

BOOK POST

Annual Report
2012 - 13



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BOARD OF DIRECTORS

Mr. Surendra Chhalani
Whole Time Director

Mr. Shurab Kumar
Whole Time Director

Mr. Sachin Mehra
Director

Mr. Ajay Chopra
Director

Mr. Hulas Mal Lalani
Director

Ms. Riyanka Jain
Company Secretary

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

Registrar and Transfer Agent
(Electronic & Physical)
M/s Link Intime India Pvt. Ltd.
44, Community Center,
Naraina Industrial Area, Phase-I,
New Delhi-110 028
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I N D E X

• Director's Report	02-04
• Management Discussion & Analysis	05-07
• Report on Corporate Governance	08-16
• Auditor's Report	17-20
• Financial Statements	21-33
• Statement Pursuant to Section 212 of the Companies Act, 1956	34
• Financials of the Subsidiary Company Mega Airways Ltd.	35-44
• Consolidated Financial Statements	45-59

To
The Members,
Mega Corporation Limited

The Director's have pleasure in presenting the Twenty-Eighth Annual Report with Audited Statement of Accounts of the Company for the financial year ended 31st March, 2013. Key financial results are as under :-

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Income from Operation	155.83	183.03
Other Income	70.15	23.47
Total Income	225.98	206.50
Profit before Interest & Depreciation	12.26	28.00
Less: Interest	(22.06)	(64.63)
Depreciation	(135.99)	(159.63)
Profit before Taxation	(145.79)	(196.26)
Less: Provision for Taxation	-	-
Deferred Tax	67.89	50.56
Profit after Tax	(77.90)	(145.70)
Add: Extra Ordinary items	-	-
Add: Amount brought forward	1771.60	1917.30
Balance carried forward to balance sheet	1693.70	1771.60

DIVIDEND

Due to loss, no dividend is proposed by your Directors for the year under review.

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

During the year 2012-2013 the Company earned the revenue of Rs 225.98 Lacs as compared to Revenue of Rs. 206.50 Lacs in Financial Year 2011-12. Profit before Interest, Depreciation, tax and Exceptional items is Rs. 12.26 Lacs as against Rs. 28.00 Lacs in the previous Financial year.

Your Company is engaged in the business of operating Nationwide Air Chartered Services (Non-Schedule Air Craft). Mega Air Chartered provides Safe, secure, comfortable and confidential Journey, with services similar to those available on a commercial flight, but with better flight services. The exclusive air charter service is available 24 hours a day and 7 days a week ready to fly anywhere across the whole nation. With an appealing combination of convenience and cost-efficiency, Mega Air Chartered provides the highest quality of customer service which is personalised and ensures complete safety. It offers the perfect air travelling experience with efficient business and private air charter services in and out of India.

SUBSIDIARIES

The Audited statement of Accounts along with Directors' Report for the year ended 31st March 2013 of M/s Mega Airways Ltd, as well as the extent of holding 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

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Hulas Mal Lalani and Mr. Ajay Chopra, Directors of the company retire by rotation and being eligible, offer themselves for re-appointment. Your directors recommend for their re-appointment. Brief resumes of the Directors offering themselves for re-appointment are furnished herewith.

Mr. Manish Dhariwal and Mr. Shurab Kumar, Directors of the Company had resigned from the post of Directorships on 01.03.2013 and 08.01.2013 respectively. The Board placed on record its deep appreciation of the services rendered by them during their tenure of office.

Mr. Shurab Kumar was appointed as Additional Director of the Company during the year, would cease to hold office at the ensuing Annual General Meeting. The Company received notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as Director of the Company.

The Board of Directors at its meeting held on 25th March, 2013, appointed Mr. Shurab Kumar as a Whole Time Director of the Company for a period of 3 years w.e.f. 25th March, 2013, subject to the approval of the Shareholders at the ensuing Annual General Meeting. Brief resume of Mr. Shurab Kumar is furnished herewith.

AUDIT COMMITTEE

The audit committee has met & reviewed the financial statements for the financial year ended 31.03.2013 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 for the next term.

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. 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 not given any observation in their report.

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. 84,523/- (Previous year Rs. 27,35,242/-).

LISTING

Presently the Company's equity shares are listed on the following Stock Exchanges:

1. Delhi Stock Exchange Ltd. (DSE) and
2. Bombay Stock Exchange Ltd. (BSE)

Listing fee has been paid to Bombay Stock Exchange Ltd. (BSE)

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.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- 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.
- 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.

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

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

For and on behalf of Board of Directors

Place: New Delhi
Date: May 30, 2013

Sd/-
(Surendra Chhalani)
Chairman

1. INDUSTRY

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

As per the Economic Survey 2012-13, in 2011-12 and 2012-13, there has also been a deceleration in growth rate of services sector at 8.2 per cent and 6.6 per cent respectively. Among the major broad categories of services, 'financing, insurance, real estate, and business services', which continued to grow robustly both in 2010-11 and 2011-12 decelerated to 8.6 per cent in 2012-13.

We Endeavour to Fly Higher

Success is not final, failure is not fatal: it is the courage to continue that counts. - Winston Churchill

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 personalized service and complete safety, and we have been committed to fulfilling these goals ever since our entry in the aviation industry.

2. Opportunities and Threats

2.1 Opportunities

Financial Services Sector:

Financial Sector is an ever green market. The following are the growth drivers for the sector which shows the brighter prospects for the segment:



- **Financial Inclusion**
- **Increase in incomes with potentially high penetration of both banking and Share Market products to increase the market size**
- **Regulatory Reforms**

Air Chartered Services Sector:

Air charter services in India have seen a fast track growth in the last few years though it is not a much explored area for business in India but It has a lot of potential in India, which has not so far been tapped by big corporate, big hospitals and tourism. The following are the growth drivers for the sector which presents big potential for growth of the business:



- **Government**
- **VIP movements**
- **Tourism**
- **Medical Insurance Companies**
- **Corporate Travel**
- **Pilgrimage**

2.2 Threats

Regulatory decisions and changes: On the regulatory front, changes in policies by the regulatory authority may impact on the profitability of the Company. The Company may face competitive pressure from other players in the market, which may emerge due to the lucrative market in future.

Since the Air Charter industry is new in India, most people are unaware of its services and benefits. People might be uncertain of using this service due to high costs, and the very affluent are naturally of a limited number. Frequent changes in policies by regulatory authorities come as a hurdle for the Air Chartered Industry. Since a large number of Airways companies have come into the business, your company may face competitive pressures from existing and new players in the market.

So the Government must promote Air Chartered Services and thus help in the growth of this convenient and reliable mode of transportation. Government support is necessary if the Airways industry is to grow at an incredible rate. Rising

fuel prices is another threat to the air charter industry. This along with a limited number of passengers will cause companies to increase their fare and service charges, thus negatively impacting the industry. So, government participation is important to take Indian air charter industry to a world-class level.

However, In spite of all the challenges the Air Chartered industry is facing, the future still looks very bright.

3. Segment Wise performance

During the Year 2012-13, Your Company operated in Finance & Investments and Air Chartered Segment:

	(Rs. In Lacs)	
	Year ended 31.03.2013	Year Ended 31.03.2012
(a) Finance / Investments	62.15	138.70
(b) Air Chartered Services	93.69	44.33
	155.84	183.03

4. Outlook

As per the Economic Survey 2012-13, in the global context, the performance of the financial sector in India will be influenced by both short-term and long-term factors. In the long run, a strong growth in global output will be essential for sustaining investment activities across the globe, including India. In the short run, factors like expectation of higher relative returns, risk perception of investors, and global liquidity will decide the level of flow of funds to the domestic equity market. According to the World Bank's Global Economic Prospects (GEP), January 2013, conditions in the global financial markets have eased significantly since July 2012 reflecting substantial progress in improving fiscal sustainability and the mutual support mechanism in the European Union. Taking into consideration of it your Company also expects a moderate growth.

With scheduled airlines going through a turbulent period, it is time to turn to a more reliable source of flying air charters. There has indeed been a slowdown and the Euro zone crisis has affected not only charter operators but also scheduled airlines. India has also not been isolated from this. However, the scope of the charter market in India is poised to expand as big infrastructure projects are being undertaken by the Indian government and private companies, both domestically and internationally. The key drivers for the growth of air charter services in India are primarily government, VIP movements, tourism, medical insurance companies, corporate travel, pilgrimage, and others. Taking into account this factor, the Air Charter Business is also moving with pace simultaneously and we plan to expand our business in coming years.

5. Risks and Concerns

For a company to grow, necessary risks are always involved. Risks indicate progress, but they are never fixed. They may vary from the industry type to planning strategies and various other factors. Some of the threats concerning this company are:

- Changes in Government policies may affect the company significantly
- Any crises in Gulf countries may pose a major problem for fuel
- Natural Calamities
- Inflation, particularly in India, which could increase our costs and decrease our operating margins;
- Business of Air Chartered service is substantially dependent on foreign tourist
- Though it is an organized sector, it still faces stiff competition from other service providers.

6. Internal Control systems and their adequacy

Effective governance consists of competent management; implementation of standard policies and processes; maintenance of an appropriate audit programme and internal control environment and effective risk monitoring and management information systems.

Mega Corporation Limited (MCL) has both external and internal audit systems in place. Auditors have access to all records and information of the company. The Board and the management periodically review the findings and recommendations of the Auditors and take necessary corrective actions wherever necessary. The Board recognizes the work of Auditors as an independent check on the information received from the management on the operations and performance of the Company.

The company maintains a system of internal controls designed to provide reasonable assurance regarding the achievement of objectives in following categories:

- Effectiveness and efficiency of operations;
- Adequacy of safeguarding of assets;
- Reliability of financial controls and
- Compliance with applicable laws and regulations.

The internal control system provides for well documented policies/guidelines, authorizations and approval procedures. The Company has effective internal audit system, which reviews internal controls periodically to ensure their adequacy and effectiveness

7. Financial Outlook

Complete financial performance of the company has been reviewed. With the expansion plan in place the coming year is expected to be better.

8. Human Resources

The Backbone of your Company

Human resource department is the main force behind the success and growth of any company. People who give hundred percent at work take the company to greater heights and are considered the most valuable resource. The dedication and passion that our employees display at work is commendable. As for the staff at operations centres, finding well trained and well educated employees is not a problem anymore. We have some of the most experienced and the best work force in the air charter industry. Various training programmes and workshops are arranged for employees regularly to keep them updated and improve their skills. This also helps staff in improving their performance levels and keeps them motivated at work. Air Cabs are not mass transportation vehicles. It costs much more to the commuter and is also more personal. Therefore, offering quality services becomes a top priority. Since the Staff is the face of the company, it is crucial to select the best.

9. Risks Management

The Risks Management policies of the Company ensure that all the moveable and immoveable assets of the Company are adequately covered. Strategic plans for the company's businesses take into account likely risks in the industrial environment from competition, changing customer needs, obsolescence and technological changes. The annual plans that are drawn up consider the risks that are likely to impact the company's objectives in that year, and the counter – measures put in place. To manage operational risks, MCL has well documented policies and procedures, which are followed in its day-to-day working. Besides the Company is prone to usual risks of the business like change in demand, any change in policy of the Government, International agreements on trade and tariffs etc.

Company's philosophy on code of Corporate Governance

Mega Corporation Ltd. (MCL) defines Corporate Governance as a systematic process by which companies are directed and controlled keeping in mind the long-term interest of shareholders. The Company emphasizes on transparency, independence, accountability, fairness and social responsibility. It focuses on equitable treatment of all shareholders and reinforces that it is "Your Company" and it belongs to you, the shareholders. The Chairman and the Board of Directors are your trustees pushing the business forward in maximizing long-term value for its shareholders.

MCL's Corporate Governance is based on two core principles:

- Management must have the executive freedom to drive the enterprise forward without undue restraints; and
- This freedom of management should be exercised within a framework of effective accountability.

MCL believes that any meaningful policy on Corporate Governance must empower the Executive Management of the Company. At the same time Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the Executive Management are used with care and responsibility to meet the shareholders aspirations and societal expectations.

