

ANNUAL REPORT 2017-18

MegaCorp



CORPORATE INFORMATION

Mr. Kunal Lalani
Director and Chairman

Mr. Surendra Chhalani
Director and CFO

Mr. Hulas Mal Lalani
Director

Mr. Shurab Kumar
Whole Time Director

Mr. Sachin Mehra
Director

Mrs. Anisha Anand
Director

Mr. Navratan Baid
Director

Company Secretary
Ms. Swati Kapoor

Statutory Auditors
Virendra Pradeep & Co.
(Chartered Accountants)

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

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

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

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DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 2017-2018
TO THE MEMBERS OF MEGA CORPORATION LIMITED

Your Directors are pleased to present the 33rd Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2018.

FINANCIAL PERFORMANCE

The Summarized financial results are:

(Amount in Lakhs)

Particulars	Standalone	
	Current Year	Previous Year
	2017-18	2016-17
Income from Operations	223.26	140.73
Other Income	1.70	2.00
Total Income	224.97	142.73
Operating Expenses	39.83	13.88
Depreciation and Amortization	36.72	36.77
Interest	99.88	12.97
Other Expenses	48.55	51.95
Profit/ (Loss) before Tax	25.47	27.13
Tax Expenses		
• Previous Year	0.23	0.66
• Deferred Tax	33.18	(2.01)
Net Profit/ (Loss) for the Year	(288.14)	71.31

STATE OF COMPANY'S AFFAIRS

During the year 2017-18, the company has recorded a loss of Rs. 288.14 lakhs in the Financial Year ended as on 31.03.2018.

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 2017 – 18

There are no material changes and commitment affecting the financial position of company after the close of financial year 2017-18 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 2017-18.

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.

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

Your Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2017-18, the Company did not receive any complaints on sexual harassment and therefore, no complaints remain pending as of 31st March, 2018.

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 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 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 1 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
2	Britonna Hotel & Yatch Club Pvt. Ltd.	U55204DL2016PTC300630	Associate Company

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

Second Motion Petition has been filed before National Company Law Tribunal (NCLT) and 30/08/2018 has been fixed for hearing before the Hon'ble 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 2017-18, 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 2017-18, 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. Shurab Kumar, 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, Mr. Shurab Kumar has been appointed as the Whole Time Director on the Board of the Company.

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;
- Mr. Shurab Kumar - Whole Time Director.

DECLARATION BY THE INDEPENDENT DIRECTORS

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

AUDITORS AND AUDITOR'S REPORT

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

M/s Virendra Pradeep & Co., Chartered Accountants who were appointed as Auditors of the Company for a term of five years at the last Annual General Meeting of the Company held on 22nd September, 2017 i.e. till the conclusion of the 37th Annual General Meeting (AGM), subject to ratification at every AGM, M/s Virendra Pradeep & Co., now 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.

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

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

LISTING OF SECURITIES

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

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

Delhi Stock Exchange has 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 2017-18, the Board met Sixteen (16) times. The meetings were held on 15/05/2017, 24/05/2017, 30/05/2017, 01/06/2017, 07/07/2017, 10/08/2017, 28/08/2017, 04/10/2017, 01/11/2017, 14/11/2017, 16/11/2017, 14/12/2017, 29/01/2018, 09/02/2018, 13/02/2018 and 26/03/2018. 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. Navratan Baid, 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. Sachin Mehra 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 31.03.2018.

PAYMENT OF LISTING FEES

Your Company has paid Listing fees for the financial year 2018-19 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 <http://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.megacorp Ltd.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) CFO of the company does not receive any remuneration or commission from any of its subsidiary companies
- f) No significant or material orders were passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future.
- g) Purchase of or subscription for shares in the company by the employees of the company.
- h) There is no material subsidiary of company, so no policy on material subsidiary is required to be adopted.

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
Mega Corporation Limited**

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

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

**Sd/-
Swati Kapoor
(Company Secretary)**

Place: New Delhi

Date: 27.08.2018

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 31.03.2018

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

To
The Members,
M/s MEGA CORPORATION LIMITED
CIN: L65100DL1985PLC092375
ADDRESS: 108, FIRST FLOOR, TAIMOOR NAGAR,
OPP. NEW FRIENDS COLONY, NEW DELHI- 110025

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2018** according to the provisions of:

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

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

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

b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) The Compliance by the Company of applicable financial laws like direct taxes and indirect taxes and maintenance of financial records and books of accounts has not been reviewed in this Audit, since the same has been the subject to be review by statutory financial audit and designated professionals.
- d) Whereever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

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

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

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

During the year company have received several notices from various authorities and according to information received from the management the company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

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

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

We further report that, during the audit period, we came to know that Ministry of Corporate Affairs (hereinafter referred to as "MCA") has identified 331 companies as shell companies. Mega Corporation Limited was also included in that list. In response of such letter received from MCA, Securities and Exchange Board of India (SEBI) on 07th August 2017, it is directed to stock exchanges to take action against shell companies that are listed entities; in response of those directions. Further, BSE Limited has requested various documents from the company by issuing the letters & also through Emails to the Company itself from time to time and the company has replied to the same within the requisite time along with required information. BSE Limited has ordered the forensic audit of the company, status of which is under process.

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

However, The Company has initiated the process of amalgamation of its subsidiary M/s Mega Airways Limited with itself in terms of "scheme of amalgamation" agreed between both the companies.

Further, Second Motion Petition has been filed before National Company Law Tribunal (NCLT) and 30th August 2018 has been fixed for hearing before the Hon'ble NCLT.

Vikash Gupta & Co.
(Practicing Company Secretaries)

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

Place: New Delhi
Date : 20.08.2018

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.	01.04.2017-31.03.2018
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	(23,33,171)
7.	Total assets	3,12,86,829
8.	Total Liabilities	20,000
9.	Investments	2,64,00,000
10.	Turnover	Nil
11.	Profit before taxation	(2,53,111)
12.	Provision for taxation	Nil
13.	Profit after taxation	(2,53,111)
14.	Proposed Dividend	Nil
15.	Extent of shareholding (in percentage)	100%

Part "B": Associates and Joint Ventures

1. Name of Associates/ Joint Ventures	M/s Britonna Hotel & Yacht Club Private Limited
2. Latest audited Balance Sheet Date	31 st March, 2018
3. Shares of Associate/ Joint Ventures held by the company on the year end	
• Number	2,00,000
• Amount of Investment in Associates/ Joint Venture	1,03,99,990
• Extent of Holding %	21.89%
4. Description of how there is significant influence	Holding 21.89% of Share Capital
5. Reason why the associate/ joint venture is not consolidated	N.A.

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

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

Sd/-
Kunal Lalani
(Director)
Din: 00002756

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

Place: New Delhi
Date: 27.08.2018

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 three Executive Directors and four 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	16	16	3	Yes
Mr. Sachin Mehra	Non-Executive & Independent Director	Director	16	10	3	No
Mr. Hulas Mal Lalani	Non-Executive Director	Director	16	15	7	No
Mrs. Anisha Anand	Non-Executive & Independent Director	Director	16	11	2	Yes
Mr. Navratan Baid	Non-Executive & Independent Director	Director	16	13	4	Yes
*Mr. Shurab Kumar	Executive Director	Whole Time Director	16	8	0	No
Mr. Kunal Lalani	Executive Director	Director and Chairman	16	14	13	Yes
**Mr. Rajendra Kumar Bengani	Non-Executive & Independent Director	Director	16	10	8	No

*Mr. Shurab Kumar was appointed as Additional Director of the company w.e.f. 01.11.2017.

**Mr. Rajendra Kumar Bengani has resigned from the Board of the Company w.e.f. 16.11.2017.

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.

There is no relationship between directors of the company. Further, 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 2017-18, the Board met Sixteen (16) times. The meetings were held on 15/05/2017, 24/05/2017, 30/05/2017, 01/06/2017, 07/07/2017, 10/08/2017, 28/08/2017, 04/10/2017, 01/11/2017, 14/11/2017, 16/11/2017, 14/12/2017, 29/01/2018, 09/02/2018, 13/02/2018 and 26/03/2018. 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 2017-18.

