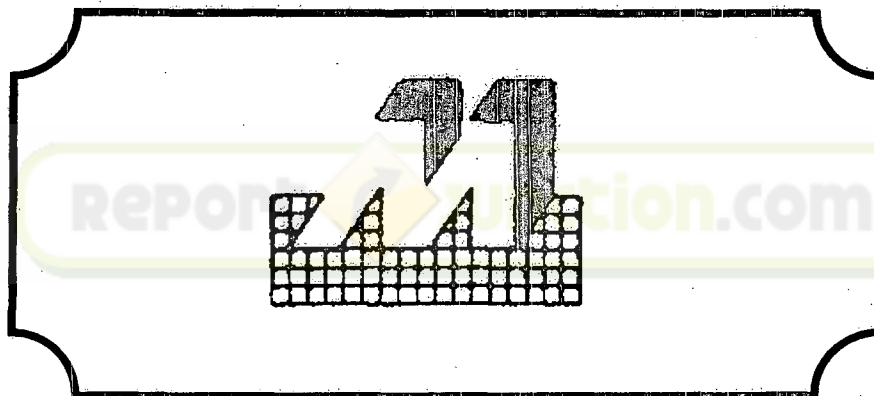


25th
ANNUAL REPORT
2006-2007



Mega Fin (India) Limited



CERTIFIED TRUE COPY

MEGA FIN (INDIA) LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ajay S Mittal	:	Director
Mr. Sanjay P Mittal	:	Director
Mr. Anil S Mittal	:	Director
Mr. Amit Sheth	:	Independent Director
Mr. Sanjay Parchani	:	Independent Director

Registered & Corporate Office

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

Bankers

The National Co-op. Bank Ltd.
Nariman Point, Mumbai.

Audit Committee of Directors

Mr. Ajay S Mittal	-	Director
Mr. Sanjay P Mittal	-	Director
Mr. Anil S Mittal	-	Director
Mr. Amit Sheth	-	Director
Mr. Sanjay Parchani	-	Director

Management Committee

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

Investors Grievance Committee

Mr. Ajay S Mittal	-	Director
Mr. Sanjay P Mittal	-	Director
Mr. Anil S Mittal	-	Director
Mr. Amit Sheth	-	Director
Mr. Sanjay Parchani	-	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

MEGA FIN (INDIA) LIMITED

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

Notice is hereby given that Twenty Fifth Annual General Meeting of the Members of Mega Fin (India) Ltd. will be held on 30th November, 2007 at 11.00 a.m. at the Registered Office of the Company at 7th Floor, Twin Arcade, C-Wing, Military Road, Marol-Maroshi, Andheri (East), Mumbai – 400 059, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007, Profit and Loss Account for the year ended on that date together with the Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Anil S Mittal who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Ajay S Mittal who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

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. Explanatory Statement as per the provisions of Section 173(2) of the Companies Act, 1956 is annexed hereto.
- c. The Company's shares are listed at Bombay Stock Exchange Ltd. Mumbai & Ahmedabad Stock Exchange.
- d. The Register of Members and the Transfer Books of the Company will remain closed from Friday, the 23rd November, 2007 to 30th November, 2007 (both days inclusive).
- e. 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.
- f. 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 Nihar Road, Mumbai – 400 072.

For and on behalf of the Board of Directors

Sd/-

**Ajay S Mittal
Director**

Place : Mumbai

Date : 5th October, 2007

MEGA FIN (INDIA) LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 25th Annual Report of the Company together with Audited Statement of account for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

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

	Year ended 31.03.2007 Rs.	Year ended 31.03.2006 Rs.
Gross Income	25,595	9,607,720
Profit/ (Loss) Before Depreciation	(109,704)	(9,435,971)
Depreciation	8,637	8,637
Profit/ (Loss) Before Tax	(118,341)	(9,427,334)
Provision for Tax	NIL	NIL
Profit/ (Loss) After Tax	(118,341)	(9,427,334)
Tax adjustment of Earlier Year	NIL	(47,170)
Profit/(Loss) for the current Year	(118,341)	(9,380,164)
Add: Brought forward from previous year	(56,297,280)	(65,677,444)
Balance Carried to Balance Sheet	(56,415,621)	(56,297,280)

2. WORKING RESULTS

During the year under review, your Company's gross income was Rs.25,595 against Rs. 96,07,720 for the previous year. The loss after tax is Rs.1.18 lacs after providing depreciation of Rs. 0.08 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.