The above belief and core principles of Corporate Governance adopted by MCL leads the company's governance philosophy, trusteeship, transparency, accountability and responsibility which in turn is the basis of public confidence in the corporate system.

Board of Directors

Composition and size of the Board

The strength of Board of Directors as at March 31, 2013 was Five. The Board of directors of the company comprise of Executive Directors and Non Executive Directors including Independent Directors. The Board is headed by an Executive Chairman. There are Three Non-Executive Directors and all are Independent Directors as on 31st March 2013.

The following table gives the details of designation, category of directors, number of board meetings attended, attendance at last Annual General Meeting (AGM) and the number of other directorships as at March 31, 2013 held by them in domestic companies

Name	Category	Designation	No. of Meetings Held during The last Fin. Year	No. of Meetings Attended	No. of Membership in Boards of Other Companies	Attendance of each Director At last AGM
Mr. Surendra Chhalani	Executive Director	Whole Time Director	12	12	3	Yes
Mr. Sachin Mehra	Non-Executive & Independent	Director	12	10	5	Yes
Mr. Hulas Mal Lalani	Non-Executive & Independent	Director	12	9	7	No
Mr. Ajay Chopra	Non-Executive & Independent	Director	12	7	2	No
*Mr. Shurab Kumar	Executive Director	Whole Time Director	12	6	1	Yes

*Appointed as Additional director of the Company w.e.f. 30.07.2012, resigned on 08.01.2013 & again appointed as additional director w.e.f. 01.03.2013.

Board Meetings

During the financial year 2012-13, 12 meetings of Board of Directors were held on 30.05.2012, 30.07.2012, 09.08.2012, 16.08.2012, 04.09.2012, 16.10.2012, 09.11.2012, 26.12.2012, 08.01.2013, 14.02.2013, 01.03.2013 & 25.03.2013.

Board's Procedures

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture/promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations, etc. are regularly placed before the Board. This is in addition to information with regard to actual operations; major litigation feedback reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

Committees of the Board**(a) Audit Committee**

The Audit committee of the company meets before the finalization of accounts each year and also meets every quarter before the results of that quarter is published in the newspaper and is also informed to the stock exchanges as required under Clause 41 of the listing Agreement. The Audit committee may also meet from time to time if called by the chairman.

The details of members and their attendance record at the Audit Committee meeting held during the year under review are as follows:

S.No.	Name of Directors	Status	Category of Membership
1.	Mr. Sachin Mehra	Chairman	Non Executive Independent Director
2.	Mr. Ajay Chopra	Member	Non Executive Independent Director
3.	Mr. Surendra Chhalani	Member	Executive Director

During the year 2012-13, the Audit Committee met 5 times as per details given below;

Sr. No.	Date of Meeting	No of Members Present
1.	30.05.2012	2
2.	09.08.2012	3
3.	09.11.2012	2
4.	14.02.2013	3
5.	25.03.2013	2

The Audit Committee has been vested with the following powers:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

Term of reference

The Audit Committee reviews the Report of the internal Auditor with the Statutory Auditors' periodically and discusses their findings. The role of the Audit Committee is as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the appointment, re-appointment and if required the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payments to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit departments, staffing and seniority of the official heading department, reporting structure coverage and frequency of internal audit.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, share holders and creditors
- To review the functioning of Whistle blower mechanism, in case the same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit committee.

The audit committee also reviews the following:-

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- Management letters / Letters of internal control weakness issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses.

(b) Remuneration Committee

Remuneration Committee was constituted to consider and fix from time to time the remuneration payable to the Managing / Whole time Directors. The Committee comprises of three Directors, all of whom are Non-Executive Independent Directors. The committee comprises of Mr. Sachin Mehra, Mr. Ajay Chopra and Mr. Hulas Mal Lalani. Presently the company does not pay any remuneration to any Non-Executive Directors except the payment of sitting fees. During the year, two meetings of the Committee were held on **09th August, 2012** and **25th March, 2013**.

Details of remuneration paid to the executive director(s) for the period 01.04.2012 to 31.03.2013 are as under:

(Amount in Rs.)

Name of Director	Salary (p.a.)	Perquisites & Allowances (p.a.)	Terms of Appointment
1. Mr. Surendra Chhalani	Rs. 5,77,500/-	3,49,500/-	Re-appointed for a period of 3 years
2. Mr. Shurab Kumar	Rs. 3,88,543/-	3,37,578/-	Appointed for a period of 3 years

The Company does not have a stock option scheme.

Remuneration Policy

Remuneration Policy of Mega Corporation Limited is based on the following objectives.

- To determine and recommend to the Board of Directors the remuneration package of the Managerial Personnel;
- To approve in the event of loss or inadequate profits in any year the minimum remuneration payable to the Managerial Personnel considering the limits and subject to the parameters as prescribed under the provisions of the Companies Act, 1956;
- To create a performance oriented culture in the company which is beneficial to its employees and the business as well;
- To ensure that reward, benefit and increment system is performance based and motivational to employees;
- To encourage and support learning and development by identifying the scope and need of the same;
- Such other functions as required or recommended by Board of Directors or under the provisions of the Listing Agreement.

(c) Share Transfer and Shareholders /Investor Grievance Committee:

In compliance with the requirement of Corporate Governance under the Listing Agreement with the stock exchanges, the company has reconstituted the "Transfer and Shareholders"/Investors" Grievance Committee to look into the redressal of Investors' complaints. The committee approves requests for transfer and/or transmission of shares, splitting and consolidation of shares, issue of duplicate share certificates. Further, Company has registered itself for SEBI Complaints Redress System (SCORES) as per the requirement of SEBI Circular No. CIR/OIAE/2/2011 dated 3rd June, 2011.

Constitution of the Committee

Name of the Members	Composition of the Committee
Mr. Sachin Mehra	Chairman
Mr. Surendra Chhalani	Member
Mr. Ajay Chopra	Member

General Body Meetings

(Details about last 3 years Annual General Meetings are as under:)

Sr. No.	Date	Place	Time	Special Resolution
1.	30.09.2010	Royal Park Hall, Masjid Moth, Greater Kailash, Part-II, New Delhi-110048	11.30 A.M	To appoint Mr. Hemanshu Mehta as Whole Time Director
2.	30.09.2011	Royal Park Hall, Masjid Moth, Greater Kailash, Part-II, New Delhi-110048	11.30 A.M	No Special resolution was passed.
3.	29.09.2012	Royal Park Hall, Masjid Moth, Greater Kailash, Part-II, New Delhi-110048	11.30 A.M	To appoint Mr. Shurab Kumar as Whole Time Director

The above Special resolution was passed by vote of show of hands
No Extra-Ordinary General Meeting held during the financial year under review.

POSTAL BALLOT

No resolutions passed through Postal ballot as recommended under Companies (Passing of resolution by Postal ballot), Rules, 2001.

Disclosures

1. The details of transactions with related parties are disclosed in note No.35 under the head Notes forming part of Financial Statements in the Balance Sheet. The relevant details were placed before the audit committee from time to time.
2. Presently, the Company does not have a Whistle Blower Policy. However, no Personnel of the Company has been denied access to the Audit Committee.
3. The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

Code of conduct:**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY****ANNUAL DECLARATION BY CEO PURSUANT TO CLAUSE 49(I) (D) (ii) OF STOCK EXCHANGE LISTING AGREEMENT**

As the Executive Director (Chief executive officer) of Mega Corporation Limited and as required by clause 49(I)(D)(ii) of the Stock Exchange Listing Agreement, I hereby declare that all the Board members and senior management personnel of the company have affirmed compliance with the company's Code of business conduct and ethics for the Financial Year ending March 31, 2013.

Place: New Delhi
Date: May 30, 2013

Sd/-
(SURENDRA CHHALANI)
Whole Time Director

Means of Communication

The Quarterly Financial Results of the Company are published in Financial Express (English, Edition) and Jansatta (Hindi Edition).

Management discussions and analysis forms a part of this report.

Shareholder Information**Annual General Meeting**

Day : Monday
Date : 30th September, 2013
Time : 11.30 A.M.
Venue : HOTEL CAPITOL HILLS, C-42, Greater Kailash, Part-I, New Delhi-110048

Financial year

The financial year covers the period from 1st April to 31st March.

Dividend Payment

No dividend is declared for the Financial Year 2012-13

Dates of Book Closure

28th September, 2013 to 30th September, 2013 (both days inclusive)

Financial Calendar

Tentative calendar of events for the financial year 2013-14 (April to March) is as under:

Adoption of Quarterly Financial Results for:

First Quarter - by July/August, 2013 Third Quarter - by January/February, 2014
Second Quarter - by October/November, 2013 Fourth Quarter - by April/May, 2014

Listing at Stock Exchanges

Stock Exchange	Stock Code
Bombay Stock Exchange Ltd.	531417
Delhi Stock Exchange Ltd.	22131

Listing Fee for the year 2012-13 has been paid to the Bombay Stock Exchange within the stipulated time.

Stock Market Price	Bombay Stock Exchange		
	Month	Low (Rs.)	High (Rs.)
April, 2012	0.37	0.48	95932
May, 2012	0.40	0.52	32510
June, 2012	0.35	0.42	80606
July, 2012	0.35	0.38	77672
August, 2012	0.32	0.36	15403
September, 2012	0.31	0.35	15726
October, 2012	0.29	0.32	31352
November, 2012	0.29	0.34	50275
December, 2012	0.30	0.34	137759
January, 2013	0.30	0.36	82841
February, 2013	0.24	0.32	173156
March, 2013	0.23	0.30	52073

Source: www.bseindia.com

Shareholders Complaints

Company has not received any complaint during the financial year 2012-13. There is no complaint pending.

Distribution of Shareholding

Distribution of Shareholding as at 31.03.2013 is as under:

Shareholding	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	2068	44.19%	474393	0.47%
501- 1000	854	18.25%	803517	0.80%
1001- 2000	561	11.99%	975107	0.98%
2001- 3000	271	5.79%	737089	0.74%
3001- 4000	127	2.71%	466791	0.47%
4001-5000	220	4.70%	1075646	1.08%
5001- 10000	273	5.83%	2184154	2.18%
10001 and above	306	6.54%	93283303	93.28%
Total	4680	100%	100000000	100%

Shareholding Pattern as at 31.03.2013 is as under:

Category	No. of Shares Held	% of Shareholding
Indian Promoters	52866746	52.87%
Private Bodies Corporate	14701882	14.70%
NRI/OCBs	325534	0.33%
Indian Public	32105838	32.10%
Total	100000000	100%

Registrar & Transfer Agent/Investor Correspondence

Pursuant to the SEBI directive, the Company has appointed M/s Linkintime India Pvt. Ltd. as Share Transfer Agent for maintaining all the work related to share registry in terms of both physical and electronic form. Shareholders can communicate with them for lodgment of transfer deeds and their queries at the following address:

M/s Link Intime India Pvt. Ltd.

44, Community Center, Naraina Industrial Area, Phase-I, New Delhi- 110 028

Ph. No.: 011-41410592, 93 & 94, Fax: 011-41410591

Email: delhi@linkintime.co.in

Dematerialisation of Shares

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has enlisted its shares with National Securities Depository Limited (NSDL) & Central Depository Services (India) Ltd. (CDSL). Company has been allotted ISIN No. INE804B01023. As at 31.03.2013, 97495158 number of Equity Shares (97.50%) have been dematerialized.

Compliance Officer

Mr. Surendra Chhalani
Whole Time Director
261, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020
Ph. No.: 011-41516171
Fax No: 011-26912728
Email: cs@megacorppltd.com

Address for Correspondence

Mega Corporation Limited
261, Ground Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020
Ph. No.: 011-41516171
Fax No: 011-26912728
Email: info@megacorppltd.com

Registered Office Address of the Company

Mega Corporation Limited
Plot No-550, Nayak Mohalla, Behind Golak Dham Mandir, Bijwasan, New Delhi-110061
Ph. No. 011-47881534

Plant Location:

The Company is not into any manufacturing activities. However, it mainly operates from its registered office, the address of which is given above.

Brief Resume of the Person to be appointed / re-appointed as director

Particulars	Name of Director
Name	Mr. Shurab Kumar
Age	58
Qualification	Graduate
Directorship in other Company	OPM Promoters Private Limited
Shareholdings in the Company as on 31.03.2013	-
Experience	He has more than 15 years of experience in Garment and Automobile industries.

