

ANNUAL REPORT

2016-17

MegaCorp



CORPORATE INFORMATION

Mr. Kunal Lalani
Director and Chairman

Mr. Surendra Chhalani
Director and CFO

Mr. Hulas Mal Lalani
Director

Mr. Sachin Mehra
Director

Mrs. Anisha Anand
Director

Mr. Rajendra Kumar Bengani
Director

Mr. Navratan Baid
Director

Ms. Swati Kapoor
Company Secretary

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

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

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

Registered Office
108, First Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi 110025
CIN- L01120DL1985PLC092375

Corporate Office
NSIC Complex, Maa Anand Mayee Marg, Okhla Industrial Estate,
Phase-3, New Delhi 110020
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Mega Corporation Ltd.

**DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 2016-2017
TO THE MEMBERS OF MEGA CORPORATION LIMITED**

Your Directors are pleased to present the 32nd Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2017.

FINANCIAL PERFORMANCE

The Summarized financial results are:

(Amount in Lakhs)

Particulars	Standalone	
	Current Year	Previous Year
	2016-17	2015-16
Income from Operations	140.73	98.73
Other Income	2.00	2.37
Total Income	142.73	101.11
Operating Expenses	13.88	16.48
Depreciation and Amortization	36.77	38.10
Interest	12.97	7.18
Other Expenses	51.95	31.35
Profit/ (Loss) before Tax	27.13	8.00
Tax Expenses		
• Previous Year	(0.66)	3.00
• Deferred Tax	(2.01)	(6.27)
Net Profit/ (Loss) for the Year	71.31	14.23

STATE OF COMPANY'S AFFAIRS

During the year 2016-17, the company earned the profit of Rs. 71.31 lakhs as compared to the revenue of the year 2015-16 which was Rs. 14.23 lakhs.

Nonetheless, your director's expect that the initiatives undertaken will result in improvement in financial results in the coming years.

Material Changes and Commitments after the date of close of Financial Year 2016 – 17

There are no material changes and commitment affecting the financial position of company after the close of financial year 2016-2017 till the date of report.

DIVIDEND AND RESERVES

During the year under review, your Company does not recommend any dividend in the absence of profits. And also, your company has not made any transfer to Reserves during the financial year 2016-2017.

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

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

HUMAN RESOURCES DEVELOPMENT

Your Company 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.

BUSINESS EXCELLENCE AND QUALITY INITIATIVES

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

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules made there under, the board has appointed M/s Vikash Gupta & Associates, Company Secretary in Practice to conduct the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is attached herewith as part of the Annual Report as Annexure A which forms an integral part of this report.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

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

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

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

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures.

The internal audit is entrusted to M/s Vikash Gupta & Associates, a firm of Company Secretaries. The main thrust of internal audit is to test and review controls, appraisal of risks and business practices. .

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

RISK MANAGEMENT

The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of all risks.

In this regard the board has formulated a Risk Management policy, which defines the risk assessment and minimization procedures. As per view of board apart from liability which may arise for payment of statutory dues to government of India regarding increase in authorized capital, there is no other risk in operation of company, which may impact the existence of company.

AMALGAMATION

The Board of Directors of the Company at their meeting held on 07th July, 2017 have approved the revised Scheme of Amalgamation between Mega Corporation Limited and Mega Airways Limited which provides for the amalgamation of Mega Airways Limited a wholly owned subsidiary of Mega Airways Limited ('the Company') under section 230 to 240 Companies Act, 2013 and other relevant provisions. The Appointed date of the Scheme is April 1, 2017 or such other date as NCLT, may direct.

The Scheme needs to be filed before National Company Law Tribunal (NCLT).

CORPORATE GOVERNANCE

Your Company has implemented all the stipulations of the Corporate Governance Practices set out by the Securities and Exchange Board of India and as provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Report of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of the Annual Report.

The requisite certificate from the Company Secretary in Practice regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure C** of the Director's Report.

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 2016-17, 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.

BOARD EVALUATION

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole and that of its committee was conducted based on the criteria and framework adopted by the Board. Board has engaged Nomination and Remuneration Committee for carrying out the evaluation and their finding were shared with the board that had discussed and analyze its performance during the year. The Board approved the evaluation results as collated by the nomination and remuneration committee.

MANAGEMENTS' DISCUSSION AND ANALYSIS REPORT

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

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

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

Conservation of Energy

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

Technology Absorption, Adaption & Innovation and Research & Development

No research & development or technical absorption or adaption & innovation taken place in the company during the Financial Year 2016-17, the details as per rule 8(3) of The companies (Accounts) Rules 2014 are as follows:

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

Foreign Exchange Earnings and Outgo

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

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo: Nil

FIXED DEPOSITS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

• Retirement by Rotation

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

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

During the year under review, there is no change in the composition of the Board of Directors of the Company.

Further, Ms. Neelu Prajapati has resigned from the post of Company Secretary of the Company and Ms. Swati Kapoor has been appointed as the new Company Secretary of the Company with effect from 24/05/2017.

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. Swati Kapoor - Company Secretary.

DECLARATION BY THE INDEPENDENT DIRECTORS

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

AUDITORS AND AUDITOR'S REPORT

M/s Sipani & Associates, Chartered Accountants have completed their term as per section 139 (2) of Companies Act, 2013. Therefore, board proposes to appoint M/s M/s Virendra Pradeep & Co., as Statutory Auditors.

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

M/s Virendra Pradeep & Co., Chartered Accountants are appointed as Statutory Auditors of the Company for a term of five years subject to ratification at every AGM. M/s Virendra Pradeep & Co. be and is hereby appointed to hold the office from the conclusion of this AGM till the conclusion of the 37th AGM of the Company to be held in the year 2022 recommended by the audit committee and Board of Director for appointment to audit the Accounts of the Company for the Financial Year 2017-18 at remuneration as may be decided by the Board of Directors and audit committee.

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

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

Pursuant to the provisions of Section 139(1) of the Act and the rules framed there under, M/s Virendra Pradeep & Co., Chartered Accountants are appointed as Statutory Auditors of the Company for a term of five years i.e. till the conclusion of the 37th Annual General Meeting (AGM), subject to ratification 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.

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

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

LISTING OF SECURITIES

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

- The Delhi Stock Exchange Limited
- The Bombay Stock Exchange Limited

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

PARTICULARS OF EMPLOYEES

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

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

MEETINGS OF THE BOARD OF DIRECTORS

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

In the Financial Year 2016-17, the Board met Fifteen (15) times. The meetings were held on 20/05/2016, 30/05/2016, 13/06/2016, 01/08/2016, 22/08/2016, 27/08/2016, 04/11/2016, 11/11/2016, 17/11/2016, 15/12/2016, 13/01/2017, 31/01/2017, 06/02/2017, 13/02/2017 and 17/03/2017. The interval between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPOSITION OF COMMITTEES

a) Audit Committee

The present Audit Committee of the board comprises of three members with independent directors forming a majority, namely Mrs. Anisha Anand as Chairman and Mr. Rajendra Kumar Bengani, Mr. Surendra Chhalani as members of the Committee.

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

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

b) Nomination And Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr. Navratan Baid as chairman, Mr. Rajendra Kumar Bengani and Mrs. Anisha Anand as members, all of whom are Non- Executive Directors.

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

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

c) Stakeholder Relationship Committee

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

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

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

POLICY FOR DIRECTORS' APPOINTMENT AND REMUNERATION

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

RELATED PARTY TRANSACTIONS

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.

All the contracts/arrangements/transactions entered with related party for the year under review were on Arm's Length basis. Company has entered into material related party transactions during the year under review. Further disclosure in Form AOC-2 is as attached as **Annexure G**.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company <http://www.megacorppltd.com/>.

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

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements as on 31.03.2017.

PAYMENT OF LISTING FEES

Your Company has paid Listing fees for the financial year 2017-18 to the BSE.

EXTRACT OF ANNUAL RETURN

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

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

The full Annual Report including the aforesaid information is available on the company's website www.megacorppltd.com.

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.

POLICIES & DISCLOSURES

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.

The Vigil Mechanism/Whistle blower Policy of the company provides that protected disclosures can be made by a whistle blower through an email to the Chairman of the audit committee. The Whistle Blower Policy can be accessed on the Company's Website at the link: <http://www.megacorppltd.com/>.

CORPORATE SOCIAL RESPONSIBILITY

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

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

BOARD EVALUATION

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole and that of its committee was conducted based on the criteria and framework adopted by the Board. Board has engaged Nomination and Remuneration Committee for carrying out the evaluation and their finding were shared with the board that had discussed and analyze its performance during the year. The Board approved the evaluation results as collated by the nomination and remuneration committee.

FAMILIARIZATION PROGRAMME AND TRAINING OF INDEPENDENT DIRECTORS

The details of programmes for familiarization of Independent Directors with the company, their roles and responsibilities in the company, business model of the company and other related matter are put on the website of the Company at the link: <http://www.megacorppltd.com/>.

To familiarize the new inductees as independent director with the strategy, operations and functions of our Company, the executive directors make presentations to the inductees about the Company's organization structure, finance, human resources, facilities and risk management.

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director.

GENERAL

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

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of the equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to directors or employees of the Company
- d) Issue of Employee Stock Option Scheme to employees of the company
- e) 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.
- f) Purchase of or subscription for shares in the company by the employees of the company.

Your Directors further state that:-

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

INDUSTRIAL AND HUMAN RELATIONS

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

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**

**Place: New Delhi
Date: 28.08.2017**

House No. 246, Sector 31, Faridabad- 121003

ANNEXURES TO THE DIRECTORS' REPORT

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

Annexure A

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31.03.2017

[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:108,FIRST FLOOR,
TAIMOOR NAGAR,
OPP.NEW FRIENDS COLONY
NEW DELHI- 110025**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Mega Corporation Limited** (hereinafter called "the Company"). The Company is a listed Company, having CIN: 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 31st March, 2017 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st day of March, 2017 according to the provisions of:

- (A) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (B) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (C) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (D) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (E) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The SEBI (Prohibition of Insider Trading) Regulations, 1992;
 - The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The SEBI (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

- (F) Other laws applicable to the Company as per the representations made by the Company.