3. DIVIDEND

The Directors of your Company do not recommend any dividend for the year ended 31st March 2007 because of Losses.

4. 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.

5. SUBSIDIARIES

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

6. DIRECTORS

Mr. Anil S Mittal and Mr. Ajay S Mittal, Directors retires by rotation and being eligible offer themselves for re-appointment.

7. CORPORATE GOVERNANCE

Your Company has endeavoured to implement the Code of Corporate Governance in accordance with Clause 49 of the Listing Agreement with the Stock Exchange and a Report on the Corporate Governance included as part of the Annual Report.

8. 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.

9. SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE

The Share Transfer / Investor Grievance Committee comprising of Mr. Ajay S Mittal, Mr. Anil S Mittal, Mr. Sanjay P Mittal, Mr. Amit Sheth & Mr. Sanjay Parchani has been 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.

10. 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.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has not carried out any activity requiring disclosure pursuant to 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 relating to Conservation of Energy, Technology absorption and there was neither any earnings nor outgo of Foreign Exchange.

12. PARTICULARS OF EMPLOYEES:

As there was no employee falling within the purview of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the information may be treated as nil.

13. STOCK EXCHANGE LISTING:

The Shares of your Company are Listed at Bombay Stock Exchange Ltd and Ahmedabad Stock Exchange and the annual Listing Fees have been paid to the above Exchanges.

14. AUDIT COMMITTEE:

An Audit Committee as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange has been duly constituted and meetings are held periodically to discuss the relevant issues.

15. OUTSTANDING TO SMALL SCALE INDUSTRIES:

Your Company does not owe any money to small scale industrial undertaking.

16. AUDITORS' REPORT

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

17. AUDITORS

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

18. 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 continued support.

For and on behalf of the Board

Place : Mumbai
Dated : 05th October 2007

sd/-
Ajay S Mittal
Chairman

ANNEXURE TO DIRECTORS' REPORT**Particulars under the Companies (Disclosure of Particulars in the Report of the Board Of Directors) Rules, 1988.****CORPORATE GOVERNANCE REPORT :**

Your Company comes within the purview of Clause 49 of the Listing Agreement during the year under review and accordingly, a Report on Corporate Governance, in the manner specified is given here below:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its inter-action with employees, shareholders, creditors, consumers and institutional and other lenders and places due emphasis on regulatory compliance.

The Company will continue its efforts in raising the standards in Corporate Governance and will also review its systems and procedures constantly to keep pace with the changing economic environment.

BOARD OF DIRECTORS

The Board of Directors consists of five members, comprising three non-executive Directors nominated by the board.

Particulars of the directorship of the board, membership and office of the Chairman of Board/committees across all companies and attendance at Board Meeting and Annual General Meeting of the Company are given below :

Name of Director	Non-Executive/ Independent	No. of outside Directorships in Listed Cos.	Membership held in Committee of Directors	Chairmanship held in Committee of Directors	No. of Board Meetings attended	Whether attended last AGM
Mr. Ajay S Mittal	Non-Executive	1	2	1	4	Yes
Mr. Sanjay P Mittal	Non-Executive	0	2	0	4	Yes
Mr. Anil S Mittal	Non-Executive	0	2	0	4	Yes
Mr. Amit Sheth	Independent	1	2	1	4	Yes
Mr. Sanjay Parchani	Independent	0	2	0	4	Yes

During the financial year 2006-07 four Board Meetings were held on 30th May 2006, 28th July 2006, 30th October 2006, 30th January 2007, and the 24th Annual General Meeting was held on 30th September, 2006.

AUDIT COMMITTEE**BOARD TERMS OF REFERENCE**

The Terms of reference of the Audit Committee include:

- To review the Company's financial reporting process and its financial statements.
- To review the accounting and financial policies and practices.
- To review the efficacy of the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- To review reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.
- To examine accountancy, taxation and disclosure aspects of all significant transactions.