Particulars	Name of Director
Name	Mr. Hulas Mal Lalani
Age	69
Qualification	Graduate
Directorship in other Company	1) Mega Cabs Limited 2) Plasopan Engineers (I) Private Limited 3) Indication Instruments Limited 4) Aarham Engineers Private Limited 5) Duropan Engineers (India) Private Limited 6) Duro Prints Private Limited 7) Crayons Advertising Limited
Shareholdings in the Company as on 31.03.2013	786000
Experience	He has more than 45 years of experience in manufacturing industry.

Particulars	Name of Director
Name	Mr. Ajay Chopra
Age	56
Qualification	Graduate
Directorship in other Company	1) Crayons Advertising Limited 2) Shree Seco Private Limited
Shareholdings in the Company as on 31.03.2013	1000
Experience	He has more than 30 years of experience on advertising sector.

CHAIRMAN CERTIFICATION OF THE COMPANY

I, Surendra Chhalani, Chairman of **MEGA CORPORATION LIMITED**, to the best of my knowledge and belief hereby certify that:

- a. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I was aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have disclosed based on my most recent evaluation, wherever applicable, to the Company's auditors and the Audit committee of the Company's board of directors (and persons performing the equivalent functions):
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Delhi
Date: 30th May, 2013

Sd/-
(Surendra Chhalani)
Chairman

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA**CERTIFICATE**

To The Shareholders,

We have examined the compliance of conditions of corporate governance by **MEGA CORPORATION LIMITED**, for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Delhi
Dated: 30th May, 2013

For SIPANI & ASSOCIATES
Chartered Accountants

Sd/-
(Vijay Sipani)
Proprietor
Membership No-083850

TO THE MEMBERS OF MEGA CORPORATION LIMITED**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **MEGA CORPORATION LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SIPANI & ASSOCIATES
Chartered Accountants
Registration No.: 007712N

Vijay Sipani
Proprietor
M. No. :083850
Place: Delhi
Date: 30-05-2013

Annexure 'A' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of MEGA CORPORATION LIMITED.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable having regard to size of the Company and the nature of fixed assets. As informed, no material discrepancies were noticed on such verification.
 - c) The Company has not disposed off any substantial part of its fixed assets during the year.
2. The Company had no Inventory and as such clause (ii) of paragraph 4 of the Companies (Auditor Report) Order, 2003 is not applicable.
3. (a) The Company has granted unsecured loan to one party listed in the register maintained under Section 301 of the Companies Act, 1956. The amount of loan granted to such party was Rs. 623.00 Lacs (Prev. Year Rs. 30.00 Lacs). The Maximum amount outstanding during the year was Rs. 345.66 Lacs and year-end balance of loan granted to such party was Rs. 225.89 Lacs (Prev. Year NIL).
 - (b) Above loans were repayable on demand. In our opinion, the rate of interest and other terms and conditions of such loans were not prima facie prejudicial to the interest of the Company.
 - (c) The receipt of principal amount and interest have been regular / as per stipulations and there is no overdue amount.
 - (d) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 (Prev. Year NIL).
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
 - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
 - (b) According to the information and explanations given to us, the transactions with parties with whom transactions exceeding the value of Rs. 5,00,000 have been entered into during the financial year, are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
8. As informed to us by the Company, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Customs Duty, Service Tax and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education & Protection Fund, Excise Duty, Sales Tax and Wealth Tax.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Customs Duty, Service Tax, Cess and other material statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us and records of the Company examined by us, the Company has not deposited disputed Income Tax demand of Rs. 150.37 Lacs relating to A.Y. 2006-07. The company's appeal is pending for adjudication before CIT(Appeals).
10. The Company does not have accumulated losses at the end of the year. The Company has incurred cash losses of Rs. 9,79,032/- during the current financial year and also incurred cash losses Rs. 36,63,013/- in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders & other securities holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities during the year.
13. In our opinion, the Company is not a Chit Fund, Nidhi or Mutual Benefit Society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. During the period covered by our report the Company was not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given guarantee for loans taken by an associate company from Banks/Financial Institutions/NBFCs, which in our opinion is not prejudicial to the interest of the Company.
16. The Company has not taken any term loan during the year hence requirement of reporting regarding application of term loans does not arise.
17. According to the information and explanations given to us and overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long-term investments.
18. The Company has not issued any fresh share capital hence the question of neither the preferential allotment nor the end use thereof arises.
19. The Company has not issued any debentures and hence requirements of reporting regarding creation of securities in respect of debentures issued does not arise.
20. The Company has not raised any money by public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For SIPANI & ASSOCIATES
Chartered Accountants
Registration No.: 007712N

Vijay Sipani
Proprietor
M. No. :083850
Place: Delhi
Date: 30-05-2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	100,000,000	100,000,000
Reserves and Surplus	4	169,369,989	177,159,617
		269,369,989	277,159,617
Non-Current Liabilities			
Long - Term Borrowings	5	611,019	0
Deferred Tax Liabilities (Net)	6	0	5,148,719
Long-Term Provisions	7	504,451	614,910
		1,115,470	5,763,629
Current Liabilities			
Short-Term Borrowings	8	608,360	18,910,622
Trade Payables	9	2,042,598	1,293,837
Other Current Liabilities	10	385,591	4,895,425
		3,036,549	25,099,883
TOTAL		273,522,007	308,023,129
Assets			
Non-Current Assets			
Fixed Assets - Tangible Assets	11	71,826,058	102,403,270
Non-Current Investments	12	65,607,851	65,607,851
Deferred Tax Assets (Net)	6	1,640,534	0
Long-Term Loans and Advances	13	1,558,200	1,558,200
Other Non-Current Assets	14	1,131,988	1,086,184
		141,764,631	170,655,505
Current Assets			
Trade Receivables	15	5,345,655	5,755
Cash and Cash Equivalents	16	1,042,155	4,503,779
Short-Term Loans and Advances	17	125,369,567	132,858,089
		131,757,376	137,367,624
TOTAL		273,522,007	308,023,129

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 30-05-2013

For and on behalf of the Board

SURENDRA CHHALANI
Whole time Director

SHURAB KUMAR
Director

RIYANKA JAIN
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in Rs.)

Particulars	Note No.	For the year ended 31.03.2013	For the year ended 31.03.2012
Income:			
Revenue from Operations	18	15,583,479	18,302,847
Other Income	19	7,014,823	2,346,967
Total Revenue		22,598,302	20,649,814
Expenses:			
Cost of Aircraft Charter Operations	20	12,987,486	11,507,895
Employee Benefits Expense	21	4,367,436	3,262,276
Interest and Finance Costs	22	2,220,157	6,490,255
Depreciation and Amortization		13,599,349	15,963,543
Other Expenses	23	4,002,755	3,052,401
Total Expenses		37,177,182	40,276,370
Profit Before Tax:		(14,578,881)	(19,626,556)
Tax Expenses:			
- Previous Year		0	1,000
- Deferred Tax Charge / (Credit)		(6,789,253)	(5,057,451)
Net Profit/(Loss) for the Year		(7,789,628)	(14,570,105)
Earning Per Equity Share:			
Basic & Diluted Earning per share of Rs. 1/- each		(0.08)	(0.15)

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For and on behalf of the Board

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 30-05-2013

SURENDRA CHHALANI
Whole time Director

SHURAB KUMAR
Director

RIYANKA JAIN
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particular	(Amount in Rs.)	
	As at 31.03.2013	As at 31.03.2012
A. Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	(14,578,881)	(19,626,556)
Adjustment for :		
Depreciation	13,599,349	15,963,543
Loss/(Profit) on Sale of Fixed Assets	(1,361,322)	(448,362)
Interest Income	(6,214,497)	(13,869,897)
Interest and Finance charges	2,205,621	6,462,591
Operating Profit before change in Working Capital	(6,349,730)	(11,518,682)
Adjustment for changes in working capital :		
Trade Receivables	(5,339,900)	989,259
Trade Payables	748,761	(134,520)
Short-Term Borrowings	(18,302,262)	(51,417,990)
Other Current Liabilities	(4,509,834)	2,144,622
Short-Term Loans and Advances	7,488,523	43,635,133
	(19,914,712)	(4,783,496)
Cash Generated From Operations	(26,264,442)	(16,302,178)
Adjustment for :-		
Income Tax Deposit	0	(1,000)
Interest Paid	(2,205,621)	(6,462,591)
Net Cash Flow From Operating activities (A)	(28,470,063)	(22,765,769)
B. Cash Flow from Investing Activities		
Interest Income	6,214,497	13,869,897
Purchase of Tangible Assets	(1,351,813)	(1,842,023)
Purchase of Non Current Investments	0	(19,736)
Proceeds from Sale of Tangible Assets	19,690,999	325,000
Proceeds from Sale of Non Current Investments	0	5,007,200
Proceeds from Other Non-Current Assets	(45,804)	1,416,559
Net Cash Flow from Investing Activities (B)	24,507,879	18,756,897
C. Cash Flow from Financing Activities		
Repayment of Long-Term Provisions	(110,459)	70,999
Increase/ (Decrease) in Long-Term Borrowings	611,019	0
Net Cash Flow from Financing Activities (C)	500,560	70,999
Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C)	(3,461,625)	(3,937,873)
Cash and Cash Equivalents as at beginning of the year (E)	4,503,779	8,441,652
Cash and Cash Equivalents as at the end of the year (D+E)	1,042,155	4,503,779

As per our Report of even date

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 30-05-2013

For and on behalf of the Board

SURENDRA CHHALANI
Whole time Director

SHURAB KUMAR
Director

RIYANKA JAIN
Company Secretary

Notes forming part of Financial Statements for the year ended March 31, 2013

1. Corporate Information:

Mega Corporation Limited (the company) is a public company domiciled in India and was incorporated under the provisions of the Indian Companies Act, 1956. Its Equity Shares are listed on two Stock Exchanges in India. The Company is a RBI registered NBFC and has been engaged in Finance and Investments Business. It is also providing Air Charter Services and presently owns one small passenger aircraft.

2. Significant Accounting Policies:**a) Basis of Accounting:**

The financial statements have been prepared under the historical cost convention and materially comply with the mandatory Accounting Standards issued by "The Institute of Chartered Accountants of India". The Company follows Mercantile System of Accounting and recognised Income and Expenditures on accrual basis.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the revised Scheduled VI to the Companies Act, 1956.

b) Use of Estimates:

The presentation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

c) Tangible Fixed Assets:

Expenditure, which are of capital nature, are capitalised at acquisition cost, which comprises net purchases price (net of rebates and discounts), levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

d) Depreciation on Tangible Fixed Assets:

Depreciation on Tangible Fixed Assets has been provided on Written Down Value Method as per the classification and on the basis of rates prescribed in Schedule XIV to the Companies Act, 1956 except that Commercial Aircraft are depreciated on the basis of Straight Line Method at the rates calculated on the basis of expected useful life of the said assets.

The depreciation charged for the assets which have been impaired are adjusted to allocate the assets revised carrying amount less its residual value, if any, over its remaining useful life.

Depreciation on Tangible Fixed Assets added / disposed off during the year is provided on pro-rata basis. Tangible Fixed Assets costing below Rs.5000/- fully depreciated in the year of acquisition.

e) Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortization. Amortization is done on straight line basis. Software is amortized on straight line basis over the useful life of the asset or 5 years whichever is earlier.

f) Impairment of Assets:

The carrying value of intangible assets is reviewed for impairment at each Balance Sheet date to ascertain if there is any indication of impairment based on internal / external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

h) Investments:

Investments, which are readily realizable and intended to be held not more than one year from the date on which such was made, are classified as current investments. All other investments are classified as non-current investments. Non trade and unquoted non-current investments are stated at cost and quoted non-current investments at lower of cost or market value. Provision for diminution in the value of quoted non-current investment is made only if such a decline is other than temporary in the opinion of management.

