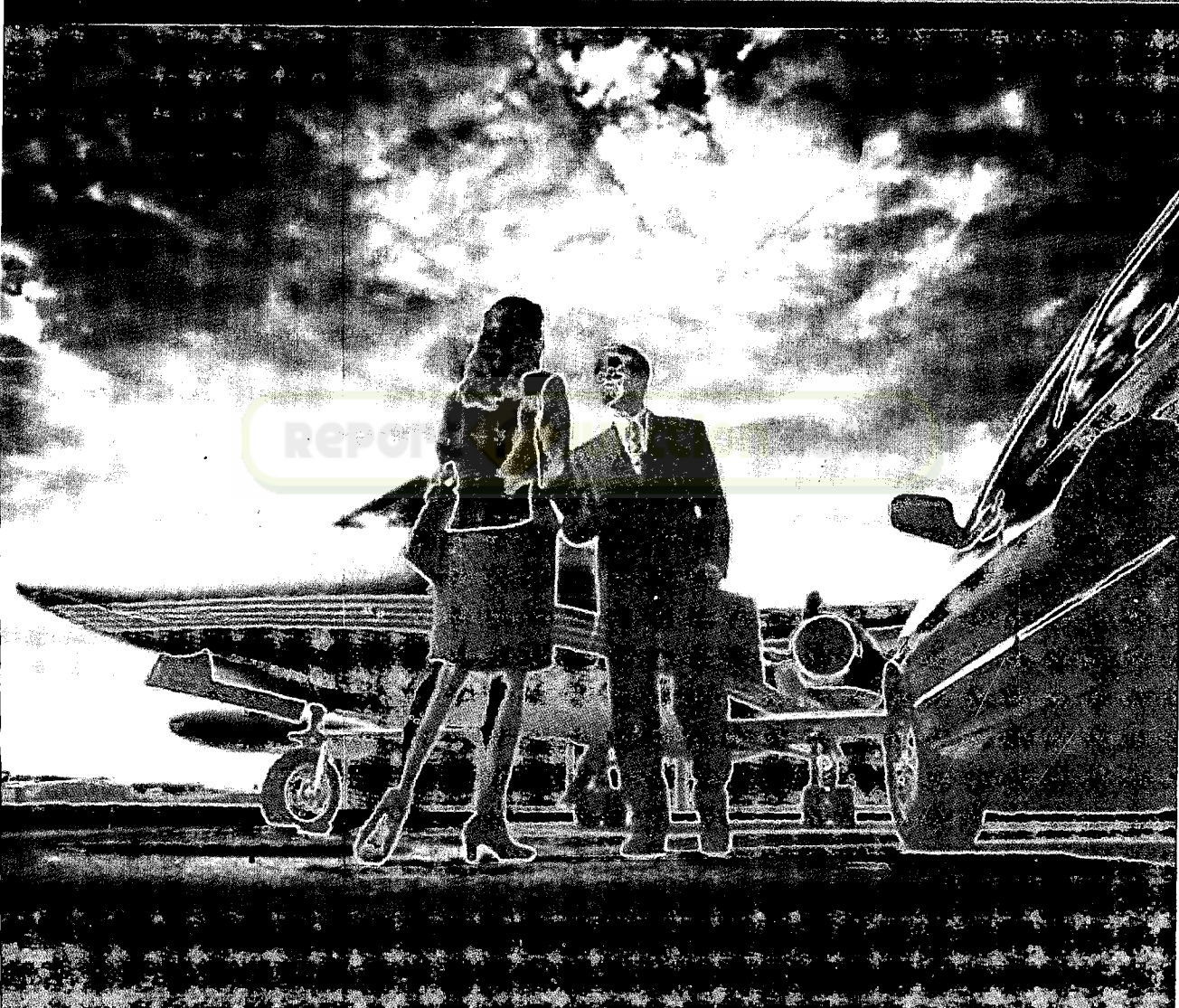


# MEGA CORPORATION LIMITED

22nd ANNUAL REPORT

2006-2007

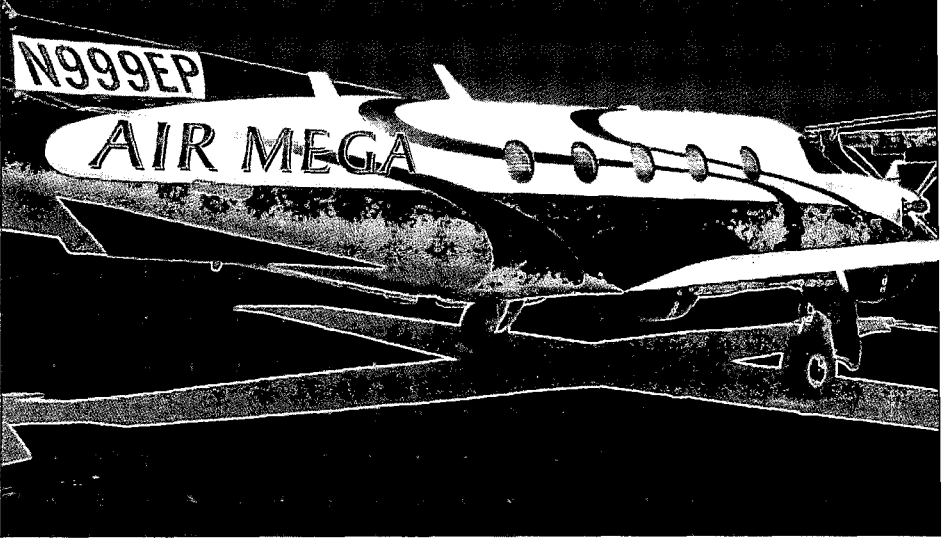
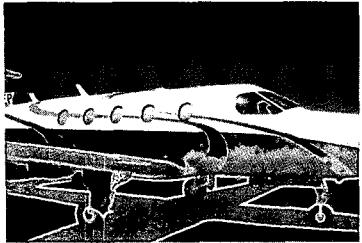
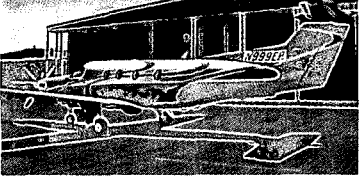


MEGA PREMIUM TRANSPORTATION SERVICES



**MEGA-CAB**  
24 HR. METERED RADIO TAXI SERVICE  
CALL **1929**  
OR **41414141**

SANSKROTI



**Board of Directors**

- Mr. Kunal Lalani**  
Chairman and Managing Director
- Mr. Hemanshu R. Mehta**  
Whole Time Director