(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, 2018. 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 2017-18	Meetings attended
Mrs. Anisha Anand	Chairman	4	4
Mr. Surendra Chhalani	Member	4	4
Mr. Navratan Baid	Member	4	1

There was change in the composition of Audit Committee during the year.

During the year, 4 Audit Committee meetings were held as on 30/05/2017, 10/08/2017, 14/11/2017 and 13/02/2018.

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 2017-18	Meetings attended
Mr. Navratan Baid	Chairman	5	5
Mr. Sachin Mehra	Member	5	2
Mrs. Anisha Anand	Member	5	5

There was change in the composition of Nomination & Remuneration Committee during the year.

During the year, 5 Nomination and Remuneration Committee meetings were held as on 24/05/2017, 10/08/2017, 01/11/2017, 16/11/2017 and 13/02/2018.

(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, 4 Stakeholder's Relationship Committee meetings were held as on 30/05/2017, 10/08/2017, 14/11/2017 and 13/02/2018.

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 2017-18	Meetings attended
Mr. Sachin Mehra	Chairman	4	4
Mr. Surendra Chhalani	Member	4	4
Mr. Navratan Baid	Member	4	4

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, 2018 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, 2018, 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 General Meetings held in last three years

For the Year	Venue	Day, Date & Time	Special Resolution **
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	Tuesday, 22 nd September, 2016 at 11.30 A.M.	Nil
2016-2017	Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048	Friday, 22 nd September, 2017 at 11.30 A.M.	Nil
***2017-18 (Meeting of Equity Shareholders by the Order Hon,ble NCLT)	Hotel Capitol Hills, C-42, Greater Kailash, Part-I, New Delhi- 110048	Tuesday, 20th March, 2018 at 11.00 A.M.	Nil

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

***** Meeting of Equity Shareholders was held on Tuesday, 20th March 2018, at 11.00 a.m. at Hotel Capitol Hills, C-42, Greater Kailash Part-I, New Delhi-110048, under the supervision of the National Company Law Tribunal, New Delhi Bench for the purpose of considering and, if thought fit, approving, the Scheme of Amalgamation of Mega Airways Limited and Mega Corporation Limited**

Meeting of Unsecured Creditors was held on Tuesday, 20th March 2018, at 02.00 p.m. at Hotel Capitol Hills, C-42, Greater Kailash Part-I, New Delhi-110048, under the supervision of the National Company Law Tribunal, New Delhi Bench for the purpose of considering and, if thought fit, approving, the Scheme of Amalgamation of Mega Airways Limited and Mega Corporation Limited

Postal Ballot

During the year, Company approached the shareholders through postal ballot in December, 2017. A snapshot of the voting results of the postal ballot is as follows:-

Particulars of Resolution	Type of Resolution	No. of votes polled	Votes Cast in Favour		Votes cast Against	
Amendment to Object Clause of Memorandum of Association of the Company	Special Resolution	54325226	54325125	99.23%	101	0.77%
Appointment of Mr. Shurab Kumar as Whole Time Director of the Company	Special Resolution	54325226	54325225	99.99%	1	0.00%

The Company successfully completed the process of obtaining approval of its shareholders for special resolution on the items declared above through a postal ballot.

Mr. Vikash Gupta, being the proprietor of M/s Vikash Gupta & Co., Practicing Company Secretary (FCS 9198 & CP No. 10785) was appointed as Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot

In compliance with section 108 and 110 and other applicable provisions of the Companies Act, 2013 read with related Rules, the Company provides electronic – voting (e-voting) facility to all its members. The Company engaged the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appears on the register of members as on cut-off date. The postal ballot notice is sent to members through permissible mode. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the name of the members as on cut-off date. Members desirous to exercise their vote by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desirous to exercise their vote by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of the scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman/Whole Time Director. The Results are communicated to the stock exchanges.

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

A) Annual General Meeting

Day, Date and Time: Friday, 28th September, 2018 at 11:30 a.m.

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

B) Financial Year—01st April, 2017 to 31st March, 2018

C) Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2018.

D) Listing at Stock Exchanges

EQUITY SHARES

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

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

Listing Fee for the year 2017-2018 has been paid to Bombay Stock Exchange.

E) Stock Code -- ISIN – INE804B01023

F) Market Price Data: High Low for the period April 2017 to March 2018

Month	Low	High
April, 2017	0.80	0.99
May, 2017	0.50	0.76
June, 2017	0.38	0.52
July, 2017	0.39	0.66
August, 2017	0.66	0.66
**September, 2017	Not Available	Not Available
**October, 2017	Not Available	Not Available
**November, 2017	Not Available	Not Available
**December, 2017	Not Available	Not Available
January, 2018	0.63	1.23
February, 2018	1.25	1.26
March, 2018	1.21	1.26

Source: BSE Portal

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

- G) Performance in comparison to broad based indices such as BSE Sensex, CRISIL Index, etc.: Not Applicable
- H) In case the securities are suspended from trading: Security trading was suspended by BSE Ltd during the month September, 2017 till December, 2017 as the Company was placed in Stage VI of the Graded Surveillance Measure as one of the Suspected Shell Company by Securities & Exchange Board of India (SEBI) vide their letter dated 07th August, 2017 bearing no. SEBI/HO/ISD/ISD/OW/P/2017/18183.

I) 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, Naraina Industrial Area, Phase-I, New Delhi- 110 028

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

Email: delhi@linkintime.co.in

J) 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, 2018

Category	No. of Shares held	% of Shareholding
A. PROMOTERS		
Promoter and Promoter Group	54312095	54.31
B. PUBLIC		
Bodies Corporate	13228582	13.23
Individuals holding nominal share capital upto 2lac	14282260	14.28
Individuals holding nominal share capital in excess of 2 lac	17122415	17.12
Others	1054648	1.05
Total	100000000	100

K) Distribution of Shareholding as on 31st March, 2018

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-500	2145	44.7995	476565	4.5405
501-1001	859	17.9407	806534	2.2832
1001-2000	550	11.4871	962966	2.2376
2001-3000	278	5.8062	752760	1.0336
3001-4000	131	2.7360	489062	0.7568
4001-5000	225	4.6992	1095111	0.6455
5001-10000	289	6.0359	2310360	2.6600
10001 & above	311	6.4954	93106642	85.8427
Total	4788	100	100000000	100

L) 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 31.03.2018, 11171086 Equity Shares were held in de-mat form in CDSL and 86323282 shares were held in de-mat form in NSDL and 2505632 in physical form.

M) 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.

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

Not Applicable

O) 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.

P) Address for correspondence:

Mega Corporation Limited

Corporate Office: NSIC Complex, Maa Anadmayee Marg, Okhla Industrial Area, Phase-II, 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, 2018, 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 2017-2018.
7. Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is attached herewith as part of Annual Report.

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

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

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

**Sd/-
Swati Kapoor
(Company Secretary)**

**Place: New Delhi
Date: 27.08.2018**

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

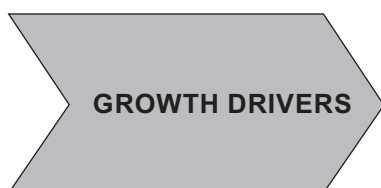
The importance of financial sector is known to everyone today. This sector highly contributes to the GDP of the Company. There are ample of opportunities in this sector. Company is not into big way under this industry.