The Audit Committee of the Company has such powers as are detailed under Section 292A of the Companies Act, 1956 and also Clause 49(ii)(c) of the Listing Agreement.

COMPOSITION

The Audit Committee of the Company was constituted by the Board during the year 2001-02. The Audit Committee comprises three Directors, all these Directors poses knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee is an Independent, Non-executive Director nominated by the Board. Audit Committee Meetings are attended by the representatives of Statutory Auditors invited to attend all the meetings.

The constitution of the Audit Committee is as follows:-

1. Mr. Ajay S Mittal Director
2. Mr. Anil S Mittal Director
3. Mr. Sanjay P Mittal Director
4. Mr. Amit Sheth Director
5. Mr. Sanjay Parchani Director

During the Financial Year ended 31st March, 2007, Four Audit Committee Meetings were held on 30th May, 2006, 28th July 2006, 30th October, 2006 and 30th January, 2007.

Name of Director	Category	No. of Audit Committee Meetings Attended
Mr. Ajay S Mittal	Non-Executive	4
Mr. Anil S Mittal	Non-Executive	4
Mr. Sanjay P Mittal	Non-Executive	4
Mr. Amit Sheth	Independent	4
Mr. Sanjay Parchani	Independent	4

REMUNERATION COMMITTEE

Your Company has not constituted a Remuneration Committee, since the Directors were not paid any remuneration by the Company.

SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

During the Financial Year ended 31st March, 2007, four Transfer Cum Shareholders/Investors Grievance Committee Meetings were held on 30th May 2006, 28th July 2006, 30th October 2006 and 30th January 2007.

The Members of the Committee are:-

Name of Director	Category	No. of Shareholders'/ Investors Committee Meeting Attended
Mr. Ajay S Mittal	Non-Executive	4
Mr. Anil S Mittal	Non-Executive	4
Mr. Sanjay P Mittal	Non-Executive	4
Mr. Amit Sheth	Independent	4
Mr. Sanjay Parchani	Independent	4

The Transfer-Cum-Shareholders'/Investors' Grievance Committee redresses all investors' grievances with due diligence. The powers of approving the issue of duplicate certificate and all matters connected with securities' transfers, transmissions, sub-divisions, consolidations etc, vests with the committee. At every meeting of the transfer-cum-Shareholders'/Investors' Grievance Committee, a periodic summary statement, depicting transfer, transaction, etc of the securities of the company, is placed before the committee and a thorough review thereof is made.

During the year there were no complaints received.

GENERAL BODY MEETINGS :

Location and time where the last three Annual General Meetings were held are as under:-

Financial Year	Date	Location of the Meeting	Time
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2003-2004	30-09-2004	Conference Room of Twin Arcade 5 th Floor, Military Road, Andheri (E), Bombay – 400 059	11.00 a.m.
2004-2005	30-09-2005	7 th Floor, Twin Arcade, C-Wing Military Road, Andheri (E), Mumbai– 400 059	11.30 a.m.
2005-2006	30-09-2006	7 th Floor, Twin Arcade, C-Wing, Military Road, Andheri (E), Mumbai – 400 059	11.30 a.m.

No Special Resolution requiring Postal Ballot as required by the Companies (passing of the resolution by postal ballot) Rules, 2001/ Clause 49 of the Listing Agreement has been placed for Shareholder's approval at the last Annual General Meeting nor is any resolution proposed to be taken up through postal ballot at the ensuing Annual General Meeting.

DISCLOSURES

During the year 2006–07 the Company has no materially significant related party transaction, which is considered to have potential conflict with the interests of the company at large.

There has not been any non-compliance, penalties or stricture imposed on the company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years. Save and except notice Ref. CFD/DCR/ RC/TO/3060-04 dated 23rd July, 2004 received from SEBI under violation of take over regulations which has in the opinion of the Directors been satisfactorily replied.

MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the unaudited financial results of the Company within one month of the close of the quarter/half year and announces forthwith the results to the Stock Exchange/s, where the Shares of the Company are listed, as also the same are published within 48 hrs in two news papers as prescribed.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date : 30th November 2007.

Time : 11.00 a.m.