According to the information provided by the management the provisions of labour laws are not applicable on the company

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

- Secretarial Standards Issued by the Institute of Company Secretaries of India,
- 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:

- 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.
- 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.
- 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.
- Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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:

- 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 and 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. However Company has received No Objection Certificate from BSE & RBI.

For Vikash Gupta & Co.
(Practicing Company Secretaries)

Vikash Gupta
Proprietor

Membership No.: 9198

C.P. No.: 10785

Date: 15.06.2017

Place: New Delhi

Annexure B

Form AOC-1

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

Part A Subsidiaries

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

1.	Sl. No.	1
2.	Name of the subsidiary	Mega Airways Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01.04.2016-31.03.2017
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR
5.	Share capital	6,00,00,000
6.	Reserves and surplus	(20,80,061)
7.	Total assets	3,15,45,463
8.	Total Liabilities	25,524
9.	Investments	2,64,00,000
10.	Turnover	Nil
11.	Profit before taxation	(2,79,762)
12.	Provision for taxation	48,63,365
13.	Profit after taxation	(51,43,127)
14.	Proposed Dividend	Nil
15.	Extent of shareholding (in percentage)	100%

For and on behalf of the Board of Directors

Sd/-
Surendra Chhalani
(Director and CFO)

Sd/-
Kunal Lalani
(Director)

Sd/-
Swati Kapoor
(Company Secretary)

Place: New Delhi

Date: 28.08.2017

REPORT ON CORPORATE GOVERNANCE

“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.

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The basis of Corporate Governance envisages optimal utilization of resources for enhancing the values of the enterprise by effectively monitoring executive performance and supporting the entrepreneurship spirit and to ensure ethical behavior of the enterprise in honoring and protecting the rights of all stakeholders, including discharge of social responsibility, through highest level of transparency and accountability in all facets of its operations. The core values of the Company are:

- Caring for people.
- Integrity including intellectual honesty, openness, fairness & trust.
- Commitment to excellence and customer satisfaction.

The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment in interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. The Company strives to set and achieve high standards of Corporate Governance. The very essential characteristics of the Company are transparent functioning, social responsiveness and accountability towards shareholders.

1. 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.

GOVERNANCE STRUCTURE

The Corporate Governance structure of the Company is as follows:

- a) **Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company.
- b) **Committees of the Board:** The Board has constituted the following Committees i.e. Audit Committee, Nomination & Remuneration Committee & Stakeholder's Relationship Committee. Each of the Committee has been mandated to operate within a given framework.

This year's annual report has made substantial disclosures on the Board of Directors, financial performance, which are as follows:

2. 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) Size & Composition of Board

The present Board of the Company consists of two Executive Directors and six 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.

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	15	15	3	Yes
Mr. Sachin Mehra	Non-Executive & Independent Director	Director	15	6	5	No
Mr. Hulas Mal Lalani	Non-Executive Director	Director	15	9	7	No
Mrs. Anisha Anand	Non-Executive & Independent Director	Director	15	11	2	Yes
Mr. Navratan Baid	Non-Executive & Independent Director	Director	15	13	4	Yes
Mr. Rajendra Kumar Bengani	Non-Executive & Independent Director	Director	15	15	8	Yes
Mr. Kunal Lalani	Executive Director	Director and Chairman	15	14	16	No

Excluding membership and chairmanship of committees of all private limited companies, foreign Companies and Companies under section 8 of the Companies Act, 2013.

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

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

Non - executive directors does not have any shareholding in the company.

(B) Details of Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with the relevant notes and other material information are sent in advance separately to each director.

During the Financial Year 2016-17, the Board met Fifteen (15) times. The meetings were held on 20/05/2016, 30/05/2016, 13/06/2016, 01/08/2016, 22/08/2016, 27/08/2016, 04/11/2016, 11/11/2016, 17/11/2016, 15/12/2016, 13/01/2017, 31/01/2017, 06/02/2017, 13/02/2017 and 17/03/2017. The intervening period between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015.

Independent Directors

The Non-Executive Independent Directors fulfill the conditions of Independence as specified in Section 149(6) of Companies Act, 2013 and rules made there under and meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A formal letter of appointment was issued to the Independent Directors of the company in the manner as provided under the Companies Act, 2013 and disclosed on the website of the Company <http://www.megacorppltd.com/>.

Further, the details regarding programmes for familiarization of Independent Directors with the company, their roles and responsibilities in the company, business model of the company and other related matter are put on the website of the Company at the link: <http://www.megacorppltd.com/> which is also explained in the Director's Report.

(C) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are currently paid sitting fee. The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company during the year 2016-17.

(D) 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.

(E) Code of Conduct

- (i) 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
- (ii) The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended 31 March, 2017. The Annual Report of the Company contains a Certificate by the CFO in terms of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

3. Audit Committee**(a) Terms of reference**

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

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

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

(B) The audit committee reviewed the following:

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

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

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

Name of Member	Status	Meetings held during FY 2016-17	Meetings attended
Mrs. Anisha Anand	Chairman	5	5
Mr. Surendra Chhalani	Member	5	5
Mr. Rajendra Kumar Bengani	Member	5	5

There is no change in the composition of Audit Committee during the year.

During the year, 5 Audit Committee meetings were held as on 30/05/2016, 09/02/2016, 22/08/2016, 11/11/2016 and 13/02/2017.

4. 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 2016-17	Meetings attended
Mr. Navratan Baid	Chairman	5	5
Mr. Rajendra Kumar Bengani	Member	5	5
Mrs. Anisha Anand	Member	5	5

There is no change in the composition of Nomination & Remuneration Committee during the year.

During the year, 5 Nomination and Remuneration Committee meetings were held as on 30/05/2016, 09/02/2016, 22/08/2016, 11/11/2016 and 13/02/2017.

(B) Terms of reference

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

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

5. 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 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.

6. Stakeholder's Grievance 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:

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's Relationship Committee meetings were held as on 30/05/2016, 09/02/2016, 22/08/2016, 11/11/2016 and 13/02/2017.

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 2016-17	Meetings attended
Mr. Sachin Mehra	Chairman	5	5
Mr. Surendra Chhalani	Member	5	5
Mr. Navratan Baid	Member	5	5

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

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

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

- To approve/ reject registration of transfer/transmission/transposition of shares.
- To authorize issue of Duplicate Share Certificates and Share Certificates after Split / Consolidation /Rematerialization and in Replacement of those which are defaced, mutilated, torn or old, decrepit or worn out.
- To monitor and review the performance and service standards of the Registrar and Share Transfer Agents of the Company and provide continuous guidance to improve the service levels.

- To monitor and review the mechanism for redressal of shareholders' / investors' grievances
- a. To authorize Managers/Officers/Signatories for signing Share Certificates;
- b. To appoint and seek outside advice from professionals, consultants or advisors as deemed appropriate to assist the Committee in discharging its functions efficiently.
- c. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

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

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

Investor Grievance Redressal

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

	Received	Resolved	Balance
Complaints	Nil	Nil	Nil

As on March 31, 2017 no complaints were outstanding.

Compliance officer

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

• INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on 13th February, 2017, inter alia, to discuss:

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

7. General Body Meetings

Details about Annual General Meetings held in last three years

For the Year	Venue	Day, Date & Time	Special Resolution ***
2013 – 2014	Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048	Tuesday, 30 th September, 2014 at 11.30 A.M.	Nil
2014-2015	Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048	Tuesday, 22 nd September, 2015 at 11.30 A.M.	Nil
2015-2016	Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048	Thursday, 22 nd September, 2016 at 11.30 A.M.	Nil

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

Procedure for Postal Ballot

No resolution was passed through Postal Ballot during the period under review

Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot

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 and on the websites, www.bseindia.com

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

9. GENERAL SHAREHOLDER INFORMATION

(1) Annual General Meeting

Day, Date and Time: Friday, 22nd September, 2017 at 11:30 a.m.

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

2) Financial Year—01st April, 2016 to 31st March, 2017

3) Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2017.

(4) Listing at Stock Exchanges

EQUITY SHARES

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

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

Listing Fee for the year 2016-2017 has been paid to BSE.

(5) Stock Code -- ISIN – INE804B01023

(6) Market Price Data: High Low for the period April 2016 to March 2017

Month	Low	High
April, 2016	0.24	0.32
May, 2016	0.19	0.25
June, 2016	0.19	0.25
July, 2016	0.26	0.34
August, 2016	0.34	0.45
September, 2016	0.43	0.45
October, 2016	0.45	0.58
November, 2016	0.55	0.75
December, 2016	0.72	0.83
January, 2017	0.79	1.07
February, 2017	0.87	1.00
March, 2017	1.05	1.09

Source: BSE Portal

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

(8) In case the securities are suspended from trading: Not Applicable

(9) Registrar & Share Transfer Agents:

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

M/s Link Intime India Pvt. Ltd

44, Community Center, 2nd Floor, Naraina Industrial Area, Phase-I, New Delhi- 110 028

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

Email: delhi@linkintime.co.in

10. Share transfer system:

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

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

Shareholding Pattern as on 31st March, 2017

Category	No. of Shares held	% of Shareholding
A. PROMOTERS		
Promoter and Promoter Group	54312095	54.31
B. PUBLIC		
Bodies Corporate	13718311	13.71
Individuals holding nominal share capital upto 2 lac	14233150	14.23
Individuals holding nominal share capital in excess of 2 lac	16763071	16.76
Others	973273	0.99
Total	100000000	100

11. Distribution of Shareholding as on 31st March, 2017

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-5000	4137	87.13	4540516	4.5405
5001-10000	287	6.04	2283219	2.2832
10001-20000	152	3.20	2237568	2.2376
20001-30000	42	0.88	1033631	1.0336
30001-40000	21	0.44	756799	0.7568
40001-50000	14	0.29	645495	0.6455
50001-100000	35	0.73	2660043	2.6600
100001 & above	60	1.26	85842729	85.8427
Total	4748	100	100000000	100

12. 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. INE -804B01023. As at 31.03.2017, 10822352 Equity Shares were held in de-mat form in CDSL and 86672016 shares were held in de-mat form in NSDL and 2505632 in physical form.

