

N-295
24TH ANNUAL REPORT



MEGA CORPORATION LIMITED



24X7 CALL CENTRES

Delhi 41414141

Mumbai 42424242

Kolkata 41414141

Ludhiana 4141414

Amritsar 5151515

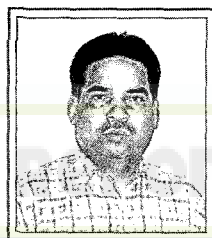
Chandigarh 4141414



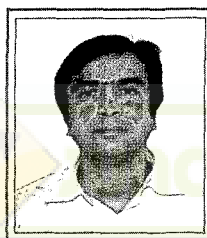
Board of Directors



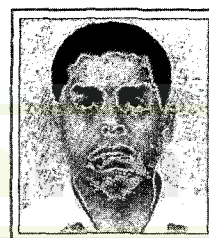
KUNAL LALANI
Chairman Cum Managing Director



SURENDRA CHHALANI
Whole Time Director



MANISH DHARIWAL
Whole Time Director



AVM K.S. VENKATARAMAN (Retd.)
Director



SACHIN MEHRA
Director



HULAS MAL LALANI
Director



RAMANATH SAHOO
Company Secretary

Auditors
M/s Sipani & Associates, Delhi
(Chartered Accountants)

Registrar and Transfer Agent
(Electronic & Physical)

M/s Link Intime India Pvt. Ltd.,
A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110 028
Ph.: 011- 41410592, 93, 94 Fax: 011 - 41410591 E-mail: delhi@linkintime.co.in

Registered Office
Plot No.-550, Nayak Mohalla, Behind Golok Dham Mandir, Bijwasan, New Delhi-110 061
Ph.: 011-41516171 Fax: 011-26382728 Email: info@megacorppltd.com



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Directors' Report



To
The Members,
Mega Corporation Limited

The Director's have pleasure in presenting the Twenty-Fourth Annual Report with Audited Statement of Accounts of the Company for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

(Rs. In lacs)

| Particulars | Year Ended 31.03.2009 | Year Ended 31.03.2008 |
|---|--------------------------|--------------------------|
| Income from Operation | 1352.40 | 900.83 |
| Other Income | 6.46 | 4.37 |
| Total Income | 1358.86 | 905.20 |
| Profit before Interest & Depreciation | 612.34 | 519.27 |
| Less: Interest | 128.92 | 68.28 |
| Depreciation | 345.89 | 257.22 |
| Profit before Taxation | 137.53 | 193.77 |
| Less: Provision for Taxation | 3.29 | 44.52 |
| Deferred Tax | 33.49 | 37.58 |
| Profit after Tax | 100.75 | 111.66 |
| Add: Extra Ordinary items:- | | |
| Depreciation written back | - | 63.33 |
| Add: Amount brought forward From previous year | 2227.24 | 2052.25 |
| Balance carried forward to balance sheet | 2327.99 | 2227.24 |

DIVIDEND

In view of the expansion plans of the company, your directors are of the opinion that profits be ploughed back into the Company. Therefore, no dividend is proposed.

PUBLIC DEPOSITS

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

MATERIAL CHANGES

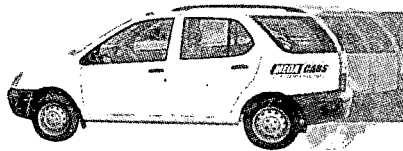
There is no material change between the date of the Balance Sheet and the date of this report affecting the affairs of the Company.

OPERATIONS AND FUTURE PROSPECTS

The year 2008-2009 has been an exciting journey for your company during which we managed to achieve many milestones. Despite the economic slowdown the company has witnessed significant growth in revenues - from Rs.905.20 Lakhs in 2007-08 to Rs. 1358.86 Lakhs in 2008-09. This success has also given Mega Cabs labels such as the 'One Stop Shop for all Customer Travel Needs Company' and 'The Complete Travel Solutions Company'. Profit before Interest, Depreciation, Tax and Exceptional items is **Rs.612.34 Lakhs**, as against **Rs.519.27 Lakhs** in the previous year registering a growth of **17.92%**.

The year has been momentous as your company increased its presence from two cities to five cities. Your company became the only shortlisted player to provide the Radio Taxi services in the three top cities of Punjab, namely: Amritsar, Ludhiana and Mohali. The response has been very good and we are very well received in all the three cities, forming a bond of trust with the customers by our performance and services.

Mega Corporation Limited is engaged in the business of operating Radio Taxi services under the brand name "**Mega Cabs**". It has revolutionised the surface transport system by pioneering a computerised communication and dispatch system with GPS (Global Positioning System) based, online tracking systems for licensed Radio Taxis. Mega Cabs, the largest network of Radio Taxis in India is a 24X7 safe and secure taxi service, operated by courteous staff. Your company provides the most efficient cab service to customers anytime and anywhere in India.



