



*19th
Annual Report
2003-2004*



MEGA CORPORATION LIMITED

Regd. Office: 17, Connaught Place, Greater Ka

BOARD OF DIRECTORS

Mr. Kunal Lalani
Chairman cum Managing Director

Mr. Hemanshu Mehta
Vice Chairman

Mr. H.M. Lalani
Director

Mr. N.K. Nayak
Director

AVM K.S. Venkataraman
Director

Mr. S.L. Golchha
Director

Mr. Kirti Azad
Director

Mr. Sachin Mehra
Director

Mr. Surendra Chhalani
Whole Time Director

Ms. Jyotika Mittal
Company Secretary

Auditors
M/s Sipani & Associates, Delhi

Principal Bankers
ICICI Bank Ltd.,
CITI BANK N.A.,

Registered Office
N-18 (Mkt.), Greater Kailash-I,
New Delhi - 110048

Registrar (Electronic & Physical)
M/s Intime Spectrum Registry Ltd.
A-31, 3rd Floor,
Naraina Industrial Area,
Phase-I, Near PVR Naraina,
New Delhi - 110 028
Ph.: 51410592, 93, 94
Fax: 51410591
E-mail: delhi@intimespectrum.com

MEGA CORPORATION LIMITED

Regd. Office: N-18 (Mkt.), Greater Kailash-I,
New Delhi - 110048.

PROXY FORM

DP id _____ Client id _____ Folio No _____

I/We _____ of _____

being a Member / Members of **MEGA CORPORATION LIMITED** hereby appoint

Mr./Ms. _____ of _____ as my/our proxy to attend

and to vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company

to be held on Thursday, the 30th day of September, 2004 at 11.00 A.M. Friends Club Limited, 17-A, Friends Colony

(West) New Delhi - 110065 and at any adjournment thereof.

Signed this _____ day of _____ 2004.



Revenue
Stamp

Signature

N.B.

(1) The proxy need not be a member.

(2) The proxy form duly signed across revenue stamp of one Rupee should reach the Company's Regd. Office at least 48 hours before the time of the meeting

----- (TEAR HERE) -----

ATTENDANCE SLIP

(THIS ATTENDANCE SLIP DULY FILLED IN, TO BE HANDED OVER AT THE MEETING)

Name & Address of the Member (in Block Letters) _____

DP id _____ Client id _____ Member's Folio No. _____

Name of Proxy(s) (in Block Letters) _____ No. of shares

held _____ I hereby record my

presence at the Nineteenth Annual General Meeting of the Company held at Friends Club Limited, 17-A,

Friends Colony (West) New Delhi - 110065 on Thursday, the 30th day of September, 2004 at 11.00 A.M.

Members/Proxy Signature

(To be signed at the time of handing over this slip)

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MEGA CORPORATION LIMITED

NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Mega Corporation Limited will be held at Friends Club Limited, Banquet Hall, 17-A, Friends Colony (West) New Delhi 110065 on Thursday, the 30th September, 2004 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date and the Report of Directors and Auditors there on.
2. To appoint a Director in place of Mr. N K Nayak, who retires by rotation, and being eligible, offers him self for reappointment.
3. To appoint a Director in place of AVM K S Venkataraman, who retires by rotation, and being eligible, offers him self for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. APPOINTMENT OF MANAGING DIRECTOR

To consider and, if thought fit to pass with or without modification the following resolution as an ordinary Resolution:-

"Resolved that pursuant to Section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and / or any notification which the Central Government may issue from time to time), approval be and is hereby accorded to revise the remuneration of Mr. Kunal Lalani as Managing Director of the Company with effect from 1st September 2004 for remaining period of his term as set out in explanatory statement to the notice.

"Resolved that for the purpose of giving effect to the above resolution, The Board /committee be and are hereby authorised to take all such actions and give all such directions, or do all such acts, deeds, matters, and things as may be necessary in this regard and further to execute all such deeds, documents and writings as may be necessary in this regard."

"Resolved further that the Board of Directors be and is hereby authorized to increase, vary or amend the remuneration including salary, commission, perquisites and benefits, minimum remuneration and other terms of his appointment from time to time as deemed expedient or necessary".