- Mr. Surendra Chhalani**  
Whole Time Director
- Mr. H. M. Lalani**  
Director
- AVM K. S. Venkataraman (Retd.)**  
Director
- Mr. Sachin Mehra**  
Director
- Mr. Ramanath Sahoo**  
Company Secretary

*"worry about being batter;  
bigger will take care of itself.  
think of one customer at a time  
and take care of each one  
the best way you can"*

**Auditors**

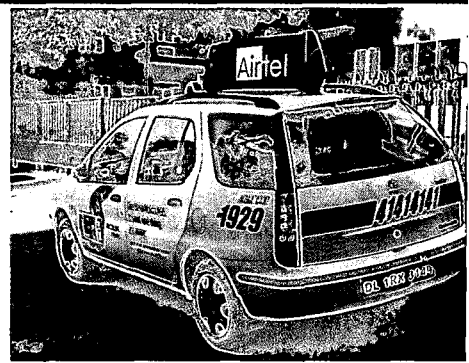
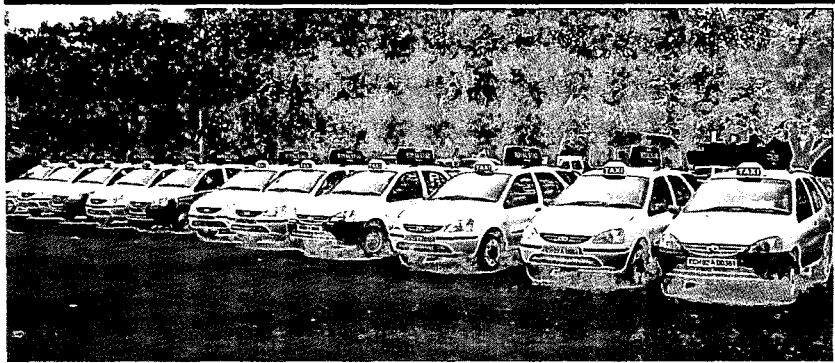
M/s Sipani & Associates, Delhi

