



15th Annual Report 1999-2000



CERTIFIED TRUE COPY

For MEGA CORPORATION LTD.

S. Mahalan
Director/Auth. Signatory

MEGA CORPORATION LIMITED

Regd. Office: N-18 (Mkt.), Greater Kailash-I,
New Delhi - 110 048.



BOARD OF DIRECTORS :

KUNAL LALANI	CHAIRMAN CUM MANAGING DIRECTOR
N. K. NAYAK	DIRECTOR
S. L. GOLCHHA	DIRECTOR
KIRTI AZAD	DIRECTOR
AVM (Retd.) K.S. VENKATARAMAN	DIRECTOR
SACHIN MEHRA	DIRECTOR
HIMANSHU MEHTA	DIRECTOR
SURENDRA CHHALANI	DIRECTOR

BANKERS :

ABN AMRO BANK
UNITED BANK OF INDIA

AUDITORS :

SIPANI & ASSOCIATES
CHARTERED ACCOUNTANTS
DELHI.

REGISTERED OFFICE :

N-18 (MKT.)
GREATER KAILASH-I,
NEW DELHI - 110 048.
PH.: 6444555, 6444333.

CORPORATE OFFICE :

B-23, GREATER KAILASH-I,
NEW DELHI - 110 048
FAX: 011-6474765
e-mail: mega@crayonad.com

MEGA CORPORATION LIMITED

REGD. OFFICE : N-18 (MARKET), GREATER KAILASH-I, NEW DELHI - 110 048.

DIRECTORS' REPORT

To The Members.

Your Directors have pleasure in submitting the 15th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2000.

PERFORMANCE OF THE COMPANY

The Turnover and other income of the company has increased by 39% from Rs.144.67 Lakh to Rs.200.99 Lakh. The profit after interest, depreciation and taxation has increased considerably to Rs.128.11 Lakh from Rs. 0.98 Lakhs earned for the previous year. The performance is better as compared to last year. This is mainly due to company foray into software export which has contributed to improved bottom line of the company.

FINANCIAL HIGHLIGHTS :

	1999-2000 (Rs.)	1998-1999 (Rs.)
Profit before Taxation	13,091,269.98	150,414.05
Less: Provision for Taxation	280,000.00	52,700.00
Profit after Taxation	12,811,269.98	97,714.05
Add: Amount brought forward from previous year	239,302.55	141,588.50
Balance Carried forward	13,050,572.53	239,302.55

FOREIGN EXCHANGE EARNING/OUTFLOW

Foreign exchange earning during the year, through software exports, was US\$ 308,340/-. There was no foreign exchange outflow during the year.

NEW PROJECTS: During the year under review your company has identified software development as new thrust area and successfully diversified into software development and Export. In the very first year of the operation in this new area your company has earned foreign exchange of Rs.133.84 Lakh by making software export.

Your company has also made significant progress in implementation its ongoing project of introducing Radio Taxi Services in NCT of Delhi. Your Directors are hopeful that the company shall be able to start most modern Radio Taxi Service with latest technology in current year which will be yet another feather in your Company's cap.

DIVIDEND : In order to conserve resources for ongoing projects the Directors do not recommend payment of dividend.

FIXED DEPOSITS : The Company did not accept/renew any fixed deposit during the year under review. The deposits outstanding as on 31st March, 2000 was Nil.

VOLUNTRY DELISTING OF THE COMPANY'S EQUITY SHARES FROM GAUHATI STOCK EXCHANGE: Your Company's equity shares are listed on three Stock Exchanges at Delhi, Mumbai & Gauhati Stock Exchange. Delhi Stock Exchange & Mumbai Stock Exchange are accessible to online dealings in the company's equity shares across the country. There is no trading at Gauhati Stock Exchange for a long time. The listing fees paid for Gauhati Stock Exchange do not have any cost benefit for the listing facility. In view of the above, we propose delisting of your Company's scrip from Gauhati Stock Exchange.

