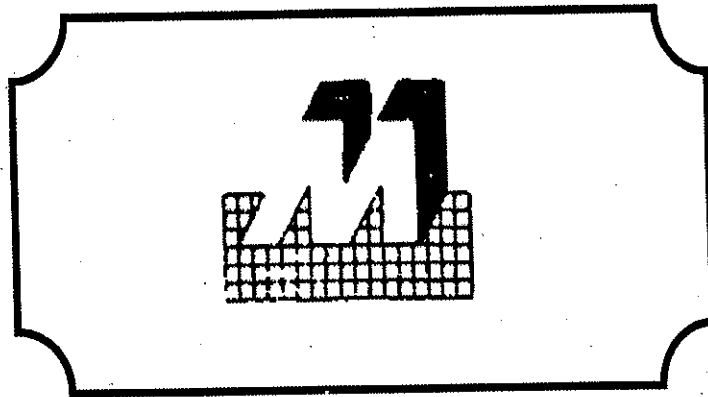
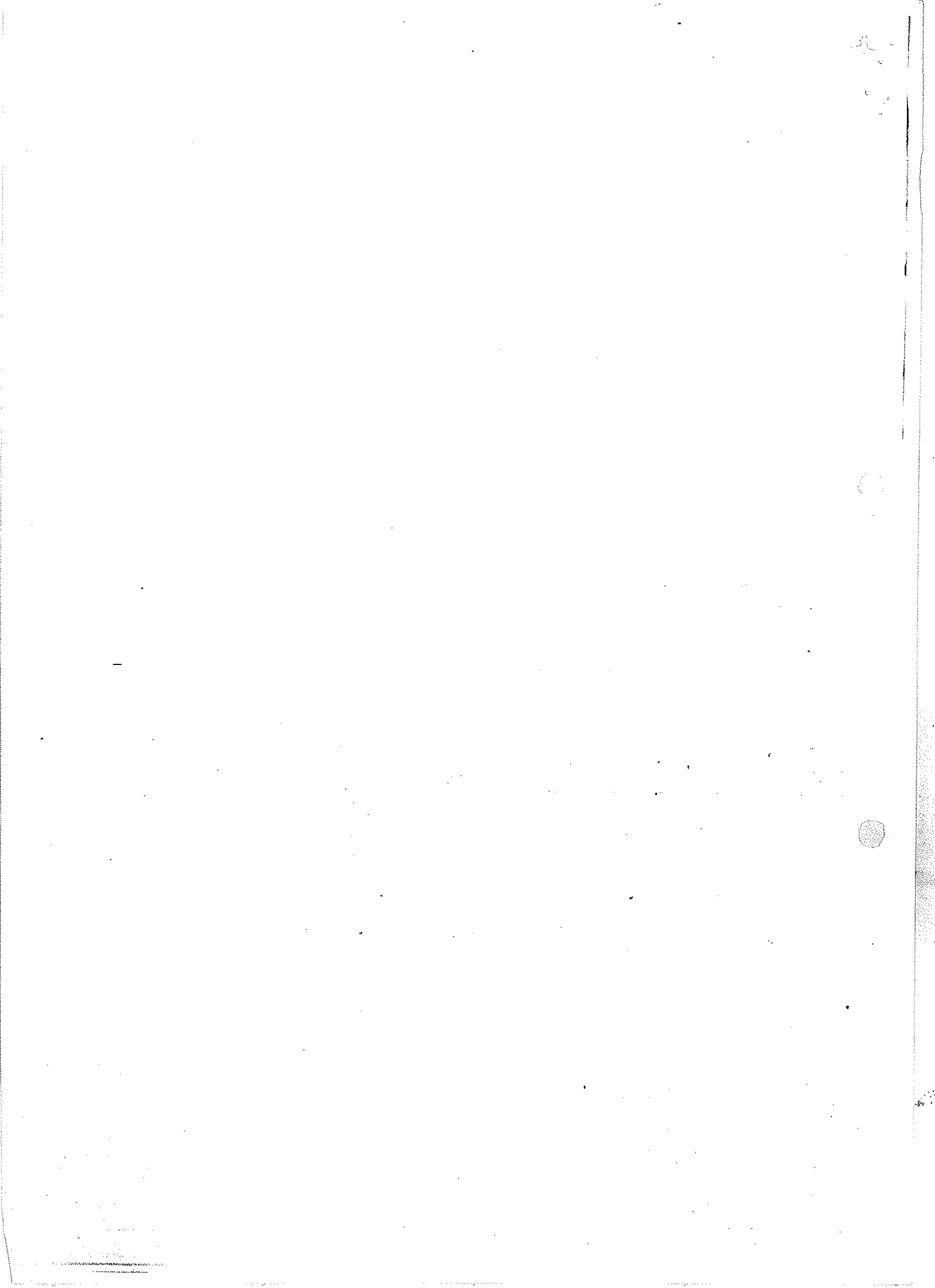