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

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

14. Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

15. Plant Location

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

16. Address for correspondence:

Mega Corporation Limited

Corporate Office: NSIC Complex, Maa Anadmayee Marg, Okhla Industrial Area, Phase-3, New Delhi-110020

10. Other Disclosures

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

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

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

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

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

Company has a Whistle Blower Policy for Directors & employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanism and makes provision for direct access to the Chairperson of Audit Committee. None of the personnel of the Company has been denied access to the Audit Committee.

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

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

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

There is no material subsidiary of company, so no policy for determining material subsidiary is required to be disclosed on the website of the company.

6. Disclosure of commodity price risks and commodity hedging activities

Not Applicable

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

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

General

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

1. Profile and other information regarding the Directors being appointed/re-appointed as required under Regulations 36(3) of SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 have been given in the Notice of the Annual General Meeting annexed to this Annual Report.
2. The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the company and steps taken to rectify non-compliance, if any.
3. The Company's senior management has confirmed to the Board of Directors that they do not have any personal interest related to its material, financial and commercial transactions that may have a potential conflict with the interests of the Company at large.
4. Declarations by the Chief Financial Officer regarding compliance by board members and senior management personnel with the company's code of conduct

Mr. Surendra Chhalani, Chief Financial Officer of the Company has furnished the requisite declaration affirming compliance with the Code of Conduct by the board members and senior management personnel, for the financial year ended March 31, 2017, which is attached with the report.

5. The company has complied with all the Accounting Standards applicable to the company.
6. The company has not come out with any Public Issue / Preferential Issue in the Financial Year 2016-2017.
7. Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is attached herewith as part of Annual Report.

For and on behalf of the Board of Directors

Sd/-
Surendra Chhalani
(Director and CFO)

Sd/-
Kunal Lalani
(Director)

Sd/-
Swati Kapoor
(Company Secretary)

Place: New Delhi
Date: 28.08.2017

Management's Discussion & Analysis of Financial Condition and Results of Operations

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

1. INDUSTRY

Presently, the Company is into following segment:

Financial Services Sector

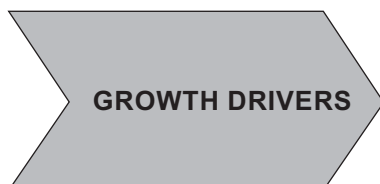
The importance of financial sector is known to everyone today. This sector highly contributes to the GDP of the Company. There are ample of opportunities in this sector. Company is not into big way under this industry.

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:



- ❖ **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 2016-17, Your Company operated in Finance & Investments and Air Chartered Segment:

(Rs. In Lacs)			
S. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
(a)	Finance / Investments	135.73	92.00
(b)	Air Charter Services	5.00	6.73
	Total	140.73	98.73

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, 2017, 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.

For and on behalf of the Board of Directors

Sd/-
Surendra Chhalani
(Director and CFO)

Sd/-
Kunal Lalani
(Director)

Sd/-
Swati Kapoor
(Company Secretary)

Place: New Delhi

Date: 28.08.2017

Particulars of Employees

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

S. No	Name and Age of the Employee	Designation of the Employee	Remuneration Received (Amount in Rs.)	Nature of employment whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee within the meaning of clause (iii) of sub-rule (2) of rule 2 of Companies (Appointment and Remuneration) Rules, 2014	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Surendra Chhalani 58 years	Director & CFO	7,41,600	Non Contractual	Graduate	27.03.1998	Nil	Nil	N.A.
2	Neelu Prajapati 26 years	Company Secretary	4,20,000	Non Contractual	Company Secretary	14.03.2016	Nil	Nil	N.A.

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

Name of Director/KMP and designation	Remuneration Of Director/KMP for financial year 2016-17	Ratio of remuneration of each Director/ KMP to median remuneration of employees	% increase in Remuneration of each director CFO, CEO, C.S or Manager
Surendra Chhalani	7,41,600	6.4	Nil
Neelu Prajapati	4,20,000	3.6	Nil
Total	11,61,600		

(1) The percentage increase in remuneration of key Managerial Personnel (KMP) in the financial year and comparison of the remuneration of each key managerial personnel (KMP) against the performance of the Company:

Ms. Neelu Prajapati has resigned from the post of Company Secretary and Ms. Swati Kapoor has been appointed as Company Secretary w.e.f. 24.05.2017.

RSU-Restricted Stock Units

WTD- Whole Time Director

MRE-Median Remuneration of Employees

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

There are two regular employees on the rolls of Company as on 31st March, 2017.

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

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

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

Since there is no employee in the Company other than managerial personnel, it is not possible to calculate the required percentile.

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

None.

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

None.

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

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

For and on behalf of the Board of Directors

Sd/-
Surendra Chhalani
(Director and CFO)

Sd/-
Kunal Lalani
(Director)

Sd/-
Swati Kapoor
(Company Secretary)

Place: New Delhi

Date: 28.08.2017

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:

- Fixed Pay
- Perquisites and allowances
- Commission
- Stock options

ii. The Committee may recommend an increase in existing remuneration structure to the Board, within the limits as approved by shareholders.

iii. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

2. Remuneration to Non-Executive/Independent Directors

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

i. Commission-based payment

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

ii. Sitting fee

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

iii. Employee Stock Options (ESOP)

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

iv. Pension

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

v. Reimbursement of expenses

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

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

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

The Remuneration shall consist of the following components:

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

I. Policy Review

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

FORM NO. AOC -2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017 which were not at arm's length basis.

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

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

For and on behalf of the Board of Directors

Sd/-
Surendra Chhalani
(Director and CFO)

Sd/-
Kunal Lalani
(Director)

Sd/-
Swati Kapoor
(Company Secretary)

Place: New Delhi

Date: 28.08.2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31st March, 2017

*[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	26 th March, 1985
3.	Name of the Company	Mega Corporation Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	108, First Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025 Phone No.: +91 11 41516171 Email Id: info@megacorp.ltd
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, 2 nd Floor, 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	96.44 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Mega Airways Limited 108, First Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025	U00072DL2005PLC136054	Subsidiary Company	100 %	2(87)

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

(A) Category-wise Share Holding:-

Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017					% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%age change during the years	
Shareholding of Promoter and Promoter Group										
Indian										
Individuals / Hindu Undivided Family	6304846	1000	6305846	6.3058	6293746	0	6293746	6.2937	-0.0121	-0.0121
Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000		0.0000
Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000		0.0000
Any Other (Specify)										
Bodies Corporate	48018349	0	48018349	48.0183	48018349	0	48018349	48.0183		0.0000
Sub Total (A)(1)	54323195	1000	54324195	54.3242	54312095	0	54312095	54.3121	-0.0121	-0.0121
Foreign										
Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000		0.0000
Government	0	0	0	0.0000	0	0	0	0.0000		0.0000
Institutions Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000		0.0000
Any Other (Specify)										
Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000		0.0000
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	54323195	1000	54324195	54.3242	54312095	0	54312095	54.3121		-0.0121
Public Shareholding										
Institutions										
Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000		0.0000
Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000		0.0000
Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000		0.0000
Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000		0.0000
Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000		0.0000
Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000		0.0000
Insurance Companies	0	0	0	0.0000	0	0	0	0.0000		0.0000
Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000		0.0000
Any Other (Specify)										
Sub Total (B)(1)	0	0	0	0.0000	0	0	0	0.0000		0.0000
Central Government/ State Government(s)/ President of India										
Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000		0.0000
Non-Institutions										
Individuals										

Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017					% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	%age change during the years	
Individual shareholders holding nominal share capital upto Rs. 1 lakh.	12109325	64642	12173967	12.1740	12304115	65632	12369747	12.3697	0.1957	0.1957
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	15985384	2439000	18424384	18.4244	16187474	2439000	18626474	18.6265	0.2021	0.2021
NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000		0.0000
Employee Trusts	0	0	0	0.0000	0	0	0	0.0000		0.0000
Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000		0.0000
Any Other (Specify)										
Hindu Undivided Family	520636	0	520636	0.5206	430663	0	430663	0.4307	-0.0899	-0.0899
Non Resident Indians (Non Repat)	125065	0	125065	0.1251	131065	0	131065	0.1311	.0060	0.0060
Non Resident Indians (Repat)	292794	0	292794	0.2928	169084	0	169084	0.1691	-.1237	-0.1237
Clearing Member	195190	0	195190	0.1952	242561	0	242561	0.2426	.0474	0.0474
Bodies Corporate	13942769	1000	13943769	13.9438	13717311	1000	13718311	13.7183	-.2255	-0.2255
Sub Total (B)(3)	43171163	2504642	45675805	45.6758	43182273	2505632	45687905	45.6879		0.0121
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	43171163	2504642	45675805	45.6758	43182273	2505632	45687905	45.6879	.0121	0.0121
Total (A)+(B)	97494358	2505642	100000000	100.0000	97494368	2505632	100000000	100.0000	.0121	0.0000
Non Promoter-Non Public										
Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000		0.0000
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000		0.0000
Total (A)+(B)+(C)	97494358	2505642	100000000	100.0000	97494368	2505632	100000000	100.0000		