YEAR 2000 (Y2K) :

Your company has successfully managed Y2K transition without any disruption of its business operations.

EMPLOYEES :

Your Directors wish to place on record their appreciation of the cooperation extended by the employees. During the financial year, the Company had no employee in receipt of or entitled to receive emoluments attracting the provisions of Section 217(2A) of the Companies Act, 1956.

DIRECTORS :

Mrs. Vini Lalani resigned from the Directorship due to her personal reasons. The Directors place on record their appreciation for the valuable contribution put by her during her tenure.

Mr. Kunal Lalani has been appointed Managing Director by the Board of Directors for a period of 5 years subject to approval of shareholders and completion of necessary formalities. Mr. Kunal Lalani had assumed charge on 30.06.2000.

In accordance with the provisions of the Companies Act 1956 and the Articles of Association of the Company Shri Surendra Chhalani, retires by rotation and being eligible offer himself for re-appointment. The Board recommend his re-appointment.

Shri N.K. Nayak, Shri S.L. Golchha, AVM (Retd.) K.S.Venkatraman, Shri Kirti Azad and Shri Sachin Mehra, have been appointed as additional directors by the Board to broad base and induct independent professional directors, till the conclusion of this Annual General Meeting. The Company has received notices in writing pursuant to Section 257 of the Companies Act 1956 alongwith the relevant deposits proposing their candidature to the office of Director. The Board recommends their appointment.

AUDITORS & AUDITOR'S REPORT :

M/s Sipani & Associates, Chartered Accountants, who were appointed to fill up casual vacancy caused by resignation of M/s. Badhwar & Co., Chartered Accountants, retire as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate to the effect that their re-appointment, if made, will be in accordance with Section 224 (1B) of the Companies Act, 1956.

The notes referred to by the Auditors in their report are self explanatory.

PARTICULARS REQUIRED TO BE FURNISHED BY THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988:

Part A & B pertaining to conservation & technology absorption are not applicable to the Company.

ACKNOWLEDGEMENT:

Your directors place on record there appreciation for co-operations of bankers, customers and suppliers of the company. Your directors also wish to place on record the appreciation for the total dedication and whole hearted efforts made by the employees of the company at all levels.

For and on behalf of the Board

Place : New Delhi
Date : 30th June, 2000

(Kunal Lalani)
Chairman

Auditors' Report

To
The Members of
MEGA CORPORATION LIMITED

We have audited the attached Balance Sheet of MEGA CORPORATION LTD. as at 31st March 2000 and the Profit and Loss Account of the company for the year ended on that date, annexed hereto and report that :

1. In our opinion and to the best of our information and according to the explanations given to us the annexed accounts, read with the notes thereon, give the information required by The Companies Act, 1956 (as amended) in the manner so required and give a true and a fair view :-
 - a) In case of the balance sheet, of the state of affairs of the company as at 31st March 2000.
 - b) In case of the profit and Loss account of the profit for the year ended on that date.
2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
3. In our opinion proper books of account as required by The Companies Act, 1956 (as amended) have been kept by the Company so far, as appears from our examination of these books.
4. The Balance Sheet and Profit & Loss account are in agreement with the books of account.
5. In our opinion, the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.
6. As required by the Manufacturing And Other Companies (Auditors Report) Order, 1988 issued by the Central Government under Section 227 (4 A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that in our opinion:
 - i) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As per the information and explanations given to us, the company has a proper system of physical verification of all its fixed assets once a year and in our opinion the frequency of verification of fixed assets by the management is at reasonable intervals, having regard to the size of the company and the nature of assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
 - ii) None of the fixed assets have been revalued during the year.
 - iii) The company has not taken any loan, secured or unsecured from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. In terms of sub-section 6 of section 370 of the Act, provisions of the section are not applicable on or after commencement of the Companies (Amendments) Act, 1999.
 - iv) On the basis of our examination of stock records we are of the opinion that, valuation of stock of shares at the end of the year is fair and proper in accordance with the normally accepted accounting principles.