28th
Annual Report
2009-2010



Mega Fin (India) Limited



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Mega Fin (India) Limited

BOARD OF DIRECTORS

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

REGISTERED OFFICE

501, 5th Floor, D-Wing, Twin Arcade, Military Road,
Marol Maroshi, Andheri (E), Mumbai - 400 059

BANKERS

HDFC Bank Ltd, Ahura Centre Branch,
Mahakali Caves, Andheri (East), Mumbai - 400059

AUDITORS

M/s S.K. SHETH & CO.

Chartered Accountants

Room No. 5, 3rd Floor, Niloo Mansion, Plot No. 28,
Opp. City Centre, S. V. Road, Goregaon (West),
Mumbai- 400 062.

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd

E/2, Ansa Industrial Estate, Saki Vihar Road, Mumbai – 400072

Email: info@bigshareonline.com,

Tel: +91-22-2847 0652/ 40430200, Fax: +91-22-28475207

MEGA FIN (INDIA) LIMITED

Regd. Office :- 501, 5th Floor, D-Wing, Twin Arcade, Military Road, Marol-Maroshi, Andheri (East), Mumbai- 400 059.

Notice

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of **MEGA FIN (INDIA) LIMITED** will be held on Thursday, the 30th day of September, 2010 at 4.00 p.m. at the Registered Office of the Company at 501, 5th Floor, D-Wing, Twin Arcade, 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, 2010, Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ajay Mittal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

For and on behalf of the Board of Directors

Sd/-
Ajay S Mittal
Director

Place : Mumbai

Dated : 23rd August, 2010

Notes:

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- b. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 28th September, 2010 to Thursday, 30th September, 2010 (both days inclusive)
- c. 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. Member / Proxy should bring the attendance slip duly filled in for attending the meeting.
- d. Members are requested to notify immediately any change in their address to the Company's Share Transfer Agent, M/s Big'hare Services Pvt. Ltd., at their office at E/2, Ansa Industrial Estate, Saki Vihar Road, Mumbai – 400 072.

- f. The Register of Directors' shareholdings, maintained under Section 307 of the Companies Act, 1956 as well as all other documents referred to in the notice, are open for inspection at the Registered Office of the Company during the office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
- g. Members desirous of seeking information relating to the accounts and operations of the Company are requested to address their queries to the Company at least 7 days in advance of the meeting, to enable the company to keep the information ready.
- h. Shareholders are requested to bring their copies of Annual Report to the meeting.
- i. The details of Director seeking re-appointment under Item Nos.2 of the notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, are annexed.