(B) Shareholding of Promoter-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year - 2016		Shareholding at the end of the year - 2017		
		No. of Shares Held	% of total Shares of the company	No. of Shares Held	% of total Shares of the company	% change in shareholding during the year
1	VIMI INVESTMENTS AND FINANCE PVT LTD	46573000	46.5730	46573000	46.5730	0.0000
2	KUNAL LALANI	3395000	3.3950	3395000	3.3950	0.0000
3	CRAYONS ADVERTISING PRIVATE LIMITED	1445349	1.4453	1445349	1.4453	0.0000
4	HULAS MAL LALANI	786000	0.7860	786000	0.7860	0.0000
5	VIMI LALANI	541000	0.5410	541000	0.5410	0.0000
6	VARSHA BENGANI	500000	0.5000	500000	0.5000	0.0000
7	HANSRAJ DEEPCHAND JAIN	453160	0.4532	453160	0.4532	0.0000
8	SEEMA LALANI	250000	0.2500	250000	0.2500	0.0000
9	SMITA DHARIWAL	240000	0.2400	240000	0.2400	0.0000
10	MAYANK LALANI	128586	0.1286	128586	0.1286	0.0000
11	KIRAN CHHALANI	6000	0.0060	0	0.0000	-0.0060
12	SACHIN MEHRA	3000	0.0030	0	0.0000	-0.0030
13	SURENDRA CHHALANI	2000	0.0020	0	0.0000	-0.0020
14	AJAY CHOPRA	1000	0.0010	0	0.0000	-0.0010
15	MANISH DHARIWAL	100	0.0001	0	0.0000	-0.0001
Total		54324195	54.3242	54312095	54.3121	-0.0121

(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
N o	C h	a n	g	e

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

Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Cumulative Shareholding at the end of the year - 2017	
	No. of shares Held	% of total shares of the company	No. of shares Held	% of total shares of the company
FINELINE MERCANTILE CO PVT LTD	4785478	4.7855	4785478	4.7855
AT THE END OF THE YEAR			4785478	4.7855
PANKAJ NARENDRA SHAH	2589768	2.5898	2589768	2.5898
AT THE END OF THE YEAR			2589768	2.5898
EDC LIMITED	2000000	2.0000	2000000	2.0000
AT THE END OF THE YEAR			2000000	2.0000
RIGHTSTAR TRADING CO PVT LTD	1919567	1.9196	1919567	1.9196
AT THE END OF THE YEAR			1919567	1.9196
INTERLINK FINANCIAL SERVICES LTD.	1700000	1.7000	1700000	1.7000
AT THE END OF THE YEAR			1700000	1.7000
RAJKISHOR SINGH	1517703	1.5177	1517703	1.5177
AT THE END OF THE YEAR			1517703	1.5177
LAXMAN SINGH SAIJARI	1469000	1.4690	1469000	1.4690
AT THE END OF THE YEAR			1469000	1.4690
SANTOSH JAGTAP	1193000	1.1930	1193000	1.1930
AT THE END OF THE YEAR			1193000	1.1930
PATRIC XESS	1078000	1.0780	1078000	1.0780
AT THE END OF THE YEAR			1078000	1.0780
HEMANT CHADHA	1000000	1.0000	1000000	1.0000
AT THE END OF THE YEAR			1000000	1.0000

(E) Shareholding of Directors and Key Managerial Personnel:

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

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

(Amount in INR)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18166		--	18166
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	18166		--	18166
Change in Indebtedness during the financial year				
* Addition	--	47500000	--	47500000
* Reduction	18166	--	--	18166
Net Change	--	47500000	--	47500000
Indebtedness at the end of the financial year				
i) Principal Amount	--	47500000	--	47500000
ii) Interest due but not paid	--	511446	--	511446
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	48011446	--	48011446

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

S. No.	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

B. Remuneration to other Directors

S. No.	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

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
		Neelu Prajapati	Surendra Chhalani	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,20,000	7,41,600	11,61,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	15,000	15,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- as % of profit	NIL	NIL	NIL
	Others, specify...	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total	4,20,000	7,56,600	11,76,600

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Sd/-
Surendra Chhalani
(Director and CFO)

Sd/-
Kunal Lalani
(Director)

Sd/-
Swati Kapoor
(Company Secretary)

Place: New Delhi

Date: 28.08.2017

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

TO,

The Member of Mega Corporation Limited

(L01120DL1985PLC092375)

We have examined the compliance of conditions of Corporate Governance by MEGA CORPORATION LIMITED for the year ended 31.03.2017 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), along with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

We further state that such 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.

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

Vikash Gupta & Co.
(Company Secretaries)

Sd/-

Vikash Gupta

CP No:-10785

M. No:- 9198

Place: New Delhi

Date : 28.08.2017

Mega Corporation Ltd.

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

To The Members of Mega Corporation Limited

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

In Compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Surendra Chhalani, Director & CFO of the Company, hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct formulated by the Company for the financial year ended March 31, 2017.

For MEGA CORPORATION LIMITED

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

**Place: New Delhi
Date: 28.08.2017**

House No. 246, Sector 31, Faridabad- 121003

CFO Certification

**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, 2017 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**

**Place: New Delhi
Date: 28.08.2017**

House No. 246, Sector 31, Faridabad- 121003

Mega Corporation Ltd.

INDEPENDENT AUDITORS' REPORT

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 March 31, 2017, 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 March 31, 2017 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 March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 24 to the financial statements)*
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - IV. The company has provided requisite disclosures in its Standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. *(Refer Note No. 41 to Standalone financial statements)*

For SIPANI & ASSOCIATES
Chartered Accountants
Firm’s Registration No.007712N

Sd/-
(VIJAY SIPANI)
Prop.
M. No. 083850

Place: Delhi
Date: 30.05.2017

Annexure 'A' referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Mega Corporation Limited

We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a 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 seven 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, value added tax, service tax, duty of customs, duty of excise, value added tax and any other material statutory dues with the appropriate authorities.
According to information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax and other material statutory dues were in arrears as at 31 March, 2017 for a period of more than six months from the date they become payable.
- b) According to information and explanations given to us and the records of the company examined by us, there are no statutory dues of sales tax, duty of excise, service tax, value added tax and duty of customs which have not been deposited with the appropriate authority on account of any dispute.

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

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

- viii) Based upon the audit procedure performed and information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) or term loan during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x) Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the act, wherever required.

- xii) To the best of our knowledge and according to the information and explanations given to us, The Company is not a Nidhi Company. 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 of such transactions have been disclosed in the Standalone financial statements, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of share or fully or partly convertible debenture during the year.
- 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

Sd/-
(VIJAY SIPANI)
Prop.
M. No. 083850

Place: Delhi
Date: 30.05.2017

Annexure 'B' to the Independent Auditor's Report of even date on the financial statements of Mega Corporation Limited:

Report on the Internal Financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mega Corporation Limited** ("the Company") as of March 31, 2017 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 March 31, 2017, 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

Sd/-
(VIJAY SIPANI)
Prop.
M. No. 083850

Place: Delhi
Date: 30.05.2017

BALANCE SHEET AS AT MARCH 31, 2017

(Amount in INR)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	100,000,000	100,000,000
Reserves and Surplus	4	171,164,168	164,032,599
		271,164,168	264,032,599
Non-Current Liabilities			
Other Long Term Liabilities	5	30,450,652	15,000,000
Long-Term Provisions	6	648,667	590,267
		31,099,319	15,590,267
Current Liabilities			
Short-Term Borrowings	7	48,011,446	18,166
Other Current Liabilities	8	315,129	259,711
Short-Term Provisions	9	1,709,885	152,505
		50,036,460	430,383
TOTAL		352,299,947	280,053,249
Assets			
Non-Current Assets			
Fixed Assets - Tangible Assets	10	49,822,974	53,500,530
Non-Current Investments	11	67,310,761	65,310,761
Deferred Tax Assets (Net)	12	8,256,390	8,055,298
Long-Term Loans and Advances	13	3,014,279	1,706,265
Other Non-Current Assets	14	1,370,259	1,304,436
		129,774,662	129,877,290
Current Assets			
Trade Receivable	15	562,500	700,861
Cash and Cash Equivalents	16	1,340,755	651,595
Short-Term Loans and Advances	17	220,622,029	148,823,503
		222,525,284	150,175,959
TOTAL		352,299,947	280,053,249

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: 30.05.2017

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

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Swati Kapoor
(Company Secretary)
M. No. 31027

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in INR)			
Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME:			
Revenue from Operations	18	14,073,066	9,873,276
Other Income	19	199,943	237,436
Total Revenue		14,273,009	10,110,712
EXPENSES:			
Cost of Aircraft Charter Operations	20	0	321,196
Employee Benefits Expense	21	1,388,950	1,325,875
Interest and Finance Costs	22	1,297,574	718,445
Depreciation and Amortization		3,677,556	3,809,974
Other Expenses	23	5,195,193	3,134,870
Total Expenses		11,559,273	9,310,359
Profit From Operation Before Exceptional Items :		2,713,736	800,353
Exceptional Item :-			
Interest on Income Tax Refund	7,276,478		
Prior Period Expenses	(3,125,791)	4,150,687	0
Profit From Operation After Exceptional Items :		6,864,422	800,353
Tax Expenses:			
- Tax Write Back relating to Earlier Years		(66,055)	0
- Current Year		1,308,014	152,505
- Mat Entitlement		(1,308,014)	(148,065)
- Deferred Tax		(201,092)	(626,958)
Net Profit/(Loss) for the Year		7,131,569	1,422,871
Earning Per Equity Share:			
Basic & Diluted Earning Per Share of Rs. 1/- each		0.07	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: 30.05.2017

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

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Swati Kapoor
(Company Secretary)
M. No. 31027

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in INR)

