

ANNUAL REPORT 2020-21

26,465.54

28,161.92

26,465.54

198.45

MegaCo₹p

CORPORATE INFORMATION

Mr. Kunal Lalani
Director

Mr. Surendra Chhalani
Director and CFO

Ms. Abhilasha Lalani
Director

Mr. Surendra Kumar Pagaria
Independent Director

Mrs. Anisha Anand
Whole Time Director

Mr. Navratan Baid
Independent Director

Mr. Shurab Kumar
Additional Director

Company Secretary
Mr. Aagat Singh

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

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CIN: L65100DL1985PLC092375

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Mega Corporation Ltd.

DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 2020-2021

TO THE MEMBERS OF MEGA CORPORATION LIMITED

Your Directors are pleased to present the 36th Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2021.

FINANCIAL PERFORMANCE

The Summarized financial results are:

(Amount in Lakhs)

Particulars	Standalone Financials	
	2020-21	2019-20
Income from Operations	275.31	270.41
Other Income	9.03	5.11
Total Income	284.34	275.52
Operating Expenses	23.09	26.23
Depreciation and Amortization	35.54	35.38
Interest	161.44	129.33
Other Expenses	22.67	42.89
Exceptional Item	--	40.91
Profit/(Loss) before Tax	41.59	0.78
Tax Expenses		
• Current Year	--	8.51
• Previous Year	(82.05)	--
• MAT Entitlement	--	8.51
• Deferred Tax	(11.48)	(7.81)
Net Profit/ (Loss) for the Year	(28.98)	8.59

The year gone by started with an unprecedented nation-wide lockdown due to pandemic which negatively impacted the economic activities across the globe. The Indian economy was already facing turbulence prior to the start of 2020 when the COVID-19 pandemic happened. The pandemic and subsequent containment measures to curb the spread of the virus posed one of the most formidable economic challenges to India and the world. Post relaxation of lockdown economic activities gradually started picking up from mid May 2020.

The stringent nation-wide lockdown imposed in March 2020 resulted in a 24.4% contraction of GDP in the first quarter of the Financial Year 2020. The situation has improved since then, with the measured opening up of the Indian economy.

Economic environment continues to remain uncertain and challenging owing to Covid and partial lockdowns across the country. However, we as an organization remain vigilant to the ground developments with confidence and optimism to manage emerging scenarios.

STATE OF COMPANY'S AFFAIRS

During the period under review the total Standalone Income of Company is Rs. 284.34 Lakhs as compared to previous year income of Rs. 275.52 Lakhs.

The company during the period earned standalone profit before tax of Rs. 41.59 Lakhs as compared to profit of Rs. 0.78 Lakhs in the previous year and Standalone Net loss of the company during reporting period is Rs. 28.98 Lakhs as compared to profit of Rs. 8.59 Lakhs in the previous year. The company has suffered losses due to adjustment of tax relating to earlier period of Rs. 82.05 Lakhs.

MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF CLOSE OF FINANCIAL YEAR 2020-21

There are no material changes and commitment affecting the financial position of company after the close of financial year 2020-21 till the date of report.

DIVIDEND AND RESERVES

Net loss suffered by the company due to adjustment of tax relating to earlier period, your management recommends no dividend for the year ended March 31, 2021 and will increase efforts to reduce the net loss in coming financial year. Further your Directors do not propose to transfer any amount to the general reserve.

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

During the year under review, industrial relations remained harmonious. With an aim at enhancing employees' experience, the highest priority was given to people-focused measures and policies in areas of health, safety and wellness of employees and their families, especially in the wake of COVID-19. In order to drive employee motivation and performance, a structured culture and engagement framework was put in place with focus on three core pillars of Learning and Development, Communication and Connect, and Recognition.

