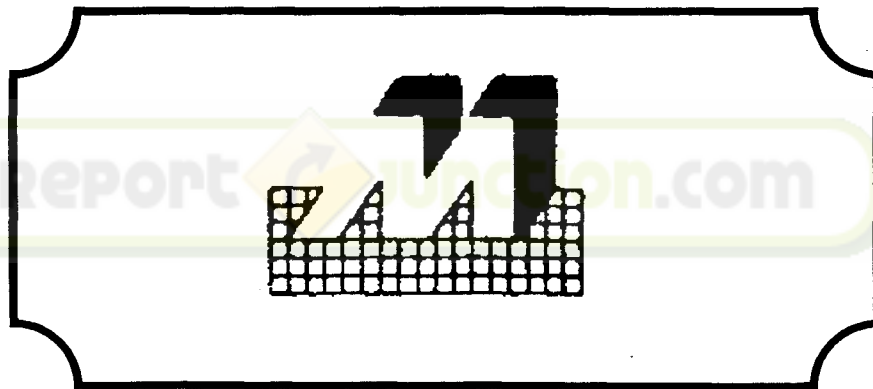


23rd
ANNUAL REPORT
2004-2005



Mega Fin (India) Limited

CERTIFIED TRUE COPY
MEGA FIN. (INDIA) LIMITED

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MEGA FIN (INDIA) LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr.Ajay S Mittal - Director
Mr.Sanjay P Mittal - Director
Mr.Anil S Mittal - Director

Registered & Corporate Office

7th Floor, Twin Arcade, "C" Building,
Military Road, Marol Maroshi,
Andheri (E), Mumbai - 400 059.

Banker

The National Co.op. Bank Limited
Nariman Point, Mumbai.

AUDIT COMMITTEES OF DIRECTORS

Mr.Ajay Mittal - Director
Mr.Sanjay Mittal- Director
Mr.Anil Mittal - Director

MANAGEMENT COMMITTEE

Mr.Ajay Mittal - Director
Mr.Sanjay Mittal- Director
Mr.Anil Mittal - Director

INVESTORS GRIEVANCE COMMITTEE

Mr.Ajay Mittal - Director
Mr.Sanjay Mittal- Director
Mr.Anil Mittal - Director

Auditors

M/S S.K.Sheth & Company
C-110, Borivli Shopping Centre,
Chandavarkar Lane, Borivli (W),
Mumbai - 400 092

Share Transfer Agent

Bigshare Services Pvt.Ltd.
E/2, Ansa Industrial Estate,
Sakivihar Road, Mumbai - 400 072.

Compliance Officer

Mr.P.K.B.Nambiar

MEGA FIN (INDIA) LIMITED

7th Floor, Twin Arcade, C-Wing, Military Road, Marol-Maroshi, Andheri (East), Mumbai – 400 059.

NOTICE

Notice is hereby given that 23rd Annual General Meeting of the Members of Mega Fin (India) Ltd will be held on Friday, 30th September, 2005 at 11.30 a.m. at the Registered Office of the Company at 7th Floor, Twin Arcade, "C" Building, Military Road, Marol Maroshi, Andheri (E), Mumbai - 400 059 to transact the following business.

1. To receive and adopt the Directors Report and audited Profit and Loss Account for the year ended 31st March, 2005 and Balance Sheet as at the date.
2. To appoint a Director in place of Mr. Ajay S Mittal, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.
4. **SPECIAL BUSINESS :**

To Consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution.

"RESOLVED THAT, pursuant to Section 257 of the Companies Act 1956, Mr. Anil Mittal be and is hereby appointed as a Director on the Board of the Company".

NOTES :

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- b) Shares of the Company's are listed at Mumbai & Ahmedabad Stock Exchange.
- c) The Register of Members and the Transfer Books of the Company will remain closed from 23rd September, 2005 to 30th September, 2005 (both days inclusive).
- d) The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the meeting.
- e) Members are requested to notify immediately any change in their addresses including PINCODE to the Company's share transfer agent **M/S Bigshare Services Pvt. Ltd.** at their office at :-

**E/2, Ansa Industrial Estate,
Saki-Vihar Road, Mumbai - 400 072.**

For and on behalf of the Board

**Place : Mumbai
Date : 29th August, 2005**

**Sd/-
Ajay S Mittal
Director**

MEGA FIN (INDIA) LIMITED

7th Floor, Twin Arcade, C-Bldg., Military Road,
Marol-Maroshi, Andheri (East), Mumbai – 400 059.