Particulars	As at March 31, 2017	As at March 31, 2016
A. Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	6,864,422	800,353
Adjustment for :		
Depreciation and Amortisation	3,677,556	3,809,974
Loss/(Profit) on Sale of Fixed Assets	0	(61,386)
Interest Income	(13,573,066)	(9,200,683)
Interest and Finance charges	1,289,163	710,911
Operating Profit before change in Working Capital	(1,741,924)	(3,940,832)
Adjustment for changes in working capital :		
Increase/ (Decrease) in Other Long Term Liabilities	15,450,652	15,000,000
(Increase)/ Decrease in Trade Receivables	138,361	(700,861)
Increase/ (Decrease) in Trade Payables	0	(3,037,627)
Increase/ (Decrease) in Short-Term Borrowings	47,993,280	(261,888)
Increase/ (Decrease) in Other Current Liabilities	55,418	51,998
(Increase)/ Decrease in Short-Term Loans and Advances	(71,798,526)	(18,099,826)
(Increase) / Decrease in Short-Term Provisions	1,557,379	152,505
	(6,603,436)	(6,895,698)
Cash Generated From Operations	(8,345,360)	(10,836,530)
Adjustment for :-		
Income Tax Deposit	(1,241,959)	(152,505)
Interest Paid	(1,289,163)	(710,911)
Net Cash Flow From Operating activities (A)	(10,876,483)	(11,699,946)
B. Cash Flow from Investing Activities		
Interest Income	13,573,066	9,200,683
Purchase of Tangible Assets	0	(330,000)
Investment in Shares	(2,000,000)	(4,500)
Proceeds from Sale of Tangible Assets	0	180,000
Proceeds from Sale of Non Current Investments	0	0
Proceeds from Other Non-Current Assets	(65,823)	(62,878)
Net Cash Flow from Investing Activities (B)	11,507,243	8,983,305
C. Cash Flow from Financing Activities		
Repayment of Long-Term Provisions	58,400	30,402
Increase/ (Decrease) in Long-Term Borrowings	0	(18,166)
Net Cash Flow from Financing Activities (C)	58,400	12,236
Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C)	689,160	(2,704,406)
Cash and Cash Equivalents as at beginning of the year (E)	651,595	3,356,001
Cash and Cash Equivalents as at the end of the year (D + E)	1,340,755	651,595

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: 30.05.2017

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

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Swati Kapoor
(Company Secretary)
M. No. 31027

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. Further, the company follows the Reserve Bank of India (RBI) direction issued for Non-Banking Financial Companies (NBFC). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of these financial statements are consistent with those of previous year.

b) Use of Estimates:

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

c) Revenue Recognition:

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

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

Interest income / 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.

d) Provision for Standard assets

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

e) Tangible Fixed Assets:

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

f) Intangible Assets:

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

g) Depreciation on Tangible Fixed Assets:

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

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

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

h) Leases

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

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

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

i) Impairment of Assets:

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

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

j) Provision, Contingent Liabilities and Contingent Assets:

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

k) Investments:

Investments, 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.

l) Foreign Currency Transactions:

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

m) Employees Benefits:

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

Retirement benefits in the form of contribution to Provident Fund are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

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

n) Taxation:

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

Notes forming part of Financial Statements for the year ended March 31, 2017

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

o) Service Tax Input Credit

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

p) Borrowing Costs:

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

q) Business segment

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

r) Cash Flow Statement

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

s) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

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

(Amount in INR)

Particulars	As at March 31, 2017	As at March 31, 2016
3. Share Capital		
Authorised		
30,00,00,000 (30,00,00,000) Equity Shares of Rs.1/- each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and Paid Up		
10,00,00,000 (10,00,00,000) Equity Shares of Rs.1/- each fully paid up	<u>100,000,000</u>	<u>100,000,000</u>

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

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

b) Terms / Rights attached to Equity Shares

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

During the year ended March 31, 2017, the Company has not declared any dividend. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion of the number of fully paid equity shares held by shareholders.

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

	As at March 31, 2017		As at March 31, 2016	
Names	No. of Shares	% Shares Held	No. of Shares	% Shares Held
Vimi Investments & Finance Private Limited	46,573,000	46.57%	46,573,000	46.57%

(Amount in INR)

Particulars	As at March 31, 2017	As at March 31, 2016
4. Reserves and Surplus		
(a) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Opening Balance	0	0
Add : Transfer from Surplus in the Statement of Profit and Loss	1,710,888	0
Closing Balance	1,710,888	0
(b) Surplus /(Deficit) in the Statement of Profit and Loss		
Opening Balance	164,032,599	162,609,728
Add : Profit / (Loss) for the year	7,131,569	1,422,871
Amount available for appropriations	171,164,168	164,032,599
Less : Appropriations		
- Transfer to Statutory Reserve A/C for YE 31-03-2016	284,574	
- Transfer to Statutory Reserve A/C for YE 31-03-2017	1,426,314	
Closing Balance	169,453,280	164,032,599
Total - Reserve and Surplus	171,164,168	164,032,599
5. Other Long Term Liabilities		
Security Deposit Against Dry Lease of Aircraft	30,450,652	15,000,000
	30,450,652	15,000,000
6. Long-Term Provisions		
Provision for Employee Benefits		
- Gratuity	570,000	540,000
- Leave Encashment	78,667	50,267
	648,667	590,267
7. Short-Term Borrowings		
(a) Secured - Term Loans		
- From Banks	0	18,166
(b) Other unsecured Loans and advances		
- Inter corporate Deposits from Related Parties	35,511,446	0
- Inter corporate Deposits from Others	12,500,000	0
	48,011,446	18,166
Nature of Security & Terms of Repayment		
Loans from banks amounting to Rs. NIL/- (previous year Rs. 18,166/-) were secured by way of hypothecation of Vehicles and were repayable in equal monthly installments.		
8. Other Current Liabilities		
Salaries and other employee benefits	35,000	90,825
Expenses Payable	171,150	152,135
Dvat Payable	18,750	0
EPF Payable	4,375	0
TDS Payable	85,854	16,751
	315,129	259,711

(Amount in INR)

Particulars	As at March 31, 2017	As at March 31, 2016
9. Short Term Provisions		
Provision for Income Tax	1,308,014	152,505
Contingent Provision against Standard Assets	401,871	0
	1,709,885	152,505

10. Tangible Assets

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Addition during the Year	Deduction & Adjustment	As at 31.03.2017	As at 01.04.2016	Deduction & Adjustment	For the Year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Air Craft - Commercial	125,573,210	-	-	125,573,210	72,593,992	-	3,497,402	76,091,394	49,481,816	52,979,218
Computer System	51,500	-	-	51,500	44,510	-	4,415	48,925	2,575	6,990
Furniture and Fixtures	8,600	-	-	8,600	3,876	-	1,223	5,099	3,501	4,724
Vehicles	1,249,894	-	-	1,249,894	745,566	-	171,266	916,832	333,062	504,328
Office Equipments	40,400	-	-	40,400	35,129	-	3,251	38,380	2,020	5,271
Total	126,923,604	-	-	126,923,604	73,423,074	-	3,677,556	77,100,630	49,822,974	53,500,530
Previous Year	126,961,203	330,000	367,599	126,923,604	69,862,085	248,985	3,809,974	73,423,074	53,500,530	57,099,118

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

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

59,993,000 59,993,000

Investment in Associates

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

2,00,000 (NIL) Equity Shares of Rs. 10/-
each fully paid up of Britonna Hotel & Yacht Club Pvt Ltd

2,000,000 0

67,286,525 65,286,525

Other Investment (valued at cost unless stated otherwise)**Quoted Equity Instruments**

110 (110) Equity Shares of Rs. 2/- each fully paid up
of Tata Motors Limited

24,236 24,236

24,236 24,236

67,310,761 65,310,761

Aggregate amount of Quoted Investments

24,236 24,236

Aggregate Market value of Quoted Investments

51,509 42,493

Aggregate amount of Unquoted Investments

67,286,525 65,286,525

Aggregate Provision for Diminution in the value of Investments

0 0

(Amount in INR)

Particulars	As at March 31, 2017	As at March 31, 2016
12. Deferred Tax Assets (Net)		
Deferred Tax Assets :		
Impact of expenses charges to the Statement of Profit and Loss in the current financial year but allowed for tax purpose on payment basis		
Provision for Gratuity	176,130	166,860
Provision for Leave Encashment	24,308	15,533
Others - Unabsorbed Depreciation	22,326,003	22,914,250
	22,526,441	23,096,643
Deferred Tax Liabilities :		
Fixed Assets: Impact of difference between book and tax depreciation	14,270,051	15,041,345
	14,270,051	15,041,345
	8,256,390	8,055,298
13. Long-Term Loans and Advances		
MAT Credit Carried Forward	3,014,279	1,706,265
	3,014,279	1,706,265
14. Other Non-Current Assets		
Fixed Deposits with original maturity more than twelve month	1,370,259	1,304,436
	1,370,259	1,304,436
15. Trade Receivable (Unsecured)		
Outstanding for a period exceeding six months (Considered good)	225,000	547,326
Other receivables (Considered good)	337,500	153,535
	562,500	700,861
16. Cash and Cash Equivalents		
Balances with Scheduled Banks in Current Accounts	1,202,066	508,416
Cash on Hand (as certified by the management)	138,689	143,179
	1,340,755	651,595
17. A) Short-Term Loans and Advances - Financing Activity		
(a) Unsecured Loans		
(i) Considered Good	160,748,241	67,353,913
(ii) Considered Doubtful	0	0
	160,748,241	67,353,913
B) Short-Term Loans and Advances - Others (Unsecured, considered good)		
Advance Against Property purchase	7,500,000	0
Security Deposits	62,345	62,345
Income Tax Deposit against Disputed Demand	564,470	26,883,727
Custom Duty Deposit under Protest	23,682,303	23,682,303
Insurance Claim Receivable	23,340,585	24,735,858
Income Tax Refundable	2,041,331	4,254,383
Advance Income Tax/TDS	1,321,183	946,331
Prepaid Expenses	34,924	52,623
Other Loan & Advance	4,874	0
Service Tax Cenvat Credit	1,321,772	852,020
Total (A+B)	220,622,029	148,823,503