Unquoted investments in subsidiaries / associates companies are non-current and valued at cost. No loss is recognized in the fall in their net worth, if any, unless there are permanent fall in their value.

i) Borrowing Costs:

Borrowing costs that are allocated to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

j) Foreign Currency Transactions:

All income and expenditure items are accounted for on the basis of exchange rate prevailing on the date of transaction. The net exchange difference arising from realization of foreign currency and transaction amount has been dealt with in the statement of profit and loss and capitalized where it relates to fixed assets. Current Assets and Current Liabilities in foreign currency are accounted for at the rate prevailing as on the date of Balance Sheet.

k) Employees Benefits:

The liability for Gratuity is provided on the basis of Valuation carried out at the end of each financial year internally by the Company.

Retirement benefits in the form of contribution to Provident Fund are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds are due.

Leave Encashment Benefit is accounted for on basis of valuation made at the end of each financial year by the Company.

l) Taxation:

Provision for current Tax is made and retained in accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961 including provisions regarding minimum alternate tax and considering Assessment orders and decisions of the appellate authorities in company's case.

Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax assets are recognized to the extent there is reasonable certainty that these assets can be realised in future.

m) Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) Revenue Recognition:

The revenue and expenditure related to Air Charter Services and Financing Services are accounted ongoing concern basis.

Interest income / expenses are recognised using the time proportion method based on the rates implicit in the transaction.

Other receipts / incomes are recognised when the right to receive the same is established, i.e. accrual basis.

(Amount in Rs.)

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012
3. Share Capital		
Authorised		
30,00,00,000 (30,00,00,000) Equity Shares of Rs.1/- each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and Paid Up		
10,00,00,000 (10,00,00,000) Equity Shares of Rs.1/- each fully paid up	<u>100,000,000</u>	<u>100,000,000</u>
a) Reconciliation of shares outstanding at beginning and at end of the year		
During the current year and in the previous year, there have been no movements in the number of equity shares outstanding.		
b) Terms / Rights attached to Equity Shares		
The company has only one class of share having a par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.		
During the year ended March 31, 2013, the company has not declared any dividend.		
In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion of the number of fully paid equity shares held by shareholders.		
c) Details of shareholders holding more than 5% shares in the company		
	As at March 31, 2013	As at March 31, 2012
Names	No. of Shares	% Shares Held
	No. of Shares	% Shares Held
Vimi Investments & Finance Private Limited	24,043,000	24.04%
Crayons Global Finance Private Limited	22,530,000	22.53%
4. Reserves and Surplus		
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last Financial Statements	177,159,617	191,729,722
Profit / (Loss) for the year	(7,789,628)	(14,570,105)
Net surplus in the Statement of Profit and Loss	<u>169,369,989</u>	<u>177,159,617</u>
5. Long -Term Borrowings		
Secured		
Term Loans		
- From Banks	611,019	0
	<u>611,019</u>	<u>0</u>
Nature of Security & Terms of Repayment		
Secured Loans from banks amounting to Rs. 6,11,019/- (previous year Rs. Nil) are secured by way of hypothecation of Vehicles. These Loans carries interest between @ 10% to 12% p.a. and is repayable in equal monthly installments.		
6. Deferred Tax Liabilities / (Assets) - (Net)		
Deferred Tax Liabilities :		
Fixed Assets:		
Impact of difference between book and tax depreciation	18,077,076	19,806,200
	<u>18,077,076</u>	<u>19,806,200</u>
Deferred Tax Assets :		
Impact of expenses charges to the Statement of Profit and Loss in the current financial year but allowed for tax purpose on payment basis		
Provision for Gratuity	(137,624)	(169,641)
Provision for Leave Encashment	(18,252)	(20,366)
Others		
Unabsorbed Depreciation	(19,561,734)	(14,467,474)
	<u>(19,717,610)</u>	<u>(14,657,481)</u>
	<u>(1,640,534)</u>	<u>5,148,719</u>

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012
7. Long-Term Provisions		
Provision for Employee Benefits		
- Gratuity	445,384	549,000
- Leave Encashment	59,067	65,910
	<u>504,451</u>	<u>614,910</u>
8. Short-Term Borrowings		
Loans Repayable on Demand		
- From Banks	268,360	634,672
- From other Parties	340,000	18,275,950
	<u>608,360</u>	<u>18,910,622</u>
a) The above amount includes :		
Secured Loans	268,360	634,672
Unsecured Loans	340,000	18,275,950
	<u>608,360</u>	<u>18,910,622</u>
b) Nature of Security & Terms of Repayment		
Loans from banks amounting to Rs. 2,68,360/- (previous year Rs. 6,34,672/-) are secured by way of hypothecation of Vehicles. These Loans carries interest between @10% to 12% p.a. and is repayable in equal monthly installments.		
Unsecured Loans from Body Corporates amounting to Rs. 3,40,000/- (Previous Year- Rs. 1,82,75,950/-) and repayable on demand.		
9. Trade Payable		
Trade Payable (Refer note 32)	2,042,598	1,293,837
	<u>2,042,598</u>	<u>1,293,837</u>
10. Other Current Liabilities		
Advance received against sale of assets	0	4,500,000
Salaries and other employee benefits	238,000	265,711
Expenses Payable	86,361	81,147
TDS Payable	61,230	48,567
	<u>385,591</u>	<u>4,895,425</u>

11. Tangible Assets

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Addition during the Year	Deduction & Adjustment	As at 31.03.2013	As at 01.04.2012	Deduction & Adjustment	For the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Air Craft - Commercial	130,573,210	0	5,000,000	125,573,210	43,858,683	0	11,766,478	55,625,160	69,948,050	86,714,527
Computer System	198,367	14,600	0	212,967	131,000	0	31,027	162,027	50,940	67,367
Furniture and Fixtures	1,021,155	9,320	314,600	715,875	192,068	170,264	151,752	173,556	542,319	829,087
Vehicles	18,723,543	1,287,493	18,723,543	1,287,493	4,004,228	5,577,784	1,637,047	63,491	1,224,002	14,719,315
Office Equipments	117,609	40,400	70,574	87,435	44,635	30,992	13,045	26,688	60,747	72,974
Total	150,633,884	1,351,813	24,108,717	127,876,980	48,230,614	5,779,040	13,599,349	56,050,922	71,826,058	102,403,270
Previous Year	133,029,982	18,530,830	926,928	150,633,884	32,872,361	605,290	15,963,543	48,230,614	102,403,270	100,157,621

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012
12. Non-Current Investments		
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investment in Subsidiaries		
59,99,300 (59,99,300) Equity Shares of Rs. 10/- each fully paid up of Mega Airways Ltd.	59,993,000	59,993,000
Investment in Associates		
1,50,000 (1,50,000) Equity Shares of Rs. 10/- each fully paid up of Anand Power Ltd.	1,500,000	1,500,000
37,500 (37,500) Equity Shares of Rs. 10/- each fully paid up of Plasopan Engineers (I) Pvt. Ltd.	375,000	375,000
62,000 (62,000) Equity Shares of Rs. 10/- each fully paid up of Mediaware Infotech Pvt. Ltd	3,418,525	3,418,525
	<u>65,286,525</u>	<u>65,286,525</u>
Other Investment (valued at cost unless stated otherwise)		
Quoted Equity Instruments		
6,000 (6,000) Equity Shares of Rs. 10/- each fully paid up of Intense Technology Ltd	292,490	292,490
100 (100) Equity Shares of Rs. 2/- each fully paid up of Ambuja Cement Ltd	9,100	9,100
100 (100) Equity Shares of Rs. 2/- each fully paid up of Tata Motors Ltd	19,736	19,736
	<u>321,326</u>	<u>321,326</u>
	<u>65,607,851</u>	<u>65,607,851</u>
Aggregate amount of Quoted Investments	321,326	321,326
Aggregate Market value of Quoted Investments	72,055	85,495
Aggregate amount of Unquoted Investments	65,286,525	65,286,525
Aggregate Provision for Diminution in the value of Investments	0	0
13. Long-Term Loans and Advances		
MAT Credit Carried Forward	1,558,200	1,558,200
	<u>1,558,200</u>	<u>1,558,200</u>
14. Other Non-Current Assets		
Fixed Deposits with original maturity more than twelve month	1,131,988	1,086,184
	<u>1,131,988</u>	<u>1,086,184</u>
15. Trade Receivables		
(Unsecured, Considered Good Unless Stated Otherwise)		
Outstanding for a period exceeding 6 months	0	0
Other Receivables	5,345,655	5,755
	<u>5,345,655</u>	<u>5,755</u>
16. Cash and Cash Equivalents		
Balances with Scheduled Banks in Current Accounts	551,098	4,119,054
Foreign Currency in Hand	1,333	1,333
Cash on Hand (as certified by management)	489,724	383,393
	<u>1,042,155</u>	<u>4,503,779</u>

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012
17. Short-Term Loans and Advances		
Security Deposits		
Unsecured, considered good	565,025	991,900
Loans and Advances to Related Parties		
Share Application Money	13,400,000	8,400,000
Other Loans and Advances (Unsecured, considered good)		
Inter Corporate Loans & Advance	53,278,060	39,697,801
Other Loans & Advance	3,673,424	30,308,828
Income Tax Deposit under Protest	26,312,714	24,440,629
Custom Duty Deposit under Protest	23,682,303	23,682,303
Income Tax Refundable	2,700,785	2,775,657
Advance Income Tax/TDS	787,338	1,551,614
Insurance Claim Receivable	767,084	0
Prepaid Expenses	102,239	634,872
Service Tax Cenvat Credit	69,349	346,485
Advance to Customers	31,246	28,000
	125,369,567	132,858,089
18. Revenue from Operations		
Interest Receipts	6,214,497	13,869,897
Aircraft Charter Services	9,368,982	4,432,950
	15,583,479	18,302,847
19. Other Income		
Commission Income	4,280,000	0
Liability No Longer Required	767,590	329,430
Interest Receipts	337,872	588,056
Rental Income	178,000	634,634
Consultancy Income	89,319	336,181
Profit on Sale of Tangible Assets	1,361,322	3,362
Profit / (Loss) on Sale of Non Current Investments	0	445,000
Dividend / Misc. Income	720	10,303
	7,014,823	2,346,967
20. Aircraft Charter Operation Expenses		
Air Craft Repair and Maintenance	4,721,502	5,810,481
Fuel Consumed	2,768,021	1,421,059
Salary and Pilots Remuneration	2,627,084	1,201,744
Training Expense	158,523	1,213,691
Landing and Parking	1,967,381	936,583
Insurance of Aircraft	628,874	860,369
Catering Exp.	116,101	53,967
Licence Fees	0	10,000
	12,987,486	11,507,895
21. Employee Benefits Expenses		
Salaries and Allowances	2,578,280	2,484,236
Directors Remuneration	1,653,121	657,000
Staff Welfare	113,650	102,653
Contribution to PF and ESI	22,385	18,387
	4,367,436	3,262,276

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012
22. Interest and Finance Costs		
Interest	2,205,621	6,462,591
Bank Charges	14,536	27,664
	2,220,157	6,490,255
23. Other Expenses		
Auditors Remuneration	80,094	77,210
Conveyance	568,996	394,460
Rent Paid	769,124	373,392
Repair and Maintenance	282,750	131,003
Legal and Professional Charges	1,208,431	1,011,301
Fees and Subscription	203,498	184,933
Travelling	138,436	129,490
Bad Debts	15,585	173,765
Postage and Telegram	72,269	79,924
Printing and Stationery	64,368	64,838
Advertisement Expenses	106,825	90,549
Telephone and Mobile Expenses	152,506	76,815
Meeting (AGM) Expenses	92,495	81,626
Directors Sitting Fee	25,000	45,000
Electricity and Water	63,517	68,440
Office Expenses	31,200	28,322
Business Promotion	53,500	0
General Expenses	11,077	14,402
Insurance	49,083	12,489
Filing Fees	14,000	9,000
Books and Periodicals	0	5,442
	4,002,755	3,052,401
24. Contingent Liabilities not provided for:		

Particulars	(Amount in Rs. Lacs)	
	As at 31-03-2013	As at 31-03-2012
Income Tax Matters*	396.57	396.57
Custom Duty on Import of Commercial Aircraft (Amount paid under protest Rs. 236.82 Lacs**)	236.82	236.82
Un-Expired Bank Guarantees	14.00	14.00

*The Company has disputed Income Tax demand of Rs. 396.57 Lacs for the A.Y. 2006-07 made by the Income Tax Department. The Company has deposited a sum of Rs. 263.12 Lacs against the aforesaid demand which has been treated as amount refundable by Income Tax Department. The Company has filed an appeal against above referred demand with appellate authority which is pending for disposal before CIT (Appeals), Delhi. The management of the company has been advised that the order of the assessing officer shall not be tenable before income tax appellate authorities hence there will be no liability towards income tax.

