 43403

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)		
Particulars	As at March 31, 2016	As at March 31, 2015
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit / (Loss) Before Tax</b>	<b>800,353</b>	<b>107,044</b>
Adjustment for :		
Depreciation and Amortisation	3,809,974	3,941,576
Loss/(Profit) on Sale of Fixed Assets	(61,386)	418,835
Interest Income	(9,200,683)	(6,861,188)
Interest and Finance charges	710,911	93,091
<b>Operating Profit before change in Working Capital</b>	<b>(3,940,832)</b>	<b>(2,300,642)</b>
Adjustment for changes in working capital :		
Increase/ (Decrease) in Other Long Term Liabilities	15,000,000	-
(Increase)/ Decrease in Trade Receivables	(700,861)	-
Increase/ (Decrease) in Trade Payables	(3,037,627)	937,144
Increase/ (Decrease) in Short-Term Borrowings	(261,888)	(32,744)
Increase/ (Decrease) in Other Current Liabilities	51,998	(878,177)
(Increase)/ Decrease in Short-Term Loans and Advances	(18,099,826)	(1,865,213)
(Increase)/ Decrease in Short-Term Provisions	152,505	-
	<b>(6,895,698)</b>	<b>(1,838,990)</b>
<b>Cash Generated From Operations</b>	<b>(10,836,530)</b>	<b>(4,139,632)</b>
Adjustment for :-		
Income Tax Deposit	(152,505)	(2,000)
Interest Paid	(710,911)	(93,091)
<b>Net Cash Flow From Operating activities (A)</b>	<b>(11,699,946)</b>	<b>(4,234,723)</b>
<b>B. Cash Flow from Investing Activities</b>		
Interest Income	9,200,683	6,861,188
Purchase of Tangible Assets	(330,000)	(60,100)
Investment in Shares	(4,500)	-
Proceeds from Sale of Tangible Assets	180,000	70,000
Proceeds from Sale of Non Current Investments	-	240,311
Proceeds from Other Non-Current Assets	(62,878)	(58,953)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>8,983,305</b>	<b>7,052,446</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Long-Term Provisions	30,402	(242,170)
Increase/ (Decrease) in Long-Term Borrowings	(18,166)	(280,054)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>12,236</b>	<b>(522,224)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C)</b>	<b>(2,704,406)</b>	<b>2,295,500</b>
<b>Cash and Cash Equivalents as at beginning of the year (E)</b>	<b>3,356,001</b>	<b>1,060,501</b>
<b>Cash and Cash Equivalents as at the end of the year (D+E)</b>	<b>651,595</b>	<b>3,356,001</b>

As per our Report of even date

**For Sipani & Associates**  
Chartered Accountants  
Registration No.: 007712N

**For and on behalf of the Board**

**Sd/-**  
**(VIJAY SIPANI)**

Proprietor  
M. No. 083850

Place: Delhi  
Dated: 28.05.2016

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

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

**Sd/-**  
**Nelu Devi**  
(Company Secretary)  
M. No. 43403

## Notes forming part of Financial Statements for the year ended March 31, 2016

**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 a RBI registered NBFC 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. 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) 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.

**d) 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.

**e) 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.

**f) 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.

**g) 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.

## Notes forming part of Financial Statements for the year ended March 31, 2016

**h) 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.

**i) 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.

**j) 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.

**k) 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.

**l) 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

**m) 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.

**n) 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.

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>3. Share Capital</b>		
<b>Authorised</b>		
30,00,00,000 (30,00,00,000) Equity Shares of Rs.1/- each	<u>300,000,000</u>	<u>300,000,000</u>
<b>Issued, Subscribed and Paid Up</b>		
10,00,00,000 (10,00,00,000) Equity Shares of Rs.1/- each	<u>100,000,000</u>	<u>100,000,000</u>
<b>a) Reconciliation of shares outstanding at beginning and at end of the year</b>		
During the current year and in the previous year, there have been no movements in the number of equity shares outstanding.		
<b>b) Terms / Rights attached to Equity Shares</b>		
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, 2016, 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.		
<b>c) Details of shareholders holding more than 5% shares in the Company</b>		
	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Names</b>	<b>No. of Shares    % Shares Held</b>	<b>No. of Shares    % Shares Held</b>
Vimi Investments & Finance Private Limited	46,573,000 <b>46.57%</b>	24,043,000 <b>24.04%</b>
Crayons Global Finance Private Limited	-                       -	22,530,000 <b>22.53%</b>
<b>Note :</b> Consequent to merger of M/s Crayons Global Finance Private Limited with M/s Vimi Investments & Finance Private Limited during the year the shareholding of M/s Crayons Global Finance Private Limited has been taken over by M/s Vimi Investments & Finance Private Limited		
<b>4. Reserves and Surplus</b>		
<b>Surplus /(Deficit) in the Statement of Profit and Loss</b>		
Balance as per last Financial Statements	162,609,728	162,080,390
Profit / (Loss) for the year	1,422,871	529,338
<b>Net surplus in the Statement of Profit and Loss</b>	<u>164,032,599</u>	<u>162,609,728</u>
<b>5. Long -Term Borrowings</b>		
Secured - Term Loans		
- From Banks	-	18,166
	<u>-</u>	<u>18,166</u>
<b>Nature of Security &amp; Terms of Repayment :</b>		
Secured Loans from banks amounting to Rs. NIL/- (previous year Rs.18,166/-) are secured by way of hypothecation of Vehicles and repayable in equal monthly installments.		
<b>6. Other Long Term Liabilities</b>		
Security Deposit Against Dry Lease of Aircraft	15,000,000	-
	<u>15,000,000</u>	<u>-</u>