Particulars	(Amount in INR)	
	As at March 31, 2017	As at March 31, 2016
18. Revenue from Operations		
Interest Receipts	13,573,066	9,200,683
Aircraft Lease Rental	500,000	672,593
	14,073,066	9,873,276
19. Other Income		
Liabilities Written Back	80,000	0
Interest Receipts	119,907	176,050
Profit on sale of car	0	61,386
Misc. Income	36	0
	199,943	237,436
20. Aircraft Charter Operation Expenses		
Insurance of Aircraft	0	321,196
	0	321,196
21. Employee Benefits Expenses		
Salaries and Allowances	631,700	567,687
Directors Remuneration	756,600	756,600
Staff Welfare	650	1,588
	1,388,950	1,325,875
22. Interest and Finance Costs		
Interest	1,289,163	710,911
Bank Charges	8,411	7,534
	1,297,574	718,445
23. Other Expenses		
Auditors Remuneration	120,500	80,150
Advertisement Expenses	48,329	122,713
Director Sitting Fees	45,000	10,200
Rent Paid	650,039	415,800
Legal and Professional Charges	926,925	1,366,069
Fees and Subscription	387,623	444,060
Travelling Expenses	0	82,032
Vehicle running & maintenance Expenses	272,118	263,389
Telephone and Mobile Expenses	38,772	97,459
Conveyance Expenses	4,600	9,704
Repair and Maintenance	4,000	4,150
Postage and Telegram	49,125	61,216
Printing and Stationery	41,237	47,659
Meeting (AGM) Expenses	67,090	15,000
General Expenses	31,560	68,734
Insurance	33,742	23,866
Filing Fees	19,800	15,000
Bad Debts / Amounts Written Off	2,042,369	0
Contingent Provision Against Standard Assets	401,871	0
Books and Periodicals	10,493	7,669
	5,195,193	3,134,870

24. Contingent Liabilities not provided for:

(Amount in Rs. Lacs)

Particulars	As at 31-03-2017	As at 31-03-2016
Income Tax Matters	396.57	Nil
Demand of Custom Duty on Import of Commercial Aircraft (Amount paid under protest Rs. 236.82 Lacs**)	236.82	236.82

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

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

25. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for amounts to Rs. 2.00 Crore (Previous Year: NIL).

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

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

27. The Board has certified that all the income accrued to the Company has been taken into consideration and belong entirely and exclusively to the business of the Company.
28. In the opinion of Board of Directors the "Current / Non-Current Assets" have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet, except the amount of Insurance Claim Receivable out came of which shall depend on acceptance of claim by the Insurer.
29. Balances of Debtors, Creditors, Loans and Advances and Unsecured Loans are subject to confirmation and reconciliation adjustment, if any.
30. The amount of Insurance Claim amounting to Rs. 233.41 Lacs shown under the Schedule "Short Term Loans and Advances" is subject to final approval of the claim by the concerned Insurance Company.
31. The Company has not carried on Air Charter Services during the year on its own and has given its Aircraft on dry lease basis to other parties for operating the same.
32. The Company has made "Contingent Provision against Standard Assets" of 4.02 Lakh @ 0.25% (FY 2015-16: NIL) of Standard Assets as of March 31, 2017 as specified by RBI Notification No. DNBS.223/ CGM(US)-2011 dated January 17, 2011.
33. In the absence of receipt of information regarding small scale industrial status from the parties, the details of names of Small Scale Industrial Undertakings to which the company owe any sum together with interest outstanding for more than 30 days could not be ascertained.
34. Movement in Contingent Provisions against Standard assets during the year as Under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Opening Balance	NIL	NIL
Add : Addition during the year	4,01,883	NIL
Less : Utilised during the year	NIL	NIL
Closing Balance	4,01,883	NIL

35. Foreign Exchange Earned and Used:

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

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

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Statutory Auditor's Fee	70,000	70,000
Secretarial Auditor's Fee	25,000	20,000
Internal Auditor's Fee	15,000	10,000

37. Payments to Key Managerial Personnel and other Directors:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Key Managerial Personnel:		
Basic Salary	6,24,000	6,24,000
Other Allowances	1,32,600	1,32,600
Total	7,56,600	7,56,600
The Managerial Remuneration as computed above does not include the liability in respect of leave salary and gratuity accrued		

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

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

Secondary Segment:

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

Unallocable Items

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

Primary Business Segments

Segment Revenues, Results and other information

Particulars	Finance / Investment	Aircraft Services	Total Amount in Rs.
Revenue	1,35,73,066	5,00,000	1,40,73,066
Identified Operating Exp.	21,36,488	72,74,172	94,10,660
Profit/(Loss) before Interest and Tax	1,14,36,578	(67,74,172)	46,62,406
Less : Other Expenses net of Income (unallocable)			(22,02,016)
Net Profit before Tax			68,64,422
Less : Income Tax and other Taxes			(2,67,146)
Net Profit after Tax			71,31,569
Segment Assets	21,72,22,957	13,50,76,990	35,22,99,947
Segment Liabilities	5,06,85,127	3,04,50,652	8,11,35,779
Capital Employed (Assets - Liabilities)	16,65,37,830	10,46,26,338	27,11,64,168
Depreciation	2,74,024	34,03,532	36,77,556

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

Related Parties and their Relationship:

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

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

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

Relatives:- Mrs. Kiran Chhalani

Other Related Parties where common control exists and with whom the company had transactions during the year: Crayons Advertising Pvt Ltd, Sahyog Properties Pvt Ltd, Mega Cabs Pvt Ltd, BB Hospitality Ventures Private Limited, Britonna Hotel & Yatch club Pvt Ltd, Sanya Resorts & Hospitality Private Limited and Omni Media Communications Private Limited

Transactions with Related parties :

(Amount in INR 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	0.00	0.00	0.00	0.00	0.00	1.20	0.00	1.20
Interest Paid	0.00	0.00	0.00	0.00	5.70	0.00	5.70	0.00
Interest Received	0.12	0.00	0.00	0.00	56.34	84.74	56.46	84.74
Rent Paid	0.00	0.00	4.36	4.16	0.00	0.00	4.36	4.16
Directors' Remuneration	0.00	0.00	7.57	7.57	0.00	0.00	7.57	7.57
Loans and Advances Given	0.00	0.00	0.00	0.00	1359.00	139.50	1359.00	139.50
Loans and Advances Received Back	0.00	0.00	0.00	0.00	1173.66	0.00	1173.66	0.00
Loan Taken	0.00	0.00	0.00	0.00	400.00	0.00	400.00	0.00
Loan Returned	0.00	0.00	0.00	0.00	55.00	0.00	55.00	0.00
Balance of Investments at the year end	599.93	599.93	0.00	0.00	38.75	18.75	638.68	618.68

40. Earnings per Share (Basic and Diluted):

Basic and diluted earnings (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the year as follows:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Net profit after Tax as per Statement of Profit and Loss	71,31,569	14,22,871
Weighted average number of Shares outstanding during the year (Face value Rs. 1/- each)	10,00,00,000	10,00,00,000
Basic and Diluted Earnings per share	0.07	0.01

- 41. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016**

Particulars	SBNs (Specified Bank Notes)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	47,500	982	48,482
(+) Withdrawal From Bank	NIL	1,50,000	1,50,000
(-) Permitted payments	NIL	40,122	40,122
(-) Amount deposited in Banks	47,500	NIL	47,500
Closing cash in hand as on 30.12.2016	NIL	1,10,860	1,10,860

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: 30.05.2017

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

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Swati Kapoor
(Company Secretary)
M. No. 31027

Mega Corporation Ltd.

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF MEGA CORPORATION LIMITED****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 March 31, 2017, 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')

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.

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.

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 March 31, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

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 March 31, 2017, 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, 2017, 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 24 to the consolidated financial statements*).
 - II. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary company incorporated in India.

For SIPANI & ASSOCIATES
Chartered Accountants
Firm’s Registration No.007712N

Sd/-
(VIJAY SIPANI)
Prop.
M. No. 083850

Place: Delhi
Date: 30.05.2017

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 March 31, 2017, 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 March 31, 2017, 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

Sd/-
(VIJAY SIPANI)
Prop.
M. No. 083850

Place: Delhi
Date: 30.05.2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(Amount in INR)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	100,000,000	100,000,000
Reserves and Surplus	3	169,084,348	167,095,308
		269,084,348	267,095,308
Minority Interest		6,757	7,357
Non-Current Liabilities			
Other Long Term Liabilities	4	30,450,652	15,000,000
Long-Term Provisions	5	648,667	590,267
		31,099,319	15,590,267
Current Liabilities			
Short-Term Borrowings	6	48,011,446	18,166
Other Current Liabilities	7	340,653	282,611
Short-Term Provisions	8	1,709,885	152,505
		50,061,984	453,282
TOTAL		350,252,408	283,146,214
Assets			
Non-Current Assets			
Fixed Assets - Tangible Assets	9	49,822,973	53,500,530
Non-Current Investments	10	33,717,761	36,717,761
Deferred Tax Assets (Net)	11	8,256,390	8,055,298
Long-Term Loans and Advances	12	3,014,279	1,706,265
Other Non-Current Assets	13	2,783,406	2,946,235
		97,594,809	102,926,089
Current Assets			
Trade Receivables	14	562,500	700,861
Cash and Cash Equivalents	15	1,460,677	683,367
Short-Term Loans and Advances	16	250,634,422	178,835,897
		252,657,599	180,220,125
TOTAL		350,252,408	283,146,214

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: 30.05.2017

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

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Swati Kapoor
(Company Secretary)
M. No. 31027