**The company has deposited a sum of Rs. 236.82 Lacs as additional Custom Duty on Import of Aircraft in F. Y. 2007-08. Though the company had disputed the said demand but had deposited the said amount in F. Y. 2008-09 under protest to safeguard its business interest. The matter is still pending for disposal before the Customs Authorities. The company has been advised that the contention of the Customs Authorities is not tenable hence there shall be no liability for payment of additional customs duty

25. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for amounts to Rs. NIL (Previous Year: NIL).

26. Earnings per Share (Basic and Diluted):

Basic and diluted earnings (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the year as follows:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Net profit after Tax as per Statement of Profit and Loss	(77,89,628)	(1,45,70,105)
Number of Shares outstanding at the beginning and end of the year (Face value Rs. 1/- each)	10,00,00,000	10,00,00,000
Weighted average number of Shares outstanding during the year (Face value Rs. 1/- each)	10,00,00,000	10,00,00,000
Basic and Diluted Earnings per share	(0.08)	(0.15)

27. Payments to Whole Time and other Directors:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Whole Time Directors:		
Salary	9,66,043	5,31,000
HRA and Other allowances	6,87,078	1,26,000
Total	16,53,121	6,57,000
The Managerial Remuneration as computed above does not include the liability in respect of leave salary and gratuity accrued		
Non Executive Directors:		
Board Sitting Fee	25,000	45,000

28. Auditors Remuneration (excluding Service Tax / Cess) paid / payable:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fees	40,000	40,000
Tax Audit	20,000	20,000
Other Services	10,000	10,000

29. Foreign Exchange earned and used:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Foreign Exchange earned	NIL	NIL
Foreign Exchange used	84,523	27,35,242

30. The Board has certified that all the income accrued to the company has been taken into consideration and belong entirely and exclusively to the business of the Company.

31. In the opinion of Board of Directors the "Current / Non-Current Assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

32. Balances of Debtors, Creditors, Loans and Advances and Unsecured Loans are subject to confirmation and reconciliation adjustment, if any.

33. In the absence of receipt of information regarding small scale industrial status from the parties, the details of names of small scale industrial undertaking to which the company owe any sum together with interest outstanding for more than 30 days could not be ascertained.

34. Segment Reporting:**Identification of Segments****Primary Segment:**

Business Segment: The Company's operating businesses are organised and managed separately according to the nature of operations with each segment representing a strategic business unit that carries out different operations. The Company has two identified segments comprising of Aircraft Charter Services and Finance & Investments.

Secondary Segment:

Geographical Segment: The Company does not have any identified segment on the basis of geographical locations as company's operations are mainly confined to single location.

Unallocable Items

Corporate income, expenses, capital and reserves are considered as part of unallocable items which are not identifiable to any business segment.

Primary Business Segments

Segment Revenues, Results and other information

Particulars	Finance / Investment	Chartered Aircraft Services	Total
Revenue	62,14,497	93,68,982	1,55,83,479
Identified Operating Exp.	37,59,712	2,95,79,412	3,33,39,124
Profit/(Loss) before interest and tax from each segment	24,54,785	(2,02,10,430)	(1,77,55,645)
Less : Interest and Finance Charges (unallocable)			34,653
Less : Other Expenses net of Income (unallocable)			(32,11,917)
Net profit before tax			(1,45,78,881)
Less : Income tax and other taxes			(67,89,253)
Net profit after tax			(77,89,628)
Segment Assets	17,44,27,925	9,90,94,083	27,35,22,007
Segment Liabilities	15,90,468	25,61,550	41,52,018
Capital Employed	17,28,37,457	9,65,32,532	26,93,69,989
(Assets - Liabilities)			
Depreciation	15,74,208	1,20,25,141	1,35,99,349

35. Related Parties Disclosures:

Disclosures in respect of Related Parties as defined in Accounting Standard (AS) 18, with whom transactions were carried out in the ordinary course of business during the year as given below:

Related Parties and their Relationship:

(a) Subsidiary Company: Mega Airways Limited

(b) **Directors, Key Management Persons (KMP) and their Relative:**

Mr. Surendra Chhalani, Mr. Sachin Mehra and Mr. Shurab Kumar, Mr. Manish Dhariwal and AVM K.S. Venkataraman (Retd).

(c) **Other Related Parties where common control exists and with whom the company had transactions during the year:** M/s Mega Cabs Ltd., Ecotec Developers Pvt. Ltd. and Omni Media Communications Pvt. Ltd.

Transactions with Related parties

(Amount in Rs. Lacs)

Nature of transactions	Subsidiaries		Associates		Key Management Personnel & Their Relatives		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Receiving of Services	0.00	0.00	1.07	0.89	0.00	0.00	1.07	0.89
Interest Received	0.00	0.00	27.75	0.00	0.00	0.00	27.75	0.00
Share Application Money Given	50.00	129.00	0.00	0.00	0.00	0.00	50.00	129.00
Loans and Advances Given	0.00	0.00	623.00	35.00	0.00	0.00	623.00	35.00
Loans and Advances Received Back	0.00	0.00	422.09	35.00	0.00	0.00	422.09	35.00
Directors' Remuneration	0.00	0.00	0.00	0.00	16.53	6.57	16.53	6.57
Employees Cost	0.00	0.00	0.00	0.00	3.44	0.00	3.44	0.00
Directors' Sitting Fees	0.00	0.00	0.00	0.00	0.25	0.45	0.25	0.45
Balance of Investments at the year end	599.93	599.93	0.00	0.00	0.00	0.00	599.93	599.93

36. Previous year figures have been regrouped, reworked and reclassified wherever necessary.

As per our Report of even date

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 30-05-2013

For and on behalf of the Board

SURENDRA CHHALANI
Whole time Director

SHURAB KUMAR
Director

RIYANKA JAIN
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES

MEGA CORPORATION LIMITED

1. Name of the Company	Mega Airways Ltd.
2. Financial year of the subsidiary company ended on	31-03-2013
3. Extent of interest in subsidiary company	99.99%
4. Net aggregate amount of the profits of the Subsidiary company as far as it concerns the members of the Company	
(a) <u>Dealt with in the Company's Accounts:</u>	
i) for the financial year of the subsidiary	NIL
ii) for the previous financial years of the subsidiary since it become the subsidiary of the Company	NIL
(b) <u>Not dealt with in the Company's Accounts:</u>	
i) for the financial year of the subsidiary	NIL
ii) for the previous financial years of the subsidiary since it become the subsidiary of the Company	NIL

Note: Figures in brackets denotes losses

For and on behalf of the Board Directors

SURENDRA CHHALANI
Chairman & Whole Time Director

SHURAB KUMAR
Director

Place : New Delhi
Dated : 30-05-2013

RIYANKA JAIN
Company Secretary

To
The Members
Mega Airways Limited

DIRECTORS REPORT:

Your Directors have pleasure in presenting the 8th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS:

During the year under review, the Company could not commence any activity. Your directors are hopeful that the Company would start its main activity in very near future and for this purpose various options are being considered.

DIVIDEND:

In view of funds needs for expansion of Company's business activities your directors are not recommending any dividend.

DIRECTORS:

Mr. Surendra Chhalani retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

AUDITORS:

M/S Sipani & Associates, Chartered Accountants, Auditor's of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS' REPORT:

The Auditors' Report together with the significant accounting policies and notes thereon is self-explanatory and therefore does not call for any further comments.

REPORT ABOUT CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

Information required by section 217 (1) (e) of the Companies Act, 1956, read with the Companies Disclosure of Particulars in the report of Board of Directors, Rules 1988 :-

- (a) Provisions regarding disclosure of Particulars with respect to conservation of Energy and Technology Absorption are not applicable to the company:
- (b) Foreign Exchange Earned & used:
- | | |
|--------|---------|
| Earned | Rs. NIL |
| Used | Rs. NIL |

PARTICULARS OF EMPLOYEES:

During the financial year, the Company had no employee in receipt of or entitled to receive emoluments attracting the provisions of Section 217(2A) of the Companies Act, 1956.

FIXED DEPOSITS:

The Company did not accept/renew any fixed deposit during the year under review. There were no outstanding deposits as on 31st March, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm;

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- 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 affairs of the Company as at 31st March, 2013 and the Profit and Loss Account for the year ended on 31st March, 2013;
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors had prepared the annual accounts on a going concern basis.

APPRECIATION:

Your Directors wish to place on record sincere appreciation for the devoted and dedicated services rendered by the employees at all levels towards your Company's success during the year under review. The Directors also thank the Company's Clients, Vendors and Bankers for their continued support.

For and on behalf of the Board Directors

Place : New Delhi
Dated : 25-05-2013

Sd/-
KUNAL LALANI
Director

Sd/-
SURENDRA CHHALANI
Director

TO THE MEMBERS OF MEGA AIRWAYS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Mega Airways Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2013 and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003 issued by the Department of Company Affairs, Central Government of India, in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, since in our opinion and according to information and explanations given to us, said order is not applicable to the Company because.
 - the paid up capital and reserves of the Company are not more than Rs. 50 Lacs,
 - there is no loan outstanding for Rs. 25 Lacs or more from any bank or financial institution,
 - the Company does not have the turnover in excess of Rs. 5 crore
- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 25-05-2013

Annexure 'A' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of MEGA AIRWAYS LIMITED.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. The Company had no fixed assets and as such clause (i) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable.
2. The Company had no Inventory and as such clause (ii) of paragraph 4 of the Companies (Auditor Report) Order, 2003 is not applicable.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken / granted any loans, secured or unsecured, from/ to the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the other provisions of this clause are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
 - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
 - (b) According to the information and explanations given to us, the transactions with parties with whom transactions exceeding the value of Rs. 5,00,000 have been entered into during the financial year, are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of section 58A & 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We are informed that the nature of the business of the Company is such that clause (viii) of paragraph 4 of the Companies (Auditor Report) Order, 2003 is not applicable to the Company.
9.
 - (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on accounts of Employees State Insurance, Provident Fund, Investors Education & Protection Fund, Excise Duty, Service Tax, Wealth Tax, Sales Tax, Customs Duty and Cess.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Cess, other material statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of Income Tax, Provident fund, Cess other material statutory dues which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses at the end of the year and the Company has not incurred cash losses during current and the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced to us, the Company did not have any borrowing from a financial institution or bank or debenture holders and hence clause 4(xi) of the Order is not applicable to the Company.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities during the year.
13. The Provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
14. According to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments. However, the Company has invested a part of its spare funds in equity shares and share application for which it has kept adequate records. The equity shares are held in the name of the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has not taken any term loans hence requirement of reporting regarding application of term loans does not arise.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company We report that no funds raised on short-term basis have been used for long-term investment.
18. We are informed that the Company has not made any preferential allotment of shares to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures and hence requirements of reporting regarding creation of securities in respect of debentures issued do not arise.
20. The Company has not raised any money by public issue.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For SIPANI & ASSOCIATES
Chartered Accountants
 Registration No.: 007712N

Vijay Sipani
 Proprietor
 M. No. : 083850
 Place : Delhi
 Date : 25-05-2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	(Amount in Rs.)	
		As at March 31, 2013	As at March 31, 2012
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	60,000,000	60,000,000
Share Application Money Pending Allotment	4	18,400,000	18,400,000
Current Liabilities			
Other Current Liabilities	5	22,472	22,472
		<u>78,422,472</u>	<u>78,422,472</u>
Assets			
Non-Current Assets			
Non-Current Investments	6	18,200,000	18,200,000
Other Non-Current Assets	7	2,060,519	2,031,008
Current Assets			
Cash and Cash Equivalents	8	211,953	141,464
Short-Term Loans and Advances	9	57,950,000	58,050,000
		<u>78,422,472</u>	<u>78,422,472</u>