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

FINANCIAL YEAR

The Company follows April-March as its financial year. The results for every quarter are declared in the month as permitted under the Listing Agreement.

DATE OF BOOK CLOSURE

23rd November 2007 to 30th November 2007(both days inclusive).

LIST OF STOCK EXCHANGE

The Company's Shares are listed on The Bombay Stock Exchange Ltd. and Ahmedabad Stock Exchange.

STOCK CODE

- 1) Ahmedabad Stock Exchange - 36331
- 2) The Bombay Stock Exchange Ltd, Mumbai - 532105

REGISTRAR AND TRANSFER AGENTS

The Company's Registrar and Transfer Agent is M/s Bigshare Services Pvt. Ltd., E/2 Ansa Industrial Estate, Sakivihar Road, Mumbai – 400 072.

DISTRIBUTION OF SHAREHOLDING

Categories of Shareholding as on 31st March, 2007.

Category	Number of Shares	% to Total
Promoters	2531220	30.96
Relatives / Friends of Directors	984860	12.05
Institutional Investors	0	0
Mutual Funds & UTI	20000	0.24
Private Corporate Bodies	2411800	29.50
Indian Public	1993700	24.39
NRIs / OCBs	0	0
Others (Trust)	233920	2.86
TOTAL	8175500	100.00

Distribution of Shareholding as on 31st March, 2007.

No. of Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 - 5000	441	70.90	217100	2.66
5001 - 10000	48	7.72	46 800	0.57
10001 - 20000	18	2.89	29200	0.36
20001 - 30000	15	2.41	34700	0.42
30001 - 40000	4	0.64	13700	0.17
40001 - 50000	2	0.32	8300	0.10
50001 - 60000	10	0.50	75200	0.92
100001 - 9999999	84	3.72	7750500	94.80
TOTAL	622		8175500	

ADDRESS FOR CORRESPONDENCE

Shareholders may correspond on all matters relating to the transfer/dematerialisation of Shares, payment of dividend, and any other query relating to Shares of the Company, to the Registered Office of the Company at 7th Floor, Twin Arcade, C-Wing, Military Road, Marol-Maroshi, Andheri (East), Mumbai – 400 059.

For and on behalf of the Board

sd/-

Ajay S Mittal
Chairman

Place : Mumbai
Dated : 05th October 2007

S. K. SHETH & CO.
CHARTERED ACCOUNTANTS

C-110, Borivli Shopping Center,
Chandavarkar Road,
Borivli (W), Mumbai – 400 092.
Tel.: 022 – 2801 2326 / 2806 8977
Email : sharad_sheth@hotmail.com

AUDITORS' REPORT

TO THE MEMBERS OF
MEGA FIN (INDIA) LIMITED

We have audited the attached Balance Sheet of the **MEGA FIN (INDIA) LIMITED** as at 31st March, 2007 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) 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.
- 2) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books.
- 3) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the Balance Sheet and the Profit and Loss account dealt with by the report are in compliance in all material aspect with the accounting standard referred to in Section 211 (3C) of the Companies Act, 1956.
- 5) On the basis of written representation received from the directors as at 31.03.2007 and taken on record by the board of directors, we report that none of the directors of the Company are disqualified as on 31.03.2007 from being appointed as director under Sec. 274 (1) (g) of the Companies Act, 1956.
- 6) *The financial statements are prepared on a going concern basis even though the company has substantial accumulated losses, its activity is stand still and has eroded its networth as explained in Note No. "B (9)" in respect of which we are unable to express an opinion.*
- 7) *With respect to Loans & Advances of Rs. 161.82 Lacs and Sundry Debtors of Rs.188.86 Lacs which are outstanding for a long period, where there are no repayments/ interest recovery as explained in Note No. "B (3)", we are unable to formulate an opinion on the recoverability of the amount due.*
- 8) *Attention is drawn to Note No. "B (5)" regarding non confirmation of balances of loans and advances, sundry debtors, Assets given on lease.*
- 9) *Attention is invited to Note No. "B (6)" regarding the shares, which are neither transferred in the name of the Company nor the Company is holding the shares with valid transfer deed and as such we are unable to formulate an opinion on the veracity of the said shares*