For and on behalf of the Board of Directors

Sd/-
Ajay S Mittal
Director

Place : Mumbai
Dated : 23rd August, 2010

**ANNEXURE TO NOTICE of 28th Annual General Meeting of the members of
MEGA FIN (INDIA) LIMITED:**

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Directors	Mr. Ajay S Mittal
Date of Birth	28.06.1965
Qualification	M.B.A.
Date of Appointment	12/12/1991
Profile & Expertise	Mr. Mittal has a diverse leadership experience across many industries. During the past 17 years he has held key management and director positions within the M. G. Mittal Group (one of India's leading business conglomerate) spanning commercial and private real estate, financial services, manufacturing, international trading, global supply chain management, and information technology. He received his M.B.A from The United States and upon returning to India created new business entities in international trading, logistics and I.T. He frequently shares his knowledge as a speaker at various global conferences and is also very actively involved in many community service organizations.
Directorship held in other companies	Arshiya International Ltd Arshiya Rail Infrastructure Ltd Arshiya Rail Siding & Infrastructure Ltd Arshiya Transport and Handling Limited Arshiya Northern Distripark Ltd Arshiya Western Logistics Infrastructure Ltd Arshiya Northern Logistics-Infrastructure Ltd Arshiya Hong Kong Ltd Mega Custodial Services Ltd Mega Fin (India) Ltd Mega Safe Deposit Vaults Pvt Ltd Mega Capital Broking Pvt. Ltd A.M.D. Realty Projects Developers Pvt. Ltd Rockhill Properties Pvt. Ltd Welldone Consultancy Pvt. Ltd Rudradev Properties Pvt. Ltd Castlelino Consultancy Pvt. Ltd Nine Rivers Capital Holding Pvt. Ltd.
Member in committee of other companies	Mega Fin (India) Ltd Arshiya Rail Infrastructure Ltd
No of Equity shares held: 7, 89,000	



MEGA FIN (INDIA) LIMITED

Directors' Report

To
The Members
Mega Fin (India) Limited

Your Directors present the 28th Annual Report of the Company together with Audited Statements of Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

	Year ended 31.03.2010	Year ended 31.03.2009
	RS.	RS.
Gross Income	59,723	95,898
Expenses	1,63,401	146,673
Profit/ (Loss) Before Depreciation	(1,03,678)	(50,775)
Depreciation	Nil	8,637
Profit/ (Loss) Before Tax	(1,03,678)	(59,412)
Provision for Tax	Nil	NIL
Profit/ (Loss) After Tax	(1,03,678)	(59,412)
Add: Brought forward from previous year	(56,592,674)	(56,533,262)
Balance Carried to Balance Sheet	(56,696,352)	(56,592,674)

2. WORKING RESULTS

The Company earned a gross income of Rs. 59,723/- during the year. The net loss amounted to Rs. 1,03,678/- which has been carried to Balance Sheet. Recoveries of dues and stabilization of operations remain focus areas of your company.

3. DIVIDEND

The Directors of your Company do not recommend any dividend for the year ended 31st March 2010 in view of the loss.

4. FIXED DEPOSITS

Your Company did not accept any fixed deposits during the year under review.



5. SUBSIDIARY COMPANY

The Annual Accounts of Mega Capital Broking Private Limited as on 31st March, 2010, a subsidiary of your Company as well as a statement under Section 212 of the Companies Act, 1956 is attached with this report.

6. CHANGE OF REGISTERED OFFICE OF THE COMPANY

During the year under review, the Registered Office of the Company was changed from 7th Floor, "C" Wing, Twin Arcade, Marol Maroshi, Military Road, Andheri (East), Mumbai – 400 059 to 501, 5th Floor, "D" Wing, Twin Arcade, Marol Maroshi, Military Road, Andheri (East), Mumbai – 400 059 which is effective from 01st June, 2010.

7. DIRECTORS

Mr. Ajay Mittal retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment and your Board recommends his re-appointment

There were no other changes in Directors of the Company during the year under review.

8. REPORT ON CORPORATE GOVERNANCE

A Report on Corporate Governance is included as part of the Annual Report.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Provisions of Section 217(2AA) of the Companies Act, 1956, 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, if any.
- b) 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, 2010 and of the loss of the Company for the year ended on that date.
- 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.



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

The 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 is not applicable to your Company. There neither were any earnings nor outgo of Foreign Exchange.

11. PARTICULARS OF EMPLOYEES:

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.

12. AUDITORS

M/s. S. K. Sheth & Co., Chartered Accountants, the retiring auditors are eligible for re-appointment. The observations of the Auditors on the Accounts need no further explanation as the same have been appropriately dealt with in the notes to accounts which are self explanatory.

13. ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation of the continued support of its Shareholders, Bankers and Government Authorities.

For and on behalf of the Board

**Sd/-
Ajay S Mittal
Director**

**Sd/-
Anil S Mittal
Director**

Place : Mumbai

Dated : 23rd August, 2010

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of transparency and accountability in the functioning of the Company and the conduct of its business.

The Company will always endeavour to achieve high standards in Corporate Governance and review its systems and procedures towards this objective on continuous basis.

2. BOARD OF DIRECTORS

(A) Composition of Board

The Board consists of non-executive Directors, who have in depth knowledge of the business and industry in addition to expertise in their areas of specialization. The Board has strength of five Directors comprising of three non-executive Directors and two Independent Directors.

(B) Non executive Directors' compensation and Disclosures:

Non-Executive Directors are not entitled to any remuneration.

(C) Other Provisions as to Board and Committees:

No Director is a member in more than ten Committees and the Chairman in more than five Committees, across all the Companies in which they are Directors.

Attendance at Board Meetings

During the year, the Board of Directors met six times on the following dates: 28th April, 2009, 20th May, 2009, 28th July, 2009, 25th August, 2009, 30th October, 2009, and 29th January, 2010.

The details of attendance of the Directors at Board meetings and the last Annual General Meeting as well as their directorships, membership/ chairmanship of the committees in other companies are as follows:

Sr. No.	Name	Category	Attendance at Board Meetings		Directorships in other public Companies	Membership / Chairmanship of Committees in Other Public Companies		Attendance at A.G.M. held on 29 th September, 2009
			Held	Attended		Chairman	Member	
1.	Ajay S Mittal	Non Executive Director	6	6	11	-	06	YES
2.	Sanjay S Mittal	Non Executive Director	6	6	01	-	-	YES
3.	Anil S Mittal	Non Executive Director	6	6	02	-	02	YES
4.	Amit Sheth	Independent Director	6	6	01	01	0	NO
5.	Sanjay Parchani	Independent Director	6	6	-	-	01	NO

(D) CODE OF CONDUCT

The Company has laid down a code of conduct for the Directors and the same has been posted on the Company's website, www.megafinindia.com. The members of the Board have affirmed

compliance to the said Code of Conduct. A declaration to this effect, duly signed by the Director, is provided as Annexure I to this Report.

3. COMMITTEES OF THE BOARD

The Company has Three Committees of the Board of Directors viz.

1. Audit Committee
2. Shareholders / Investors Grievance committee
3. Share Transfer Committee

All decisions pertaining to the constitution of Committees, appointment of members and fixing the terms of reference for committee members are taken by the Board of Directors. Details of the role and composition of these committees, including the number of meetings held during the year and the attendance are provided below.

Audit Committee

The Committee comprises of Mr. Ajay S Mittal, Mr. Amit Sheth and Mr. Sanjay Parchani. Mr. Amit Sheth is the Chairman of the Committee.

The Audit Committee met four times during the year on 28th April, 2009, 28th July, 2009, 30th October, 2009 and 29th January, 2010. The details of number of meetings attended by each member are as follows:

Sr. No.	Name of Members	No. of meetings held	No. of meetings attended
1.	Mr. Amit Sheth	4	4
2.	Mr. Ajay S Mittal	4	4
3.	Mr. Sanjay Parchani	4	4

The role of the Committee includes the following:

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. 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
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Shareholders/ Investors Grievance Committee

The Committee comprises of Mr. Ajay S Mittal, Mr. Amit Sheth and Mr. Anil S Mittal. The Committee meets as and when required. There were no grievances reported during the financial year under review.

Name and designation of compliance officer

Mr. Ajay Mittal is the Compliance Officer of the Company.

Status of Investor complaints

During the year the Company did not receive any investor complaint

Share Transfer Committee

The Committee comprises of Mr. Ajay S Mittal, Mr. Sanjay P Mittal and Mr. Anil S Mittal. Mr. Ajay S Mittal is the Chairman of the Committee. The Committee meets as and when required.