Mega Corporation Ltd.

Mega Corporation Ltd. has evolved over the years and our cabs are on road 24 hours a day, 365 days a year. Initially started in Delhi with 81 taxis in 2001, Mega Cabs has become very successful in a few years time and we have our presence in five major cities of India. We provide a well-organised, dependable cab service, and have the best fleet of Radio Cab services in the country.

The success also brings significant competition in the Radio Taxi segment, especially in Delhi. But as the economy is growing, there is immense scope of growth for the company. And with the Commonwealth Games around the corner and large number of tourists expected, your company plans to expand its business, and by next year, we'll have a fleet of more than 1000 taxis in Delhi alone.

When you dream big, no goal is unachievable

Ever wondered if you could book a plane like a cab? Now, it is trouble-free, convenient and economical to do just that. Simply because your company has launched "Air Mega", an Air Charter Service that uses a single engine, Swiss made aircraft (PILATUS PC-12, Serial No.135). Since its inception, Air Mega has offered valued passengers first-rate services, which meet every commuter's individual needs. Our Charter Services 'Air Mega' has achieved a turnover of Rs.379.21 Lakhs in 2008-09. And the future looks promising too.

SUBSIDIARIES

The Audited statement of Accounts along with Directors' Report for the year ended 31st March, 2009 of M/s Mega Airways Ltd. and M/s Mega Holidays Ltd., as well as the extent of holdings therein are annexed to this Account pursuant to Section 212 of the Companies Act, 1956.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with Stock Exchange, Management Discussion and Analysis Report and Corporate Governance Report together with Auditors Certificate regarding Compliance of the SEBI Code of Corporate Governance is annexed herewith.

DIRECTORS

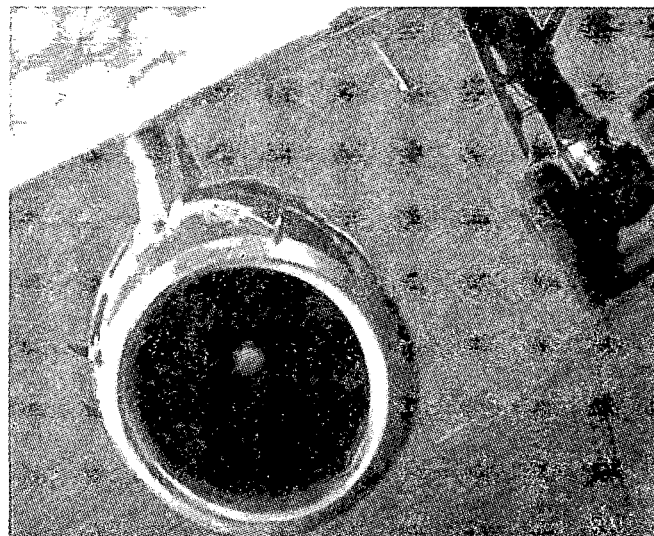
Mr. Ajay Chopra and Mr. Anil Kumar Soni, Directors of the company resigned from the post of Directorship on 03.02.2009. The Board placed on record their deep appreciation of the services rendered by them during their tenure of office.

The Board of Directors at its meeting held on 27th March, 2009 reappointed Mr. Surendra Chhalani as the Whole Time Director of the Company for a period of three years w.e.f. 27th March, 2009 subject to the shareholders' approval at the ensuing AGM.

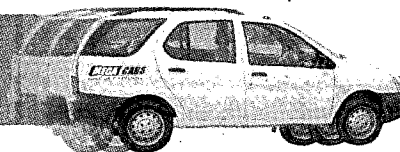
In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, AVM K.S. Venkatraman (Retd.) and Mr. Surendra Chhalani, Directors of the company retire by rotation and being eligible, offer themselves for reappointment. Your directors recommend their reappointment. Brief resumes of the Directors offering themselves for re-appointment are furnished in the explanatory statement to the notice of ensuing Annual General Meeting.

AUDIT COMMITTEE

The audit committee has met and reviewed the financial statements for the financial year ended 31.03.2009 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.



Directors' Report



AUDITORS

M/s Sipani & Associates, Chartered Accountants, Statutory 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. The Board recommends their re-appointment.

AUDITORS' REPORT

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

AS-15 (Employees Benefit) The company is in the process of adopting AS-15 (Revised). Presently the Gratuity Liability is provided on the basis of in house calculation in accordance with the provisions of Payment of Gratuity Act, 1972 and as a result thereof the company has been mentioning the estimated amount of liability on account of Gratuity.

