

**18TH
ANNUAL REPORT
1999-2000**

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Mega Fin (India) Ltd.

CORPORATE INFORMATION

Board of Directors

Mr. Ajay Mittal - Managing Director
Mr. Ashok Mittal - Director
Mr. Sanjay Mittal - Director

Registered & Corporate Office

**Twin Arcade, C-Building, 5th Floor,
Military Road, Marol Maroshi,
Andheri(E), Mumbai - 400 059.**

Banker

**The Federal Bank Limited
Fort, Mumbai.**

Auditors

**M/s S. K. Sheth & Company
C-110, Borivli Shopping Centre,
Chandavarkar Lane, Borivli(W)
Mumbai - 400 092**

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Share Transfer Agent

**Bigshare Services Pvt.Ltd.
E/2, Ansa Industrial Estate,
Sakivihar Road, Mumbai - 400 072.**

Compliance Officer

Mr. P.K.B. Nambiar



Mega Fin (India) Limited

NOTICE

Notice is hereby given that 18th Annual General Meeting of the Members of Mega Fin (India) will be held on Friday 29th September, 2000 at 10.30 a.m. at the Registered Office of the Company at Twin Arcade, C-Building, Military Road, 5th Floor, Marol Maroshi, Andheri (E), Mumbai - 400 059 to transact the following business:-

1. To receive and adopt the Directors Report and audited Profit and Loss Account for the year ended 31st March, 2000 and Balance Sheet as at that date.
2. To appoint a Director in place of Mr. Ashok Mittal, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (b) Shares of the Company's are listed at Mumbai & Ahmedabad Stock Exchange. The Company has not paid Annual Listing Fee to Mumbai and Ahmedabad Stock Exchanges due on 1st April 2000.
- (c) The Register of Members and the Transfer Books of the Company will remain closed from 21st September 2000 to 29th September, 2000 (both days inclusive).
- (d) Members are requested to notify immediately any change in their addresses including PINCODE to the Company's share transfer agent M/s. **Bigshare Services Pvt. Ltd.** at their office at :

E/2, Ansa Industrial Estate,
Sakivihar Road, Mumbai-400 072

Place : Mumbai.
Date : 28th June, 2000

For and on behalf of the Board
Sd/-
Ajay Mittal
Managing Director

18th Annual Report 1999-2000**MEGA FIN (INDIA) LIMITED****DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 18th Annual Report of the Company together with Audited Statement of account for the year ended 31st March, 2000.

1. FINANCIAL RESULTS

The summarised financial results of your company for the year ended under review are as under :

	Year ended 31.03.2000 Rs.	Year ended 31.03.1999 Rs.
Gross Income	34,74,780	24,70,130
Profit/(Loss) Before Depreciation	(1,00,80,772)	(2,28,58,754)
Depreciation	14,41,757	21,06,224
Profit/ (Loss) Before Tax	(1,15,22,529)	(2,49,64,978)
Provisions For Tax	Nil	Nil
Profit/(Loss) After Tax	(1,15,22,529)	(2,49,64,978)
Add : Excess Provision of earlier year written back	Nil	Nil
Transferred from Reserves	4,74,251	4,06,139
Bad Debts written back	Nil	5,00,000
Less : Sundry Balance written off	18,648	Nil
Taxes Paid under Kar-Vivad Samadhan	Nil	2,24,736
Prior year item	78,800	21,434
Short Income Tax provision of earlier years	Nil	1,54,677
Balance Carried to Balance Sheet	(1,11,45,726)	(2,44,36,718)

2. DIVIDEND

The Directors of your Company do not recommend any dividend for the year under review.

3. FIXED DEPOSITS

As mentioned in our report for the year ended 31.03.1998, your company has repaid all its deposits to the holders of fixed deposit. No fresh deposits were accepted during the year under review.



The Board of your company have resolved that no fresh fixed deposits shall be accepted without the prior permission of Reserve Bank of India. In view of the of repayment of all deposits, it is not incumbent on the Company to obtain credit rating.

4. WORKING RESULTS

During the year under review, your company's gross income was Rs. 34.75 lacs against Rs. 24.70 lacs for the previous year. The loss after tax is Rs. 115.23 lacs after providing depreciation of Rs. 14.42 lacs. The unprecedented liquidity crunch which had set in, in the previous year continued unabated during the current year; resulting in corporate borrowers dishonouring their commitments to banks in general and to non banking financial companies in particular. This had serious impact on the availability of funds to the non banking financial companies. Therefore, your company being a non banking finance company, had no option but to stop their fund based activities and concentrate only on efforts to step up recovery of funds disbursed in the preceding financial years.