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 2017-18, Your Company operated in Finance & Investments and Air Chartered Segment:

(Rs. In Lakh)			
S. No.	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(a)	Finance / Investments	217.26	135.73
(b)	Air Charter Services	6.00	5.00
	Total	223.26	140.73

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, 2018, there were only seven 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
Mega Corporation Limited

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

Sd/-
Kunal Lalani
(Director)
Din: 00002756

Sd/-
Swati Kapoor
(Company Secretary)

Place: New Delhi

Date: 27.08.2018

Particulars of Employees

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

S. No	Name and Age of the Employee	Designation of the Employee	Remuneration Received (Amount in Rs.)	Nature of employment whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	The percentage of equity shares held by the employee within the meaning of clause (iii) of sub-rule (2) of rule 2 of Companies (Appointment and Remuneration) Rules, 2014	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Surendra Chhalani 59 years	Director & CFO	7,41,600	Non Contractual	Graduate	27.03.1998	2000	N.A.
2	Swati Kapoor 29 years	Company Secretary	7,20,000	Non Contractual	Company Secretary	24.05.2017	Nil	N.A.
3	Shurab Kumar 63 years	Whole Time Director	11,25,000	Non Contractual	Graduate	01.11.2017	Nil	N.A.

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

Name of Director/KMP and designation	Remuneration of Director/KMP for financial year 2017-18	Ratio of remuneration of each Director/ KMP to median remuneration of employees	% increase in Remuneration of each director CFO, CEO, C.S or Manager
Swati Kapoor	7,20,000	0.97:1	Nil
Surendra Chhalani	7,41,600	1:1	Nil
Shurab Kumar	11,25,000	0.64:1	Nil

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

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 seven regular employees on the rolls of Company as on 31st March, 2018.

- 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
Mega Corporation Limited

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

Sd/-
Kunal Lalani
(Director)
Din: 00002756

Sd/-
Swati Kapoor
(Company Secretary)

Place: New Delhi
Date: 27.08.2018

NOMINATION AND REMUNERATION POLICY

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

A. Definitions

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

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

B. Objective

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

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

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

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

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

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

2. Independent Director

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

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

E. Evaluation

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

F. Removal

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

G. Retirement

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

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

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

i. Remuneration structure of the Executive Directors shall include following components:

- a. Fixed Pay
- b. Perquisites and allowances
- c. Commission
- d. Stock options

ii. The Committee may recommend an increase in existing remuneration structure to the Board, within the limits as approved by shareholders.**iii. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.****2. Remuneration to Non-Executive/Independent Directors**

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

i. Commission-based payment

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

ii. Sitting fee

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

iii. Employee Stock Options (ESOP)

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

iv. Pension

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

v. Reimbursement of expenses

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

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

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

- ❖ The Remuneration shall consist of the following components:
- ❖ Fixed remuneration
- ❖ Variable pay
- ❖ Incentives if any
- ❖ Employee Stock Options (ESOP)
- ❖ Reimbursement of expenses

I. Policy Review

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

FORM NO. AOC -2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain 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, 2018 which were not at arm's length basis.

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

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

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

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

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

**Sd/-
Swati Kapoor
(Company Secretary)**

Place: New Delhi

Date: 27.08.2018

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L65100DL1985PLC092375
2.	Registration Date	26 th March, 1985
3.	Name of the Company	Mega Corporation Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	108, First Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025 Phone No.: +91 11 41516171 Email Id: info@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	97.31 %

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)
2.	Britonna Hotel & Yatch Club Pvt. Ltd. 108, First Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025	U55204DL2016PTC300630	Associate Company	21.89%	2(6)

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 - 2017				Shareholding at the end of the year - 2018				
	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	6293746	0	6293746	'6.2937	6293746	0	6293746	'6.2937	0
Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	0	0
Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	0	0
Any Other (Specify)									
Bodies Corporate	48018349	0	48018349	'48.0183	48018349	0	48018349	'48.0183	0
Sub Total (A)(1)	54312095	0	54312095	'54.3121	54312095	0	54312095	'54.3121	0
Foreign									
Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	0
Government	0	0	0	'0.0000	0	0	0	'0.0000	0
Institutions	0	0	0	'0.0000	0	0	0	'0.0000	0
Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	0
Any Other (Specify)					0	0	0	'0.0000	0
Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	0
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	54312095	0	54312095	'54.3121	54312095	0	54312095	'54.3121	0
Public Shareholding									
Institutions									
Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	0.0000	0
Venture Capital Funds	0	0	0	'0.0000	0	0	0	0.0000	0
Alternate Investment Funds	0	0	0	'0.0000	0	0	0	0.0000	0
Foreign Venture									
Capital Investors	0	0	0	'0.0000	0	0	0	0.0000	0
Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	0.0000	0
Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	0.0000	0
Insurance Companies	0	0	0	'0.0000	0	0	0	0.0000	0
Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	0.0000	0
Any Other (Specify)									
Sub Total (B)(1)	0	0	0	'0.0000	0	0	0	0.0000	0
Central Government/ State Government(s)/ President of India									
Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	0.0000	0
Non-Institutions									
Individuals									

Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				
	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.	12304115	65632	12369747	'12.3697	12288564	65632	12354196	12.3542	-0.0155
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	16187474	2439000	18626474	'18.6265	16611479	2439000	19050479	19.0505	0.4240
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	430663	0	430663	'0.4307	517299	0	517299	0.5173	-0.0866
Non Resident Indians (Non Repat)	131065	0	131065	'0.1311	35065	0	35065	0.0351	-0.0960
Non Resident Indians (Repat)	169084	0	169084	'0.1691	120738	0	120738	0.1207	-0.0484
Clearing Member	242561	0	242561	'0.2426	381546	0	381546	0.3815	0.1389
Bodies Corporate	13717311	1000	13718311	'13.7183	13227582	1000	13228582	13.2286	-0.4897
Sub Total (B)(3)	43182273	2505632	45687905	'45.6879	43182273	2505632	45687905	45.6879	0.0000
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	43182273	2505632	45687905	'45.6879	43182273	2505632	45687905	45.6879	0.0000
Total (A)+(B)	97494368	2505632	100000000	'100.0000	97494368	2505632	100000000	100.0000	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)	97494368	2505632	100000000	'100.0000	97494368	2505632	100000000	100.0000	

(B) Shareholding of Promoter-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year - 2017		Shareholding at the end of the year - 2018		
		No. of Shares Held	% of total Shares of the company	No. of Shares Held	% of total Shares of the company	% change in shareholding during the year
1	VIMI INVESTMENTS AND FINANCE PVT LTD	46573000	46.5730	46573000	46.5730	0.0000
2	KUNAL LALANI	3395000	3.3950	3395000	3.3950	0.0000
3	CRAYONS ADVERTISING PRIVATE LIMITED	1445349	1.4453	1445349	1.4453	0.0000
4	HULAS MAL LALANI	786000	0.7860	786000	0.7860	0.0000
5	VIMI LALANI	541000	0.5410	541000	0.5410	0.0000
6	VARSHA BENGANI	500000	0.5000	500000	0.5000	0.0000
7	HANSRAJ DEEPCHAND JAIN	453160	0.4532	453160	0.4532	0.0000
8	SEEMA LALANI	250000	0.2500	250000	0.2500	0.0000
9	SMITA DHARIWAL	240000	0.2400	240000	0.2400	0.0000
10	MAYANK LALANI	128586	0.1286	128586	0.1286	0.0000
	Total	54312095	54.3121	54312095	54.3121	0.0000

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

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 - 2017		Cumulative Shareholding at the end of the year - 2018	
	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	1.0	1000000	1.0
AT THE END OF THE YEAR	0	0	1000000	1.0

(E) Shareholding of Directors and Key Managerial Personnel:

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

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	--	47500000	--	47500000
ii) Interest due but not paid	--	511446	--	511446
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	48011446	--	48011446
Change in Indebtedness during the financial year				
* Addition	--	38469734	--	38469734
* Reduction	--	--	--	--
Net Change	--	38469734	--	38469734
Indebtedness at the end of the financial year				
i) Principal Amount	--	84200000	--	84200000
ii) Interest due but not paid	--	2281180	--	2281180
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	86481180	--	86481180

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/WTM/ Manager	Total Amount
	Name of Whole Time Director	Shurab Kumar	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,62,500	5,62,500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,81,250	2,81,250
	(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 (Special Allowance)	2,81,250	2,81,250
	Total (A)	11,25,000	11,25,000