Para 9(b) of annexure to Auditors' Report: Few payments of statutory dues were delayed but the company will deposit the same. (FBT Rs.24,685/-)

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

Your Directors are of the opinion that particulars with respect to conservation of Energy and Technology Absorption as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not relevant in view of the nature of business activities of the company and hence are not required to be given.

The Foreign exchange earning during the year was Nil (Previous Year Nil) and outflow during the year was Rs. 40, 64,288/- (Previous year Rs.9,87, 04,831/-)

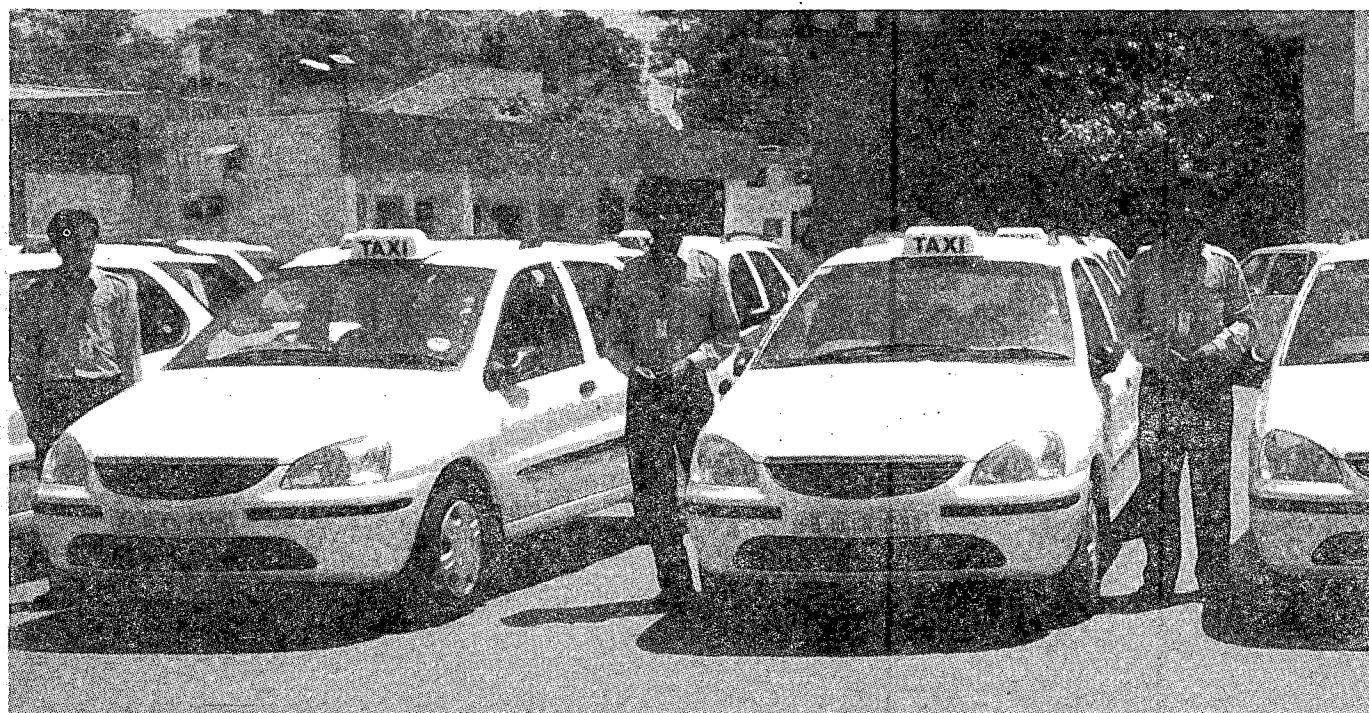
LISTING

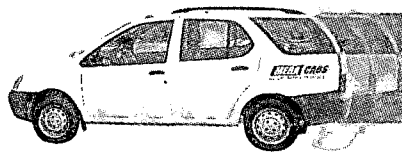
Presently the Company's equity shares are listed on the following Stock Exchanges:
Delhi Stock Exchange Ltd. (DSE) And
Bombay Stock Exchange Ltd. (BSE)

Listing fee has been paid to Bombay Stock Exchange Ltd. (BSE). Since delisting application has been made to DSE so no listing fee has been paid to DSE.

PARTICULARS OF EMPLOYEES

None of the employees of your company is drawing remuneration exceeding limits laid down under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.





Mega Corporation Ltd.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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 to the best of their knowledge and ability 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.

EMPLOYEE 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.

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 banker, financial institutions, customers, suppliers, regulatory & government authorities.

Your directors value your involvement as shareholders and look forward to your continuing support.

