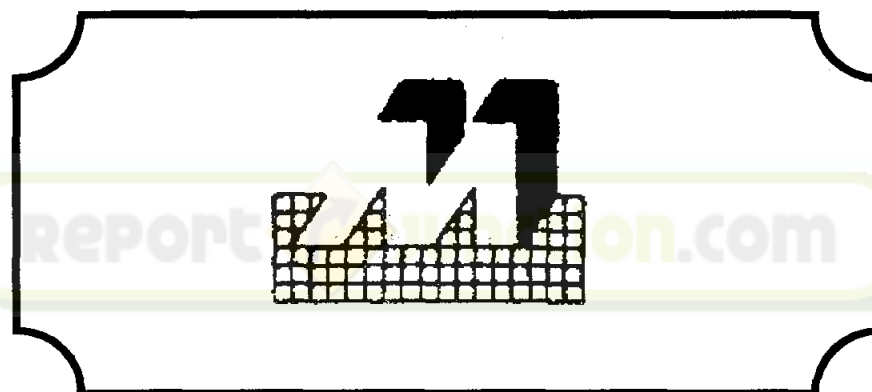


**20<sup>th</sup>**  
**ANNUAL REPORT**  
**2001-2002**



**Mega Fin (India) Limited**

## **MEGA FIN ( INDIA ) LIMITED**

### **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

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

#### **Registered & Corporate Office**

Twin Arcade, "C" Building, 5<sup>th</sup> Floor,  
Military Road, Marol Maroshi,  
Andheri (E), Mumbai - 400 059.

#### **Banker**

The Federal Bank Limited  
Fort, Mumbai.

#### **AUDIT COMMITTEES OF DIRECTORS**

##### **MANAGEMENT COMMITTEE**

##### **INVESTORS GRIEVANCE COMMITTEE**

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

#### **Auditors**

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

#### **Share Transfer Agent**

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

#### **Compliance Officer**

Mr.P.K.B.Nambiar

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## **MEGA FIN ( INDIA ) LIMITED**

### **NOTICE**

Notice is hereby given that 20<sup>th</sup> Annual General Meeting of the Members of Mega Fin (India) Ltd will be held on Friday, 27<sup>th</sup> September, 2002 at 11.00 a.m. at the Registered Office of the Company at Twin Arcade, "C" Building, 5<sup>th</sup> Floor, Military Road, 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 31<sup>st</sup> March, 2002 and Balance Sheet as at the 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 Exchange due on 1<sup>st</sup> April, 2002.
- c) The Register of Members and the Transfer Books of the Company will remain closed from 20<sup>th</sup> September, 2002 to 27<sup>th</sup> September, 2002 (both days inclusive).
- d) The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the meeting.
- e) 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, Anza Industrial Estate,  
Saki-Vihar Road, Mumbai - 400 072.**

**For and on behalf of the Board**

**Place : Mumbai  
Date : 23rd August, 2002**

**Sd/-  
Ajay Mittal  
Director**

**MEGA FIN (INDIA) LIMITED****DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report of the Company together with Audited Statement of account for the year ended 31<sup>st</sup> March,2002.

**1. FINANCIAL RESULTS**

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

	Year ended 31.03.2002 Rs.	Year ended 31.03.2001 Rs.
Gross Income	52,929	88,848
Profit/ (Loss) Before Depreciation	(5,521,707)	(8,395,280)
Depreciation	319,442	495,442
Profit/ (Loss) Before Tax	(5,841,149)	(8,890,772)
Provision for Tax	NIL	NIL
Profit/ (Loss) After Tax	(5,841,149)	(8,890,722)
Add : Excess Provision of earlier year written back	NIL	2,264,500
Prior year Income	NIL	54,681
Less : Income Tax (Refer Note 'M')	1,143,867	NIL
Prior Year Expenses	15,000	NIL
Short Income Tax provision of earlier years provided	1,385,407	1,300,000
Balance Carried to Balance Sheet	(8,385,423)	(7,871,541)

**2. DIVIDEND**

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

**3. FIXED DEPOSITS**

As mentioned in our earlier reports, 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 Reserves Bank of India. In review of the 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.0.53 Lacs against Rs. 0.89 lacs for the previous year. The loss after tax is Rs.58.41 Lacs after providing depreciation of Rs.3.19 Lacs. As mentioned in previous year's report, your company has stopped further funding and presently concentrating on recovery of funds disbursed in the proceeding years.

**5. PROFORMANCE Vs PROJECTIONS.**

Since your Company had not given projection 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 the report.