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in INR)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME:			
Revenue from Operations	17	14,060,326	9,873,276
Other Income	18	199,943	237,436
Total Revenue		14,260,269	10,110,712
EXPENSES:			
Cost of Aircraft Charter Operations	19	0	321,196
Employee Benefits Expense	20	1,388,950	1,325,875
Interest and Finance Costs	21	1,297,574	719,552
Depreciation and Amortization	22	3,906,209	4,038,626
Other Expenses	23	5,233,564	3,229,958
Total Expenses		11,826,297	9,635,207
Profit From Operation Before Exceptional Items :		2,433,972	475,506
Exceptional Item :-			
Interest on Income Tax Refund	7,276,478		
Prior Period Expenses - porta Cabin Rent	(3,125,791)	4,150,687	0
Profit From Operation After Exceptional Items :		6,584,659	475,506
Less: Tax Expenses:			
- Current Year /Earlier Years		6,105,324	152,505
- Mat entitlement		(1,308,014)	(148,065)
- Deferred Tax Charge / (Credit)		(201,092)	(626,958)
Profit/(Loss) for the Year before adjustment of Minority Interest		1,988,441	1,098,024
Less: Minority Interest		(600)	(38)
Net Profit/(Loss) for the Year		1,989,041	1,098,062
Earning Per Equity Share:			
Basic & Diluted Earning Per Share of Rs. 1/- each		0.02	0.01

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: 30.05.2017

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

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Swati Kapoor
(Company Secretary)
M. No. 31027

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in INR)

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
A. Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	6,584,659	475,506
Adjustment for :		
Depreciation and Amortisation	3,906,209	4,038,626
Interest Income	(13,560,326)	(9,200,683)
Loss/(Profit) on Sale of Fixed Assets/ Investments	0	(61,386)
Contingent Provision Against Standard Assets	401,871	0
Interest and Finance charges	1,289,163	710,911
Operating Profit before change in Working Capital	(1,378,424)	(4,037,027)
Adjustment for changes in working capital :		
Increase/ (Decrease) in Other Long Term Liabilities	15,450,652	15,000,000
(Increase)/ Decrease in Trade Receivables	138,361	(700,861)
Increase/ (Decrease) in Trade Payables	0	(3,060,099)
Increase/ (Decrease) in Short-Term Borrowings	47,993,280	(261,888)
Increase/ (Decrease) in Other Current Liabilities	58,042	37,398
(Increase)/ Decrease in Short-Term Loans and Advances	(71,798,525)	(17,238,235)
	(8,158,191)	(6,223,685)
Cash Generated From Operations	(9,536,615)	(10,260,712)
Adjustment for :-		
Income Tax Deposit	(4,949,815)	(857,111)
Interest Paid	(1,289,163)	(710,911)
Net Cash Flow From Operating activities (A)	(15,775,593)	(11,828,734)
B. Cash Flow from Investing Activities		
Interest Income	13,560,326	9,200,683
Purchase of Tangible Assets	0	(330,000)
Investment in shares	0	(4,500)
Proceeds from Sale of Tangible Assets	0	180,000
Proceeds from Sale of Non Current Investments	5,000,000	17,500,000
Purchase of Non Current Investment	(2,000,000)	(18,200,000)
Proceeds from Other Non-Current Assets	(65,823)	(62,878)
Net Cash Flow from Investing Activities (B)	16,494,503	8,283,305
C. Cash Flow from Financing Activities		
Repayment of Long-Term Provisions	58,400	30,402
Increase/ (Decrease) in Long-Term Borrowings	0	(18,166)
Net Cash Flow from Financing Activities (C)	58,400	12,236
Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C)	777,310	(3,533,193)
Cash and Cash Equivalents as at beginning of the year (E)	683,368	4,216,561
Cash and Cash Equivalents as at the end of the year (D + E)	1,460,677	683,367

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: 30.05.2017

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

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

Sd/-
Swati Kapoor
(Company Secretary)
M. No. 31027

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, 2017.

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, 2017
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. Provision for Standard assets

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

F. Depreciation on Tangible Fixed Assets:

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

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

G. Intangible Assets:

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

H. Impairment of Assets:

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

I. Provision, Contingent Liabilities and Contingent Assets:

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

J. Investments:

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

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

K. Borrowing Costs:

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

L. Foreign Currency Transactions:

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

M. Employees Benefits:

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

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

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

N. Taxation:

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

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

O. Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

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

P. Revenue Recognition:

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

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

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

(Amount in INR)

Particulars	As at March 31, 2017	As at March 31, 2016
2. Share Capital		
Authorised		
30,00,00,000 (30,00,00,000) Equity Shares of Rs.1/- each	300,000,000	300,000,000
Issued, Subscribed and Paid Up		
10,00,00,000 (10,00,00,000) Equity Shares of Rs.1/- each fully paid up	100,000,000	100,000,000
a) Reconciliation of shares outstanding at beginning and at end of the year		
During the current year and in the previous year, there have been no movements in the number of equity shares outstanding.		
b) Terms / Rights attached to Equity Shares		
The Company has only one class of share having a par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.		
During the year ended March 31, 2017, the Company has not declared any dividend.		
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion of the number of fully paid equity shares held by shareholders.		
c) Details of shareholders holding more than 5% shares in the Company		
	As at March 31, 2017	
	As at March 31, 2016	
Names	No. of Shares	% Shares Held
Vimi Investments & Finance Private Limited	46,573,000	46.57%
	46,573,000	46.57%
3. Reserves and Surplus		
(a) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Opening Balance	0	0
Add : Transfer from surplus in the Statement of Profit and Loss	1,989,942	0
Closing Balance	1,989,942	0
(b) Surplus /(Deficit) in the Statement of Profit and Loss		
Balance as per last Financial Statements	167,095,308	165,997,246
Profit / (Loss) for the year	1,989,041	1,098,062
Amount available for appropriations	169,084,348	167,095,308
Less : appropriations		
- Transfer to Statutory Reserve A/C for YE 31-03-2016	284,574	
- Transfer to Statutory Reserve A/C for YE 31-03-2017	1,705,368	
Closing Balance	167,094,406	167,095,308
Total - Reserve and Surplus	169,084,348	167,095,308
4. Other Long Term Liabilities		
Security Deposit Against Dry Lease of Aircraft	30,450,652	15,000,000
	30,450,652	15,000,000
5. Long-Term Provisions		
Provision for Employee Benefits		
- Gratuity	570,000	540,000
- Leave Encashment	78,667	50,267
	648,667	590,267

(Amount in INR)

Particulars	As at March 31, 2017	As at March 31, 2016
6. Short-Term Borrowings		
(a) Secured - Term Loans		
- From Banks	0	18,166
(b) Other unsecured Loans and advances		
- Inter corporate Deposits from Related Parties	35,511,446	0
- Inter corporate Deposits from Others	12,500,000	0
	48,011,446	18,166

Nature of Security & Terms of Repayment

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.

7. Other Current Liabilities

Salaries and other employee benefits	35,000	90,825
Other Expenses Payable	195,400	175,035
Sales Tax Payable	18,750	0
EPF Payable	4,375	0
TDS Payable	87,128	16,751
	340,653	282,611

8. Short-Term Provisions

Provision for Income Tax	1,308,014	152,505
Contingent Provision against Standard Assets	401,871	0
	1,709,885	152,505

9. Tangible Assets

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Addition during the Year	Deduction & Adjustment	As at 31.03.2017	As at 01.04.2016	Deduction & Adjustment	For the Year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Air Craft - Commercial	125,573,210	-	-	125,573,210	72,593,992	-	3,497,402	76,091,394	49,481,816	52,979,218
Computer System	51,500	-	-	51,500	44,510	-	4,415	48,925	2,575	6,990
Furniture and Fixtures	8,600	-	-	8,600	3,876	-	1,223	5,099	3,501	4,724
Vehicles	1,249,894	-	-	1,249,894	745,566	-	171,266	916,832	333,062	504,328
Office Equipments	40,400	-	-	40,400	35,129	-	3,251	38,380	2,020	5,271
Total	126,923,604	-	-	126,923,604	73,423,074	-	3,677,557	77,100,631	49,822,973	53,500,530
Previous Year	126,961,203	330,000	367,599	126,923,604	69,862,085	248,985	3,809,974	73,423,074	53,500,530	57,099,118

10. Non-Current Investments**Trade Investments (valued at cost unless stated otherwise)****a) Quoted Equity Instruments**

110 (110) Equity Shares of Rs. 2/- each fully paid up
of Tata Motors Limited

	24,236	24,236
	24,236	24,236

(Amount in INR)

Particulars	As at March 31, 2017	As at March 31, 2016
b) Unquoted Equity Instruments		
Investment in Associates		
1,50,000 (1,50,000) Equity Shares of Rs. 10/- each fully paid up of Anand Power 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
2,00,000 (NIL) Equity Shares of Rs. 10/- each fully paid up of Britonna Hotel & Yacht Club Pvt Ltd	2,000,000	0
26,40,000 (31,40,000) Equity Shares of Rs. 10/- each of Mega Cabs Private Limited	26,400,000	31,400,000
	33,693,525	36,693,525
Total (a+b)	33,717,761	36,717,761
Aggregate amount of Quoted Investments	24,236	24,236
Aggregate Market value of Quoted Investments	51,509	42,493
Aggregate amount of Unquoted Investments	33,693,525	36,693,525
Aggregate Provision for Diminution in the value of Investments	0	0
11. A. Deferred Tax Assets		
Impact of expenses charges to the Statement of Profit and Loss in the current financial year but allowed for tax purpose on payment basis		
Provision for Gratuity	176,130	166,860
Provision for Leave Encashment	24,308	15,533
Others - Unabsorbed Depreciation	22,326,003	22,914,250
	22,526,441	23,096,643
B. Deferred Tax Liabilities :		
Fixed Assets: Impact of difference between book and tax depreciation	14,270,051	15,041,345
	14,270,051	15,041,345
Net Deferred Tax Assets (A- B)	8,256,390	8,055,298
12. Long-Term Loans and Advances		
MAT Credit Carried Forward	3,014,279	1,706,265
	3,014,279	1,706,265
13. Other Non-Current Assets		
Fixed Deposits with original maturity more than twelve month	1,370,259	1,304,436
Misc. Expenses (To the extent not Written Off or adjusted)		
A. Preliminary Expenses		
As per last year	112,452	149,936
Less : Written off during the year	37,484	37,484
Total `A'	74,968	112,452
B. Share Issue Expenses		
As per last year	480,400	540,450
Less : Written off during the year	60,050	60,050
Total `B'	420,350	480,400