(Amount in Rs.)		
Particulars	As at March 31, 2016	As at March 31, 2015
<b>7. Long-Term Provisions</b>		
Provision for Employee Benefits		
- Gratuity	540,000	518,712
- Leave Encashment	50,267	41,153
	<u>590,267</u>	<u>559,865</u>
<b>8. Short-Term Borrowings</b>		
<b>Secured - Term Loans</b>		
- From Banks	18,166	280,054
	<u>18,166</u>	<u>280,054</u>
<b>Nature of Security &amp; Terms of Repayment</b>		
Loans from banks amounting to Rs. 18,166/- (previous year Rs. 2,80,054/-) are secured by way of hypothecation of Vehicles and repayable in equal monthly installments.		
<b>9. Trade Payable</b>		
Trade Payable	-	3,037,627
	<u>-</u>	<u>3,037,627</u>
<b>10. Other Current Liabilities</b>		
Salaries and other employee benefits	90,825	81,100
Expenses Payable	152,136	80,000
Sales Tax Payable	-	33,333
TDS Payable	16,751	13,280
	<u>259,712</u>	<u>207,713</u>
<b>11. Short Term Provisions</b>		
Provision for Income Tax	152,505	-
	<u>152,505</u>	<u>-</u>
<b>12. Tangible Assets</b>		

(Amount in Rs.)										
Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Addition during the Year	Deduction & Adjustment	As at 31.03.2016	As at 01.04.2015	Deduction & Adjustment	For the Year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Air Craft - Commercial	125,573,210	-	-	125,573,210	69,096,590	-	3,497,402	72,593,992	52,979,218	56,476,620
Computer System	51,500	-	-	51,500	32,527	-	11,983	44,510	6,990	18,973
Furniture and Fixtures	8,600	-	-	8,600	2,226	-	1,650	3,876	4,724	6,374
Vehicles	1,287,493	330,000	367,599	1,249,894	704,095	248,985	290,456	745,566	504,328	583,398
Office Equipments	40,400	-	-	40,400	26,647	-	8,482	35,129	5,271	13,753
<b>Total</b>	<b>126,961,203</b>	<b>330,000</b>	<b>367,599</b>	<b>126,923,604</b>	<b>69,862,085</b>	<b>248,985</b>	<b>3,809,974</b>	<b>73,423,074</b>	<b>53,500,530</b>	<b>57,099,118</b>
<b>Previous Year</b>	<b>127,876,980</b>	<b>60,100</b>	<b>975,877</b>	<b>126,961,203</b>	<b>66,468,830</b>	<b>548,321</b>	<b>3,941,576</b>	<b>69,862,085</b>	<b>57,099,118</b>	<b>61,408,150</b>

Particulars	(Amount in Rs.)	
	As at March 31, 2016	As at March 31, 2015
<b>13. Non-Current Investments</b>		
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 Pvt. Ltd.	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
	<b>65,286,525</b>	<b>65,286,525</b>
Other Investment (valued at cost unless stated otherwise)		
Quoted Equity Instruments		
110 (100) Equity Shares of Rs. 2/- each fully paid up of Tata Motors Limited	24,236	19,736
	<b>24,236</b>	<b>19,736</b>
	<b>65,310,761</b>	<b>65,306,261</b>
Aggregate amount of Quoted Investments	24,236	19,736
Aggregate Market value of Quoted Investments	42,493	54,995
Aggregate amount of Unquoted Investments	65,286,525	65,286,525
Aggregate Provision for Diminution in the value of Investments	-	-
<b>14. Deferred Tax Assets (Net)</b>		
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	166,860	160,282
Provision for Leave Encashment	15,533	12,716
Others - Unabsorbed Depreciation	22,914,250	22,914,250
	<b>23,096,643</b>	<b>23,087,248</b>
Deferred Tax Liabilities :		
Fixed Assets: Impact of difference between book and tax depreciation	15,041,345	15,658,908
	<b>15,041,345</b>	<b>15,658,908</b>
Net Deferred Tax Assets	<b>8,055,298</b>	<b>7,428,340</b>
<b>15. Long-Term Loans and Advances</b>		
MAT Credit Carried Forward	1,706,265	1,558,200
	<b>1,706,265</b>	<b>1,558,200</b>
<b>16. Other Non-Current Assets</b>		
Fixed Deposits with original maturity more than twelve month	1,304,436	1,241,557
	<b>1,304,436</b>	<b>1,241,557</b>

Particulars	(Amount in Rs.)	
	As at March 31, 2016	As at March 31, 2015
<b>17. Trade Receivable (Unsecured)</b>		
Exceeding Six Months	547,326	-
Others	153,535	-
	<b>700,861</b>	<b>-</b>
<b>18. Cash and Cash Equivalents</b>		
Balances with Scheduled Banks in Current Accounts	508,416	3,152,997
Cash on Hand (as certified by the management)	143,179	203,004
	<b>651,595</b>	<b>3,356,001</b>
<b>19. Short-Term Loans and Advances</b>		
Security Deposits (Unsecured, considered good)	62,345	62,345
Other Loans and Advances		
(Unsecured, considered good)		
Inter Corporate Loans & Advances	67,353,913	50,000,000
Income Tax Deposit against Disputed Demand	26,883,727	26,322,714
Custom Duty Deposit under Protest	23,682,303	23,682,303
Insurance Claim Receivable	24,735,858	24,730,858
Income Tax Refundable	4,254,383	3,968,880
Advance Income Tax/TDS	946,331	876,516
Prepaid Expenses	52,623	444,167
Service Tax Cenvat Credit	852,020	635,894
	<b>148,823,503</b>	<b>130,723,677</b>
<b>20. Revenue from Operations</b>		
Interest Receipts	9,200,683	6,861,188
Aircraft Charter Services	-	5,594,919
Lease Rental from Aircraft	672,593	622,222
	<b>9,873,276</b>	<b>13,078,329</b>
<b>21. Other Income</b>		
Liabilities Written Back	-	23,981
Interest Receipts	176,050	114,421
Profit on sale of car	61,386	-
Misc. Income	-	420
	<b>237,436</b>	<b>138,822</b>
<b>22. Aircraft Charter Operation Expenses</b>		
Air Craft Repair and Maintenance	-	1,149,215
Fuel Consumed	-	897,974
Salary and Pilots Remuneration	-	555,000
Insurance of Aircraft	321,195	510,390
Landing and Parking	-	431,739
Lodging & Boarding Exp.	-	60,800
Catering Expenses	-	46,675
Training Expenses	-	10,000
	<b>321,195</b>	<b>3,661,793</b>