The accompanying notes are an integral part of the Financial Statements

As per our Report of even date

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 25-05-2013

For and on behalf of the Board

KUNAL LALANI
Director

SURENDRA CHHALANI
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax	0	0
Adjustment for :-		
Operating Profit before change in Working Capital	<u>0</u>	<u>0</u>
Adjustment for :-		
- Other Current Liabilities	0	9,236
	<u>0</u>	<u>9,236</u>
Cash Generated from Operations	0	9,236
Adjustment for :-		
- Pre Operative Expenses	(29,511)	(62,705)
Net Cash Flow from Operating activities	<u>(29,511)</u>	<u>(53,469)</u>
B. Cash Flow from Investing Activities		
- Share Application Money (Given)/ Received back	100,000	(6,250,000)
Net Cash Flow from Investing Activities	<u>100,000</u>	<u>(6,250,000)</u>
C. Cash Flow from Financing Activities		
- Share Application Money Received	0	8,400,000
Net Cash From Financing Activities	<u>0</u>	<u>8,400,000</u>
Net (Decrease)/Increase in Cash & Cash Equivalents (A+B+C)	70,489	2,096,532
Cash and Cash Equivalents as at beginning of the year	141,464	(1,955,067)
Cash and Cash Equivalents as at the end of the year	211,953	141,464

As per our Report of even date annexed

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 25-05-2013

For and on behalf of the Board

KUNAL LALANI
Director

SURENDRA CHHALANI
Director

Notes forming part of Financial Statements for the year ended March 31st, 2013

1. Corporate Information:

Mega Airways Limited (the company) is a public limited company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 on 10th April, 2005. The Share Capital of the Company is not listed on any Stock Exchange. The Company was incorporated with the object of providing Air Charter Services. The company has not started its business till Balance Sheet date.

2. Significant Accounting Policies:**a) Method of Accounting:**

The financial statements have been prepared under the historical cost convention and materially comply with the mandatory Accounting Standard issued by "The Institute of Chartered Accountants of India". The Company follows Mercantile System of accounting and recognised Income and Expenditures on Accrual basis.

b) Use of Estimates:

The presentation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialised.

c) Miscellaneous Expenditure:

Preliminary and Share issue expenses are written off over a period of Ten years from the year of commencement of business.

Deferred Revenue Expenditure is written off over a period of Three to Five years depending upon the nature and benefit of such expenditure in future.

d) Investments:

Investments, which are readily realizable and intended to be held not more than one year from the date on which such was made, are classified as current investments. All other investments are classified as non-current investments. Non trade and unquoted non-current investments are stated at cost and quoted non-current investments at lower of cost or market value. Provision for diminution in the value of quoted non-current investment is made only if such a decline is other than temporary in the opinion of management.

e) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

f) Borrowing Costs:

Borrowing costs that are allocated to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

Particulars	As at March 31, 2013	As at March 31, 2012		
3. Share Capital				
Authorised				
1,00,00,000 (1,00,00,000) Equity Shares of Rs.10/- each	<u>100,00,000</u>	<u>100,00,000</u>		
Issued, Subscribed and Paid Up				
60,00,000 (60,00,000) Equity Shares of Rs.10/- each fully paid up	60,00,000	60,00,000		
	<u>60,00,000</u>	<u>60,00,000</u>		
a) Reconciliation of Shares outstanding at beginning and at end of the year				
During the current year and in the previous year, there have been no movements in the number of equity shares outstanding.				
b) Terms / Rights attached to Equity Shares				
The Company has only one class of shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend, if declared, is paid in Indian rupees. The dividend proposed by The Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion of the number of fully paid equity shares held by shareholders.				
c) Details of shareholders holding more than 5% shares in the Company				
	<u>As at March 31, 2013</u>	<u>As at March 31, 2012</u>		
Name	No. of Shares	% Shares Held	No. of Shares	% Shares Held
Mega Corporation Ltd.	5,999,300	99.99%	5,999,300	99.99%
d) All the shares are held by the holding company, Mega Corporation Limited and its nominees.				
4. Share Application Money Pending Allotment	<u>18,400,000</u>	<u>18,400,000</u>		
Note:				
a) Sufficient Authorised Capital is available with the Company				
b) Shares are proposed to be issued at par.				
5. Other Current Liabilities				
Audit Fee Payable	22,472	22,472		
	<u>22,472</u>	<u>22,472</u>		
6. Non-Current Investments				
Non-Trade Investment (valued at cost unless stated otherwise)				
Unquoted Equity Instruments				
Investment in Associate Companies				
3,40,000 (3,40,000) Equity Shares of Rs. 10/- each of Sahyog Properties Pvt. Ltd.	10,200,000	10,200,000		
2,00,000 (2,00,000) Equity Shares of Rs. 10/- each of Jam India Pvt. Ltd.	8,000,000	8,000,000		
	<u>18,200,000</u>	<u>18,200,000</u>		
Aggregate amount of Unquoted Investments	18,200,000	18,200,000		
Aggregate provision for diminution in the value of investments	NIL	NIL		

Particulars	As at March 31, 2013	As at March 31, 2012
7. Other Non-Current Assets		
Misc Expenses (To the extent not written off or adjusted)		
A. Pre - Operative Expenses (Pending Capitalisation):		
Balance Brought Forward from previous year	1,243,088	1,180,383
Add: Expenses Incurred during the year:		
- Auditors Remuneration	22,472	22,472
- Fees and Subscription	0	25,000
- Bank Charges	6,236	6,113
- Filing Fee	4,000	1,000
- Professional Charges	550	6,517
- Printing and Stationery	0	1,800
- General Expenses	0	552
	<u>1,276,346</u>	<u>1,243,837</u>
Less : Bank Interest	<u>3,747</u>	<u>749</u>
	<u>1,272,599</u>	<u>1,243,088</u>
B. Preliminary Expenses	187,420	187,420
C. Share Issue Expenses	600,500	600,500
	<u>2,060,519</u>	<u>2,031,008</u>
8. Cash and Cash Equivalents		
Cash on hand (As certified by the Management)	39,110	39,110
Balances in Current Accounts with Banks:-		
- Citi Bank N. A.	113,185	61,460
- HDFC Bank Limited	59,658	40,894
	<u>211,953</u>	<u>141,464</u>
9. Short Term Loans and Advances		
(Unsecured & Considered Good)		
Share Application Money Pending Allotment	57,950,000	58,050,000
	<u>57,950,000</u>	<u>58,050,000</u>

10. There was no contingent liability as at March 31, 2013 (Previous Year - NIL).

11. Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for Rs. NIL (Previous Year – NIL).

12. Foreign exchange earned and used during the year – NIL (Previous Year – NIL).

13. As the Company has not commenced any business activity, the segment information as per AS 17 is not required to be disclosed.

14. Based on the information available with the Company there are no over dues to Small Scale Undertakings outstanding for more than 30 days (Previous Year – NIL).

15. **Auditors Remuneration** (Excluding Service Tax and Cess): Rs. 20,000/- (Prev. Year Rs. 20,000/-)

16. **Related party disclosures:** Disclosures in respect of Related Parties as defined in Accounting Standard (AS) 18, with whom transactions were carried out in the ordinary course of business during the year as given below:

Related parties and their Relationship:

(a) **Holding Company:** Mega Corporation Ltd.

(b) **Directors, Key Management Persons (KMP) & their relative:** Mr. Kunal Lalani, Mr. Surendra Chhalani and AVM K.S. Venkataraman (Retired).

(c) **Other related parties where common control exists and with whom the company had transactions during the year:** M/s Jam India Pvt. Ltd., M/s Maxim Radio Cabs Ltd., M/s Mega Infotel Pvt. Ltd. and M/s Crayons Advertising Ltd.

Details of Related Party Transactions

(Amount in Rs./Lacs)

Details of transactions	Holding Company		Key Management Personnel & their Relatives		Associates Company		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Share Application Money Received:	50.00	127.00	0.00	0.00	0.00	0.00	50.00	177.00
Share Application Money Refunded:	0.00	43.00	0.00	0.00	50.00	0.00	50.00	43.00
Share Application Money Received Back:	0.00	0.00	0.00	0.00	1.00	62.00	1.00	62.00

17. Previous year figures have been regrouped, reworked and reclassified wherever necessary.

As per our Report of even date annexed

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

For and on behalf of the Board

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 25-05-2013

KUNAL LALANI
Director

SURENDRA CHHALANI
Director

TO THE BOARD OF DIRECTORS OF MEGA CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Mega Corporation Limited ("Company") and its subsidiary**, which comprise the Consolidated Balance Sheet as at 31st March, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Consolidated Balance Sheet, of the State of Affairs of the Company as at 31st March, 2013.
- In the case of the Consolidated Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and.
- In the case of the Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 30-05-2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	100,000,000	100,000,000
Reserves and Surplus	3	169,376,989	177,166,617
		269,376,989	277,166,617
Share Application Money Pending Allotment	4	5,000,000	10,000,000
Non-Current Liabilities			
Long - Term Borrowings	5	611,019	0
Deferred Tax Liabilities (Net)	6	0	5,148,719
Long-Term Provisions	7	504,451	614,910
		1,115,470	5,763,629
Current Liabilities			
Short-Term Borrowings	8	608,360	18,910,622
Trade Payables	9	2,065,070	1,316,309
Other Current Liabilities	10	385,591	4,895,425
		3,059,021	25,122,355
	TOTAL	278,551,479	318,052,601
Assets			
Non-Current Assets			
Fixed Assets - Tangible Assets	11	71,826,058	102,403,270
Non-Current Investments	12	23,814,851	23,814,851
Deferred Tax Assets (Net)	6	1,640,534	0
Long-Term Loans and Advances	13	1,558,200	1,558,200
Other Non-Current Assets	14	3,192,507	3,117,192
		102,032,150	130,893,513
Current Assets			
Trade Receivables	15	5,345,655	5,755
Cash and Cash Equivalents	16	1,254,108	4,645,244
Short-Term Loans and Advances	17	169,919,567	182,508,089
		176,519,330	187,159,088
	TOTAL	278,551,479	318,052,601

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our Report of even date

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 30-05-2013

For and on behalf of the Board

SURENDRA CHHALANI
Whole time Director

SHURAB KUMAR
Director

RIYANKA JAIN
Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
Income:			
Revenue from Operations	18	15,583,479	18,302,847
Other Income	19	7,014,823	2,346,967
Total Revenue		22,598,302	20,649,814
Expenses:			
Cost of Aircraft Charter Operations	20	12,987,486	11,507,895
Employee Benefits Expense	21	4,367,436	3,262,276
Interest and Finance Costs	22	2,220,157	6,490,255
Depreciation and Amortisation		13,599,349	15,963,543
Other Expenses	23	4,002,755	3,052,401
Total Expenses		37,177,182	40,276,370
Profit Before Tax:		(14,578,881)	(19,626,556)
Tax Expenses:			
- Previous Year		0	1,000
- Deferred Tax Charge / (Credit)		(6,789,253)	(5,057,451)
Net Profit/(Loss) for the Year		(7,789,628)	(14,570,105)
Earning Per Equity Share:			
Basic & Diluted Earning per share of Rs. 1/- each		(0.08)	(0.15)