There were no share transfers recorded during the financial year ending 31.03.2010

4. BOARD PROCEDURE

The Board meetings of the Company are convened keeping in view statutory provisions and business requirements. The agenda is prepared in consultation with the Board. All items are backed by relevant supportings which are circulated in advance.

Information Supplied to the Board

The Board of Directors have complete access to the information within the Company, which inter alia includes:

- Annual operating plans and budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

5. SUBSIDIARY COMPANIES

Clause 49 of the listing agreement with the Bombay Stock Exchange Limited, defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

The Company has one subsidiary as on 31.03.2010 viz. Mega Capital Broking Private Limited. However, this company does not fall under the norm prescribed for "Material non-listed Indian Subsidiary".

6. GENERAL BODY MEETINGS

- a) Location, time and date where last three Annual General Meetings (AGMs) were held are given below :

Financial Year	Date & Time	Venue
2008-2009	29 th September, 2009 11.00 a.m.	7 th Floor, C Wing, Twin Arcade, Military Road, Marol-Maroshi, Andheri (E), Mumbai - 400059.
2007-2008	29 th November, 2008 4.00 p.m.	7 th Floor, C Wing, Twin Arcade, Military Road, Marol-Maroshi, Andheri (E), Mumbai - 400059.
2006-2007	30 th November, 2007 11.00 a.m.	7 th Floor, C Wing, Twin Arcade, Military Road, Marol-Maroshi, Andheri (E), Mumbai - 400059.

In the last three AGMs, no special resolution was passed.

b) Resolution passed through Postal Ballot

During the year, no resolution was passed through postal ballot.
At present the Company does not have any proposal to be passed by way of postal ballot.

7. DISCLOSURES

a) Related Party Transactions

Details of related parties have been disclosed in Note No. 19 of Schedule 9(B) to the Financial Statements in the Annual Report. It is ensured that these transactions do not have any conflict with the Company's interest. The Audit Committee reviews such transactions, if any, as per provisions of Clause 49 of the listing agreement

b) Disclosure of accounting treatment

In the preparation of the financial statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.

c) Disclosure of Risk management

The Company has initiated the risk assessment and minimization procedure.

d) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.

The Company has not raised any money during the year under review.

e) Management Discussion & Analysis

Management Discussion & Analysis Report forms part of this Annual Report.

f) Disclosure regarding appointment or re-appointment of Directors

The detailed profiles of Directors retiring by rotation are provided in the Annexure to the Notice of the Annual General Meeting.

8. CEO / CFO CERTIFICATION

At present the Company does not have either CEO or CFO.

9. COMPLIANCE BY THE COMPANY

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities.

10. MEANS OF COMMUNICATION

- The quarterly, half-yearly and annual financial results are usually published in The Free Press Journal and Nav Shakti.
- At present half yearly report on accounts is not being sent to each household of the shareholders.
- The Company has its own website www.megafinindia.com and has been uploading Annual Report and shareholding pattern along with other relevant information useful to investors on the website.

11. GENERAL SHAREHOLDER INFORMATION

a)	Date Time and Venue of Annual General Meeting	Day : Thursday Date : 30 th September, 2010. Time : 4.00 P.M. Venue: 501, 5 th Floor, D - Wing, Twin Arcade, Marol-Maroshi, Military Road, Andheri (E), Mumbai-400059.
b)	Financial Calendar 2010-2011 (Tentative)	i) First Quarter Results - up to 15 th August, 2010 ii) Second Quarter Results - up to 15 th November, 2010 iii) Third Quarter Results - up to 15 th February, 2011 iv) Fourth Quarter Results - up to 15 th May, 2011
c)	Date of Book Closure	28 th September, 2010 to 30 th September, 2010 (Both days inclusive)
d)	Dividend payment date	N.A.
e)	Listing on Stock Exchanges	Bombay Stock Exchange Limited. Ahmedabad Stock Exchange Limited The Company has paid the Listing fees for the year 2010-11.
f)	Stock Code Symbol	BSE : 532105 ASE: 36331
g)	Demat ISIN Number For CDSL	INE524D01015

h) Market Price Data

During the Financial Year under review there was no trading of shares of the Company over Bombay Stock Exchange Limited.