Particulars	(Amount in Rs.)	
	As at March 31, 2016	As at March 31, 2015
<b>23. Employee Benefits Expenses</b>		
Salaries and Allowances	546,087	1,110,827
Directors Remuneration	756,600	1,157,100
Staff Welfare	1,588	55,122
Contribution to PF and ESI	21,600	12,216
	<b>1,325,875</b>	<b>2,335,265</b>
<b>24. Interest and Finance Costs</b>		
Interest	710,911	93,091
Bank Charges	7,534	8,453
	<b>718,445</b>	<b>101,544</b>
<b>25. Other Expenses</b>		
Auditors Remuneration	80,150	92,152
Advertisement Expenses	122,713	116,872
Director Sitting Fees	10,200	-
Rent Paid	415,800	460,500
Legal and Professional Charges	1,366,069	1,233,321
Fees and Subscription	444,060	203,041
Travelling Expenses	82,032	152,088
Loss on Sale of Tangible Assets/ Investments	-	418,835
Vehicle running & maintainance Expenses	263,389	-
Telephone and Mobile Expenses	97,459	87,302
Conveyance Expenses	9,704	72,714
Repair and Maintenance	4,150	19,656
Postage and Telegram	61,216	64,024
Printing and Stationery	47,659	64,642
Meeting (AGM) Expenses	15,000	11,800
Electricity and Water	-	16,892
General Expenses	68,734	12,941
Insurance	23,866	24,178
Filing Fees	15,000	18,000
Bad Debts	-	681
Books and Periodicals	7,669	290
	<b>3,134,870</b>	<b>3,069,929</b>

**26. Contingent Liabilities not provided for:**

Particulars	(Amount in Rs. Lakh)	
	As at 31-03-2016	As at 31-03-2015
Income Tax Matters	-	396.57
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 FY 2006-07 which was contested by the company before the appellate authorities. The appeal filed by the company with ITAT, Delhi Bench has been decided in company's favour during the year and consequently the demand raised by the Income Tax Department for FY 2005-06 has been deleted. However the Income Tax Department has filed an appeal with Delhi High Court against the order of the ITAT, Delhi Bench. The management of the company has been advised by the legal experts that the Appeal filed by the Income Tax Department is without merits and therefore 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

**27. 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: NIL ).

- 28.** The Company has initiated the process of amalgamation of its subsidiary **M/s Mega Airways Limited** with itself in terms of “**scheme of amalgamation**” agreed between both the companies. The Company, being a listed company and RBI registered NBFC, is required to obtain no objection certificates from Mumbai Stock Exchange and RBI for above referred amalgamation/merger. The Company's applications for grant of no objection certificates are still under consideration of RBI and BSE. The scheme is further subject to approval of Delhi High Court under section 391 and 394 of the Companies Act, 1956. Though as per the “Scheme of Amalgamation” the appointed date of merger is 01-04-2015 but it is anticipated by the management that due to pending court approval and other legal requirements the Company may not be able to implement the scheme of merger from the above referred appointed date. The effective date of merger is subject to change by mutual agreement between both the parties to merger.
- 29.** 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.
- 30.** 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.
- 31.** Balances of Debtors, Creditors, Loans and Advances and Unsecured Loans are subject to confirmation and reconciliation adjustment, if any.
- 32.** The amount of Insurance Claim amounting to Rs. 247.35 Lacs shown under the Schedule “Short Term Loans and Advances” is subject to acceptance of the claim by the Insurance Company.
- 33.** 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.
- 34.** 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.

**35. Foreign Exchange Earned and Used:**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Foreign Exchange Earned	-	-
Foreign Exchange Used	-	63,586

**36. Payments to Whole Time and other Directors:**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>Whole Time Directors:</b>		
Basic Salary	6,24,000	7,86,000
HRA and Other Allowances	1,32,600	3,71,100
<b>Total</b>	<b>7,56,600</b>	<b>11,57,000</b>
The Managerial Remuneration as computed above does not include the liability in respect of leave salary and gratuity accrued		

**37. Auditors Remuneration (Excluding Service Tax / Cess):**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fee	70,000	70,000
Secretarial Audit Fee	NIL	8,500
Internal Audit Fee	NIL	5,000

**38. Change in Estimation of Residual Value and Life of Tangible Assets:**

During the previous year the Company had revised its estimated residual value and useful life in the case of Commercial Aircraft with effect from first day of the previous financial year. Due to the change in estimation the depreciation for the previous year has been lower by Rs. 64,76,620/-.

If there were no change in estimation during the previous financial year, then Profit Before Tax, Profit After Tax and Deferred Tax Assets for the previous financial year would be Rs. (63,69,575/-), Rs. (39,46,006/-) and Rs. 94,29,615/- respectively in place of 1,07,044/-, 5,29,338/- and 74,28,340/-.

