

DIRECTORS' REPORT

Dear Members,

Your Directors are hereby present their 38th Annual Report together with the Audited Accounts for the financial year ended 31st March,2020.

1. RESULTS OF OUR OPERATIONS**Summarized Standalone Financial Results- Mega Fin (India) Limited**

Particulars	Year Ended 31.03.2020 (Rs.)	Year Ended 31.03.2019 (Rs.)
Income	2252895	2110846
Expenditure	2144525	2153386
Profit/(Loss) Before Depreciation and Tax	(705590)	(42540)
Profit/(Loss) Before Tax and Exceptional Items	(705590)	(42540)
Exceptional Items (Net)	Nil	Nil
Prior period Items(Net)	Nil	Nil
Profit/(Loss) After Tax	(705590)	(42540)

i.) Results of operations:

During the year under review your Company has reported a total income of ₹22,52,895 as compared to ₹21,10,846 for the previous year. Further, your Company has reported loss of ₹7,05,590 as compared to the loss of ₹ 42,540 in previous year.

ii.) Dividend

In view of accumulated losses, your Directors regret their inability to recommend dividend for the financial year ended 31st March, 2020.

iii.)Particulars of loans, guarantees or investments by company

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

iv.) Fixed Deposits

The Company has not accepted any deposits, within the meaning of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of deposits) Rules, 2014.

v.) Particulars of Contracts or arrangements made with related party (ies)

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of sections 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required. Further, there are no material related party transactions during the year under review with Promoters, Directors or Key Managerial Personnel. The Company has developed a Related Party Transactions framework through Standards Operating Procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee as also before the Board for approval. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited and a statement giving details of all Related Party Transactions are placed before the Audit Committee and Board for review and approval on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web link of the same has been provided in the Corporate Governance Report. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

vi.) Material changes and commitment, if any, affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

vii.) Share Capital

The paid- up equity share capital of the Company as at March 31, 2020 stood at Rs. 9,17,78,500/- (Rupees Nine Crore Seventeen lakhs Seventy Eight Thousand Five Hundred only)

I.) BUSINESS AND FUTURE OUTLOOK:**i.) Business**

Mega Fin (India) Limited (MFIL) is a part of the India's private sector financial services companies, the Shares of the Company are listed on Bombay Stock Exchange (BSE). The Company is a core investment Company & has interests in financing and advancing short term and long term loans and credits to individuals, companies or association of individuals by whatever name called; merchant banking; commercial financing; stock broking; other activities in financial services.

ii.) Subsidiaries and Associates

During the year, Your Company disposed of its subsidiary company namely Mega Capital Broking Private Limited on 08th January, 2020. Accordingly, as on 31st March, 2020 your Company does not have any Subsidiary Company or Associate Company.

II.) CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. The Company has been following the principles of good Corporate Governance over the years and lays strong emphasis on transparency, accountability and integrity. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with BSE, a separate section on Corporate Governance forms part of this Annual Report.

i.) Number of meetings of the Board

During the year Four Meetings were held. The details of the meetings of the Board held during the financial year 2019-20 forms part of the Corporate Governance Report. The intervening gap between any two meetings did not exceed 120 days as prescribed by Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

ii.) Committees of the Board

Currently the Board have 3 Committees namely Committee of Directors, Audit Committee, Nomination and Remuneration Committee and Share Transfer, Investor Grievances & Stakeholders Relationship Committee. A detailed note on Board and its committees is provided under the corporate governance section to this annual report.

iii.) Board Diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage difference in thought, perspectives, knowledge, skill, regional and industry experience, cultural and geographical background. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors and the same is available on our website www.megafinindia.com.

iv.) Remuneration and Nomination Policy

The Board of Directors of the Company has an optimum combination of Promoter Director and Non-Executive Independent Directors, who have knowledge of the business and industry. The composition of the Board is in conformity the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and Companies Act, 2013.

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Policy Personnel and Senior Management of the Company. This Policy also lays down criteria for selection and appointment of Board Members.

v.) Declaration by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi.) Board evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The performance evaluation of the Chairman and the non-independent Director(s) was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

None of the independent directors are due for re- appointment.

vii.) Programmes for familiarisation of Independent Directors

The details of programmes for familiarisation of Independent Directors with the Company, nature of the Industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company i.e. <http://megafinindia.com/downloads/Familiarisation%20Programmes.pdf>

viii.) Appointment

During the year Ms. Sonal Gupta was appointed as Chief Financial Officer w.e.f. May,2019 and Mr. Mahesh Mahatre was appointed as Chief Executive Officer w.e.f. May,2019

Also during the year Mr. Mahesh Sharma was appointed as Independent Director by Shareholders in their meeting held on 30th September,2020 office for the period of Five years.

ix.) Resignation

None of the Director or Key Managerial Personal resigned from Company.

Ms. Mandeep Chhabra, Company secretary of the Company resigned w.e.f. 30th July,2020.

x.) Re-appointment

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Shweta Phanse – Director will be retire by rotation and being eligible, offer herself for re-appointment at the ensuing Annual General Meeting.