EXPLANATORY STATEMENT PURSUANT TO SEC. 173 OF THE COMPANIES ACT, 1956

ITEM No.4

Mr. Anil Mittal was appointed as an additional director on 6th May, 2005 and shall hold office upto the conclusion of this Annual General Meeting. The Company has received a notice from a member alongwith a fee of Rs.500/- signifying his intention to sponsor his candidature for appointment as director at the ensuring Annual General Meeting. Mr. Ajay S Mittal being related to Mr. Anil Mittal may be deemed to be concerned or interested in the resolution.

The Board commends the resolution for your acceptance.

For and on behalf of the Board

Place : Mumbai
Date : 29th August, 2005

Sd/-
Ajay S Mittal
Director

MEGA FIN (INDIA) LIMITED
7th Floor, Twin Arcade, C-Wing, Military Road,
Marol-Maroshi, Andheri (East), Mumbai – 400 059.

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 23rd Annual Report of the Company together with Audited Statement of account for the year ended 31st March, 2005.

1. FINANCIAL RESULTS

The summarised financial results of your company for the year ended under review are as under :-

	Year ended 31.03.2005 Rs.	Year ended 31.03.2004 Rs.
Gross Income	284,033	71,708
Profit/ (Loss) Before Depreciation	(1,511,323)	(376,998)
Depreciation / Impairment	1,816,037	298,851
Profit/ (Loss) Before Tax	(3,327,360)	(675,849)
Provision for Tax	NIL	NIL
Profit/ (Loss) After Tax	(3,327,360)	(675,849)
Add : Excess Provision of earlier year written back		
- Diminution in Value of Investment	NIL	19,78,281
- Waiver of Interest	1,298,979	NIL
Balance Carried to Balance Sheet	(2,028,381)	13,02,432

2. DIVIDEND

The Directors of your Company do not recommend any dividend for the year under review.

3. FIXED DEPOSITS

As mentioned in our earlier reports, your company has repaid all its deposits to the holders of fixed deposit. No fresh deposits were accepted during the year under review.

The Board of your company have resolved that no fresh fixed deposits shall be accepted without the prior permission of Reserves Bank of India. In review of the repayment of all deposits, it is not incumbent on the Company to obtain credit rating.

4. WORKING RESULTS

During the year under review, your company's gross income was Rs.2.84 lacs against Rs. 0.72 lacs for the previous year. The loss after tax is Rs. 33.27 lacs after providing depreciation/impairment of Rs.18.16 lacs. As mentioned in previous year's report, your company has stopped further funding and presently concentrating on recovery of funds disbursed in the proceeding years.

5. PERFORMANCE Vs PROJECTIONS

Since your Company had not given projection for future in the prospectus of the issue of 40,00,000 Equity Shares of Rs.10/- each offered to the public in September 1996, as the same was not required to be mentioned, the details of Performance Vs Projections are not applicable in respect of your Company.

6. SUBSIDIARIES

The enclosed statement under Section 212 of the Companies Act, 1956 relating to the subsidiaries forms part of the report.

7. DIRECTORS

Mr. Ajay S Mittal, Director retires by rotation and being eligible offer himself for re-appointment.

Mr Anil S Mittal was appointed as Additional Director and holds office till the next Annual General Meeting.

The Company has received a notice from a member signifying his intention to sponsor the candidature of Mr Anil Mittal as Director on the Board of Director.

Mr Ashok V Mittal resigned as Director on 6th May, 2005.

8. CORPORATE GOVERNANCE

During the year under report, your Company is required to implement the requirements of the Code of Corporate Governance in accordance with Clause 49 of the Listing Agreement with the Stock Exchange and has complied accordingly to the best of its ability, as detailed in a Report on Corporate Governance included as part of the Annual Report.

9. DEMATERIALISATION OF SHARES

In terms of the notification issued by the Securities and Exchange Board of India (SEBI) the Company has completed the process for facilitating dematerialisation of its shares with NSDL and CDSL.

HELD AT _____ ON _____ TIME _____

MINUTES OF THE ANNUAL GENERAL MEETINGS OF MEMBERS OF MEGAFIN (INDIA) LIMITED HELD ON 30TH SEPTEMBER, 2005 at 11.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 7TH FLOOR, TWIN ARCADE, 'C' WING, MILITARY ROAD, MAROL-MAROSHI, ANDHERI (E), MUMBAI - 400059.

MEMBERS PRESENT :

- | | | |
|--------------------------|---|--------------------|
| 1. Mr. Ajay Mittal | - | Shareholder |
| 2. Mr. V Shivkumar | - | Shareholder |
| 3. Mr. Suresh Mittal | - | Shareholder |
| 4. Mr. Shankarlal Mittal | - | Shareholder |
| 5. Mr. Anil Mittal | - | Shareholder |
| 6. Mr. Paresh Zaveri | - | Shareholder |
| 7. Mr. P.K.B. Nambiar | - | Compliance Officer |

CHAIRMAN :

Mr. Ajay Mittal took the chair.