**Registrar and Transfer Agent  
(Electronic & Physical)**

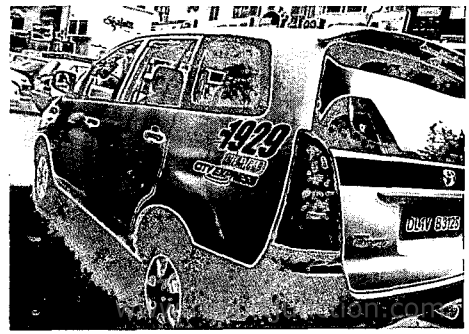
M/s Intime Spectrum Registry Ltd.:  
A-40, 2nd Floor, Naraina Industrial Area,  
Phase-II, New Delhi - 110028  
Ph.: 011-41410592, 93, 94 Fax: 41410591  
E-mail: delhi@intimespectrum.com

**Registered Office**

HS-9, 1st Floor, Kailash Colony Market,  
New Delhi - 110048,  
Ph.: 011-41516171 Fax: 29244333  
E-mail: info@megacorp Ltd.com



**MEGA CAB**  
24 HR. METERED RADIO TAXI SERVICE  
CALL **1929**  
OR **41414141**





## MEGA CORPORATION LIMITED

### NOTICE

To  
The Members

NOTICE is hereby given that the Twenty-Second Annual General Meeting of the Members of **Mega Corporation Limited** will be held at **ROYAL PARK HALL, Masjid Moth, Greater Kailash Part-II, New Delhi -110048** on Saturday, the 29th September, 2007 at 10 A.M. to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 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 AVM K.S. Venkataraman (Retd), who retires by rotation, and being eligible, offers him self, for reappointment.
3. To appoint a Director in place of Mr. Surendra Chhalani, 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.

**Place:** New Delhi  
**Dated:** 31.08.2007

By Order of the Board  
For **MEGA CORPORATION LIMITED**

**(KUNAL LALANI)**  
Managing Director



## MEGA CORPORATION LIMITED

### NOTES FOR MEMBERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THIS MEETING.
2. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 28.09.2007 to 29.09.2007 (both days inclusive)
4. The Members are requested to:
  - (a) *Bring their copy of Annual Report at the Annual General Meeting.*
  - (b) take the advantage of dematerialisation of shares as Company's scrip has been put under compulsory dematerialisation. Shareholders are requested to get in touch with any Depository Participant for getting the shares dematted.
5. Members desiring any information on the accounts are requested to send their queries to the Company at least one week before the meeting, so as, to enable the management to keep information ready. Replies will be provided only at the meeting.
6. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10 A.M. to 1 P.M. on all working days except Sundays up to the date of this Annual General Meeting.
7. Members may please note that as a matter of policy no gifts will be distributed at the meeting.

**Place:** New Delhi  
**Date:** 31st August, 2007

By Order of the Board  
For **MEGA CORPORATION LIMITED**

**(KUNAL LALANI)**  
Managing Director



# MEGA CORPORATION LIMITED

## 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 vote for me/us and on my/our behalf at the Twenty second Annual General Meeting of the Company to be held at ROYAL PARK HALL, Masjid Moth, Greater Kailash Part-II, New Delhi -110048 on Saturday, the 29th day of September, 2007 at 10 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

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) -----

### MEGA CORPORATION LIMITED ATTENDANCE SLIP

(This attendance slip duly filled in, to be handed over at the meeting)

Day: Saturday

Date: 29.09.2007

Time: 10 A.M.

Place: New Delhi

Member's Folio No. \_\_\_\_\_ DP ID \_\_\_\_\_

No. of shares held \_\_\_\_\_ Client ID \_\_\_\_\_

Name & Address of the Member (in Block Letters) \_\_\_\_\_

Name of Proxy(s) (in Block Letters) \_\_\_\_\_ (To be filled only when shareholder has appointed a proxy)

I hereby record my presence at the Twenty Second Annual General Meeting of the Company held at **ROYAL PARK HALL, Masjid Moth, Greater Kailash Part-II, New Delhi -110048** on Saturday, the 29th day of September, 2007 at 10 A.M

\_\_\_\_\_  
Member/Proxy Signature

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



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## DIRECTORS' REPORT

To  
The Members,  
Mega Corporation Limited

The Director's have pleasure in presenting the Twenty-Second Annual Report with Audited Statement of Accounts of the Company for the financial year ended 31st March, 2007.