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our Report of even date

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 30-05-2013

For and on behalf of the Board

SURENDRA CHHALANI
Whole time Director

SHURAB KUMAR
Director

RIYANKA JAIN
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

Particulars	As at March 31, 2013	As at March 31, 2012
A. Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	(14,578,881)	(19,626,556)
Adjustment for :		
Depreciation	13,599,349	15,963,543
Loss/(Profit) on Sale of Fixed Assets	(1,361,322)	(448,362)
Interest Income	(6,214,497)	(13,869,897)
Interest and Finance charges	2,205,621	6,462,591
Operating Profit before change in Working Capital	(6,349,730)	(11,518,682)
Adjustment for changes in working capital :		
Trade Receivables	(5,339,900)	989,259
Trade Payables	748,761	(125,284)
Short-Term Borrowings	(18,302,262)	(51,417,990)
Other Current Liabilities	(4,509,834)	2,144,622
Short-Term Loans and Advances	12,488,523	37,385,133
	(14,914,712)	(11,024,260)
Cash Generated From Operations	(21,264,442)	(22,542,942)
Adjustment for :-		
Income Tax Deposit	0	(1,000)
Interest Paid	(2,205,621)	(6,462,591)
Net Cash Flow From Operating activities (A)	(23,470,063)	(29,006,533)
B. Cash Flow from Investing Activities		
Interest Income	6,214,497	13,869,897
Share Application Money Received Back / (Given)	100,000	(6,250,000)
Purchase of Tangible Assets	(1,351,813)	(1,842,023)
Purchase of Non Current Investments	0	(19,736)
Proceeds from Sale of Tangible Assets	19,690,999	325,000
Proceeds from Sale of Non Current Investments	0	5,007,200
Proceeds from Other Non-Current Assets	(75,315)	1,353,854
Net Cash Flow from Investing Activities (B)	24,578,368	12,444,193
C. Cash Flow from Financing Activities		
Share Application Money Received / (Refunded)	(5,000,000)	8,400,000
Repayment of Long-Term Loans and Advances	-	6,250,000
Repayment of Long-Term Provisions	(110,459)	70,999
Increase/ (Decrease) in Long-Term Borrowings	611,019	0
Net Cash Flow from Financing Activities (C)	(4,499,441)	14,720,999
Net (Decrease) / Increase in Cash and Cash Equivalents D= (A+B+C)	(3,391,136)	(1,841,341)
Cash and Cash Equivalents as at beginning of the year (E)	4,645,244	6,486,585
Cash and Cash Equivalents as at the end of the year (D + E)	1,254,108	4,645,244

As per our Report of even date annexed

For and on behalf of the Board

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 30-05-2013

SURENDRA CHHALANI
Whole time Director

SHURAB KUMAR
Director

RIYANKA JAIN
Company Secretary

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES:**A. Basis of Preparation of Financial Statements:**

The accompanying Consolidated Financial Statements have been prepared on historical basis and conform in all material aspects to the generally accepted accounting principles. The Company prepares its accounts on Accrual Basis. The preparation of Financial Statements require the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of Financial Statements and the reported income and expenses during the reporting period. The management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable.

B. Principles of Consolidation of Financial Statements:

The financial statements of the Company and its Subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard – 21 "Consolidated financial statements" as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).

The Financial Statements of the Subsidiary Company used in the consolidation is drawn for the same period as that of the Parent Company i.e. year ended March 31, 2013.

Name of Subsidiary considered for Consolidation:

Name of the Company	Nature of relationship	Country of Incorporation	Extent of Holding/ Voting Power as at March 31, 2013
Mega Airways Ltd.	Subsidiary	India	99.99%

As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements. Differences in the Accounting Policies have been disclosed separately

C. Use of Estimates:

The presentation of financial statements, in conformity with the Generally Accepted Accounting Principles, requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

D. Tangible Fixed Assets:

Expenditure, which are of capital nature, are capitalised at acquisition cost, which comprises net purchases price (net of rebates and discounts), levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

E. Depreciation on Tangible Fixed Assets:

Depreciation on Tangible Fixed Assets has been provided on Written Down Value Method as per the classification and on the basis of rates prescribed in Schedule XIV to the Companies Act, 1956 except that Commercial Aircraft are depreciated on the basis of Straight Line Method at the rates calculated on the basis of expected useful life of the said assets.

The depreciation charged for the assets which have been impaired are adjusted to allocate the assets revised carrying amount less its residual value, if any, over its remaining useful life.

Depreciation on Tangible Fixed Assets added / disposed off during the year is provided on pro-rata basis. Tangible Fixed Assets costing below Rs.5000/- fully depreciated in the year of acquisition.

F. Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortization. Amortization is done on straight line basis. Software is amortized on straight line basis over the useful life of the asset or 5 years whichever is earlier.

G. Impairment of Assets:

The carrying value of intangible assets is reviewed for impairment at each Balance Sheet date to ascertain if there is any indication of impairment based on internal / external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the

greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

H. Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

I. Investments:

Investments, which are readily realizable and intended to be held not more than one year from the date on which such was made, are classified as current investments. All other investments are classified as non-current investments. Non trade and unquoted non-current investments are stated at cost and quoted non-current investments at lower of cost or market value. Provision for diminution in the value of quoted non-current investment is made only if such a decline is other than temporary in the opinion of management.

Unquoted investments in subsidiaries / associates companies are non-current and valued at cost. No loss is recognized in the fall in their net worth, if any, unless there are permanent fall in their value.

J. Borrowing Costs:

Borrowing costs that are allocated to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

K. Foreign Currency Transactions:

All income and expenditure items are accounted for on the basis of exchange rate prevailing on the date of transaction. The net exchange difference arising from realization of foreign currency and transaction amount has been dealt with in the statement of profit and loss and capitalized where it relates to fixed assets. Current Assets and Current Liabilities in foreign currency are accounted for at the rate prevailing as on the date of Balance Sheet.

L. Employees Benefits:

The liability for gratuity is provided on the basis of valuation carried out at the end of each financial year internally by the Company.

Retirement Benefits in the form of Provident Fund is charged to the Statement of Profit and Loss for the year in which the contributions to the respective funds are due.

Leave encashment benefit is accounted for on basis of valuation made at the end of each financial year by the Company.

M. Taxation:

Provision for current Tax is made and retained in accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961 including provisions regarding minimum alternate tax and considering assessment orders and decisions of the appellate authorities in company's case.

Deferred Tax for timing differences between Tax Profits and Book Profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax Assets are recognized to the extent there is reasonable certainty that these assets can be realised in future.

N. Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

O. Revenue Recognition:

The Revenue and Expenditure related to Air Charter Services and Financing Services are accounted ongoing concern basis.

Interest income / expenses are recognised using the time proportion method based on the rates implicit in the transaction.

Other receipts / incomes are recognised when the right to receive the same is established, i.e. Accrual Basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012

2. Share Capital**Authorised**

30,00,00,000 (30,00,00,000) Equity Shares of Rs.1/- each	300,000,000	300,000,000
--	-------------	-------------

Issued, Subscribed and Paid Up

10,00,00,000 (10,00,00,000) Equity Shares of Rs.1/- each fully paid up	100,000,000	100,000,000
--	-------------	-------------

a) Reconciliation of shares outstanding at beginning and at end of the year

During the current year and in the previous year, there have been no movements in the number of equity shares outstanding.

b) Terms / Rights attached to Equity Shares

The company has only one class of share having a par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2013, the company has not declared any dividend.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion of the number of fully paid equity shares held by shareholders.

c) Details of shareholders holding more than 5% shares in the company

Names	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% Shares Held	No. of Shares	% Shares Held
Vimi Investments & Finance Private Limited	24,043,000	24.04%	24,043,000	24.04%
Crayons Global Finance Private Limited	22,530,000	22.53%	22,530,000	22.53%

3. Reserves and Surplus**Surplus / (Deficit) in the Statement of Profit and Loss**

Balance as per last Financial Statements	177,159,617	191,729,722
Profit / (Loss) for the year	(7,789,628)	(14,570,105)
Net surplus in the Statement of Profit and Loss	169,369,989	177,159,617
Add: Minority Interest in Subsidiary Company	7,000	7,000
	169,376,989	177,166,617

4. Share Application Money Pending Allotment

From Related Parties	0	5,000,000
From others	5,000,000	5,000,000
	5,000,000	10,000,000

Note: a) Sufficient Authorised Capital is available with the Company
b) Shares are proposed to be issued at par.

5. Long -Term Borrowings**Secured Term Loans**

- From Banks	611,019	0
	611,019	0

Nature of Security & Terms of Repayment

Secured Loans from banks amounting to Rs. 6,11,019/- (previous year Rs. Nil) are secured by way of hypothecation of Vehicles. These Loans carries interest between @ 10% to 12% p.a. and is repayable in equal monthly installments.

(Amount in Rs.)

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012

6. Deferred Tax Liabilities / (Assets) - (Net)**Deferred Tax Liabilities :**

Fixed Assets:

Impact of difference between book and tax depreciation	18,077,076	19,806,200
	18,077,076	19,806,200

Deferred Tax Assets :

Impact of expenses charges to the Statement of Profit and Loss in the current financial year but allowed for tax purpose on payment basis

Provision for Gratuity	(137,624)	(169,641)
Provision for Leave Encashment	(18,252)	(20,366)
Others		
Unabsorbed Depreciation	(19,561,734)	(14,467,474)
	(19,717,610)	(14,657,481)
	(1,640,534)	5,148,719

7. Long-Term Provisions

Provision for Employee Benefits

- Gratuity	445,384	549,000
- Leave Encashment	59,067	65,910
	504,451	614,910

8. Short-Term Borrowings**Loans Repayable on Demand**

- From Banks	268,360	634,672
- From other Parties	340,000	18,275,950
	608,360	18,910,622

a) The above amount includes :

Secured Loans	268,360	634,672
Unsecured Loans	340,000	18,275,950
	608,360	18,910,622

b) Nature of Security & Terms of Repayment

Secured Loans from banks amounting to Rs. 2,68,360/- (previous year Rs. 6,34,672/-) are secured by way of hypothecation of Vehicles. These Loans carries interest between @10% to 12% p.a. and is repayable in equal monthly installments.

Unsecured Loans from Body Corporates amounting to Rs. 3,40,000/- (Previous Year - Rs. 1,82,75,950/-) and repayable on demand.

9. Trade Payable

Trade Payable (Refer note 32)	2,065,070	1,316,309
	2,065,070	1,316,309

10. Other Current Liabilities

Advance received against sale of assets	0	4,500,000
Salaries and other employee benefits	238,000	265,711
Expenses Payable	86,361	81,147
TDS Payable	61,230	48,567
	385,591	4,895,425

11. Tangible Assets

(Amount in Rs.)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Addition during the Year	Deduction & Adjustment	As at 31.03.2013	As at 01.04.2012	Deduction & Adjustment	For the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Air Craft - Commercial	130,573,210	0	5,000,000	125,573,210	43,858,683	0	11,766,478	55,625,160	69,948,050	86,714,527
Computer System	198,367	14,600	0	212,967	131,000	0	31,027	162,027	50,940	67,367
Furniture and Fixtures	1,021,155	9,320	314,600	715,875	192,068	170,264	151,752	173,556	542,319	829,087
Vehicles	18,723,543	1,287,493	18,723,543	1,287,493	4,004,228	5,577,784	1,637,047	63,491	1,224,002	14,719,315
Office Equipments	117,609	40,400	70,574	87,435	44,635	30,992	13,045	26,688	60,747	72,974
Total	150,633,884	1,351,813	24,108,717	127,876,980	48,230,614	5,779,040	13,599,349	56,050,922	71,826,058	102,403,270
Previous Year	133,029,982	18,530,830	926,928	150,633,884	32,872,361	605,290	15,963,543	48,230,614	102,403,270	100,157,621

12. Non-Current Investments**Trade Investments (valued at cost unless stated otherwise)****Unquoted Equity Instruments****Investment in Associates**

1,50,000 (1,50,000) Equity Shares of Rs. 10/- each fully paid up of Anand Power Ltd. 1,500,000 1,500,000

37,500 (37,500) Equity Shares of Rs. 10/- each fully paid up of Plasopan Engineers (I) Pvt. Ltd. 375,000 375,000

62,000 (62,000) Equity Shares of Rs. 10/- each fully paid up of Mediaware Infotech Pvt. Ltd. 3,418,525 3,418,525

3,40,000 (3,40,000) Equity Shares of Rs. 10/- each of Sahyog Properties Pvt. Ltd. 10,200,000 10,200,000

2,00,000 (2,00,000) Equity Shares of Rs. 10/- each of Jam India Pvt. Ltd. 8,000,000 8,000,000

23,493,525 23,493,525

Other Investment (valued at cost unless stated otherwise)**Quoted Equity Instruments**

6,000 (6,000) Equity Shares of Rs. 10/- each fully paid up of Intense Technology Ltd. 292,490 292,490

100 (100) Equity Shares of Rs. 2/- each fully paid up of Ambuja Cement Ltd. 9,100 9,100

100 (100) Equity Shares of Rs. 2/- each fully paid up of Tata Motors Ltd. 19,736 19,736

321,326 321,326

23,814,851 23,814,851

Aggregate amount of Quoted Investments 321,326 321,326

Aggregate Market value of Quoted Investments 72,055 85,495

Aggregate amount of Unquoted Investments 23,493,525 23,493,525

Aggregate Provision for Diminution in the value of Investments 0 0

13. Long-Term Loans and Advances

MAT Credit Carried Forward 1,558,200 1,558,200

1,558,200 1,558,200

(Amount in Rs.)