i) Performance in comparison to SENSEX

Since there was no trading of shares over Bombay Stock Exchange Limited, the performance cannot be compared with movement of sensex.

j) Registrar and Share Transfer Agent

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai-400 072
Tel.: 91-22-2847 0652/40430200
Fax.: 91-22-2847 5207
E-mail: info@bigshareonline.com

k) Share Transfer System

All shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agent within 30 days of the lodgement, if documents are found in order. All requests for dematerialization of shares are processed and the confirmation is given to the Central Depository Services Limited (CDSL) within 15 days.

l)(a) Category wise distribution of equity shareholding as at 31st March , 2010

Category	Number of shares held (Rs.10/- each)	Percentage of Shareholding (%)
Promoter and Promoter Group	3516080	43.01
Mutual Funds/ UTI	20000	0.24
Financial Institutions/ Banks	-	-
Foreign Institutional Investors	-	-
Bodies Corporate	2411800	29.50
Individuals	1993700	24.39
Clearing Member	-	-
NRI	-	-
Foreign National	-	-
Foreign Company	-	-
Others (Trust)	233920	2.86
GRAND TOTAL	8175500	100

l)(b) Distribution of shareholding as on 31st March 2010

Number of Equity shares held	Total Holders	% of total holders	Total Holding (in Rs.)	% of Total Capital
1- 5000	440	70.85	2166000.00	2.65
5001-10000	48	7.73	468000.00	0.57
10001-20000	18	2.90	292000.00	0.36
20001-30000	15	2.41	352000.00	0.43
30001-40000	4	0.64	137000.00	0.17
40001-50000	2	0.32	83000.00	0.10
50001-100000	10	1.61	752000.00	0.92
100001-9999999	84	13.53	77505000.00	94.80
Total	621		81755000.00	

m) Dematerialization of shares and Liquidity

About 0.34% of the total number of shares are in dematerialized form as on 31st March 2010. The Equity shares of the Company are traded on the Bombay Stock Exchange Limited and on the Ahmedabad Stock Exchange Limited.

n) Outstanding ADRs, GDRs, Warrants or any convertible instruments, conversion date and impact on Equity

The Company has not issued any of aforesaid instruments.

o) Address for Investor Correspondence

All routine correspondence regarding share transfers, transmission, dematerialization of shares, change of address, non-receipt of dividend etc. should be addressed to the Company's Registrar & Share Transfer Agent at:-

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai-400 072
Tel.: 91-22-2847 0652/40430200
Fax.: 91-22-2847 5207
E-mail: info@bigshareonline.com

For the complaints/grievances, if any, members may also write to:-

Mega Fin (India) Limited

501, 5th Floor, D-Wing,
Twin Arcade, Military Road,
Andheri (East), Mumbai 400059
Tel.: 91-22-40495700/701
Fax.: 91-22-40495777

NON -MANDATORY REQUIREMENTS

(a) The Board:

There is no policy at present to determine the tenure of Independent Directors.

(b) Remuneration Committee:

The Company has not constituted a Remuneration Committee of the Board of Directors of the Company.

(c) Shareholder Rights:

At present, the Company is not sending half-yearly financial performance to the each household of shareholders. However, quarterly financial results are published in news papers as required and are also made available on request.

(d) Training of Board Members:

As the members of the Board are eminent and experienced professionals, there is no formal policy at present for their training.

(e) Mechanism for evaluating Non-Executive Board Members

At present, no policy has been framed for evaluation of Non-Executive Directors.

(f) Whistle Blower Policy:

There is no formal Whistle-blower policy

Annexure:- I

DECLARATION

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd., I hereby declare that to the best of my knowledge and belief, and on the basis of declarations given to me, all the Directors have affirmed compliance with the Code of Conduct as laid down by the Company as applicable to them for the financial year ended on 31st March, 2010.