We are committed to sustainable work practices and a transparent work culture. Our standing as an exciting and enriching workplace attracts some of the most talented people in the industry. The year gone by brought many challenges owing to Covid 19 disruptions which posed serious threats to the entire mankind. Amidst all these thought-provoking scenarios, we leveraged use of digital assets to connect with various stakeholders, including our employees. IT tools were optimally utilised for skills enhancement and training of employees when most of the business activities were standstill everywhere. Maintaining balance between safety of employees and business continuity, Work From Home (WFH) facility was accorded to people immediately post lockdown. As the things started to ease, proactive measures for employees were undertaken like, workplace SOPs, awareness sessions, roster facilities to suit the age and proximity related requirements of our workforce etc. Similarly, our office resumed operations with robust hygiene norms and considering all the social-distancing regulations.

Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

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

In order to prevent sexual harassment of women at work place an act "The Sexual Harassment of Women at Workplace" (Prevention, Prohibition and Redressal) Act, 2013 has been notified on December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of said policy. During the year Company has not received any complaint under the said policy.

BUSINESS EXCELLENCE AND QUALITY INITIATIVES

"Business Excellence" is an integral part of Business Management and is the application of quality management theory and tools to run our business more efficiently. Business Excellence is the culture of your company, which works as an enabler to our commitment to higher customer satisfaction, increase in stakeholder value & better process management through the never-ending cycle of continuous improvement. Innovation in services and business models is a key agenda of the Management along with a customer-focused culture towards building long-term customer relationships.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Vikash Gupta & Co., Company Secretary in Practice to undertake the secretarial audit of the Company for FY 2020-21. The Secretarial Audit Report is appended as **Annexure A** to this Report. There are no adverse remarks / observations / qualifications / reservations / disclaimers in the Secretarial Audit Report.

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

Your Company had a subsidiary namely M/s Mega Airways Limited and the same was merged with your company on 09th August, 2019 by the order of hon'ble National Company Law Tribunal of Delhi vide order no.1257. Further, there was no associate company within the meaning of Section 2(6) of the Companies Act, 2013 ("Act") and there has been no material change in the nature of business of the subsidiary. The said subsidiary is not a material subsidiary.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of financial statements of the subsidiary company in form AOC – 1 is not required to be attached as the subsidiary company M/s Mega Airways Limited has been merged with your company during the period under review.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and that transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal, external audits and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. Audit Committee, facilitated a review of your company's risk management programme. The risks and mitigation measures were reviewed by your company's Audit Committee and corrective measures initiated. During the year, the Audit Committee carried out various reviews and provided assurance on compliances to lay down policies, processes and internal controls.

RISK MANAGEMENT

The Company is exposed to inherent uncertainties owing to the sector in which it operates. A key factor in determining a Company's capacity to create sustainable value is the ability and willingness of the Company to take risks and manage them effectively and efficiently. Many types of risks exist in the Company's operating environment and emerge on a regular basis due to many factors such as changes in regulatory framework, economic fundamentals etc.

Macro-economic factors including economic and political developments, natural calamities which affect the industrial sector generally would also affect the businesses of your Company. Legislative changes resulting in a change in the taxes, duties and levies, whether local or central, also impact business performance and relative competitiveness of the businesses.

Your Company had put a risk management framework in place post a comprehensive review of its risk management process. Your Company has taken a fresh look at the risk management framework. The review involved understanding the existing risk management initiatives, zero-based identification and assessment of risks in the various businesses as also the relative control measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization. The Management has periodically reviewed the risks in the various businesses and recommended appropriate risk mitigating actions.

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

CORPORATE GOVERNANCE

Our shareholders are at the heart of our business, with this philosophy we have grown. At the core of our growth are our ethical beliefs. Your management as steward of governance has ensured that your Company not only contributes economically but also grows sustainably.

All business decisions are taken in adherence of the spirit of governance as it ensures that the core of our business built over years is kept intact. The virtues of governance generate the much-needed trust of our stakeholders. The Board reassesses its governance processes and controls to meet the stakeholders' expectations. The strategically scheduled meetings of directors and its committees foster truly frank discussions and informed decisions.