(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/WT

(Amount in INR)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary*	CFO**	Total
		Swati Kapoor	Surendra Chhalani	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,20,000	7,41,600	14,61,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(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
5	Others, please specify (Medical Reimbursement)	NIL	11250	11250
	Total	7,20,000	7,52,850	14,72,850

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
Mega Corporation Limited

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

 Sd/-
Kunal Lalani
(Director)
Din: 00002756

 Sd/-
Swati Kapoor
(Company Secretary)

 Place: New Delhi
Date: 27.08.2018

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of Mega Corporation Limited

(L65100DL1985PLC092375)

We have examined all relevant records of MEGA CORPORATION LIMITED for the purpose of certifying compliance of conditions of Corporate Governance as per para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 read with Regulation 34(3) of the said Listing Regulations (hereinafter, collectively referred to as the Listing Regulations) of the Company with stock exchanges in India for the Financial year ended on 31st March, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

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

Vikash Gupta & Co.
(Company Secretaries)

Sd/-
CS Vikash Gupta
CP No:-10785
M. No: - 9198

Place: New Delhi
Date : 27.08.2018

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

To The Members of Mega Corporation Limited

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

In Compliance with Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Surendra Chhalani, Director & CFO of the Company, hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct formulated by the Company for the financial year ended March 31, 2018 and there is no non-compliance thereof during the period under review.

For MEGA CORPORATION LIMITED

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

Place: New Delhi
Date : 27.08.2018

House No. 246, Sector 31, Faridabad- 121003

CFO CERTIFICATION

To
The Board of Directors
Mega Corporation Limited

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

- a) We have reviewed financial statements and the cash flow statement of the company for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee;
 - i) Significant changes in internal control over financial reporting during the year; if any,
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; if any, and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

For MEGA CORPORATION LIMITED

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

Place: New Delhi
Date : 27.08.2018

House No. 246, Sector 31, Faridabad- 121003

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, 2018, 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, 2018 and its Loss 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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.

Place: Delhi
Date: 30.05.2018

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

Sd/-
(Pradeep Kumar Agarwal)
Prop.
M. No. 085534

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 five 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, 2018 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	137.33	Matter is pending before Honb'ble Supreme Court of India

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

Place: Delhi
Date: 30.05.2018

Sd/-
(Pradeep Kumar Agarwal)
Prop.
M. No. 085534

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, 2018 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, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Place: Delhi
Date: 30.05.2018

Sd/-
(Pradeep Kumar Agarwal)
Prop.
M. No. 085534

BALANCE SHEET AS AT MARCH 31, 2018

(Amount in INR)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	100,000,000	100,000,000
Reserves and Surplus	4	142,349,199	171,164,168
		242,349,199	271,164,168
Non-Current Liabilities			
Other Long Term Liabilities	5	30,450,652	30,450,652
Long-Term Provisions	6	751,025	648,667
		31,201,677	31,099,319
Current Liabilities			
Short-Term Borrowings	7	86,481,180	48,011,446
Other Current Liabilities	8	23,524,896	315,129
Short-Term Provisions	9	769,282	1,709,885
		110,775,358	50,036,460
TOTAL		384,326,234	352,299,947
Assets			
Non-Current Assets			
Fixed Assets - Tangible Assets	10	47,080,886	49,822,974
Non-Current Investments	11	77,380,515	67,310,761
Deferred Tax Assets (Net)	12	4,938,377	8,256,390
Long-Term Loans and Advances	13	3,014,276	3,014,279
Other Non-Current Assets	14	1,443,039	1,370,259
		133,857,093	129,774,662
Current Assets			
Trade Receivable	15	0	562,500
Cash and Cash Equivalents	16	851,093	1,340,755
Short-Term Loans and Advances	17	249,618,048	220,622,029
		250,469,141	222,525,284
TOTAL		384,326,234	352,299,947

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

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

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2018

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, 2018

(Amount in INR)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME:			
Revenue from Operations	18	22,326,746	14,073,066
Other Income	19	170,723	199,943
Total Revenue		22,497,469	14,273,009
EXPENSES:			
Loss From Future Option Trade	20	25,471,725	0
Employee Benefits Expense	21	3,983,084	1,388,950
Interest and Finance Costs	22	9,988,579	1,297,574
Depreciation and Amortization		3,672,932	3,677,556
Other Expenses	23	4,855,102	5,195,193
Total Expenses		47,971,422	11,559,273
Profit From Operation Before Exceptional Items :		(25,473,953)	2,713,736
Exceptional Item :-			
Interest on Income Tax Refund		0	7,276,478
Prior Period Expenses - porta Cabin Rent		0	(3,125,791)
Profit From Operation After Exceptional Items :		(25,473,953)	6,864,422
Tax Expenses:			
- Earlier Years		23,003	(66,055)
- Current Year		0	1,308,014
- Mat Entitlement		0	(1,308,014)
- Deferred Tax		3,318,012	(201,092)
Net Profit/(Loss) for the Year		(28,814,969)	7,131,569
Earning Per Equity Share:			
Basic & Diluted Earning Per Share of Rs. 1/- each		(0.29)	0.07

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

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

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2018

Sd/-
Surendra Chhalani
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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, 2018

(Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017
A. Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	(25,473,953)	6,864,422
Adjustment for :		
Depreciation and Amortisation	3,672,932	3,677,556
Interest Income	(21,726,746)	(13,573,066)
Interest and Finance charges	9,979,735	1,289,163
Operating Profit before change in Working Capital	33,548,032	(1,741,924)
Adjustment for changes in working capital :		
Increase/ (Decrease) in Other Long Term Liabilities	0	15,450,652
(Increase) / Decrease in Trade Receivables	562,500	138,361
Increase/ (Decrease) in Short-Term Borrowings	38,469,734	47,993,280
Increase/ (Decrease) in Other Current Liabilities	23,209,767	55,418
(Increase) / Decrease in Short-Term Loans and Advances	(28,996,019)	(71,798,526)
(Increase) / Decrease in Short-Term Provisions	(940,603)	1,557,379
	32,305,379	(6,603,436)
Cash Generated From Operations	(1,242,653)	(8,345,360)
Adjustment for :-		
Income Tax Deposit	(23,003)	(1,241,959)
Interest Paid	(9,979,732)	(1,289,163)
Net Cash Flow From Operating activities (A)	(11,245,387)	(10,876,483)
B. Cash Flow from Investing Activities		
Interest Income	21,726,746	13,573,066
Purchase of Tangible Assets	(930,844)	0
Investment in Shares	(10,069,754)	(2,000,000)
Proceeds from Other Non-Current Assets	(72,781)	(65,823)
Net Cash Flow from Investing Activities (B)	10,653,368	11,507,243
C. Cash Flow from Financing Activities		
Repayment of Long-Term Provisions	102,358	58,400
Net Cash Flow from Financing Activities (C)	102,358	58,400
Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C)	(489,662)	689,160
Cash and Cash Equivalents as at beginning of the year (E)	1,340,755	651,595
Cash and Cash Equivalents as at the end of the year (D + E)	851,093	1,340,755

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

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

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2018

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.

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) 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.

p) 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.

q) 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.

r) 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, 2018	As at March 31, 2017
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, 2018, the Company has not declared any dividend.