**39. 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	Chartered Aircraft Services	Total Amount in Rs.
Revenue	92,00,683	6,72,593	98,73,276
Identified Operating Exp.	10,06,414	39,15,992	49,22,406
<b>Profit/(Loss) before Interest and Tax</b>	<b>81,94,269</b>	<b>(32,43,399)</b>	<b>49,50,870</b>
Less : Other Expenses net of Income (unallocable)			41,50,517
Net Profit before			8,00,353
Less : Income Tax and other Taxes			(6,22,518)
<b>Net Profit after Tax</b>			<b>14,22,871</b>
<b>Segment Assets</b>	<b>168,943,848</b>	<b>111,109,401</b>	<b>280,053,249</b>
<b>Segment Liabilities</b>	<b>8,68,144</b>	<b>15,000,000</b>	<b>158,68,144</b>
<b>Capital Employed (Assets - Liabilities)</b>	<b>168,075,704</b>	<b>96,109,401</b>	<b>264,032,599</b>
<b>Depreciation</b>	<b>2,74,024</b>	<b>35,35,949</b>	<b>38,09,974</b>

**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	14,22,871	5,29,338
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	<b>0.01</b>	<b>0.01</b>

**41. 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. Ajay Chopra, Mrs. Anisha Anand, Mr. Navratan Baid and Mr. Rajendra Bengani

**Relatives:-** Mrs. Kiran Chhalani

c) **Other Related Parties where common control exists and with whom the company had transactions during the year:** Mega Cabs Private Limited, BB Hospitality Ventures Private Limited, Sanya Resorts & Hospitality Private Limited & and Omni Media Communications Private Limited

**Transactions with Related parties**

(Amount in Rs. Lacs)

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.
Receiving of Services	-	-	-	-	1.20	1.17	1.20	1.17
Rendering of Services	-	-	-	-	-	5.70	-	5.70
Interest Received	-	-	-	-	84.74	53.60	84.74	53.60
Rent Paid	-	-	4.16	3.78	-	-	4.16	3.78
Directors' Remuneration	-	-	7.57	11.57	-	-	7.57	11.57
Loans and Advances Given	-	12.00	-	-	139.50	206.92	139.50	218.92
Loans and Advances Received Back	-	145.00	-	-	-	197.50	145.00	197.50
Balance of Investments at the year end	599.93	599.93	-	-	18.75	18.75	618.68	618.68

42. 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.

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

As per our Report of even date

**For Sipani & Associates**  
**Chartered Accountants**  
Registration No.: 007712N

**For and on behalf of the Board**

**Sd/-**  
**VIJAY SIPANI**  
Proprietor  
M. No. 083850

Place: Delhi  
Dated: 28.05.2016

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

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

**Sd/-**  
**Nelu Devi**  
(Company Secretary)  
M. No. 43403

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MEGA CORPORATION LIMITED**

**1. Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of Mega Corporation Limited ('the Holding Company') and its subsidiary (collectively referred to as 'the Company' or 'the Group'), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as 'the consolidated financial statements')

**2. Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act 2013 ('The Act') that give a true and a fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Companies Act 2013 (hereinafter referred to as 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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.

**4. Opinion**

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 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 consolidated state of affairs of the Company as at 31<sup>st</sup> March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

**5. Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report, to the extent applicable, 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 purpose 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 Cash Flow Statement 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 Holding Company as on 31<sup>st</sup> March, 2016, and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016, from being appointed as a director of that company in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure -A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 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 consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the group – refer to Note 26 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 SIPANI & ASSOCIATES  
(Chartered Accountants)**  
Firm's Registration No.007712N

**Place: Delhi  
Date: 28.05.2016**

**VIJAY SIPANI**  
Proprietor  
M. No. 083850

Annexure -A to the Auditors’ Report

Report on the Internal Financial Controls 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 Mega Corporation Limited of and for the year ended 31st march 2016, we have audited the internal financial controls over financial reporting of Mega Corporation Limited (“the Company”) which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding 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 established 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 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 judgment, 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 31st March, 2016, 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 SIPANI & ASSOCIATES  
(Chartered Accountants)  
Firm's Registration No.007712N

VIJAY SIPANI  
Proprietor  
M. No. 083850

Place: Delhi  
Date: 28.05.2016

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(Amount in Rs.)			
Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	100,000,000	100,000,000
Reserves and Surplus	3	167,095,308	165,997,246
		<b>267,095,308</b>	<b>265,997,246</b>
<b>Minority Interest</b>		<b>7,357</b>	<b>7,395</b>
<b>Non-Current Liabilities</b>			
Long - Term Borrowings	4	-	18,166
Other Long Term Liabilities	5	15,000,000	-
Long-Term Provisions	6	590,267	559,865
		<b>15,590,267</b>	<b>578,031</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	18,166	280,054
Trade Payables	8	-	3,060,099
Other Current Liabilities	9	282,612	245,213
Short-Term Provisions	10	152,505	857,111
		<b>453,283</b>	<b>4,442,477</b>
<b>TOTAL</b>		<b>283,146,215</b>	<b>271,025,150</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed Assets - Tangible Assets	11	53,500,530	57,099,118
Non-Current Investments	12	36,717,761	36,013,261
Deferred Tax Assets (Net)	13	8,055,298	7,428,340
Long-Term Loans and Advances	14	1,706,265	1,558,200
Other Non-Current Assets	15	2,946,235	3,112,008
		<b>102,926,089</b>	<b>105,210,927</b>
<b>Current Assets</b>			
Trade Receivables	16	700,861	-
Cash and Cash Equivalents	17	683,368	4,216,561
Short-Term Loans and Advances	18	178,835,897	161,597,662
		<b>180,220,126</b>	<b>165,814,223</b>
<b>TOTAL</b>		<b>283,146,215</b>	<b>271,025,150</b>