Brief details of the Director proposed to be appointed / Re – appointed as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notice of the Annual General Meeting and forms an integral part of this Annual Report.

xi.) Directors responsibility statement

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) In the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have 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 at the end of the financial year and of the loss of the company for the year ended on that date;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

III.) AUDIT AND AUDITORS'

i.) Statutory Auditors'

Kankani Jain Chopra and Company, Chartered Accountants, Mumbai, Statutory Auditors of the Company, was appointed as Statutory Auditors of the Company for a period of five year from the conclusion of 35th Annual General Meeting till the conclusion of 40th Annual General Meeting to be held in the year 2022. The requirement of Annual ratification of Auditors' appointment at the AGM has been omitted pursuant to the Companies Amendment Act, 2017 notified on May 7, 2018.

Auditors Report:

Qualifications in the Audit Report is as under:

The Financial statement have been prepared by the management on a going concern basis even though the company has substantial accumulated losses, its activity is stand still and it has eroded its Net Worth in respect of which we are unable to express an opinion whether the Company can now operate as a going concern or not.

Management's response to the qualifications in the Audit Report is as under:

The Company is taking reasonable steps to improve the financial stability of the Company and to revive the company.

ii.) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Aabid & Co, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as *Annexure-I* to this Report.

Secretarial Standards Compliance

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

iii.) Significant and material orders passed by the regulators or courts

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

iv.) Internal control systems and their adequacy

Your Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken by the management are presented to the Audit Committee. To maintain its objectivity and independence, the internal Audit function reports to the Chairman of the Audit Committee.

IV) EXTRACT OF ANNUAL RETURN

In accordance with Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **Form No. MGT-9** has been placed on the website of the Company and can be accessed at <http://www.megafinindia.com>

V) CORPORATE SOCIAL RESPONSIBILITY

Your Company sincerely believes that growth needs to be sustainable in a socially relevant manner. Today's business environment especially in India therefore demands that corporates play a pivotal role in shouldering social responsibility. Your Company is committed to its endeavor in social responsibilities for benefit of the community.

VI) HUMAN RESOURCES

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff. The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

Further statutory disclosures w.r.t. Human Resources are as under:

- i.) As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on Sexual Harassment (Wiz as updated on the website of the Company <http://megafinindia.com/>) at workplace with a mechanism of lodging complaints. Its redressal is placed on the internet for the benefit of its employees. During the year under review, no complaints were reported to the Board.
- ii.) None of the Managerial personnel is being paid any remuneration and hence the information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not relevant.

None of the employees listed is a relative of any director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

Key Managerial Personnel

Sl. No.	Designation	Name of Persons
1.	Chief Executive Officer	Mahesh Mhatre Gajanan
2.	Company Secretary	Mandeep Chhabra (upto 30 th July,2020)
3.	Chief Financial Officer	Sonal Gupta

VII) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Companies Act, 2013, forms part of Annual Report.

VIII) VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to report genuine concerns or grievances. The Vigil Mechanism/ Whistle Blower Policy may be accessed on the Company's website i.e. <http://megafinindia.com/governance.html>

IX) RISK MANAGEMENT

Your Company is well aware of risks associated with its business operations and various projects under execution. Comprehensively risk management system is being put in place involving classification of risk, adoption of risk mitigation measures and a strong mechanism to deal with potential risks and situation leading to rise of risks in an effective manner.

Senior Professionals conversant with risk management systems have been entrusted with the said task with a brief to implement the risk management.

X) HEALTH, SAFETY AND ENVIRONMENT:

As a responsible corporate citizen, your Company lays considerable emphasis on health, safety aspects of its human capital, operations and overall working conditions. Thus being constantly aware of its obligation towards maintaining and improving the environment, all possible steps are being taken to meet the toughest environmental standards on pollution, effluents, etc. across various spheres of its business activities.

XI) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of Company (Accounts) Rules, 2014 is not applicable to your Company. There neither were any earnings nor outgo of Foreign Exchange.

XII) STATUTORY INFORMATION

The Business Responsibility Reporting as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is not applicable to your Company for the financial year ended March 31, 2020.

XIII) LISTING:

At present the Company's Equity Shares are listed at BSE Limited and the Company has paid Listing Fees to the above Stock Exchanges for the year 2020-2021.

XIV) IMPACT OF COVID-19

During the last quarter of FY 2020, COVID-19 spread globally and in India. This had an impact on the business operations of the Company. We started our preparation to respond to this crisis from early March. The company implemented various precautionary measures at each workplace to ensure personal safety and business continuity, such as temperature monitoring, frequent use of hand sanitisers, use of face masks, frequent sanitation of frequently touched surfaces etc. Our Office switched to working with much lower attendance. . We also enabled key employees across the Company to a Work from Home set-up. This ensured continuity and constant ability to support the business.

XIV) APPRECIATION

Your Directors wish to place on record their appreciation for the assistance, support and co-operation received from Government of India, the State Governments and other Government agencies and departments, investors, bankers, financial institutions and all other stakeholders.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board of Directors of

MEGA FIN (INDIA) LIMITED

Ajay S Mittal

Director

DIN: 00226355

Shweta Atul Phanse

Director

DIN: 07146218



Place: Mumbai

Dated: 02nd September, 2020