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

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

Name	As at March 31, 2018		As at March 31, 2017	
	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%

Particulars	As at March 31, 2018	As at March 31, 2017
4. Reserves and Surplus		
(a) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Opening Balance	1,710,888	0
Add : Transfer from Surplus in the Statement of Profit and Loss	0	1,710,888
Closing Balance	1,710,888	1,710,888
(b) Surplus /(Deficit) in the Statement of Profit and Loss		
Opening Balance	169,453,280	164,032,599
Add : Profit /(Loss) for the year	(28,814,969)	7,131,569
Amount available for appropriations	140,638,311	171,164,168
Less : appropriations		
- Transfer to Statutory Reserve A/C for YE 31-03-2018	0	1,710,888
Closing Balance	140,638,311	169,453,280
Total - Reserve and Surplus	142,349,199	171,164,168
5. Other Long Term Liabilities		
Security Deposit Against Dry Lease of Aircraft	30,450,652	30,450,652
	30,450,652	30,450,652
6. Long-Term Provisions		
Provision for Employee Benefits		
- Gratuity	600,000	570,000
- Leave Encashment	151,025	78,667
	751,025	648,667
7. Short-Term Borrowings		
(a) Secured Loans	0	0
(b) Other unsecured Loans and advances		
- Inter Corporate Deposits from Related Parties	34,534,431	35,511,446
- Inter Corporate Deposits from Others	51,946,749	12,500,000
	86,481,180	48,011,446
8. Other Current Liabilities		
Sundry Creditors	22,253,894	0
Salaries and other Employee Benefits	585,200	35,000
Expenses Payable	307,536	171,150
GST/ Dvat Payable	96,650	18,750
EPF Payable	4,175	4,375
TDS Payable	277,441	85,854
	23,524,896	315,129
9. Short Term Provisions		
Provision for Income Tax	0	1,308,014
Contingent Provision against Standard Assets	769,282	401,871
	769,282	1,709,885

(Amount in INR)

Particulars	As at March 31, 2018		As at March 31, 2017	
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10. Tangible Assets

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Addition during the Year	Deduction & Adjustment	As at 31.03.2018	As at 01.04.2017	Deduction & Adjustment	For the Year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Air Craft - Commercial	125,573,210	-	-	125,573,210	76,091,394	-	3,497,402	79,588,796	45,984,414	49,481,816
Computer System	51,500	-	-	51,500	48,925.01	-	0	48,925	2,575	2,575
Furniture and Fixtures	8,600	903,944	-	912,544	5,099	-	58,612	63,711	848,833	3,501
Vehicles	1,249,894	-	-	1,249,894	916,832	-	112,799	1,029,631	220,263	333,062
Office Equipments	40,400	26,900	-	67,300	38,380	-	42,499	42,499	24,801	2,020
Total	126,923,604	930,844	-	127,854,448	77,100,630	-	3,672,932	80,773,563	47,080,886	49,822,974
Previous Year	126,923,604	0	0	126,923,604	73,423,074	0	3,677,556	77,100,630	49,822,974	53,500,530

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

59,99,300 (59,99,300) Equity Shares of Rs. 10/- each

fully paid up of Mega Airways Limited

59,993,000

59,993,000

Investment in Associates

1,50,000 (1,50,000) Equity Shares of Rs. 10/-

each fully paid up of Anand Power Limited

1,500,000

1,500,000

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

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

375,000

375,000

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

each fully paid up of Mediaware Infotech Private Limited

3,418,525

3,418,525

10,39,999 (2,00,000) Equity Shares of Rs. 10/-

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

10,399,990

2,000,000

75,686,515**67,286,525****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****Other Investments**

Acrylic Canvas Painting

1,568,000

0

Silverware Items

101,764

0

1,669,764**0****77,380,515****67,310,761**

Aggregate amount of Quoted Investments

24,236

24,236

Aggregate Market value of Quoted Investments

35,954

51,509

Aggregate amount of Unquoted Investments

75,686,515

67,286,525

Aggregate Provision for Diminution in the value of Investments

0

0

Particulars	As at March 31, 2018	As at March 31, 2017
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	154,500	176,130
Provision for Leave Encashment	38,889	24,308
Others - Unabsorbed Depreciation	15,911,405	22,326,003
	16,104,794	22,526,441
Deferred Tax Liabilities :		
Fixed Assets: Impact of difference between Book and Tax Depreciation	11,166,416	14,270,051
	11,166,416	14,270,051
	4,938,377	8,256,390
13. Long-Term Loans and Advances		
MAT Credit Carried Forward	3,014,276	3,014,279
	3,014,276	3,014,279
14. Other Non-Current Assets		
Fixed Deposits with original maturity more than twelve month	1,443,039	1,370,259
	1,443,039	1,370,259
15. Trade Receivable (Unsecured)		
Outstanding for a period exceeding six months (Considered good)	0	225,000
Other receivables (Considered good)	0	337,500
	0	562,500
16. Cash and Cash Equivalents		
Balances with Scheduled Banks in Current Accounts	824,832	1,202,066
Cash on Hand (as certified by the Management)	26,261	138,689
	851,093	1,340,755
17. A) Short-Term Loans and Advances - Financing Activity		
(a) Unsecured Loans		
(i) Considered Good	192,320,503	160,748,241
(ii) Considered Doubtful	0	0
	192,320,503	160,748,241
B) Short-Term Loans and Advances - Others (Unsecured, considered good)		
Advance Against Purchase of Property	10,000,000	7,500,000
Security Deposits	692,117	62,345
Income Tax Deposit against Disputed Demand	1,409,890	564,470
Custom Duty Deposited under Protest	23,682,303	23,682,303
Insurance Claim Receivable	17,508,881	23,340,585
Income Tax Refundable	1,272,807	2,041,331
Advance Income Tax / TDS	1,911,252	1,321,183
Prepaid Expenses	29,925	34,924
Other Loans & Advances	16,068	4,874
GST/ Service Tax Cenvat	774,302	1,321,772
Total (A+B)	249,618,048	220,622,029

Particulars	As at March 31, 2018	As at March 31, 2017
18. Revenue from Operations		
Interest Receipts on Unsecured Loan	21,726,746	13,573,066
Aircraft Lease Rental	600,000	500,000
	22,326,746	14,073,066
19. Other Income		
Liabilities Written Back	0	80,000
Interest Receipts	170,469	119,907
Misc. Income	254	36
	170,723	199,943
20. Loss From Future Option Trade		
Future Option Trade Loss	25,471,725	0
	25,471,725	0
21. Employee Benefits Expenses		
Salaries and Allowances	1,998,384	573,300
Directors Remuneration	1,877,850	756,600
Staff Welfare	892	650
Gratuity Expense	30,000	30,000
Leave Encashment	75,958	28,400
	3,983,084	1,388,950
22. Interest and Finance Costs		
Interest	9,979,735	1,289,163
Bank Charges	8,844	8,411
	9,988,579	1,297,574
23. Other Expenses		
Advertisement Expenses	140,813	48,329
Auditors Remuneration	117,200	120,500
Bad Debts / Amounts Written Off	0	2,042,369
Books and Periodicals	10,125	10,493
Contingent Provision Against Standard Assets	367,411	401,871
Conveyance Expenses	75,417	4,600
Commission Exp	7,500	0
Director Sitting Fees	30,000	45,000
Electricity & Water Exp	9,847	0
Fees and Subscription	460,730	387,623
Filing Fees	13,300	19,800
General Expenses	203,384	31,560
Insurance	34,244	33,742
Legal and Professional Charges	1,999,900	926,925
Meeting (AGM) Expenses	161,595	67,090
Postage and Telegram	124,105	49,125
Printing and Stationery	115,197	41,237
Rent Paid	508,500	650,039
Repair and Maintenance	4,000	4,000
Telephone and Mobile Expenses	37,342	38,772
Travelling Expenses	138,319	0
Vehicle running & maintenance Expenses	296,172	272,118
	4,855,102	5,195,193

24. Contingent Liabilities not provided for:

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

(Amount in Rs. Lacs)

Particulars	As at 31-03-2018	As at 31-03-2017
Income Tax Matters*	137.33	396.57
Demand of Custom Duty on Import of Commercial Aircraft (Amount paid under protest Rs. 236.82 Lacs**)	236.82	236.82

*The Income Tax Department had raised demand against the company for AY 2006-07 which was contested by the company before the appellate authorities. The appeal filed by the company with ITAT, Delhi Bench had been decided in the Company's favour against which the Income Tax Department had filed appeal with Hon'ble Delhi High Court. Hon'ble Delhi High Court has ruled against the Company and has stayed the order of Hon'ble ITAT, Delhi. Consequently the demand raised by the Income Tax Department for AY 2006-07 has been revived. The company has filed a Special Leave Petition with Hon'ble Supreme Court of India against the order of Delhi High Court which is pending for final adjudication by Hon'ble Supreme Court.

