

ANNUAL REPORT 2021-22



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. Surendra Kumar Chhajer
Independent Director

Company Secretary
Mr. Gagan Mahajan

Statutory Auditors
M/s AGMS & 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
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INDEX

| | |
|---|--------|
| Directors' Report | 03-12 |
| Secretarial Audit Report | 14-15 |
| Report on Corporate Governance | 16-26 |
| Management's Discussion & Analysis Report | 27-30 |
| Particulars of Employees | 31-32 |
| Nomination and Remuneration Policy | 33-35 |
| Disclosure of Related Party Transaction | 36 |
| Extract of Annual Return | 37-43 |
| Certificates | 44-46 |
| Independent Auditor's Report | 47-54 |
| Financial Statements | 55-90 |
| AGM Notice | 91-101 |

DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 2021-22

TO THE MEMBERS OF MEGA CORPORATION LIMITED

Your Directors are pleased to present the 37th Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2022.

FINANCIAL PERFORMANCE

The Summarized financial results are:

(Amount in Lakhs)

| Particulars | Standalone Financials | |
|--|-----------------------|----------------|
| | 2021-22 | 2020-21 |
| Income from Operations | 313.35 | 277.57 |
| Other Income | (0.80) | 6.77 |
| Total Income | 312.55 | 284.34 |
| Operating Expenses | 21.22 | 23.09 |
| Depreciation and Amortization | 35.55 | 35.54 |
| Interest | 205.36 | 161.44 |
| Other Expenses | 44.32 | 22.67 |
| Exceptional Item | -- | -- |
| Profit/ (Loss) before Tax | 6.10 | 41.59 |
| Tax Expenses | | |
| • Current Year | -- | -- |
| • Previous Year | -- | (82.05) |
| • MAT Entitlement | -- | -- |
| • Deferred Tax | (9.94) | (11.48) |
| Net Profit/ (Loss) for the Year | 16.04 | (28.98) |

STATE OF COMPANY'S AFFAIRS

During the period under review the total Standalone Income of Company is Rs. 312.55 Lacs as compared to previous year income of Rs. 284.34 Lacs.

The company during the period earned standalone profit before tax of Rs. 6.10 Lacs as compared to profit of Rs. 41.59 Lacs in the previous year and Standalone Net Profit of the company during reporting period is Rs. 16.04 Lacs as compared to Loss of Rs. 28.98 Lacs in the previous year.

MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF CLOSE OF FINANCIAL YEAR 2021-22

There are no material changes and commitment affecting the financial position of company after the close of financial year 2021-22 till the date of report.

DIVIDEND AND RESERVES

During the Reporting Period, the company has earned nominal net profit of Rs. 16.04 Lacs and the management has decided to reinvest the money for the purpose of expansion and overall growth of the company.

Hence, your management recommends no dividend for the year ended March 31, 2022 and will increase efforts to enhance the profit 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

Human Resources are the most important asset of any financial services organization. In the backdrop of the crisis that your Company was in your Company faced increased attrition during the first half of the financial year. While the challenges ensued your Company conducted various restructuring activities internally to manage the people crisis. For all key exists the succession plan triggered in and your Company was able to immediately fill all key leadership positions ensuring continuity and stability.

Your Company also actively encouraged cross utilization of resources to avoid the need of hiring from the market and also to nurture multi-tasking skills in employees. This ensured that all employees of your Company were productively employed and also helped your Company save on hiring costs and wherever necessary strengthened its hiring process to ensure economical quality hires.

During this period your Company re-assessed all its internal policies and practices and brought in measures to make them more compliant as well as mitigate risks that it was being exposed to. During the end of the fiscal year, your Company along with the entire globe faced an unprecedented situation of a pandemic

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 2021-22. 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

Mega Corporation Limited has an independent internal management assurance function which is commensurate with its size and scale. It evaluates the adequacy of all internal controls and processes, and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework. Mega Corporation Limited has further strengthened its internal audit function by investing in domain specialists to increase effectiveness of controls. The Audit Committee of the Board of Directors regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls.

RISK MANAGEMENT

The Company aims to operate within an effective risk management framework to actively manage all the material risks faced by the organization and make it resilient to shocks in a rapidly changing environment. It aims to establish consistent approach in management of risks and strives to reach the efficient frontier of risk and return for the organization and its shareholders. Broad categories of risk faced by the Company are Credit Risk, Market Risk, Operational Risk, Fraud Risk, and Compliance Risk. The risk management policies are well defined for various risk categories supplemented by periodic monitoring through the sub committees of the Board.

Credit Risk: The credit aspects in the Company are primarily covered by the Credit Policy and Delegation of Authority approved by the Board of Directors. The Company measures, monitors and manages credit risks at individual borrower and portfolio level.

Market Risk: Market Risk management is guided by clearly laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits.

Operational Risk: The Company has put in place a comprehensive system of internal controls, systems and procedures for documenting, assessing and periodic monitoring of various risks and controls linked to various processes across all business lines. The Board on periodic basis identify and mitigate operational risks to minimize the risk and its impact.