Report Junction

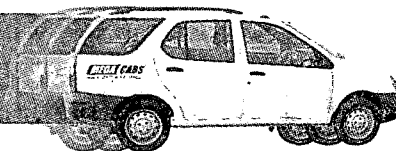
For and on behalf of Board of Directors

Place: New Delhi
Date: 30-06-2009

(KUNAL LALANI)
Chairman and Managing Director



Management's Discussion & Analysis



1. INDUSTRY

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

Our idea of a convenient mode of transportation to travel around the city has borne fruit in the form of Mega Cabs. All customers have to do is dial a number and a taxi appears at their doorstep. Our cab drivers are well-mannered, and the taxis themselves are air conditioned and are equipped with digital fare-meters that print out receipts. Further, a control room helps to track cabs 24-hours a day. And all this for just a little extra charge over the regular black & yellow taxis.

The concept of Radio Taxi took off in 2006-07, with many players setting up operations in multiple cities. With the Commonwealth Games around the corner and considerable foreign tourists expected, the radio taxi plan is finally getting the much-needed push. Mega Cabs has focused operations in Delhi/NCR and is firmly in position to take advantage of this emerging scenario. In addition to ease of booking, safety and customer service, transparency by way of an accurate fare meter has also appealed to customers.

Features such as a GPS-enabled fleet, and round-the-clock availability are central to our operations. Further, we have set up a strong back-end IT infrastructure and deployed sophisticated fleet-management applications to manage the rising scale of our operations and improve customer service.

Every taxi is installed with GPS and GPRS connectivity. Through this we regularly track cabs and communicate with cab drivers. We have also set up an integrated customer interface platform to enable bookings. This is done through common dial-in numbers across the country, SMS requests, and online systems. All of these are integrated into and reflect in the Taxi Dispatch System (TDS), which are an automated, online booking, fleet management and taxi dispatch application. Once a booking is confirmed, our call centre agent sends an SMS or calls the customer with details about the cab, driver, pick-up time and venue.

We Endeavour to Fly Higher

Safe, secure, comfortable and confidential, Air Mega is the answer to all **Air Charter needs**. We provide services similar to all those available on a commercial flight, but have better flight services.

Our exclusive nationwide air charter services are available 24 hours a day & 7 days a week. We have aircraft that is equipped to fly any place on the globe and serve our customers anytime that they need us. Our goals are personalised service and complete safety, and we have been committed to fulfilling these goals ever since our entry in the aviation industry.

The mission of Air Mega is to provide the highest quality of Customer Service delivered with a sense of warmth, friendliness and respect for the individual. We aim to minimise extensive geographical distances for customers by offering efficient business and private air charter services in and out of India. With an appealing combination of convenience and cost efficiency, Air Mega is all set to provide the perfect air travelling experience. Overall, we are determined to go beyond what customers desire and offer them the services they deserve.

Ever-growing Financial Sector

The financial sector in India is in a process of rapid transformation. Its growth at present is nearly 8.5% per year, which is an indicator of the growth of the economy. The country's financial and monetary policies have sustained a stable growth rate. And financial reforms over the last few years have influenced the Indian economy to the core. A major step towards the further opening up of the financial market was the nullification of the regulations that were restricting the growth of India's financial sector where the country witnessed an overall growth of 15%. This sector has in fact, exhibited stability over the last few years although several other markets were going through turmoil. With the opening up of the financial market, a variety of products and services have been introduced to suit the needs of the customer. Banks, capital market participants and insurers have developed a wide range of products and services as well to suit varied customer requirements.

2. Opportunities and Threats

2.1 Opportunities

The Radio Taxi industry has become well established in India, and more and more comfort conscious customers are opting for such taxis, which is creating ample opportunities for the industry. Various companies operating Radio Cab services are expanding their reach across the country and increasing their fleet size to a commendable size.

The Delhi Economic Survey 2007-08, has indicated a 16 per cent increase in Delhi's per capita income over the previous year which will also increase the propensity to spend among a higher number of status conscious, middle class consumers.

Increasing road congestion means it will be more convenient to take a cab, rather than drive and struggle for parking space etc. Also, an increase in the number of multinational companies across metros, will increase the amount of executive travel. Further, such corporations are bulk buyers, which will assure 'Mega Cabs' of a committed number of cabs for their captive use.

Various companies are also taking interest in advertising on Radio Cabs, which is considered an effective medium to reach the masses. This will certainly benefit the Radio Cab industry.

Time is money in the business world. And for those who travel a lot on business or pleasure, it's never a good idea to be stuck at an airport terminal for hours or days, and can be a major drain on time and resources. Now, there is a quick and easy option. Customers can avail the services of our air charter services. After all, we have point to point air and ground transportation, no airline check-in lines, and no parking problems. Also, we fly to airports which are not visited by major airlines, which means our customers avoid