Particulars	As at March 31, 2013	As at March 31, 2012
14. Other Non-Current Assets		
Fixed Deposits with original maturity more than twelve month	1,131,988	1,086,184
Misc. Expenses (To the extent not Written Off or adjusted)		
A. Preliminary Expenses		
As per last year	187,420	187,420
Less : Written off during the year	0	0
Total `A'	187,420	187,420
B. Share Issue Expenses		
As per last year	600,500	600,500
Add: Incurred during the year	0	0
Less : Written off during the year	0	0
Total `B'	600,500	600,500
C. Pre- Operative Expenses (Pending Allocation)		
As per last year	1,243,088	1,180,383
Add: Incurred during the year	29,511	62,705
Less : Capitalised during the year	0	0
Total `C'	1,272,599	1,243,088
TOTAL (A+B+C)	2,060,519	2,031,008
	3,192,507	3,117,192
15. Trade Receivables		
(Unsecured, Considered Good Unless Stated Otherwise)		
Outstanding for a period exceeding 6 months	0	0
Other Receivables	5,345,655	5,755
	5,345,655	5,755
16. Cash and Cash Equivalents		
Balances with Scheduled Banks in Current Accounts	723,941	422,503
Foreign Currency in Hand	1,333	1,333
Cash on Hand (as certified by management)	528,834	4,221,408
	1,254,108	4,645,244
17. Short-Term Loans and Advances		
Security Deposits		
Unsecured, considered good	565,025	991,900
Other Loans and Advances		
(Unsecured, considered good)		
Inter Corporate Loans & Advance	53,278,060	39,697,801
Other Loans & Advance	3,673,424	30,308,828
Income Tax Deposit under Protest	26,312,714	24,440,629
Custom Duty Deposit under Protest	23,682,303	23,682,303
Income Tax Refundable	2,700,785	2,775,657
Advance Income Tax/TDS	787,338	1,551,614
Insurance Claim Receivable	767,084	0
Prepaid Expenses	102,239	634,872
Service Tax Cenvat Credit	69,349	346,485
Advance to Customers	31,246	28,000
Share Application Money Pending Allotment:		
(Unsecured & Considered Good)	57,950,000	58,050,000
	169,919,567	182,508,089

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012
18. Revenue from Operations		
Interest Receipts	6,214,497	13,869,897
Aircraft Charter Services	9,368,982	4,432,950
	<u>15,583,479</u>	<u>18,302,847</u>
19. Other Income		
Commission Income	4,280,000	0
Liability No Longer Required	767,590	329,430
Interest Receipts	337,872	588,056
Rental Income	178,000	634,634
Consultancy Income	89,319	336,181
Profit on Sale of Tangible Assets	1,361,322	3,362
Profit/(Loss) on Sale of Non Current Investments	0	445,000
Dividend/Misc. Income	720	10,303
	<u>7,014,823</u>	<u>2,346,967</u>
20. Aircraft Charter Operation Expenses		
Air Craft Repair and Maintenance Exp.	4,721,502	5,810,481
Fuel Consumed	2,768,021	1,421,059
Salary and Pilots Remuneration	2,627,084	1,201,744
Training Expense	158,523	1,213,691
Landing and Parking Exp.	1,967,381	936,583
Insurance of Aircraft	628,874	860,369
Catering Exp.	116,101	53,967
Licence Fees	0	10,000
	<u>12,987,486</u>	<u>11,507,895</u>
21. Employee Benefits Expenses		
Salaries and Allowances	2,578,280	2,484,236
Directors Remuneration	1,653,121	657,000
Staff Welfare	113,650	102,653
Contribution to PF and ESI	22,385	18,387
	<u>4,367,436</u>	<u>3,262,276</u>
22. Interest and Finance Costs		
Interest	2,205,621	6,462,591
Bank Charges	14,536	27,664
	<u>2,220,157</u>	<u>6,490,255</u>

Particulars	(Amount in Rs.)	
	As at March 31, 2013	As at March 31, 2012
23. Other Expenses		
Auditors Remuneration	80,094	77,210
Conveyance	568,996	394,460
Rent Paid	769,124	373,392
Repair and Maintenance	282,750	131,003
Legal and Professional Charges	1,208,431	1,011,301
Fees and Subscription	203,498	184,933
Travelling	138,436	129,490
Bad Debts	15,585	173,765
Postage and Telegram	72,269	79,924
Printing and Stationery	64,368	64,838
Advertisement Expenses	106,825	90,549
Telephone and Mobile Expenses	152,506	76,815
Meeting (AGM) Expenses	92,495	81,626
Directors Sitting Fee	25,000	45,000
Electricity and Water	63,517	68,440
Office Expenses	31,200	28,322
Business Promotion	53,500	0
General Expenses	11,077	14,402
Insurance	49,083	12,489
Filing Fees	14,000	9,000
Books and Periodicals	0	5,442
	<u>4,002,755</u>	<u>3,052,401</u>

24. Contingent Liabilities not provided for:

(Amount in Rs. Lacs)

Particulars	As at 31-03-2013	As at 31-03-2012
Income Tax Matters*	396.57	396.57
Custom Duty on Import of Commercial Aircraft (Amount paid under protest Rs. 236.82 Lacs**)	236.82	236.82
Un-Expired Bank Guarantees	14.00	14.00

*The Company has disputed Income Tax demand of Rs. 396.57 Lacs for the A.Y. 2006-07 made by the Income Tax Department. The Company has deposited a sum of Rs. 263.12 Lacs against the aforesaid demand which has been treated as amount refundable by Income Tax Department. The Company has filed an appeal against above referred demand with appellate authority which is pending for disposal before CIT(Appeals), Delhi. The management of the company has been advised that the order of the assessing officer shall not be tenable before income tax appellate authorities hence there will be no liability towards income tax.

**The company has deposited a sum of Rs. 236.82 Lacs as additional Custom Duty on Import of Aircraft in F. Y. 2007-08. Though the company had disputed the said demand but had deposited the said amount in F. Y. 2008-09 under protest to safeguard its business interest. The matter is still pending for disposal before the Customs Authorities. The company has been advised that the contention of the Customs Authorities is not tenable hence there shall be no liability for payment of additional customs duty

25. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) and not provided for amounts to Rs. NIL (Previous Year: NIL).

26. Earnings per Share (Basic and Diluted):

Basic and diluted earnings (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity share outstanding during the year as follows:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Net profit after Tax as per Statement of Profit and Loss	(77,89,628)	(1,45,70,105)
Number of Shares outstanding at the beginning and end of the year (Face value Rs. 1/- each)	10,00,00,000	10,00,00,000
Weighted average number of Shares outstanding during the year (Face value Rs. 1/- each)	10,00,00,000	10,00,00,000
Basic and Diluted Earnings per share	(0.08)	(0.15)

27. Payments to Whole Time and other Directors:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Whole Time Directors:		
Salary	9,66,043	5,31,000
HRA and Other allowances	6,87,078	1,26,000
Total	16,53,121	6,57,000
The Managerial Remuneration as computed above does not include the liability in respect of leave salary and gratuity accrued		
Non Executive Directors:		
Board Sitting Fee	25,000	45,000

28. Auditors Remuneration (excluding Service Tax / Cess) paid / payable:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fees	60,000	60,000
Tax Audit	20,000	20,000
Other Services	10,000	10,000

29. Foreign Exchange earned and used:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Foreign Exchange earned	NIL	NIL
Foreign Exchange used	84,523	27,35,242

30. The Board has certified that all the income accrued to the company has been taken into consideration and belong entirely and exclusively to the business of the Company.

31. In the opinion of Board of Directors the "Current / Non-Current Assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

32. Balances of Debtors, Creditors, Loans and Advances and Unsecured Loans are subject to confirmation and reconciliation adjustment, if any.

33. In the absence of receipt of information regarding small scale industrial status from the parties, the details of names of small scale industrial undertaking to which the company owe any sum together with interest outstanding for more than 30 days could not be ascertained

34. Segment Reporting:**Identification of Segments****Primary Segment:**

Business Segment: The Company's operating businesses are organised and managed separately according to the nature of operations with each segment representing a strategic business unit that carries out different operations. The Company has two identified segments comprising of Aircraft Charter Services and Finance & Investments.

Secondary Segment:

Geographical Segment: The Company does not have any identified segment on the basis of geographical locations as company's operations are mainly confined to single location.

Unallocable Items

Corporate income, expenses, capital and reserves are considered as part of unallocable items which are not identifiable to any business segment.

Primary Business Segments

Segment Revenues, Results and other information

Particulars	Finance / Investment	Chartered Aircraft Services	Total
Revenue	62,14,497	93,68,982	1,55,83,479
Identified Operating Exp.	37,59,712	2,95,79,412	3,33,39,124
Profit/(Loss) before interest and tax from each segment	24,54,785	(2,02,10,430)	(1,77,55,645)
Less : Interest and Finance Charges (unallocable)			34,653
Less : Other Expenses net of Income (unallocable)			(32,11,917)
Net profit before tax			(1,45,78,881)
Less : Income tax and other taxes			(67,89,253)
Net profit after tax			(77,89,628)
Segment Assets	17,44,27,925	9,90,94,083	27,35,22,007
Segment Liabilities	15,90,468	25,61,550	41,52,018
Capital Employed	17,28,37,457	9,65,32,532	26,93,69,989
(Assets - Liabilities)			
Depreciation	15,74,208	1,20,25,141	1,35,99,349

35. Related Parties Disclosures:

Disclosures in respect of Related Parties as defined in Accounting Standard (AS) 18, with whom transactions were carried out in the ordinary course of business during the year as given below:

Directors, Key Management Persons (KMP) and their Relative:

Mr. Surendra Chhalani, Mr. Sachin Mehra and Mr. Shurab Kumar, Mr. Manish Dhariwal and AVM K. S. Venkataraman (Retd)

Other Related Parties where common control exists and with whom the company had transactions during the year: M/s Mega Cabs Ltd., Ecotec Developers Pvt. Ltd., Omni Media Communications Pvt. Ltd., M/s Jam India Pvt. Ltd., M/s Maxim Radio Cabs Ltd., M/s Mega Infotel Pvt. Ltd. and M/s Crayons Advertising Ltd.

(Amount in Rs. Lacs)

Nature of transactions	Associates		KMP and their Relatives		Total	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Receiving of Services	1.07	0.89	0.00	0.00	1.07	0.89
Interest Received	27.75	0.00	0.00	0.00	27.75	0.00
Share Application Money Returned	50.00	0.00	0.00	0.00	50.00	0.00
Share Application Money Received Back	1.00	0.00	0.00	0.00	1.00	0.00
Loans and Advances Given	623.00	35.00	0.00	0.00	623.00	35.00
Loans and Advances Received Back	422.09	35.00	0.00	0.00	422.09	35.00
Directors' Remuneration	0.00	0.00	16.53	6.57	16.53	6.57
Employees Cost	0.00	0.00	3.44	0.00	3.44	0.00
Directors' Sitting Fees	0.00	0.00	0.25	0.45	0.25	0.45

36. Previous year figures have been regrouped, reworked and reclassified wherever necessary.

As per our Report of even date

For Sipani & Associates
Chartered Accountants
Registration No.: 007712N

(VIJAY SIPANI)
Prop.
M. No. 083850
Place: Delhi
Dated: 30-05-2013

For and on behalf of the Board

SURENDRA CHHALANI
Whole time Director

SHURAB KUMAR
Director

RIYANKA JAIN
Company Secretary

NOTE