- v) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained u/s 301 of The Companies Act, 1956 or In terms of sub-section 6 of section 370 of the Act, provisions of the section are not applicable on or after commencement of the Companies (Amendments) Act, 1999.
- vi) According to the information and explanations given to us and the records of the company examined by us, the company has a reasonable system of recording receipts, issue and consumption of material and store and allocating materials consumed to the relative jobs commensurate with its size and nature of its business.
- vii) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, equipment and other assets.
- viii) According to information and explanations given to us, the prices paid for purchase of materials and services in excess of Rs.50,000/- in value for each type from firms or companies or other parties in which directors are interested as listed in the register maintained u/s 301 of The Companies Act (1956) are reasonable as compared to the market prices prevalent at that time.
- ix) According to the information and explanations given to us and the records of the company examined by us the company has a reasonable system of allocating man hours utilized to the relative jobs, commensurate with its size and nature of its business.
- x) The company has an internal audit system commensurate with size and nature of its business.
- xi) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Sales Tax, Income Tax, Wealth Tax, Customs & Excise Duty which have remained outstanding as at 31st March, 2000 for a period of more than six months from the date they became payable.
- xii) According to the information and explanations given to us and the records of the company examined by us, no material personal expenses have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practices.
- xiii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- xiv) The company is not a sick industrial company within the meaning of clause (0) of section 3 (1) of the sick industries companies (special provision) Act, 1985 of India.
- xv) The provisions of any specified statute applicable to chit fund, nidhi or mutual benefit society do not apply to the company.

for SIPANI & ASSOCIATES
Chartered Accountants

(Vijay Sipani)
Prop.

Place : Delhi
Date : 30th June, 2000

MEGA CORPORATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 2000

SCHEDULES		31/03/2000		31/03/1999	
		Rs.	P.	Rs.	P.
<u>SOURCES OF FUNDS</u>					
<u>SHAREHOLDERS' FUND</u>					
Share Capital	A	100,000,000.00		100,000,000.00	
Reserves & Surplus	B	13,050,572.53		239,302.55	
<u>LOAN FUNDS</u>					
Secured Loans	C	190,109.91		265,000.00	
TOTAL FUNDS EMPLOYED		113,240,682.44		100,504,302.55	
		=====		=====	
<u>APPLICATION OF FUNDS</u>					
<u>FIXED ASSETS</u>					
Gross Block	D	1,515,726.00		341,641.00	
Less: Depreciation		298,687.00		34,533.00	
NET BLOCK		1,217,039.00		307,108.00	
<u>CURRENT ASSETS, LOANS & ADVANCES</u>					
a) Stock in-Trade	E	2,412,632.00		3,975,000.00	
b) Sundry Debtors	F	19,814,985.28		24,175,000.00	
c) Cash and Bank Balances	G	2,401,421.96		1,139,723.45	
d) Loans and Advances	H	90,664,746.00		71,034,776.00	
		115,293,785.24		100,324,499.45	
Less : <u>CURRENT LIABILITIES AND PROVISIONS</u>	I	3,366,911.70		255,112.00	
Net Current Assets		111,926,873.54		100,069,387.45	
<u>MISCELLANEOUS EXPENDITURE</u>					
(To the extent not written off or adjusted)	J	96,769.90		127,807.10	
TOTAL FUNDS UTILISED		113,240,682.44		100,504,302.55	
		=====		=====	
NOTES ON ACCOUNTS	K				

The Schedule referred to above form an integral part of the Balance Sheet

As per our Report of even date annexed
For Sipani & Associates
Chartered Accountants
(Vijay Sipani)
Prop.

for and on behalf of the Board

KUNAL LALANI Chairman
HIMANSHU MEHTA Director
SURENDRA CHHALANI Director

Place : New Delhi
Date : 30th June, 2000