QUORUM :

Mr Ajay Mittal, Director informed the members that, the requisite quorum as per Article No. 105 of the Articles Association of the Company being present, the meeting can commence for transacting the business as per notice dated 29th August, 2005.

Mr Ajay Mittal, Chairman welcomed the members and briefed them about the working of the company.

Mr Ajay Mittal informed the members that , the company has not received any proxies.

Mr Ajay Mittal informed the members that, the register of Directors shareholding is open for inspection of the members during the continuance of the meeting.

Mr Ajay Mittal informed the members that, now the meeting can proceed as per Notice dated 29th August, 2005 and requested Mr P.K.B. Nambiar, Compliance Officer, to read the Director's Report to the members.

Mr P.K.B. Nambiar read the Auditor's report to the members.

RESOLUTION 1.

Mr. Ajay Mittal - Chairman, proposed the following resolution as an ordinary resolution.

"RESOLVED THAT, the Audited Balance Sheet as at 31st March, 2005, Profit & Loss Account of the year ended on that date together with the Auditor's Report and Director's Report, be and is hereby received, considered an adopted."

Mr V Shivkumar seconded the above resolution.

Before putting the resolution to vote, the Chairman invited queries from the members and the same were satisfactorily replied.

The Chairman then put the resolution to vote and on show of hands, and declared the resolution as carried unanimously.

CHAIRMAN'S INITIALS

MINUTE BOOK

PAGE _____

HELD AT _____ ON _____ TIME _____

RESOLUTION 2.

Mr Shankarlal Mittal proposed the following resolution as an ordinary resolution.

"RESOLVED THAT" Mr Ajay S Mittal, the Director retiring by rotation be and is hereby appointed as a Director.

Mr Anil Mittal seconded the resolution.

The Chairman then put the resolution to vote on a show of hands and the name was declared as carried unanimously.

RESOLUTION 3.

Mr V Shivkumar proposed the following resolution as an ordinary resolution.

"RESOLVED THAT" M/s. S.K. Sheth & Co. Chartered Accountants, the retiring auditors be and are hereby appointed as auditors of the Company to hold office till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board.

Mr Suresh Mittal seconded the resolution.

The Chairman then put the resolution to vote on a show of hands and the name was declared as carried unanimously.

RESOLUTION 4.

The following resolution was proposed as an ordinary resolution by Mr V Shivkumar and seconded by Mr Suresh Mittal.

"RESOLVED THAT" pursuant to section 257 of the Companies Act 1956, Mr Anil Mittal be and is hereby appointed as Director of the Board of the company.

The Chairman then put the resolution to vote on a show of hands and declared the same as carried unanimously.

There being no other business the meeting terminated with a vote of thanks to the Chair.

PLACE : MUMBAI

DATE :



CHAIRMAN

CHAIRMAN'S INITIALS

The total dematted shares as per the certificate issued by M/s. Bigshare Services Pvt. Ltd. as on 31st March, 2005 is 26,600 Shares.

10. SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE

The Share Transfer / Investor Grievance Committee was reconstituted with the resignation of Mr Ashok Mittal. Mr. Anil Mittal was inducted in place of Mr. Ashok Mittal. The Committee was assigned the work of redressal of Investors/ Shareholders complaints along with approval of share transfer, sub-division / consolidation of shares etc. The committee oversees the performance of Registrar and Transfer Agents and recommends measure for overall improvement of the quality of investor services. Details of Shares Transfer/ Transmission approved by the committee are placed before the Board Meetings from time to time.

11. DIRECTOR'S RESPONSIBILITY

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, your Directors confirm that;

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period.
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis.

12. AUDITORS

M/s. S. K. Sheth & Co. Chartered Accountants, the retiring auditors being eligible offer themselves for re-appointment.

13. STATUTORY INFORMATION

Since there are no employees drawing remuneration in excess of the limits specified u/s 217 (2A) of the Companies Act, 1956, the Companies (Particulars of employees) Rules 1975 are not applicable. Since the company is not a manufacturing company, the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1998 regarding conservation of energy, Technology

Absorption are not applicable. The Company had no inflow/outflow of foreign currency during the year under review.

The outgo of Foreign Exchange Travelling amounted to NIL. The Company had no earnings in foreign exchange during the year under review.

14. Your Company does not have any outstanding amounts payable to small-scale industrial undertakings.

15. AUDITORS REPORT

The notes to the accounts are self-explanatory in respect of comments of the auditors.

16. ACKNOWLEDGMENT

The Board wishes to place on record its appreciation for the performance of the personnel, co-operation from its Shareholders, Bankers, Clients and Auditors for their sustain support.

For and on behalf of the Board



Sd/-

Ajay S Mittal
Chairman

Place : Mumbai
Dated : 29th August, 2005.