The management of the company has been advised by the legal experts that the order passed by the Hon'ble Delhi High Court is factually incorrect and shall not be tenable before the Hon'ble Supreme Court. Therefore in the opinion of the management of the company there will be no liability for tax payment.

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

25. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for amounts to Rs. 1.75 Crore (Previous Year: Rs. 2.00 Crore).

26. The Company has initiated the process of amalgamation of its Subsidiary i.e. Mega Airways Limited with itself in terms of "scheme of amalgamation" approved by the Board of Directors of both the Companies. The Company, being a listed company and RBI registered NBFC, 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. 175.08 Lacs shown under the Schedule "Short Term Loans and Advances" is subject to final approval of the claim by the concerned Insurance Company.
31. The Company has not carried on Air Charter Services during the year on its own and has given its Aircraft on dry lease basis to other parties for operating the same.
32. The Company has made "Contingent Provision against Standard Assets" of Rs. 3.67 Lakh @ 0.40% (FY 2016-17: 4.02 Lakh) of Standard Assets as of March 31, 2018 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	4,01,871	NIL
Add : Addition during the year	3,67,411	4,01,871
Less : Utilised during the year	NIL	NIL
Closing Balance	7,69,282	4,01,871

35. Foreign Exchange Earned and Used:

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

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

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

37. Payments to Whole Time and other Directors:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<u>Whole Time Directors:</u>		
Basic Salary	11,86,500	6,24,000
HRA and Other Allowances	6,91,350	1,32,600
Total	18,77,850	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	2,17,26,746	6,00,000	2,23,26,746
Identified Operating Exp.	3,59,27,370	34,99,332	3,94,26,702
Profit/(Loss) before Interest and Tax	(1,42,00,624)	(28,99,332)	(1,70,99,956)
Less : Other Expenses net of Income (unallocable)			83,73,997
Net Profit/ (Loss) before Tax			(2,54,73,953)
Less : Income Tax and other Taxes			33,41,015
Net Profit / (Loss) after Tax			(2,88,14,969)
Segment Assets	31,27,54,497	7,15,71,737	38,43,26,234
Segment Liabilities	11,15,26,383	3,04,50,652	14,19,77,035
Capital Employed (Assets - Liabilities)	20,12,28,115	4,11,21,085	24,23,49,199
Depreciation	1,75,530	34,97,402	36,72,932

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

Related Parties and their Relationship:

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

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

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

Relatives:- Mrs. Kiran Chhalani

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

Transactions with Related parties

(Amount in INR Lakh)

Nature of transactions	Subsidiaries		KMP and their Relatives		Associates		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Interest Paid	0.00	0.00	0.00	0.00	52.26	5.70	52.26	5.70
Interest Received	0.00	0.12	0.00	0.00	56.66	56.34	56.66	56.46
Rent Paid	0.00	0.00	3.96	4.36	0.00	0.00	3.96	4.36
Directors' Remuneration	0.00	0.00	18.78	7.57	0.00	0.00	18.78	7.57
Loans and Advances Given	0.00	0.00	0.00	0.00	549.00	1359.00	549.00	1359.00
Loans and Advances Received Back	0.00	0.00	0.00	0.00	1160.00	1173.66	1160.00	1173.66
Loan Taken	0.00	0.00	0.00	0.00	1110.50	400.00	1110.50	400.00
Loan Returned	0.00	0.00	0.00	0.00	1133.50	55.00	1133.50	55.00
Investment made	0.00	0.00	0.00	0.00	204.00	0.00	204.00	0.00
Investment Sold	0.00	0.00	0.00	0.00	120.00	0.00	120.00	0.00
Balance of Investments at the year end	599.93	599.93	0.00	0.00	122.74	38.75	722.67	638.68

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	(2,88,14,969)	71,31,569
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	(0.29)	0.07

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

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

As per our Report of even date

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

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2018

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

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

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

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, 2018, 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, 2018 and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiary company (Mega Airways Limited), whose financial statements reflect total assets of Rs. 5.77 crore as at March 31, 2018, total revenues of Rs. NIL and net cash flows of Rs. (0.30) Lacs for the year then ended. These financial statements have been audited by other auditors whose report have been furnished to us and our opinion is based solely on the reports of the other auditor.

Further we have relied on the unaudited financial statements of one associate entity (Britonna Hotel And Yacht Club Private Limited) whose financial statements reflect total assets of Rs. 6,82,00,246/- as at March 31, 2018. The said associate entity has not started any commercial activity till the end of year 2017-18. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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, 2018, 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, 2018, 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 VIRENDRA PRADEEP & CO
Chartered Accountants
Firm's Registration No. 007409N

Sd/-
(Pradeep Kumar Agarwal)

Prop.
M. No. 085534

Place: Delhi
Date: 30.05.2018

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, 2018, 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, 2018, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sd/-
(Pradeep Kumar Agarwal)
Prop.
M. No. 085534

Place: Delhi
Date: 30.05.2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Amount in INR)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	100,000,000	100,000,000
Reserves and Surplus	3	140,016,298	169,084,348
		240,016,298	269,084,348
Minority Interest		6,730	6,757
Non-Current Liabilities			
Other Long Term Liabilities	4	30,450,652	30,450,652
Long-Term Provisions	5	751,025	648,667
		31,201,677	31,099,319
Current Liabilities			
Short-Term Borrowings	6	86,481,180	48,011,446
Other Current Liabilities	7	23,544,896	340,653
Short-Term Provisions	8	769,282	1,709,885
		110,795,358	50,061,984
TOTAL		382,020,063	350,252,408
Assets			
Non-Current Assets			
Fixed Assets - Tangible Assets	9	47,080,885	49,822,973
Non-Current Investments	10	43,787,515	33,717,761
Deferred Tax Assets (Net)	11	4,938,377	8,256,390
Long-Term Loans and Advances	12	3,014,276	3,014,279
Other Non-Current Assets	13	2,627,534	2,783,406
		101,448,588	97,594,809
Current Assets			
Trade Receivables	14	0	562,500
Cash and Cash Equivalents	15	941,033	1,460,677
Short-Term Loans and Advances	16	279,630,442	250,634,422
		280,571,475	252,657,599
TOTAL		382,020,063	350,252,408

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

As per our Report of even date

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

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2018

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, 2018

(Amount in INR)			
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME:			
Revenue from Operations	17	22,326,746	14,060,326
Other Income	18	170,723	199,943
Total Revenue		<u>22,497,469</u>	<u>14,260,269</u>
EXPENSES:			
Loss From Future Option Trade	19	25,471,725	0
Employee Benefits Expense	20	3,983,084	1,388,950
Interest and Finance Costs	21	9,988,579	1,297,574
Depreciation and Amortization	22	3,901,584	3,906,209
Other Expenses	23	4,879,561	5,233,564
Total Expenses		<u>48,224,533</u>	<u>11,826,297</u>
Profit From Operation Before Exceptional Items :		<u>(25,727,064)</u>	<u>2,433,972</u>
Exceptional Item :-			
Interest on Income Tax Refund		0	7,276,478
Prior Period Expenses - porta Cabin Rent		0	(3,125,791)
Profit From Operation After Exceptional Items :		<u>(25,727,064)</u>	<u>6,584,659</u>
Less: Tax Expenses:			
- Current Year /Earlier Years		23,003	6,105,324
- Mat entitlement		0	(1,308,014)
- Deferred Tax Charge / (Credit)		3,318,012	(201,092)
Profit/(Loss) for the Year before adjustment of Minority Interest		<u>(29,068,080)</u>	<u>1,988,441</u>
Less: Minority Interest		(30)	(600)
Net Profit/(Loss) for the Year		<u>(29,068,050)</u>	<u>1,989,041</u>
Earning Per Equity Share:			
Basic & Diluted Earning Per Share of Rs. 1/- each		(0.29)	0.02