Place : New Delhi
Date : August 17, 2004

By order of the Board of Directors

(KUNAL LALANI)
Director

NOTES FOR MEMBERS' ATTENTION :

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of him/her self and the proxy need not be a member of the company. The proxy in order to be effective, must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. All the members/proxies should bring the attendance slip sent herewith duly filed for attending the meeting.
3. The instrument of appointing proxy should, however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2004 to 30th September, 2004 (both days inclusive).
5. Members are requested to bring in the meeting their copy of the Annual Report with them as the same will not be provided again as a measure of economy.
6. The explanatory statement pursuant to sec. 173(2) of the Companies Act, 1956 in respect of item numbers 5 is annexed here to and forms part of the Notice.
7. All the documents referred to in the accompanying notice and explanatory statement are open for inspection by the members at the Registered Office of the Company during the working hours between 10.00 A.M. to 1.00 P.M. on all working days for a period of 21 days before the meeting.
8. **Members may please note that as a matter of policy no gifts shall be distributed at the meeting.**
9. Additional information pursuant to Clause 49 of the listing Agreement with Stock Exchanges, on Directors recommended for appointment/re-appointment at the Annual General Meeting is given here-in-below:



MEGA CORPORATION LIMITED

Name of Director	Date of Birth	Date of Appointment	Qualification/ Profession	List of outside Directorship held
Mr. Kunal Lalani	01.08.1960	30.06.2000	B.Com., having vast experience in Business	Crayons Advertising Ltd. V & R Auto Gauges Pvt. Ltd. Sahyog Properties Pvt. Ltd. Vimi Investments & Finance Pvt. Ltd. Crayons Global Finance Pvt. Ltd. Plasopan Engg. (I) Pvt. Ltd.
Chairman/Member of the Committee of The Board of Directors of other Public Limited Companies				Crayons Advertising Limited
Name of Director	Date of Birth	Date of Appointment	Qualification/ Profession	List of outside Directorship held
Mr. N.K. Nayak	02.12.1937	30.6.2000	P.G. in Arts, Retd. I.R.S. Retd. Chief Commissioner Income Tax & Ex - Chairman Income Tax settlement commission	The Colaba Land & Mills Co. Ltd. Vasant Investment Corp. Ltd.
Name of Director	Date of Birth	Date of Appointment	Qualification/ Profession	List of outside Directorship held
AVM K.S. Venkataraman	15.06.1938	30.6.2000	Retd. Commissioned officer of Technical Branch in Indian Airforce	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956 ITEM NO. 5

The board of Directors of the Company in its meeting held on 15th June 2004, subject to the approval of the members and pursuant to all applicable provision of the Companies Act, 1956, had recommended to revise the remuneration of Mr. Kunal Lalani as the Managing Director of the Company for remaining period of his term with effect from 1st September 2004 on the following terms and conditions. The Board of Directors is of the opinion that Mr. Kunal Lalani has significantly contributed for improving the performance and productivity of the Company. Further as per the schedule XIII the approval of the Shareholders by way of ordinary resolution is required.

Your directors recommend the passing of the resolution.

1. Term: 5 years with effect from 30-6-2000 to 29.6.2005
2. Package: Rs. 50,000/- (Rupees fifty thousand only) Salary p.m.
3. Commission not exceeding 1% of the net profits of the company computed in the manner laid down in section 309 (5) of the companies Act 1956, however the actual amount of the commission to be paid will be determined by the Board in respect of every year or part there of and to be considered at the Nil level of the Time being unless further reviewed by the Board at subsequent date.
4. Perquisites in addition to the salary the following perquisites will be given Subject to the condition that the value of all the perquisites taken together shall not Exceed Rs. 1,20,000/- per annum.
 - (1) The expenditure by the company on hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary over and above 10% payable by the Managing Director. However expenditure incurred by the company on gas, electricity water and furnishings shall be valued as per income tax rules 1962. This shall however be subject to a ceiling of 10% of the salary.
 - (2) Medical Reimbursement: Expenses incurred for treatment of self and family Members, subject to a ceiling of one months salary in a year or three months salary over a period of three years.
 - (3) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.
 - (4) Club Fees: Fees of club subject to a maximum of 2 Clubs. This will not include admission and life membership fees.
 - (5) Personal Accident Insurance: Premium not to exceed Rs. 4000/-per annum.

He shall also be eligible to the following perquisites which shall however not to be Included in the computation of the ceiling on remuneration specified in part II of schedule XIII.

(a) Contribution to provident Fund, Superannuation Fund of Annuity Fund will be as per the rules of the company and to this extent these either singly or put together are not taxable under the income tax act, 1961.

(b) Gratuity payable at a rate not exceeding half month's salary for each completed Year of service.

(c) Encashment of leave as per company rules.

Provision of car for use of company's business and telephone at residence not to be considered as perquisite.

Mr. Kunal Lalani is interested in the resolution. No other director is interested or concerned in the resolution.