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our Report of even date

**For Sipani & Associates**  
**Chartered Accountants**  
Registration No.: 007712N

**For and on behalf of the Board**

**Sd/-**  
**VIJAY SIPANI**  
Proprietor  
M. No. 083850  
Place: Delhi  
Dated: 28.05.2016

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

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

**Sd/-**  
**Nelu Devi**  
(Company Secretary)  
M. No. 43403

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)			
Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>INCOME:</b>			
Revenue from Operations	19	9,873,276	13,078,329
Other Income	20	237,436	5,159,829
<b>Total Revenue</b>		<b>10,110,712</b>	<b>18,238,158</b>
<b>EXPENSES:</b>			
Cost of Aircraft Charter Operations	21	321,195	3,661,793
Employee Benefits Expense	22	1,325,875	2,792,489
Interest and Finance Costs	23	719,552	101,594
Depreciation and Amortization	24	4,038,626	4,170,228
Other Expenses	25	3,229,958	3,159,986
<b>Total Expenses</b>		<b>9,635,206</b>	<b>13,886,090</b>
<b>Profit Before Tax:</b>		<b>475,506</b>	<b>4,352,068</b>
Less: Tax Expenses:			
- Current Year		152,505	857,111
- Mat entitlement		(148,065)	
- Previous Year		-	2,000
- Deferred Tax Charge / (Credit)		(626,958)	(424,294)
<b>Profit/(Loss) for the Year before adjustment of Minority Interest</b>		<b>1,098,024</b>	<b>3,917,251</b>
Less: Minority Interest		38	395
<b>Net Profit/(Loss) for the Year</b>		<b>1,098,062</b>	<b>3,916,856</b>
<b>Earning Per Equity Share:</b>			
Basic & Diluted Earning Per Share of Rs. 1/- each		0.01	0.04

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date

**For Sipani & Associates**  
**Chartered Accountants**  
Registration No.: 007712N

**For and on behalf of the Board**

**Sd/-**  
**VIJAY SIPANI**  
Proprietor  
M. No. 083850  
Place: Delhi  
Dated: 28.05.2016

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

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

**Sd/-**  
**Nelu Devi**  
(Company Secretary)  
M. No. 43403

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit / (Loss) Before Tax</b>	<b>475,506</b>	<b>4,352,068</b>
Adjustment for :		
Depreciation and Amortisation	4,038,626	4,170,228
Interest Income	(9,200,683)	(10,601,030)
Loss/(Profit) on Sale of Fixed Assets/ Investments	(61,386)	(1,281,165)
Interest and Finance charges	710,911	93,091
<b>Operating Profit before change in Working Capital</b>	<b>(4,037,027)</b>	<b>(3,266,808)</b>
Adjustment for changes in working capital :		
Increase/ (Decrease) in Other Current Liabilities	15,000,000	-
(Increase)/ Decrease in Trade Receivables	(700,861)	-
Increase/ (Decrease) in Trade Payables	(3,060,099)	937,144
Increase/ (Decrease) in Short-Term Borrowings	(261,888)	(32,744)
Increase/ (Decrease) in Other Current Liabilities	37,398	(840,677)
(Increase)/ Decrease in Short-Term Loans and Advances	(17,238,235)	(46,039,198)
	<b>(6,223,685)</b>	<b>(45,975,475)</b>
<b>Cash Generated From Operations</b>	<b>(10,260,712)</b>	<b>(49,242,283)</b>
Adjustment for :-		
Income Tax Deposit	(857,111)	(2,000)
Interest Paid	(710,911)	(93,091)
<b>Net Cash Flow From Operating activities (A)</b>	<b>(11,828,733)</b>	<b>(49,337,373)</b>
<b>B. Cash Flow from Investing Activities</b>		
Interest Income	9,200,683	10,601,030
Purchase of Tangible Assets	(330,000)	(60,100)
Investment in shares	(4,500)	-
Proceeds from Sale of Tangible Assets	180,000	70,000
Proceeds from Sale of Non Current Investments	17,500,000	20,140,311
Purchase of Non Current Investment	(18,200,000)	(30,700,000)
Proceeds from Other Non-Current Assets	(62,878)	(58,953)
Share Application Money (Given)/ Received back	-	57,950,000
<b>Net Cash Flow from Investing Activities (B)</b>	<b>8,283,305</b>	<b>57,942,288</b>
<b>C. Cash Flow from Financing Activities</b>		
Share Application Money Received / (Refunded)	-	(5,000,000)
Repayment of Long-Term Provisions	30,402	(242,170)
Increase/ (Decrease) in Long-Term Borrowings	(18,166)	(280,054)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>12,236</b>	<b>(5,522,224)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C)</b>	<b>(3,533,193)</b>	<b>3,082,691</b>
<b>Cash and Cash Equivalents as at beginning of the year (E)</b>	<b>4,216,561</b>	<b>1,133,870</b>
<b>Cash and Cash Equivalents as at the end of the year (D+E)</b>	<b>683,368</b>	<b>4,216,561</b>

As per our Report of even date

For Sipani & Associates  
Chartered Accountants  
Registration No.: 007712N

For and on behalf of the Board

Sd/-  
VIJAY SIPANI  
Proprietor  
M. No. 083850  
Place: Delhi  
Dated: 28.05.2016

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

Sd/-  
Kunal Lalani  
(Director)  
DIN : 00002756

Sd/-  
Nelu Devi  
(Company Secretary)  
M. No. 43403

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2016

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, 2016.

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, 2016
Mega Airways Ltd.	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. 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.