Your Board has returned to SEBI the Category I Certificate issued for carrying on Merchant Banking activities for cancellation

5. PERFORMANCE Vs PROJECTIONS.

Since your Company had not given projections for future in the prospectus of the issue of 40,00,000 Equity Shares of Rs. 10/- each offered to the public in September 1996, as the same was not required to be mentioned, the details of Performance Vs Projections are not applicable in respect of your Company.

6. SUBSIDIARIES

The enclosed statement under Section 212 of the Companies Act 1956 relating to the subsidiaries forms part of this report.

7. DIRECTORS

Mr. Sunil Mittal resigned as Director on 10th April 2000.

Mr. Ashok V. Mittal, Director retires by rotation and being eligible offer himself for re-appointment.

8. AUDITORS

M/s. S. K. SHETH & CO., Chartered Accountants, the retiring auditors being eligible offer themselves for re-appointment.

9. STATUS ON Y2K PREPAREDNESS

The Company has taken effective steps to resolve the Y2K problems relating to Systems / Softwares used and is Y2K compliant. The expenses on such Y2K compliance is not significant to be separately reported.

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10. STATUTORY INFORMATION

Since there are no employees drawing remuneration in excess of the limits specified u/s 217 (2A) of the Companies Act 1956, the Companies (Particulars of employees) Rules 1975 are not applicable. Since the company is not a manufacturing company, the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, Technology Absorption are not applicable. The Company had no inflow/outflow of foreign currency during the year under review.

The outgo on Foreign Exchange Travelling amounted to Nil-. The company had no earnings in foreign exchange during the year under review.

11. Your Company does not have any outstanding amounts payable to small scale industrial undertakings.

12. AUDITORS REPORT

The notes to the accounts are self explanatory in respect of comments of the auditors.

13. ACKNOWLEDGMENT

The Board wishes to place on record its appreciation for the performance of the personnel, co-operation from its Shareholders, Bankers, Clients and Auditors for their sustain support.



For and on behalf of the Board

Place : Mumbai
Dated : 28th June, 2000

Sd/-
Ajay Mittal
Chairman.

**S. K. Sheth & Co.**

Chartered Accountants

C-110, Borivli Shopping Centre,
Chandavarkar Road,
Borivli (West), Mumbai-400 092.**AUDITORS REPORT****TO THE MEMBERS OF
MEGA FIN (INDIA) LIMITED**

We have audited the attached Balance Sheet of the **MEGA FIN (INDIA) LIMITED** as at 31st March, 2000 and also the Profit and Loss Account annexed thereto, for the year ended on that date, and report that

- 1) 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.
- 2) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books.
- 3) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the Balance Sheet and the Profit and Loss account dealt with by the report are in compliance in all material aspect with the accounting standard referred to in Section 211 (3C) of the Companies Act, 1956.
- 5) With respect to Loans & Advances of Rs. 213.47 lacs and sundry debtors of Rs. 191.01 were outstanding for a long period where there are no repayments/ interest recovery as explained in Note No. L, we are unable to formulate an opinion on the recoverability of the amount due.
- 6) Attention is drawn to Note No. "M" regarding non confirmation of balances of balances of loans and advances, sundry debtors, Assets given on lease.
- 7) Attention is invited to Note No. "N" regarding the shares, which are neither transferred in the name of the Company nor the Company is holding the shares with valid transfer deed.
- 8) Subject to above, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2000 and
 - ii) in the case of the Profit and Loss account of the loss for the year ended on that date.
- 9) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and in our opinion and on the basis of such checks as we considered appropriate we further report that :