(Amount in INR)		
Particulars	As at March 31, 2017	As at March 31, 2016
C. Pre- Operative Expenses		
As per last year	1,048,947	1,180,065
Add: Incurred during the year	0	0
Less : Capitalised during the year	131,118	131,118
Total `C`	917,829	1,048,947
TOTAL (A + B + C)	1,413,147	1,641,799
	2,783,406	2,946,235
14. Trade Receivables		
Exceeding Six Month	225,000	547,326
Others	337,500	153,535
	562,500	700,861
15. Cash and Cash Equivalents		
Balances with Scheduled Banks in Current Accounts	1,321,988	540,189
Cash on Hand (as certified by the management)	138,689	143,179
	1,460,677	683,368
16. A) Short-Term Loans and Advances - Financing Activity		
(a) Unsecured Loans		
(i) Considered Good	160,748,241	67,353,913
(ii) Considered Doubtful	0	0
	160,748,241	67,353,913
B) Short-Term Loans and Advances - Others (Unsecured, considered good)		
Security Deposits (Unsecured, considered good)	62,345	62,345
Advance Against Property	37,500,000	30,000,000
Income Tax Deposit against Disputed Demand	564,470	26,883,727
Custom Duty Deposit under Protest	23,682,303	23,682,303
Insurance Claim Receivable	23,340,585	24,735,858
Income Tax Refundable	2,053,725	4,254,383
Advance Income Tax/TDS	1,321,183	958,725
Prepaid Expenses	34,924	52,623
Other Loan & Advances	4,874	0
Service Tax Cenvat Credit	1,321,772	852,020
	250,634,422	178,835,897
17. Revenue from Operations		
Interest Receipts	13,560,326	9,200,683
Aircraft Lease Rental	500,000	672,593
	14,060,326	9,873,276
18. Other Income		
Liabilities Written Back	80,000	0
Interest Receipts	119,907	176,050
Profit on Sale of Tangible Assets/ Investments	0	61,386
Dividend / Misc. Income	36	0
	199,943	237,436

(Amount in INR)

Particulars	As at March 31, 2017	As at March 31, 2016
19. Aircraft Charter Operation Expenses		
Insurance of Aircraft	0	321,196
	<u>0</u>	<u>321,196</u>
20. Employee Benefits Expenses		
Salaries and Allowances	631,700	567,687
Directors Remuneration	756,600	756,600
Staff Welfare	650	1,588
	<u>1,388,950</u>	<u>1,325,875</u>
21. Interest and Finance Costs		
Interest	1,289,163	710,911
Bank Charges	8,411	8,641
	<u>1,297,574</u>	<u>719,552</u>
22. Depreciation and Amortisation		
Depreciation on Tangible Assets	3,677,557	3,809,974
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
	<u>3,906,209</u>	<u>4,038,626</u>
23. Other Expenses		
Auditors Remuneration	143,500	103,050
Advertisement Expenses	48,329	132,893
Director Sitting Fees	45,000	10,200
Rent Paid	650,039	415,800
Legal and Professional Charges	939,025	1,366,069
Fees and Subscription	387,623	444,060
Travelling Expenses	0	82,032
Vehicle running & maintenance Expenses	272,118	263,389
Telephone and Internet Expenses	38,772	97,459
Repair and Maintenance	4,000	4,150
Conveyance Expenses	4,600	9,704
Postage and Telegram	49,125	61,216
Printing and Stationery	41,237	47,659
Meeting (AGM) Expenses	67,090	15,000
Interest on Late deposit of Taxes	220	10,800
Insurance Charges	33,742	23,866
Filing Fees	21,600	22,200
Books and Periodicals	10,493	7,669
Contingent Provision Against Standard Assets	401,871	0
Bad Debts / Balances Written off	2,042,369	0
General Expenses	32,811	112,742
	<u>5,233,564</u>	<u>3,229,958</u>

24. Contingent Liabilities not provided for:

(Amount in INR Lacs)

Particulars	As at 31-03-2017	As at 31-03-2016
Income Tax Matters*	396.57	NIL
Custom Duty on Import of Commercial Aircraft (Amount paid under protest Rs. 236.82 Lacs**)	236.82	236.82
Outstanding Bank Guarantees	300.00	NIL

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

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

25. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for: Rs. 235.22 Lacs (Previous Year: Rs. 35.22 Lacs).

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

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

27. The Board has certified that all the income accrued to the Company has been taken into consideration and belong entirely and exclusively to the business of the Company.
28. In the opinion of Board of Directors the "Current / Non-Current Assets" have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet, except the amount of Insurance Claim Receivable out came of which shall depend on acceptance of claim by the Insurer.
29. Balances of Debtors, Creditors, Loans and Advances and Unsecured Loans are subject to confirmation and reconciliation adjustment, if any.
30. The amount of Insurance Claim amounting to Rs. 233.41 Lacs shown under the Schedule "Short Term Loans and Advances" is subject to final approval of the claim by the concerned Insurance Company.
31. The Company has not carried on Air Charter Services during the year on its own and has given its Aircraft on dry lease basis to other parties for operating the same.
32. In the absence of receipt of information regarding small scale industrial status from the parties, the details of names of Small Scale Industrial Undertakings to which the company owe any sum together with interest outstanding for more than 30 days could not be ascertained.

33. Foreign Exchange Earned & Used

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

34. Payments to Key Managerial Personnel and other Directors:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Key Managerial Personnel:		
Basic Salary	6,24,000	6,24,000
Other Allowances	1,32,600	1,32,600
Total	7,56,600	7,56,600
The Managerial Remuneration as computed above does not include the liability in respect of leave salary and gratuity accrued		

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

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fee	90,000	90,000
Secretarial Audit Fee	25000	20000
Internal Audit Fee	15000	10000

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

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

Secondary Segment:

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

Unallocable Items

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

Primary Business Segments

Segment Revenues, Results and other information

Particulars	Finance / Investment	Aircraft Services	Total Amount in Rs.
Revenue	1,35,73,066	5,00,000	1,40,73,066
Identified Operating Exp.	21,36,488	72,74,172	94,10,660
Profit/(Loss) before Interest and Tax	1,14,36,578	(69,88,611)	46,62,406
Less : Other Expenses net of Income (unallocable)			(19,22,253)
Net Profit before Tax			65,84,659
Less : Income Tax and other Taxes			45,96,218
Net Profit after Tax			33,83,714
Segment Assets	15,59,21,943	19,43,30,465	35,02,52,408
Segment Liabilities	4,93,77,113	3,17,90,947	8,11,68,060
Capital Employed (Assets - Liabilities)	10,65,44,830	16,25,39,518	26,90,84,348
Depreciation	2,74,024	34,03,533	36,77,557

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

Related Parties and their Relationship:**a) Directors, Key Management Persons (KMP)and their Relative:**

Directors:- Mr. Surendra Chhalani, Mr. H. M. Lalani, Mr. Kunal Lalani, Mr. Sachin Mehra, Ms. Anisha Anand, Mr. Nav Ratan Baid, Mr. Rajendra Kumar Bengani and Mr. 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 and Omni Media Communications Private Limited.

Transactions with Related parties :

(Amount in INR Lacs)

Nature of transactions	KMP and their Relatives		Associates & Others		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Receiving of Services	0.00	0.00	0.00	1.20	0.00	1.20
Interest Paid	0.00	0.00	5.70	0.00	5.70	0.00
Interest Received	0.00	0.00	56.34	84.74	56.34	84.74
Rent Paid	4.36	4.16	0.00	0.00	4.36	4.16
Directors' Remuneration	7.57	7.57	0.00	0.00	7.57	7.57
Loans and Advances Given	0.00	0.00	1359.00	139.50	1359.00	139.50
Loans and Advances Received Back	0.00	0.00	1173.66	0.00	1173.66	0.00
Loan Taken	0.00	0.00	400.00	0.00	400.00	0.00
Loan Return/ Repaid	0.00	0.00	55.00	0.00	55.00	0.00
Purchase of Equity Shares	0.00	0.00	0.00	175.00	0.00	175.00

38. Earnings per Share (Basic and Diluted):

Basic and diluted earnings (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the year as follows:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Net profit after Tax as per Statement of Profit and Loss	19,89,041	10,98,062
Weighted average number of Shares outstanding during the year (Face value Rs. 1/- each)	10,00,00,000	10,00,00,000
Basic and Diluted Earnings per share	0.02	0.01

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

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

As per our Report of even date

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

For and on behalf of the Board

Sd/-
VIJAY SIPANI
 Proprietor
 M. No. 083850
 Place: Delhi
 Dated: 30.05.2017

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

Sd/-
Kunal Lalani
 (Director)
 DIN : 00002756

Sd/-
Swati Kapoor
 (Company Secretary)
 M. No. 31027



Mega Corporation Ltd.

NOTE

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NOTE

Handwriting practice lines consisting of 25 horizontal dotted lines.





Mega Corporation Ltd.

NOTE

Handwriting practice area with 20 horizontal dotted lines.



Mega Corporation Limited

108, First Floor, Taimoor Nagar,

Opp. New Friends Colony, New Delhi- 110025

CIN: L01120DL1985PLC092375