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Statutory Auditors confirming compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Integrated Annual Report appended as **Annexure-B**.

Further, the Management Discussion and Analysis Report and CEO/ CFO Certificate as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also presented in separate sections forming part of the Integrated Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of the annual accounts for financial year ended 31st March, 2021, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.
- ii. They have in consultation with the Statutory Auditors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended on that date.
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts for financial year ended 31st March, 2021 on a going concern basis.
- v. They have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls were operating effectively during the financial year ended 31st March, 2021.
- vi. They have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31st March, 2021.

BOARD EVALUATION

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees.

The nomination and remuneration committee has conducted Board evaluation for the year. The evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board evaluation process was completed during fiscal 2021.

For Independent Directors, evaluation is carried out based on the criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board/Committees, attendance at the Board/Committee Meetings, impact on the performance of the Board/ Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in Strategy Board Meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees, and executive / non-executive / independent directors through evaluation, excluding the director being evaluated. Independent directors have three key roles – governance, control and guidance. Some of the performance indicators, based on which the independent directors are evaluated, include:

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

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

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board has a right balance of discussion between strategic and operational issues. The Board Members from different backgrounds bring about different complementarities and deliberations in the Board and Committee Meetings are enriched by such diversity and complementarities. The Board is actively engaged on the key issue concerning strategy, talent, risk and governance. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees & Board was updated on the same. The Board also noted that given the changing external environment, more frequent sessions on strategy with emphasis on sustainability may be considered. There are specific areas that have been identified as part of the exercise for the Board to engage itself with and the same will be acted upon.

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 C 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 2020-21, 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. Surendra Chhalani, Director of the

Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

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

Following are the Directors of the Company as on 31.03.2021

1. Mr. Kunal Lalani – Executive Director
2. Mr. Surendra Chhalani – Executive Director
3. Mrs. Anisha Anand – Whole Time Director
4. Mr. Navratan Baid – Non Executive Independent Director
5. Mr. Surendra Kumar Pagaria – Non Executive Independent Director
6. Mrs. Abhilasha Lalani – Non Executive Non Independent Director
7. Mr. Shurab Kumar – Non Executive Additional Director

During the period of under review Mr. Sachin Mehra, Non-Executive Independent Director had resigned from the position on 29th July, 2020 and Mr. Shurab Kumar was appointed as the Additional Director on 05th October, 2020 whose term expire on the ensuing Annual General Meeting and his appointment is required to be regularized subject to approval of members in the Annual General Meeting.

Further term of Mr. Navratan Baid has expired on 19th October, 2020 and he has offered himself for re-appointment for a further period of 4 years.

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

- Mr. Surendra Chhalani – Chief Financial Officer;
- Mr. Aagat Singh – Company Secretary;

DECLARATION BY THE INDEPENDENT DIRECTORS

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

AUDITORS AND AUDITOR'S REPORT

Under Section 139 of the Companies Act, 2013 and the rules made thereunder it is mandatory to rotate Statutory Auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirement of the companies Act, 2013, M/s Virendra Pradeep & Co., Chartered Accountants, was appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of 32nd Annual General Meeting of the Company held on 22nd September, 2017 till the conclusion of the 37th Annual General Meeting (AGM). However proprietor of our Statutory Auditor, Mr. Virendra Pradeep has been suffering from a major disease and is unable to continue as the Statutory Auditor of the company, in regards to which your management has decided to appointed AGMS & Co., Chartered Accountants as the new Statutory Auditor of the Company subject to approval of member in the ensuing Annual General Meeting.

New Statutory Auditor has confirmed that they satisfy the independence criteria required the Companies Act, 2013, code of ethics issued by Institute of Chartered Accountants India and U.S. Securities and Exchange Commission and the Public Company accounting Oversight Board.

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

LISTING OF SECURITIES

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

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

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

PARTICULARS OF EMPLOYEES

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