Place : New Delhi
Date : August 17, 2004

By order of the Board of Directors

(KUNAL LALANI)
Director



MEGA CORPORATION LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting the Nineteenth Annual Report with Audited Accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

Particulars	(Rs. in lacs)	
	Year Ended 31.03.2004	Year Ended 31.03.2003
Sales & Services	344.53	587.74
Other Income	87.54	130.48
Total Income	<u>432.07</u>	<u>718.22</u>
Profit before Interest & Depreciation	91.19	109.93
Less: Interest	2.17	3.18
Depreciation	<u>118.16</u>	<u>146.48</u>
Profit before Taxation	(29.14)	(39.73)
Less: Provision for taxation	2.86	1.09
Deferred Tax	(15.23)	(5.65)
Profit/(Loss) after Taxation	(16.77)	(35.17)
Add : Amount brought forward from previous year	206.21	241.38
Balance carried forward	189.43	206.21

The Company has incurred losses before tax for Rs. 29.14 lacs but company has earned profit before depreciation of Rs. 89.02 Lacs. Heavy capital expenditure have resulted in more depreciation in initial years. But the Capital Expenditure will result in good profits in the coming years.

DIVIDEND

In view of inadequacy of profits, the board has not recommended any dividend for the year ended 31st March, 2004.

MATERIAL CHANGES

There is no material change between the date of the Balance Sheet and the date of this report affecting the affairs of the Company.

OPERATIONS

Radio Taxi division, known as **Mega Cab**, embarked upon its journey with just 11 taxis. But in the following years the division grew in leaps and bounds. Thanks to sound business practices, keen insight and total commitment to quality service. Today **Mega Cab** and its 4-digit call number **1929** is synonymous with not only the most effective but also the most premium service among all the radio taxi brands in the city.

The success of this division can be gauged by the fact that the names like Taj Palace, Marriott WelcomHotel, Trident-Hilton, Convergys, Ranbaxy, HLL, Glaxo Smithkline and more have been included in the list of **Mega Cab** clientele. Some of them even having exclusive arrangements with **Mega Cab**.

With a fleet of 86 cabs, this division has achieved a turnover of Rs.233.05 lakhs in the fiscal year 2003-2004. A similar trend, in fact better, is expected during the current year also. What's more, your division is expected to increase its fleet of cabs to 200 in the current fiscal year.

Another feather in the company's cap is that it has achieved its goal of starting operations from the Airport. As a matter of fact it has already started operations from both terminals of the Airports of New Delhi since June 2004.

Another heartening piece of news is that your division has at last been successful in getting the permit for operations of its services/Cabs in National Capital Region. Another boom is expected in the business due to this permission cabs will also operate in total NCR, and not to be restricted to Delhi alone.

With these achievements your company is riding high on success and is on the way to increasing its turnover much more than the last year.

Media Division of the Company has achieved a turnover of Rs. 111.48 Lacs in the last year and we are expected that we could do much better in the current financial year than last year



CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with Stock Exchange, Management Discussion and Analysis Report and Corporate Governance Report are annexed and form part of the Directors Report.

DIRECTORS

Mr. N K Nayak and AVM K S Venkataraman, Directors of the company retire by rotation and being eligible, offer themselves for reappointment,

AUDITORS

M/s Sipani & Associates, Chartered Accountants, Auditors of the company who retire at the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956. Your directors recommend their re-appointment.

AUDITORS' REPORT

Notes appearing in the schedule of notes as referred by the auditors in their report are self explanatory.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURES

Foreign exchange earning during the year was Nil and outflow during the year was also Nil. Since your company does not own any manufacturing facility, the particulars pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not required.

AUDIT COMMITTEE

The Committee was constituted in June 2001 as prescribed in Clause 49 of the Listing Agreement. The role and powers of the Audit Committee are as laid down under the relevant clause of the Listing Agreement and Section 292 A of the Companies Act, 1956. It includes reviewing the company's financial reporting systems, adequacy of the internal audit system, compliance with accounting standards and listing agreement entered into with the Stock Exchange and other relevant issues.

PARTICULARS OF EMPLOYEES

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Rules, 1975, as amended are not applicable as there is no employee drawing remuneration beyond the stipulated amount provided in the said rules.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) pursuant to the Companies (Amendment) Act, 2000, the Board of Directors confirm as under:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
- the Directors had 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 the affairs of the Company at the end of the Financial year and of the Loss of the Company for that period
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- that the Directors had prepared the annual accounts on going concern basis.

FIXED DEPOSITS :

The company did not accept/renew any fixed deposit during the year under review. The deposits outstanding as on 31st March, 2004 was Nil.

ACKNOWLEDGEMENTS

Your directors place on record their thanks for the dedicated services rendered by all the employees in its offices and also acknowledge the co-operation, assistance and support extended by the company's bankers and shareholders.

Place: New Delhi
Date: 15th June 2004

By order of the Board of Directors

(KUNAL LALANI)
Chairman