Fraud Risk: The Company has adopted a robust Fraud Risk Management framework. It has an effective and very strong fraud risk governance mechanism that encompasses controls covering below objectives:

1. Prevent (reduce the risk of fraud from occurring)
2. Detect (discover fraud when it occurs) and
3. Respond (take corrective action and remedy from the harm caused by fraud).

Compliance Risk: The Company has a robust compliance risk management framework in place guided by a Board which lays down the roles and responsibilities of employees towards ensuring compliance with the applicable laws and regulations as also the role of the Compliance Department in monitoring compliance.

The Company's governance culture supported by sound risk management is aimed at ensuring it remains resilient during challenging periods and forge a sustainable future for the organization.

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, 2022, 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, 2022 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, 2022 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, 2022.
- 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, 2022.

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 2022.

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 2021-22, 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 Ms. Abhilasha Lalani, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

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

Following are the Directors of the Company as on 31st March, 2022

- | | |
|-------------------------------|--|
| 1. Mr. Kunal Lalani | – Executive Director |
| 2. Mr. Surendra Chhalani | – Executive Director |
| 3. Mrs. Anisha Anand | – Executive Director |
| 4. Mr. Surendra Kumar Chhajer | – Non Executive Independent Director |
| 5. Mr. Surendra Kumar Pagaria | – Non Executive Independent Director |
| 6. Mrs. Abhilasha Lalani | – Non Executive Non Independent Director |

During the period of under review Mr. Navratan Baid has resigned from the position of Non-Executive Independent Director on 28th October 2021 and Mr. Surendra Kumar Chhajer has been appointed as Independent Director of the company on 28th October 2021 subject to regularization through the approval of Shareholders in the ensuing Annual General Meeting. Further Mr. Shurab Kumar, Non-Executive Director has resigned from the position on 18th November 2021.

During the Period under Review Mr. Aagat Singh has resigned from the Position of Company Secretary on 1st October 2021 and Mr. Gagan Mahajan has been appointed as Company Secretary on 1st October, 2021

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. Gagan Mahajan - Company Secretary;

DECLARATION BY THE INDEPENDENT DIRECTORS

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

AUDITORS AND AUDITOR'S REPORT

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

On the Recommendation of the Audit Committee, the appointment of M/s AGMS & Co., Chartered Accountants who were appointed as Statutory Auditors of the Company for a term of five years at the 36th Annual General Meeting of the Company held on 30th September 2021 till the conclusion of the 41st Annual General Meeting (AGM), subject to ratification at every AGM, at remuneration as may be decided by the Board of Directors and Audit Committee.

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

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

LISTING OF SECURITIES

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

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

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

PARTICULARS OF EMPLOYEES

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

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

MEETINGS OF THE BOARD OF DIRECTORS

The Details of Meetings of the Board of Director Held during the Financial Year 2021-22:

As per the disclosures furnished none of the Directors are disqualified to act as directors of this Company or any other public Company under Section 164 and other applicable provisions of the Companies Act, 2013.

The requisite information as prescribed under Clause 49 of the Listing Agreement is placed before the Board from time to time and is generally provided as part of the Agenda papers of the Board Meeting and /or is placed at the table during the course of the meeting.

During the financial year ended March 31, 2022, Nine Board Meetings were held. 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.

The Board meeting was held on the following dates:-

1st April 2021, 30th June 2021, 14th August 2021, 31st August 2021, 1st October 2021, 28th October 2021, 18th November 2021, 21st December 2021, 13th January 2022.

Attendance of Directors at the Meeting of Board of Directors for the Financial Year 2021-22.

COMPOSITION OF COMMITTEES

a) Audit Committee

At 31st March, 2022 Audit Committee of the board comprises of three members with Independent Directors forming a majority, namely Mr. Surendra Kumar Pagaria as Chairperson and Mr. Surendra Kumar Chhajer, Mr. Surendra Chhalani as members of the Committee.

Presently Audit Committee comprises following members:

1. Mr. Surendra Kumar Pagaria – Non-Executive Independent Director
2. Mr. Surendra Kumar Chhajer – Non-Executive Independent Director
3. Mr. Surendra Chhalani- Executive Director

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

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

Nomination and Remuneration Committee

At 31st March, 2022, Nomination and Remuneration Committee comprises of Mr. Surendra Kumar Pagaria as Chairperson, Mr. Surendra Kumar Chhajer and Mrs. Abhilasha Lalani as members.

Presently Nomination & remuneration Committee comprises following members:

1. Mr. Surendra Kumar Pagaria – Non-Executive Independent Director
2. Mr. Surendra Kumar Chhajer – Non-Executive Independent Director
3. Mrs. Abhilasha Lalani – Non-Executive Non Independent Director

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

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

b) Stakeholder Relationship Committee

Stakeholders Relationship Committee comprises of Mr. Surendra Kumar Pagaria as Chairperson with Mr. Surendra Kumar Chhajer and Mr. Surendra Chhalani as members of the Committee as on 31st March, 2022.

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.