### FINANCIAL RESULTS:

(Rs. in lacs)

	Year Ended 31.03.2007	Year Ended 31.03.2006
Income from Operations	607.56	1,326.97
Other Income	6.09	1.38
<b>Total Income</b>	<b>613.65</b>	<b>1,328.35</b>
Profit before Interest & Depreciation	<b>250.13</b>	<b>1,045.25</b>
Less: Interest	26.72	6.12
Depreciation	169.45	60.38
<b>Profit before Taxation</b>	<b>53.96</b>	<b>978.75</b>
Less: Provision for taxation	15.76	75.65
Deferred Tax	8.44	(12.47)
Profit / (Loss) after Taxation	29.76	915.57
Less: Exceptional Items	—	6.74
<b>Net Profit for the Year</b>	<b>29.76</b>	<b>908.83</b>
Add: Amount brought forward from previous year	2,022.49	1,113.66
Balance carried forward to Balance Sheet	<b>2,052.25</b>	<b>2,022.49</b>

### DIVIDEND:

In order to strengthen the financial position of the Company, your directors are of the opinion that profits be ploughed back into the working of the Company. Therefore, no dividend is proposed.

### PUBLIC DEPOSITS:

Your Company has not accepted any deposits with in the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

### 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:

The company has achieved a turnover of Rs. 607.56 lakhs (previous year Rs. 1,326.97 lakhs). The income from Radio Taxi Services showed a growth of 52% accumulating Rs. 547.24 lakhs (previous year Rs. 358.92 lakhs). The decrease in profit mainly because there was negligible investment activity during the year. Your company concentrated mainly on Radio Taxi activity.

Profit before Interest & Tax (Interest, Depreciation, Tax and exceptional item) is Rs. 250.13 Lakhs as against Rs. 1,045.25 lakhs in the previous year.

"Mega Cab" The brand name is now well known to the premium travelers in Delhi & NCR, Haryana and also in Chandigarh. We intend to provide world class experience in traveling which will change the way people commute. Just a call to 41414141 will bring an international standard of service at the doorstep of commuters. Mega Cab offers quick response, safety, affordable and comfortable air-conditioned service with latest GPS & GPRS technology.

The Company is expected to increase its fleet size to 1000 by the next year.



The Company ensures that every driver is well trained and groomed with thorough knowledge of the area in order to be of good assistance to the travelers and tourists moving in the city. The services offered by Mega Cab would be customer friendly at most competitive rates.

The Company has received permission to operate Non-Scheduled Air Transport (Charter) Services from Ministry of Civil Aviation. The company has entered into an agreement for purchase of a PC-12 from USA. The Charter Services will come into operation by September, 2007.

#### **SUBSIDIARIES:**

The Company has three subsidiary companies, viz, Mega Airways Ltd, Mega Holidays Ltd. and Mega Cabs Ltd. During the financial year 2006-07 Mega Holidays Ltd. and Mega Cabs Ltd, the subsidiary companies have incurred losses (PAT) of Rs. 1.94 Lacs and Rs. 11.89 Lacs, respectively. The subsidiaries are expected to make profits in the coming year. One of the subsidiaries, Mega Airways Ltd. is yet to start operations. Accordingly, Statement of Accounts of the subsidiary companies as per provisions of Section 212 are attached with the Balance Sheet of the Company.

#### **CORPORATE GOVERNANCE:**

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

#### **DIRECTORS:**

Mr. S.L. Golchha and Mr. Narendra Nayak Directors of the company resigned from the post of directorship on 12.10.2006. Your Board place on record that appreciation for the valuable services rendered by them during their tenure as directors of the company. In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, AVM K.S. Venkataraman (Retd.) and Mr. Surendra Chhalani, Directors of the company retire by rotation and being eligible, offer themselves for reappointment. Your directors recommend their reappointment.

#### **AUDIT COMMITTEE:**

The audit committee has met and reviewed the financial statements for the financial year ended 31.03.2007 and has not given any adverse observations. It has also recommended the re-appointment of M/s Sipani & Associates, Chartered Accountants, as statutory auditors of the Company.

