

**21<sup>st</sup>**  
**ANNUAL REPORT**  
**2002-2003**



**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

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

#### MANAGEMENT COMMITTEE

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

#### 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

## MEGA FIN ( INDIA ) LIMITED

### NOTICE

Notice is hereby given that 21<sup>th</sup> Annual General Meeting of the Members of Mega Fin (India) Ltd will be held on Friday, 30<sup>th</sup> September, 2003 at 12.00 p.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, 2003 and Balance Sheet as at the date.
2. To appoint a Director in place of Mr. Ajay 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.
- c) The Register of Members and the Transfer Books of the Company will remain closed from 22<sup>nd</sup> September, 2003 to 30<sup>th</sup> September, 2003 (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 : 29<sup>th</sup> August, 2003

Sd/-  
Ajay Mittal  
Director

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

Dear Shareholders,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report of the Company together with Audited Statement of account for the year ended 31<sup>st</sup> March, 2003.

**1. FINANCIAL RESULTS**

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

	Year ended 31.03.2003 Rs.	Year ended 31.03.2002 Rs.
Gross Income	67,564	52,929
Profit/ (Loss) Before Depreciation	(324,774)	(5,521,707)
Depreciation	319,442	319,442
Profit/ (Loss) Before Tax	(644,216)	(5,841,149)
Provision for Tax	NIL	NIL
Profit/ (Loss) After Tax	(644,216)	(5,841,149)
Add : Excess Provision of earlier year written back	47,66,653	NIL
Dimunition in Investment	NIL	NIL
Prior year Income	NIL	NIL
Doubtful Debts written back	15,000	NIL
Less : Income Tax (Refer Note 'M')	NIL	1,143,867
Prior Year Expenses	750	15,000
Short Income Tax provision of earlier years provided	NIL	1,385,407
Balance Carried to Balance Sheet	41,36,688	(8,385,423)

**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 Reserve 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.0.68 Lacs against Rs. 0.53 lacs for the previous year. The loss after tax is Rs.6.44 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. PERFORMANCE 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. Ajay Mittal , Director retires by rotation and being eligible offer himself for re-appointment.

#### **8. CORPORATE GOVERNANCE**

During the year under report, your Company is required to implement the requirements of the Code of Corporate Governance in accordance with Clause 49 of the Listing Agreement with the Stock Exchange and has complied accordingly to the best of its ability, as detailed in a Report on Corporate Governance included as part of the Annual Report.

#### **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 with NSDL and CDSL .

The total dematted shares as per the certificate issued by M/s Bigshare Services Pvt. Ltd as on 31<sup>st</sup> March, 2003 is 11,000 Shares.

## 10. SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE

The Share Transfer / Investor Grievance 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.

## 11. 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.

## 12. AUDITORS

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

## 13. 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.

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

#### 15. AUDITORS REPORT

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

#### 16. 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 : 29<sup>th</sup> August, 2003.

**ANNEXURE TO DIRECTOR'S REPORT**  
**Particulars under the Companies (Disclosure of Particulars in the**  
**Report of the Board Of Directors) Rules, 1988.**

**CORPORATE GOVERNANCE REPORT :**

Your Company come within the purview of Clause 49 of the Listing Agreement during the year under review and accordingly, a Report on Corporate Governance , in the manner specified is given here below:

**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 interaction 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.

**BOARD OF DIRECTORS**

The Board of Directors consists of three members, comprising three non-executive Directors nominated by the board.

Particulars of the directorship of the board, membership and office of the Chairman of Board/committees across all companies and attendance at Board Meeting and Annual General Meeting of the Company are given below :

Name of Director	Non-Executive /Independent	No of outside Directorships In Public	Membership held in Committee of Directors	Chairmanship held in Committee of Directors	No Of Board Meetings attended	Whether attended Last AGM
Mr. Ajay Mittal	Non-Executive	0	3	1	5	1
Mr.Ashok Mittal	Non-Executive	0	3	0	3	0
Mr.Sanjay Mittal	Non-Executive	0	3	0	2	1

During the financial year 2002-03 five Board Meetings were held on 2<sup>nd</sup> May, 2002, 29<sup>th</sup> July, 2002, 23<sup>rd</sup> August, 2002, 30<sup>th</sup> October, 2002, and 30<sup>th</sup> January, 2003 and the Annual General Meeting was held on 27<sup>th</sup> September, 2002.



## 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 Audit Committee of the Company has such powers as are detailed under Section 292A of the Companies Act, 1956 and also Clause 49(ii)© of the Listing Agreement.

## COMPOSITION

The Audit Committee of the company was constituted by the Board during the year 2001-02. 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

During the Financial Year ended 31<sup>st</sup> March, 2003, Three Audit Committee Meetings were held on 29<sup>th</sup> July, 2002, 30<sup>th</sup> October, 2002 and 30<sup>th</sup> January, 2003.

Name of Director	Category	No. of Audit Committee Meeting Attended
Mr. Ajay Mittal	Non-Executive	3
Mr. Ashok Mittal	Non-Executive	3
Mr. Sanjay Mittal	Non-Executive	3

**REMUNERATION COMMITTEE**

Your Company has not constituted a Remuneration Committee, since there are no remuneration paid to the Directors of the Company.

**SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE**

The "TRANSFER-CUM-SHAREHOLDERS'/INVESTORS'GRIEVANCE COMMITTEE held its meeting on 2<sup>nd</sup> April,2002, 23<sup>rd</sup> May,2002, 6<sup>th</sup> September,2002, 18<sup>th</sup> October,2002,3<sup>rd</sup> January, 2003 and 24<sup>th</sup> March,2003. The Members of the Committee are:-

Name	Category	No. of Audit Committee Meeting Attended
Mr. Ajay Mittal	Non-Executive	6
Mr.Ashok Mittal	Non-Executive	6
Mr.Sanjay Mittal	Non-Executive	6

The Transfer – Cum-Shareholders /Investors' Grievance Committee redresses all investors' grievances with due diligence. The powers of approving the issue of duplicate certificate and all matters connected with securities' transfers, transmissions, sub-divisions, consolidations etc, vests with the committee. At every meeting of the transfer-cum Shareholders'/Investors' Grievance Committee, a periodic summary statement, depicting transfer, transaction, etc of the securities of the company, is placed before the committee and a thorough review thereof is made.

During the year there were no complaints received . All valid share transfers received during the year ended 31<sup>st</sup> March, 2003 have been acted upon and there were no share transfer pending as on 31<sup>st</sup> March, 2003.

**GENERAL BODY MEETINGS :**

Location and time where the last three Annual General Meetings were held are as under:-

Financial Year	Date	Location of the Meeting	Time
1999 – 2000	29-09-2000	Conference Room of Twin Arcade 5 <sup>th</sup> Floor, Military Road, Andheri (E), Bombay – 400 059.	10.30 a.m.
2000 – 2001	29-09-2001	Conference Room of Twin Arcade 5 <sup>th</sup> Floor, Military Road, Andheri (E), Bombay – 400 059.	10.30 a.m.
2001 – 2002	27-09-2002	Conference Room of Twin Arcade 5 <sup>th</sup> Floor, Military Road, Andheri (E), Bombay – 400 059.	11.00 a.m.