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

As per our Report of even date

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

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2018

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, 2018

(Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017
A. Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	(25,727,064)	6,584,659
Adjustment for :		
Depreciation and Amortisation	3,901,584	3,906,209
Interest Income	(21,726,746)	(13,560,326)
Contingent Provision Against Standard Assets	367,411	401,871
Interest and Finance charges	9,979,735	1,289,163
Operating Profit before change in Working Capital	(33,205,079)	(1,378,424)
Adjustment for changes in working capital :		
Increase/ (Decrease) in Other Long Term Liabilities	0	15,450,652
(Increase) / Decrease in Trade Receivables	562,500	138,361
Increase/ (Decrease) in Short-Term Borrowings	38,469,734	47,993,280
Increase/ (Decrease) in Other Current Liabilities	23,204,243	58,042
(Increase) / Decrease in Short-Term Loans and Advances	(28,996,020)	(71,798,525)
	33,240,456	(8,158,191)
Cash Generated From Operations	35,377	(9,536,615)
Adjustment for :-		
Income Tax Deposit	(1,331,012)	(4,949,816)
Interest Paid	(9,979,735)	(1,289,163)
Net Cash Flow From Operating activities (A)	(11,275,370)	(15,775,594)
B. Cash Flow from Investing Activities		
Interest Income	21,726,746	13,560,326
Purchase of Tangible Assets	(930,844)	0
Proceeds from Sale of Non Current Investments	0	5,000,000
Purchase of Non Current Investment	10,069,754)	(2,000,000)
Proceeds from Other Non-Current Assets	(72,780)	(65,823)
Net Cash Flow from Investing Activities (B)	10,653,368	16,494,503
C. Cash Flow from Financing Activities		
Repayment of Long-Term Provisions	102,358	58,400
Increase/ (Decrease) in Long-Term Borrowings	0	0
Net Cash Flow from Financing Activities (C)	102,358	58,400
Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C)	519,644)	777,309
Cash and Cash Equivalents as at beginning of the year (E)	1,460,677	683,368
Cash and Cash Equivalents as at the end of the year (D + E)	941,033	1,460,677

As per our Report of even date

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

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2018

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 Subsidiaries and Associate Companies used in the consolidation is drawn for the same period as that of the Parent Company i.e. year ended March 31, 2018.

Name of Subsidiaries & Associates considered for Consolidation:

Name of the Company	Nature of relationship	Country of Incorporation	Extent of Holding/ Voting Power as at March 31, 2018
Mega Airways Limited	Subsidiary	India	99.99%
Britonna Hotel And Yacht Club Private Limited	Associate	India	21.89%

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

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

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, 2018	As at March 31, 2017
2. 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, 2018, the Company has not declared any dividend.

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

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

Name	As at March 31, 2018		As at March 31, 2017	
	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%

Particulars	(Amount in INR)	
	As at March 31, 2018	As at March 31, 2017
3. Reserves and Surplus		
(a) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Opening Balance	1,710,888	0
Add : Transfer from surplus in the Statement of Profit and Loss	0	1,710,888
Closing Balance	1,710,888	1,710,888
(b) Surplus /(Deficit) in the Statement of Profit and Loss		
Balance as per last Financial Statements	167,373,460	167,095,308
Profit / (Loss) for the year	(29,068,050)	1,989,040
Amount available for appropriations	138,305,410	169,084,348
Less : appropriations		
- Transfer to Statutory Reserve A/C for YE 31-03-2018	0	1,710,888
Closing Balance	138,305,410	167,373,460
Total - Reserve and Surplus	140,016,298	169,084,348
4. Other Long Term Liabilities		
Security Deposit Against Dry Lease of Aircraft	30,450,652	30,450,652
	30,450,652	30,450,652
5. Long-Term Provisions		
Provision for Employee Benefits		
- Gratuity	600,000	570,000
- Leave Encashment	151,025	78,667
	751,025	648,667
6. Short-Term Borrowings		
(a) Secured Loans	0	0
(b) Other unsecured Loans and advances		
- Inter corporate Deposits from Related Parties	34,534,431	35,511,446
- Inter corporate Deposits from Others	51,946,749	12,500,000
	86,481,180	48,011,446
7. Other Current Liabilities		
Sundry Creditors	22,253,894	0
Salaries and other employee benefits	585,200	35,000
Other Expenses Payable	327,536	195,400
GST/ Dvat Payable	96,650	18,750
EPF Payable	4,175	4,375
TDS Payable	277,441	87,128
	23,544,896	340,653
8. Short-Term Provisions		
Provision for Income Tax	0	1,308,014
Contingent Provision against Standard Assets	769,282	401,871
	769,282	1,709,885

(Amount in INR)

Particulars	As at March 31, 2018		As at March 31, 2017	
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9. Tangible Assets

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Addition during the Year	Deduction & Adjustment	As at 31.03.2018	As at 01.04.2017	Deduction & Adjustment	For the Year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Air Craft - Commercial	125,573,210	-	-	125,573,210	76,091,394	-	3,497,402	79,588,796	45,984,414	49,481,816
Computer System	51,500	-	-	51,500	48,925	-	-	48,925	2,575	2,575
Furniture and Fixtures	8,600	903,944	-	912,544	5,099	-	58,612	63,711	848,833	3,501
Vehicles	1,249,894	-	-	1,249,894	916,832	-	112,799	1,029,631	220,263	333,062
Office Equipments	40,400	26,900	-	67,300	38,380	-	4,119	42,499	24,801	2,020
Total	126,923,604	930,844	-	127,854,448	77,100,630	-	3,672,932	80,773,563	47,080,885	49,822,974
Previous Year	126,923,604	-	-	126,923,604	73,423,074	-	3,677,557	77,100,631	49,822,973	53,500,530

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

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

24,236

24,236

24,236**24,236****b) Unquoted Equity Instruments****Investment in Associates**

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

1,500,000

1,500,000

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

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

375,000

375,000

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

3,418,525

3,418,525

10,39,999 (2,00,000) Equity Shares of Rs. 10/-
each fully paid up of Britonna Hotel & Yacht Club Pvt Ltd

10,399,990

2,000,000

26,40,000(26,40,000) Equity Shares of Rs. 10/- each of
Mega Cabs Private Limited

26,400,000

26,400,000

42,093,515**33,693,525****Other Investments**

Acryliccon Canvas Painting

1,568,000

0

Silverware Items

101,764

0

1,669,764**0**

Total (a+b)

43,787,515**33,717,761**

Aggregate amount of Quoted Investments

24,236

24,236

Aggregate Market value of Quoted Investments

35,954

51,509

Aggregate amount of Unquoted Investments

42,093,515

33,693,525

Aggregate Provision for Diminution in the value of Investments

0

0

(Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017
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	154,500	176,130
Provision for Leave Encashment	38,889	24,308
Others - Unabsorbed Depreciation	15,911,405	22,326,003
	16,104,794	22,526,441
B. Deferred Tax Liabilities :		
Fixed Assets: Impact of difference between book and tax depreciation	11,166,416	14,270,051
	11,166,416	14,270,051
Net Deferred Tax Assets (A- B)	4,938,377	8,256,390
12. Long-Term Loans and Advances		
MAT Credit Carried Forward	3,014,276	3,014,279
	3,014,276	3,014,279
13. Other Non-Current Assets		
Fixed Deposits with original maturity more than twelve month	1,443,039	1,370,259
Misc. Expenses (To the extent not Written Off or adjusted)		
A. Preliminary Expenses		
As per last year	74,968	112,452
Less : Written off during the year	37,484	37,484
Total 'A'	37,484	74,968
B. Share Issue Expenses		
As per last year	420,350	480,400
Less : Written off during the year	60,050	60,050
Total 'B'	360,300	420,350
C. Pre- Operative Expenses		
As per last year	917,829	1,048,947
Less : Written off during the year	131,118	131,118
Total 'C'	786,711	917,829
TOTAL (A + B + C)	1,184,495	1,413,147
	2,627,534	2,783,406
14. Trade Receivables		
Exceeding Six Month	0	225,000
Others	0	337,500
	0	562,500
15. Cash and Cash Equivalents		
Balances with Scheduled Banks in Current Accounts	914,772	1,321,988
Cash on Hand (as certified by the management)	26,261	138,689
	941,033	1,460,677