#### **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:**

The auditors have given certain observations in their report. Clarifications to auditors' observations are as under:

Para 9(a) of annexure to Auditors' Report: Few payments of statutory dues were delayed but company has deposited the same little late with interest. Para 21 of annexure to Auditors' Report: An interim order was passed by Securities and Exchange Board of India (SEBI) directing the company not to alter its equity capital structure. Your company has filed an appeal with SAT against the said order. The matter is still pending with SEBI. The company has submitted all required information in this regard, and is hopeful to have a favorable order.

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

Foreign exchange earning during the year was Rs. 4,354,553/- (includes refund of advance payment on cancellation of agreement for purchase of an Aircraft which was signed in the preceeding year) (Previous Year Rs. 59,633/-) and outflow during the year was Rs. 3,465,806/- (Previous year Rs. 5,031,152/-). 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.

**LISTING:**

Presently the Company's equity shares are listed on the following Stock Exchanges: The Delhi Stock Exchange Association Ltd. and Bombay Stock Exchange Ltd. (BSE)

The Company has already made an application to Delhi Stock Exchange for de-listing of its Equity shares. Listing fee has been paid to Bombay Stock Exchange Ltd. (BSE)

**PARTICULARS OF EMPLOYEES:**

No employees covered within the purview of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- b) that 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 Profit of the Company for that period.
- c) that the directors had taken proper and sufficient care for the maintenance of adequate 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
- d) that the directors had prepared the annual accounts on a going concern basis.

**EMPLOYEES RELATIONS:**

The industrial relations continued to be cordial and harmonious. Your directors wish to place on record the appreciation for the devoted services rendered by the Workers, Staff and executives of the Company at all levels and other employees who have contributed to the efficient and successful management of the Company.

**ACKNOWLEDGMENTS:**

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.

**For and on behalf of the Board of Directors**

**Place:** New Delhi

**Date:** 05.06.2007

**(KUNAL LALANI)**

Chairman and Managing Director

## MANAGEMENT DISCUSSION & ANALYSIS

This chapter on Management Discussion and Analysis forms a part of the compliance report on Corporate Governance.

### 1. Industry Structure and Developments:

#### Radio Taxis

Radio Taxis are the demand of today's service-conscious passenger. He wants nothing but the best and is ready to shell out his pockets for convenience and satisfaction. The future is promising and bright for these comfortable, air-conditioned, responsive and professional services.

Running on advanced technologies like GPS and GPRS these 24x7 services are accessible through a single central number to the passenger. A single call to the central station helps in calling the nearest available cab to the passenger within no time.

Government of Delhi is also gearing up for upgrading the Taxi services in order to match the international standards as well as meet the requirements and expectations of Commonwealth Games 2010. The target is to have 20,000 Radio Taxis boasting of world-class services in every aspect.

It wouldn't be wrong to say that the Radio Taxi services are all set to rule the coming future.

Keeping in mind, the Indian scenario, the company has decided to expand its fleet size to over 1,000 luxury cars that would be on road practically 24 hours a day, 365 days by the year 2008.

#### Air-Charter

The demand is slowly but surely emerging. Air-Charter business is opening up new avenues and the time is ripe to enter into this future-oriented and beneficial sector.

Your Company has received permission to operate Non-Scheduled Air Transport (Charter) Services from Ministry of Civil Aviation. The company has made an agreement for purchase of a PC-12 from USA and the Charter (PC-12) will come into operation in August, 2007.

#### Financial Sector

New policies, liberalization, FDIs; the growth of financial sector has never looked so good. Everything and every industry is booming injecting a new life and rapid transformation into the financial sector. Productivity is at an all time high with improving efficiency, and healthy economy is making investments and finances a highly profitable sector.

### 2. Opportunities and Threats:

#### 2.1 Opportunities

##### Radio Taxis

It is expected that the next 7-10 years will see a surge in the city taxi services, presenting a multi-billion opportunity. With the economy on the upswing, consumers are increasingly opting for better services and they are ready to pay for it even if it involves paying extra. Your company seeks to capture this very market through its premium and now well-received Radio Taxi Services.

The concept of Radio Taxi Service has been well established in major cities of India, and is now expanding to major cities of the country. The number of people looking for good services coupled with luxury is increasing everyday unlocking a growth potential that's really gigantic.

##### Air-Charter

The increasing inflow of international tourists visiting India and also with the growth in medical-tourism which is a result of world-class medical facilities provided by leading hospitals, there has emerged a great opportunity in this sector.

And with only a few players in the field, it further presents big potential for growth.