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- i) The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets. We have been informed by the management that all the fixed assets excluding the leased assets have been physically verified by the management during the year at regular intervals which in our opinion are reasonable having regards to the size of the company and the nature of fixed Assets. We have also been informed that no serious discrepancies were noticed on such verification. In respect of Leased assets, the Company has a procedure of collecting confirmation from lessees as to physical existence and working condition of leased assets. During the year, the Company has not send confirmation to any of the lessee. In the absence of confirmations, we are unable to comment upon the existence and discrepancies if any, in respect of these leased assets.
- ii) None of the fixed assets have been revalued during the year.
- iii) As the Company is not a manufacturing company, clause (iii), (iv), (v), (vi), (xii) and (xiv) of clause A of the paragraphs 4 of the aforesaid order are not applicable and hence not commented upon.
- iv) According to the information and explanation given to us the Company has not taken any unsecured loans from Companies, firms and other parties as listed in the register maintained under section 301 of the Companies Act, 1956. We have been informed that there is no Company under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
- v) The Company has granted interest free loan of Rs.141.85 lacs to Companies, firms, or other parties listed in the Register maintained u/s 301 of the Companies Act, 1956 without any stipulation as to the repayment of the principal amount. In our opinion and according to information and explanation given to us, other terms and conditions are not prejudicial to the interest of the Company. We have been informed that there is no Company under the management as defined under Sub-sec. (1-B) of Sec. 370 of the Companies Act, 1956.
- vi) The Company has given loans and advances in the nature of loans, which are interest free and without stipulation as to the repayment of principal and interest (Refer note L) including loans to employees. The Board of Directors has certified that all loans and advances in the nature of loans are good and receivable. The company has started proceeding against defaulted party by filing suit in the court of law.
- vii) In our opinion, and according to the information and explanations given to us, there are generally adequate internal control procedure commensurate with the size and nature of its business with regard to purchase of other assets and for sale of services.
- viii) According to the information and explanations given to us, the Company has not entered into any transaction of purchase of goods and materials and sale of goods, materials and services aggregating during the year to Rs.50,000/- or more in pursuance of any contract or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956.
- ix) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year.



- x) During the year under review, due to drastically lower business operations there was no formal internal audit system. However, Company's control procedure ensures reasonable internal checking of its financial and other records.
- xi) As there are no employees during the year the Company has not deducted any provident fund. As explained to us, the provisions of the Employees State Insurance Act is not made applicable to the Company.
- xii) As per records of the Company and according to the information and the explanation given to us there are no undisputed amounts in respect of Income tax, wealth tax, sales tax, Customs duty and Excise duty as at 31.3.2000 which were due for more than six months from the date they became payable.
- xiii) According to the information and the explanation given to us, no expenses of the personal nature which have been charged to revenue account other than those payable under the contractual obligation or in accordance with normally accepted business practices.
- xiv) The Company is not sick company within the purview of the Sick Industrial Company's (Special Provisions) Act, 1985.
- xv) During the year the Company has not granted any loans & advance on the basis of security by way of pledge of shares/debentures or other similar security. Hence this clause is not commented upon.
- xvi) According to information and explanations given to us, the provisions of any special statutes applicable to chit fund, nidhi or mutual benefit society are not applicable to the Company.
- xvii) The Company has maintained proper records of transactions and contracts in respect of trading in shares, debentures, bonds and other securities and that timely entries have been made therein. The shares are held by the Company in its own name, except where the Company is not holding the share certificates alongwith valid transfer deeds (Refer Note "N").
- xviii) In our opinion, according to the information and explanation given to us, Paragraph 4 (B) and 4 (C) of the order are not applicable and hence not commented upon.

PLACE : Mumbai
DATED : 28.06.2000

For S. K. SHETH & CO.
Chartered Accountants
Sd/-
(SHARAD K. SHETH)
Proprietor

18th Annual Report 1999-2000**BALANCE SHEET AS AT 31st MARCH 2000**

Particulars	Schedules	As at 31.03.2000		As at 31.03.1999	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SOURCES OF FUNDS					
SHAREHOLDER'S FUND					
Share Capital	1	91,763,500		91,763,500	
Reserves & Surplus	2	1,000		475,251	
			91,764,500		92,238,751
LOAN FUNDS					
Secured Loans	3		10,792,074		10,707,180
TOTAL			102,556,574		102,945,931
APPLICATION OF FUNDS					
FIXED ASSETS	4				
Gross Block		29,969,558		30,693,386	
Less : Depreciation		26,281,245		25,263,773	
Net Block			3,688,313		5,429,613
INVESTMENTS	5		18,061,398		37,574,995
CURRENT ASSETS LOANS & ADVANCES	6	30,060,000		20,797,522	
Less: Current Liabilities & Provisions	7	3,164,753		3,813,822	
Net Current Assets			26,895,247		16,983,700
Miscellaneous Expenditure (To the extent not written off or adjusted)					
Deferred Revenue Expenditure			1,080,398		1,272,130
Balance In Profit And Loss Account			52,831,218		41,685,492
TOTAL			102,556,574		102,945,931
Notes forming part of the Accounts	12				

As per our attached report of even date

For & Behalf of the Board

For S. K. Sheth & Co.
Chartered AccountantsSd/-
(Sharad K. Sheth)
ProprietorSd/-
Ajay Mittal
Managing DirectorSd/-
Sanjay Mittal
DirectorPlace : Mumbai
Dated : 28th June 2000Place : Mumbai
Dated : 28th June 2000