F. 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.

G. 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.

#### H. 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.

#### I. 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.

#### J. 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.

#### K. 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.

#### L. 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.

#### M. 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.

#### N. 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.

#### O. 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.

### Notes forming part of Consolidated Financial Statements for the year ended March 31, 2016

(Amount in Rs.)				
Particulars	As at March 31, 2016		As at March 31, 2015	
<b>2. Share Capital</b>				
<b>Authorised</b>				
30,00,00,000 (30,00,00,000) Equity Shares of Rs.1/- each	300,000,000		300,000,000	
<b>Issued, Subscribed and Paid Up</b>				
10,00,00,000 (10,00,00,000) Equity Shares of Rs.1/- each fully paid up	100,000,000		100,000,000	
<b>a) Reconciliation of shares outstanding at beginning and at end of the year</b>				
During the current year and in the previous year, there have been no movements in the number of equity shares outstanding.				
<b>b) Terms / Rights attached to Equity Shares</b>				
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.				
<b>During the year ended March 31, 2016, the Company has not declared any dividend.</b>				
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.				
<b>c) Details of shareholders holding more than 5% shares in the Company</b>				
	As at March 31, 2016		As at March 31, 2015	
<b>Name</b>	<b>No. of Shares</b>	<b>% Shares Held</b>	<b>No. of Shares</b>	<b>% Shares Held</b>
Vimi Investments & Finance Private Limited	46,573,000	46.57%	24,043,000	24.04%
Crayons Global Finance Private Limited	-	-	22,530,000	22.53%
<b>Note:</b> Consequent to merger of M/s Crayons Global Finance Private Limited with M/s Vimi Investments & Finance Private Limited during the year the shareholding of M/s Crayons Global Finance Private Limited has been taken over by M/s Vimi Investments & Finance Private Limited				
<b>3. Reserves and Surplus</b>				
<b>Surplus / (Deficit) in the Statement of Profit and Loss</b>				
Balance as per last Financial Statements	165,997,246		162,080,390	
Profit / (Loss) for the year	1,098,062		3,916,856	
<b>Closing Balance</b>	<b>167,095,308</b>		<b>165,997,246</b>	
<b>4. Long -Term Borrowings</b>				
Secured - Term Loans from Banks	-		18,166	
	-		<b>18,166</b>	
<b>Nature of Security &amp; Terms of Repayment</b>				
Secured Loans from banks amounting to Rs. NIL/- (previous year Rs 18,166/-) are secured by way of hypothecation of Vehicles and repayable in equal monthly installments.				
<b>5. Other Long Term Liabilities</b>				
Security Deposit Against Dry Lease of Aricarft	15,000.000		-	
	<b>15,000.000</b>		<b>-</b>	
<b>6. Long-Term Provisions</b>				
Provision for Employee Benefits				
- Gratuity	540,000		518,712	
- Leave Encashment	50,267		41,153	
	<b>590,267</b>		<b>559,865</b>	

Particulars	(Amount in Rs.)	
	As at March 31, 2016	As at March 31, 2015
<b>7. Short-Term Borrowings</b>		
<b>Secured - Term Loans</b>		
- From Banks	18,166	280,054
	<b>18,166</b>	<b>280,054</b>
<b>Nature of Security &amp; Terms of Repayment</b>		
Loans from banks amounting to Rs. 18,166/- (previous year Rs. 2,80,054/-) are secured by way of hypothecation of Vehicles and repayable in equal monthly installments.		
<b>8. Trade Payable</b>		
Trade Payable (Refer note 30)	-	3,060,099
	<b>-</b>	<b>3,060,099</b>
<b>9. Other Current Liabilities</b>		
Salaries and other employee benefits	90,825	81,100
Other Expenses Payable	175,036	80,000
Sales Tax Payable	-	33,333
TDS Payable	16,751	50,780
	<b>282,612</b>	<b>245,213</b>
<b>10. Short-Term Provisions</b>		
Provision for Income Tax	152,505	857,111
	<b>152,505</b>	<b>857,111</b>

**11. Tangible Assets**

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Addition during the Year	Deduction & Adjustment	As at 31.03.2016	As at 01.04.2015	Deduction & Adjustment	For the Year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Air Craft - Commercial	125,573,210	-	-	125,573,210	69,096,590	-	3,497,402	72,593,992	52,979,218	56,476,620
Computer System	51,500	-	-	51,500	32,527	-	11,983	44,510	6,990	18,973
Furniture and Fixtures	8,600	-	-	8,600	2,226	-	1,650	3,876	4,724	6,374
Vehicles	1,287,493	330,000	367,599	1,249,894	704,095	248,985	290,456	745,566	504,328	583,398
Office Equipments	40,400	-	-	40,400	26,647	-	8,482	35,129	5,271	13,753
<b>Total</b>	<b>126,961,203</b>	<b>330,000</b>	<b>367,599</b>	<b>126,923,604</b>	<b>69,862,085</b>	<b>248,985</b>	<b>3,809,974</b>	<b>73,423,074</b>	<b>53,500,530</b>	<b>57,099,118</b>
<b>Previous Year</b>	<b>127,876,980</b>	<b>60,100</b>	<b>975,877</b>	<b>126,961,203</b>	<b>66,468,830</b>	<b>548,321</b>	<b>3,941,576</b>	<b>69,862,085</b>	<b>57,099,118</b>	<b>61,408,150</b>

**12. Non-Current Investments**

Trade Investments (valued at cost unless stated otherwise)

**a) Quoted Equity Instruments**

110 (100) Equity Shares of Rs. 2/- each fully paid up

of Tata Motors Limited

24,236	19,736
<b>24,236</b>	<b>19,736</b>

Particulars	(Amount in Rs.)	
	As at March 31, 2016	As at March 31, 2015
<b>b) Unquoted Equity Instruments</b>		
<b>Investment in Associates</b>		
1,50,000 (1,50,000) Equity Shares of Rs. 10/- each fully paid up of Anand Power Private 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
17,500 (NIL) 15% Redeemable Cumulative Preference Shares of Rs. 1,000/- each of BB Hospitality Ventures Private Limited	-	17,500,000
31,40,000 (13,20,000) Equity Shares of Rs. 10/- each of Mega Cabs Private Limited	31,400,000	13,200,000
	<b>36,693,525</b>	<b>35,993,525</b>
<b>Total (a+b)</b>	<b>36,717,761</b>	<b>36,013,261</b>
Aggregate amount of Quoted Investments	24,236	19,736
Aggregate Market value of Quoted Investments	42,493	54,995
Aggregate amount of Unquoted Investments	36,693,525	35,993,525
Aggregate Provision for Diminution in the value of Investments	-	-

**13. 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	166,860	160,282
Provision for Leave Encashment	15,533	12,716
Others - Unabsorbed Depreciation	22,914,250	22,914,250
	<b>23,096,643</b>	<b>23,087,248</b>

**B. Deferred Tax Liabilities :**

Fixed Assets: Impact of difference between book and tax depreciation

15,041,345	15,658,908
<b>15,041,345</b>	<b>15,658,908</b>
<b>Net Deferred Tax Assets (A - B)</b>	<b>8,055,298</b>