**7. DIRECTORS**

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

**8. CORPORATE GOVERNANCE**

The Securities & Exchange Board of India had introduced a code of Corporate Governance for implementation by the Listed companies by an amendment to the Listing Agreement. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance is not applicable, since the paid-up capital of the Company is less than Rs.10 Crores.

**9. DEMATERIALISATION OF SHARES**

In terms of the notification issued by the Securities and Exchange Board of India (SEBI) the Company has completed the process for facilitating dematerialisation of its shares.

**10. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its

inter-action with employees, shareholders, creditors, consumers and institutional and other lenders and places due emphasis on regulatory compliance.

The Company will continue its efforts in raising the standards in Corporate Governance and will also review its systems and procedures constantly to keep pace with the changing economic environment.

## **11. AUDIT COMMITTEE BOARD TERMS OF REFERENCE**

The Terms of reference of the Audit Committee include :

- To review the Company's financial reporting process and its financial statements.
- To review the accounting and financial policies and practices.
- To review the efficacy of the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- To review reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.
- To examine accountancy, taxation and disclosure aspects of all significant transactions.

The terms of reference of this committee are wide enough covering the matters specified under the Listing Agreement.

### **COMPOSITION**

The Audit Committee of the company was constituted by the Board with effect from 30<sup>th</sup> July, 2001. The Audit Committee comprises three Directors, all these Directors possess knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee is an Independent, Non-executive Director nominated by the Board. Audit Committee Meetings are attended by the representatives of Statutory Auditors invited to attend all the meetings.

The constitution of the Audit Committee is as follows:-

- |                      |          |
|----------------------|----------|
| 1. Mr. Ajay Mittal   | Director |
| 2. Mr. Ashok Mittal  | Director |
| 3. Mr. Sanjay Mittal | Director |

## **12. SHARE TRANSFER COMMITTEE**

The Share Transfer Committee comprising of Mr. Ajay Mittal, Mr. Ashok Mittal, & Mr. Sanjay Mittal has been assigned the work of redressal of Investors/ Shareholders complaints along with approval of share transfer, sub-division / consolidation of shares etc. The committee oversees the performance of Registrar and Transfer Agents and recommends measure for overall improvement of the quality of investor services. Details of Shares Transfer/

Transmission approved by the committee are placed before the Board Meetings from time to time.

### 13. DIRECTOR'S RESPONSIBILITY

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that ;

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) the directors had selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period.
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis.

### 14. AUDITORS

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

### 15. 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, 1998 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 of Foreign Exchange Travelling amounted to NIL. The Company had no earnings in foreign exchange during the year under review.

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

## 17. AUDITORS REPORT

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

## 18. 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**

**Sd/-  
Ajay Mittal  
Chairman.**

**Place : Mumbai  
Dated : 23rd August,2002.**





**S. K. SHETH & CO.**  
**CHARTERED ACCOUNTANTS**

**C-110, Borivli Shopping Center,**  
**Chandavarkar Road,**  
**Borivli (W), Mumbai- 400 092.**  
**Tel.No.: 8068977 / 8012326**

### **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, 2002 and also the Profit and Loss Account annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

**We 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 this report are in compliance in all material aspect with the accounting standard referred to in Section 211 (3C) of the Companies Act, 1956 (Refer Note No. 'AD' & 'AE').
- 5) On the basis of written representation received from directors and taken on record by the Board of Directors, we report that the none of the director disqualified from being appointed as director under Sec. 274 (1) (g) under Companies Act, 1956.
- 6) *The financial statements are prepared on a going concern basis even though the company has substantial accumulated losses, its activity is stand still and has eroded its networth as explained in note 'R' in respect of which we are unable to express an opinion.*

- 7) *With respect to Loans & Advances of Rs. 164.83 lacs and sundry debtors of Rs. 190.66 lacs which are 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.*
- 8) *Attention is drawn to Note No. "N" regarding non confirmation of balances of loans and advances, sundry debtors, Assets given on lease.*
- 9) *Attention is invited to Note No. "O" regarding the shares, which are neither transferred in the name of the Company nor the Company is holding the shares with valid transfer deed.*
- 10) *Attention is invited to Note No. "Q" regarding appointment of Company Secretary and Managing Director as required by Section 383A and Section 269 respectively of Companies Act, 1956.*
- 11) *We further report that resultant impact of observation made by us in paragraph 6 to 10 above on the loss for the year and current assets, liabilities and balance in profit & loss account at the year end is unascertainable and accordingly cannot be commented upon by us.*
- 12) 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, 2002 and
  - ii) in the case of the Profit and Loss account of the loss for the year ended on that date.
- 13) 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 :
  - i) The Company is maintaining proper records/details 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 sent 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.