Particulars	(Amount in INR)	
	As at March 31, 2018	As at March 31, 2017
16. A) Short-Term Loans and Advances - Financing Activity		
(a) Unsecured Loans		
(i) Considered Good	192,320,503	160,748,241
(ii) Considered Doubtful	0	0
	192,320,503	160,748,241
B) Short-Term Loans and Advances - Others (Unsecured, considered good)		
Security Deposits (Unsecured, considered good)	692,117	62,345
Advance Against Property	40,000,000	37,500,000
Income Tax Deposit against Disputed Demand	1,409,890	564,470
Custom Duty Deposit under Protest	23,682,303	23,682,303
Insurance Claim Receivable	17,508,881	23,340,585
Income Tax Refundable	1,285,201	2,053,725
Advance Income Tax/TDS	1,911,252	1,321,183
Prepaid Expenses	29,925	34,924
Other Loan & Advances	16,068	4,874
GST/ Service Tax Cenvat	774,302	1,321,772
	279,630,442	250,634,422
17. Revenue from Operations		
Interest Receipts	21,726,746	13,560,326
Aircraft Lease Rental	600,000	500,000
	22,326,746	14,060,326
18. Other Income		
Liabilities Written Back	0	80,000
Interest Receipts	170,469	119,907
Dividend / Misc. Income	254	36
	170,723	199,943
19. Loss From Future Option Trade		
Future Option Trade Loss	25,471,725	0
	25,471,725	0
20. Employee Benefits Expenses		
Salaries and Allowances	1,998,384	573,300
Directors Remuneration	1,877,850	756,600
Staff Welfare	892	650
Gratuity Expense	30,000	30,000
Leave Encashment	75,958	28,400
	3,983,084	1,388,950
21. Interest and Finance Costs		
Interest	9,979,735	1,289,163
Bank Charges	8,844	8,411
	9,988,579	1,297,574

(Amount in INR)

Particulars	As at March 31, 2018	As at March 31, 2017
22. Depreciation and Amortisation		
Depreciation on Tangible Assets	3,672,932	3,677,557
Preliminary Expenses W/off	37,484	37,484
Share Issue Expenses W/off	60,050	60,050
Pre-Operative Expenses W/off	131,118	131,118
	3,901,584	3,906,209
23. Other Expenses		
Auditors Remuneration	137,200	143,500
Advertisement Expenses	140,813	48,329
Director Sitting Fees	30,000	45,000
Rent Paid	508,500	650,039
Legal and Professional Charges	1,999,900	939,025
Fees and Subscription	460,730	387,623
Commision Exp	7,500	0
Electricity & Water Exp	9,847	0
Travelling Expenses	138,319	0
Vehicle running & maintainance Expenses	296,172	272,118
Telephone and Internet Expenses	37,342	38,772
Repair and Maintenance	4,000	4,000
Conveyance Expenses	75,417	4,600
Postage and Telegram	124,105	49,125
Printing and Stationery	115,197	41,237
Meeting (AGM) Expenses	161,595	67,090
Interest on Late deposit of Taxes	0	220
Insurance Charges	34,244	33,742
Filing Fees	17,600	21,600
Books and Periodicals	10,125	10,493
Contingent Provision Against Standard Assets	367,411	401,871
Bad Debts / Balances Written off	0	2,042,369
General Expenses	203,543	32,811
	4,879,561	5,233,564

24. Contingent Liabilities not provided for:

(Amount in Rs. Lakh)

Particulars	As at 31-03-2018	As at 31-03-2017
Income Tax Matters*	137.33	396.57
Custom Duty on Import of Commercial Aircraft (Amount paid under protest Rs. 236.82 Lacs**)	236.82	236.82
Outstanding Bank Guarantees	300.00	300.00

*The Income Tax Department had raised demand against the company for AY 2006-07 which was contested by the company before the appellate authorities. The appeal filed by the company with ITAT, Delhi Bench had been decided in the Company's favour against which the Income Tax Department had filed appeal with Hon'ble Delhi High Court. Hon'ble Delhi High Court has ruled against the Company and has stayed the order of Hon'ble ITAT, Delhi. Consequently the demand raised by the Income Tax Department for AY 2006-07 has been revived. The company has filed a Special Leave Petition with Hon'ble Supreme Court of India against the order of Delhi High Court which is pending for final adjudication by Hon'ble Supreme Court.

The management of the company has been advised by the legal experts that the order passed by the Hon'ble Delhi High Court is factually incorrect and shall not be tenable before the Hon'ble Supreme Court. Therefore in the opinion of the management of the company there will be no liability for tax payment.

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

25. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for: Rs. 210.22 Lacs (Previous Year: Rs. 235.22 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. 175.08 Lacs (P. Y. 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 and Used:

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

34. Payments to Whole Time and other Directors:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<u>Whole Time Directors:</u>		
Basic Salary	11,86,500	6,24,000
HRA and Other Allowances	6,91,350	1,32,600
Total	18,77,850	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	2,17,26,746	6,00,000	2,23,26,746
Identified Operating Exp.	3,59,27,370	34,99,332	3,94,26,702
Profit/(Loss) before Interest and Tax	(1,42,00,624)	(28,99,332)	(1,70,99,956)
Less : Other Expenses net of Income (unallocable)			86,27,108
Net Profit/ (Loss) before Tax			(2,57,27,064)
Less : Income Tax and other Taxes			33,41,015
Net Profit / (Loss) after Tax			(2,90,68,080)
Segment Assets	31,04,48,326	7,15,71,737	38,20,20,063
Segment Liabilities	11,15,53,113	3,04,50,652	14,20,03,765
Capital Employed (Assets - Liabilities)	19,88,95,213	4,11,21,085	24,00,16,298
Depreciation	1,75,530	34,97,402	36,72,932

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

Related Parties and their Relationship:

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

Directors:- Mr. Surendra Chhalani, Mr. H. M. Lalani, Mr. Kunal Lalani, Mr. Sachin Mehra, Mr. Shurab Kumar, Mr. Nav Ratan Baid, Mrs. Anisha Anand and AVM K.S. Venkataraman (Retired).

Relatives:- Mrs. Kiran Chhalani

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

Transactions with Related parties (Amount in Rs/ Lacs):

(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	0.00	0.00	0.00
Interest Paid	0.00	0.00	52.26	5.70	52.26	5.70
Interest Received	0.00	0.00	56.66	56.34	56.66	56.34
Rent Paid	3.96	4.36	0.00	0.00	3.96	4.36
Directors' Remuneration	18.78	7.57	0.00	0.00	18.78	7.57
Loans and Advances Given	0.00	0.00	549.00	1359.00	549.00	1359.00
Loans and Advances Received Back	0.00	0.00	1160.00	1173.66	1160.00	1173.66
Loan Taken	0.00	0.00	1110.50	400.00	1110.50	400.00
Loan Return/ Repaid	0.00	0.00	1133.50	55.00	1133.50	55.00
Investment made	0.00	0.00	204.00	55.00	204.00	55.00
Investment Sold	0.00	0.00	120.00	0.00	120.00	0.00

- 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	(2,90,68,080)	19,89,041
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	(0.29)	0.02

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

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

As per our Report of even date

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

For and on behalf of the Board
Mega Corporation Ltd.

Sd/-
(Pradeep Kumar Agarwal)
Proprietor
M. No. 085534
Place: Delhi
Dated: 30.05.2018

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

Sd/-
Kunal Lalani
(Director)
DIN : 00002756

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



MegaCorp

Mega Corporation Limited

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