**14. Long-Term Loans and Advances**

MAT Credit Carried Forward

1,706,265	1,558,200
<b>1,706,265</b>	<b>1,558,200</b>

**15. Other Non-Current Assets**

Fixed Deposits with original maturity more than twelve month	1,304,436	1,241,557
--	-----------	-----------

**Misc. Expenses (To the extent not Written Off or adjusted)****A. Preliminary Expenses**

As per last year	149,936	187,420
Less : Written off during the year	37,484	37,484
<b>Total 'A'</b>	<b>112,452</b>	<b>149,936</b>

Particulars	(Amount in Rs.)	
	As at March 31, 2016	As at March 31, 2015
<b>B. Share Issue Expenses</b>		
As per last year	540,450	600,500
Less : Written off during the year	60,050	60,050
<b>Total `B`</b>	<b>480,400</b>	<b>540,450</b>
<b>C. Pre- Operative Expenses</b>		
As per last year	1,180,065	1,311,183
Add: Incurred during the year	-	-
Less : Capitalised during the year	131,118	131,118
<b>Total `C`</b>	<b>1,048,947</b>	<b>1,180,065</b>
<b>TOTAL (A + B + C)</b>	<b>1,641,799</b>	<b>1,870,451</b>
	<b>2,946,235</b>	<b>3,112,008</b>
<b>16. Trade Receivables</b>		
Exceeding Six Month	547,326	-
Others	153,535	-
	<b>700,861</b>	<b>-</b>
<b>17. Cash and Cash Equivalents</b>		
Balances with Scheduled Banks in Current Accounts	540,189	3,566,901
Cash on Hand (as certified by the management)	143,179	649,660
	<b>683,368</b>	<b>4,216,561</b>
<b>18. Short-Term Loans and Advances</b>		
Security Deposits (Unsecured, considered good)	62,345	62,345
<b>Other Loans and Advances</b>		
(Unsecured, considered good unless stated otherwise)		
Advance Against Property - Nandini Buildhom Consortium Pvt. Ltd.	30,000,000	30,000,000
Inter Corporate Loans & Advances	67,353,913	50,000,000
Income Tax Deposit against Disputed Demand	26,883,727	26,322,714
Custom Duty Deposit under Protest	23,682,303	23,682,303
Insurance Claim Receivable	24,735,858	24,730,858
Income Tax Refundable	4,254,383	3,968,880
Advance Income Tax/TDS	958,725	1,750,501
Prepaid Expenses	52,623	444,167
Service Tax Cenvat Credit	852,020	635,894
	<b>178,835,897</b>	<b>161,597,662</b>
<b>19. Revenue from Operations</b>		
Interest Receipts	9,200,683	6,861,188
Rental Income	-	622,222
Aircraft Charter Services	672,593	5,594,919
	<b>9,873,276</b>	<b>13,078,329</b>
<b>20. Other Income</b>		
Liabilities Written Back	-	23,981
Interest Receipts	176,050	3,854,263
Profit on Sale of Tangible Assets/ Investments	61,386	1,281,165
Dividend / Misc. Income	-	420
	<b>237,436</b>	<b>5,159,829</b>

Particulars	(Amount in Rs.)	
	As at March 31, 2016	As at March 31, 2015
<b>21. Aircraft Charter Operation Expenses</b>		
Air Craft Repair and Maintenance	-	1,149,215
Fuel Consumed	-	897,974
Salary and Pilots Remuneration	-	555,000
Training Expenses	-	10,000
Landing and Parking	-	431,739
Insurance of Aircraft	321,195	510,390
Lodging & Boarding Exp.	-	60,800
Catering Expenses	-	46,675
	<b>321,195</b>	<b>3,661,793</b>
<b>22. Employee Benefits Expenses</b>		
Salaries and Allowances	546,087	1,555,677
Directors Remuneration	756,600	1,157,100
Staff Welfare	1,588	67,496
Contribution to PF and ESI	21,600	12,216
	<b>1,325,875</b>	<b>2,792,489</b>
<b>23. Interest and Finance Costs</b>		
Interest	710,911	93,091
Bank Charges	8,641	8,503
	<b>719,552</b>	<b>101,594</b>
<b>24. Depreciation and Amortisation</b>		
Depreciation on Tangible Assets	3,809,974	3,941,576
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
	<b>4,038,626</b>	<b>4,170,228</b>
<b>25. Other Expenses</b>		
Auditors Remuneration	103,050	114,624
Advertisement Expenses	132,893	116,872
Director Sitting Fees	10,200	-
Rent Paid	415,800	460,500
Legal and Professional Charges	1,366,069	1,675,071
Fees and Subscription	444,060	203,041
Travelling Expenses	82,032	152,088
Vehicle running & maintenance Expenses	263,389	-
Telephone and Internet Expenses	97,459	89,164
Repair and Maintenance	4,150	20,914
Conveyance Expenses	9,704	85,188
Postage and Telegram	61,216	64,336
Printing and Stationery	47,659	66,050
Meeting (AGM) Expenses	15,000	11,800
Electricity and Water	-	17,768
Interest on Late deposit of Taxes	10800	13,500
Insurance Charges	23,866	24,178
Filing Fees	22,200	28,200
Books and Periodicals	7669	1,438
Business Promotion	-	1,632
Bad Debts	-	681
General Expenses	112,742	12,941
	<b>3,229,958</b>	<b>3,159,986</b>

**26. Contingent Liabilities not provided for:**

(Amount in Rs. Lakh)

Particulars	As at 31-03-2016	As at 31-03-2015
Income Tax Matters*	NIL	396.57
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 FY 2006-07 which was contested by the company before the appellate authorities. The appeal filed by the company with ITAT, Delhi Bench has been decided in company's favour during the year and consequently the demand raised by the Income Tax Department for FY 2005-06 has been deleted. However the Income Tax Department has filed an appeal with Delhi High Court against the order of the ITAT, Delhi Bench. The management of the company has been advised by the legal experts that the Appeal filed by the Income Tax Department is without merits and therefore 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 F. Y. 2007-08. Though the Company had disputed the said demand but had deposited the said amount in F. Y. 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.

During FY 2015-16, the Income Tax Department has issued notices U/S 148 of the Income Tax Act, 1961 for re-assessment of income of the Subsidiary Company for AY 2010-11 to AY 2012-13. The Subsidiary Company is co-operating with the authorities by submitting the information sought from time to time. However the proceedings have not been completed by the department upto the Balance Sheet date therefore the liability which may arise on finalization of proceedings is not known. Accordingly, no liability has been recognised in the books with regard to above referred matter. (Previous Year : NIL)

**27. Capital Commitments:**

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for: Rs. 35.225 Lacs ( Previous Year: Rs. 35.225 Lacs).

28. The Holding Company has initiated the process of amalgamation of its subsidiary M/s Mega Airways Limited with itself in terms of "scheme of amalgamation" agreed between both the companies. The Holding Company, being a listed company and RBI registered NBFC, is required to obtain no objection certificates from Mumbai Stock Exchange and RBI for above referred amalgamation/merger. The Holding Company's applications for grant of no objection certificates are still under consideration of RBI and BSE. The scheme is further subject to approval of Delhi High Court under section 391 and 394 of the Companies Act, 1956. Though as per the "Scheme of Amalgamation" the appointed date of merger is 01-04-2015 but it is anticipated by the management that due to pending court approval and other legal requirements the Holding Company may not be able to implement the scheme of merger from the above referred appointed date. The effective date of merger is subject to change by mutual agreement between both the parties to merger.
29. 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.
30. 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.
31. Balances of Debtors, Creditors, Loans and Advances and Unsecured Loans are subject to confirmation and reconciliation adjustment, if any.
32. The amount of Insurance Claim amounting to Rs. 247.35 Lacs shown under the Schedule "Short Term Loans and Advances" is subject to acceptance of the claim by the Insurance Company.
33. 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.
34. 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.

**35. Foreign Exchange Earned and Used:**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Foreign Exchange Earned	NIL	NIL
Foreign Exchange Used	NIL	63,586

**36. Payments to Whole Time and other Directors:**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>Whole Time Directors:</b>		
Basic Salary	6,24,000	7,86,000
HRA and Other Allowances	1,32,600	3,71,100
<b>Total</b>	<b>7,56,600</b>	<b>11,57,100</b>
The Managerial Remuneration as computed above does not include the liability in respect of leave salary and gratuity accrued		

**37. Auditors Remuneration (Excluding Service Tax / Cess):**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fee	90,000	90,000
Secretarial Audit Fee	-	8,500
Internal Audit Fee	-	5,000

**38. Change in Estimation of Residual Value and Life of Tangible Assets:**

During the previous year the Company had revised its estimated residual value and useful life in the case of Commercial Aircraft with effect from first day of the previous financial year. Due to the change in estimation the depreciation for the previous year has been lower by Rs. 64,76,620/-.

If there were no change in estimation during the previous financial year, then Profit Before Tax, Profit After Tax and Deferred Tax Assets for the previous financial year would be Rs. (63,69,575/-), Rs. (39,46,006/-) and Rs. 94,29,615/- respectively in place of 1,07,044/-, 5,29,338/- and 74,28,340/-.

**39. 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	9,200,683	672,593	9,873,276
Identified Operating Exp.	1,006,414	3,915,992	4,922,406
<b>Profit/(Loss) before interest and tax from each segment</b>	<b>8,194,269</b>	<b>(3,243,399)</b>	<b>4,950,870</b>
Less : Other Expenses net of Income (unallocable)			4,475,364
Net profit before tax			475,506
Less : Income tax and other taxes			(622,518)
<b>Net profit after tax</b>			<b>1,098,024</b>
<b>Segment Assets</b>	172,036,814	111,109,401	283,146,215
<b>Segment Liabilities</b>	891,044	15,000,000	15,891,044
<b>Capital Employed</b>	<b>171,145,770</b>	<b>96,109,401</b>	<b>267,255,171</b>
( Assets - Liabilities)			
<b>Depreciation</b>	274,024	3,535,949	3,809,974

- 40. 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. Ajay Chopra, Ms. Anisha Anand, Mr. Nav Ratan Baid, Mr. Rajendra Bengani and AVM K.S. Venkataraman (Retired).

**Relatives:-** Mrs. Kiran Chhalani

- b) Other Related Parties where common control exists and with whom the company had transactions during the year:** Mega Cabs Private Limited, BB Hospitality Ventures Private Limited, Sanya Resorts & Hospitality Private Limited, Omni Media Communications Private Limited and Chandra Mukhi Goods Private Limited.

**Transactions with Related parties**

(Amount in Rs/ Lacs)

Nature of transactions	KMP and their Relatives		Others		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Receiving of Services	-	-	1.20	1.17	1.20	1.17
Rendering of Services	-	-	-	5.70	-	5.70
Interest Received	-	-	84.74	53.60	84.74	53.60
Rent Paid	4.16	3.78	-	-	4.16	3.78
Directors' Remuneration	7.57	11.57	-	-	7.57	11.57
Loans and Advances Given	-	-	139.50	206.92	139.50	206.92
Loans and Advances Received Back	-	-	-	197.50	-	197.50
Purchase of Equity Shares	-	-	175.00	-	175.00	-

**41. 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	10,98,062	39,16,856
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	<b>0.01</b>	<b>0.04</b>

- 42.** 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.

- 43.** 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 Sipani & Associates**  
**Chartered Accountants**  
 Registration No.: 007712N

**For and on behalf of the Board**

**Sd/-**  
**VIJAY SIPANI**  
 Proprietor  
 M. No. 083850

Place: Delhi  
 Dated: 28.05.2016

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

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

**Sd/-**  
**Nelu Devi**  
 (Company Secretary)  
 M. No. 43403