Sd/-
Ajay S Mittal
Director

Place : Mumbai
Dated: 23rd August, 2010.

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
MEGA FIN (INDIA) LIMITED

I have examined the records concerning Compliance of the conditions of Corporate Governance by MEGA FIN (INDIA) LTD for the year ended 31st March, 2010 as stipulated in clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited(BSE).

The compliance of conditions of Corporate Governance is the responsibility of management; our Examination was limited to the 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 the opinion on the financial statements of the Company.

On the basis of relevant records and documents maintained and furnished to me & the information and explanations given to me by the Company's management, to the best of our knowledge and belief, I certify that the Company has complied with the conditions of corporate governance, as stipulated in Clause 49 of the said Listing Agreement except compliances with respect to Composition of Board & appointment of Company Secretary, Managing Director and CEO/CFO of the Company.

On the basis of records maintained by the Registrar and Share Transfer Agent of the Company which were furnished before me and the minutes of meetings of the Investors' Grievance Committee of the Company, we state that, there were no investor grievances remaining unattended/ pending against the Company for a period exceeding one month.

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

Sd/-
SWATI NERURKAR & CO.
COMPANY SECRETARIES

ACS No. 18110
CP: 8193
Place: Mumbai
Dated: 23rd August, 2010

MEGA FIN (INDIA) LIMITED

Management Discussion & Analysis

Economy

Indian economy has witnessed average growth of around 9% since last few years. Rise in domestic demand, thrust on infrastructure spending, increased flow of foreign investments have been some of the factors responsible for the consistent growth. The financial services sector riding on this economic boom also posted robust growth during the said period. Bullish sentiments in equity markets provided added flavour to the already buoyant optimism prevailing all around until the beginning of the year.

However of late there have been signs of slow down resulting in contraction of demand, lower consumption and sudden credit squeeze. The turmoil in global financial markets has severally impacted sentiments all over the world and resultant strain on liquidity has suddenly changed the scenario with recession looming large over developed as well as developing nations.

Company Overview

Your Company is aware of the present situation and is keenly watching the developments. Its emphasis is on recoveries and stabilisation of operations. Though various options have been under the consideration of the management the same will be taken up after improvement in financials of your company.

Opportunities & Threats

The Company operates in financial services business and its subsidiary viz. Mega Capital Broking Pvt. Ltd. is in broking business. The efforts are on to generate resources for the company as well as its subsidiary by adopting necessary measures. Although many opportunities exist, the threats affecting your company are possible delay in recoveries, economic slowdown and circumstances having a bearing on its ability to generate resources.

Outlook

As stated earlier, the management intends to concentrate on recoveries and stabilizing the operations which is its top most priority. Though the outlook for the financial services industry remains positive, various alternatives and plans will be explored only after attaining reasonable improvement in the performance of the Company.

Risks and Concerns

The main concern of your Company faces is to form a reasonable resource base so as to provide impetus to business operations albeit on a limited scale and eventually gather momentum. The impending downturn of the economy, tight liquidity prevailing in the markets and difficulties encountered while pursuing recoveries remain the main risks faced by your Company.

Internal Control System

The Company has in place adequate internal control systems designed to effectively monitor various systems and procedures across the functions of the company. The management feels that internal control systems are adequate and commensurate with the Company's size and nature of its business. The same are subject to continuous review and are capable of effectively meeting the challenge of increase in business and operations.

Human Resources

The Management believes in maintaining cordial relations with its employees. The management recognizes the importance of Human Resources and effective steps will be taken to strengthen the same depending on the requirements.

Cautionary Statement

Statements in the Management Discussion Analysis describing the Company's objectives, projections, estimates, expectations may be "forward - looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand /supply and price condition in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

S.K.SHETH & CO.
CHARTERED ACCOUNTANTS

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Chandavarkar Road,
Borivali (W), Mumbai-400 092.
Tel :022-28902326/28908677
Fax: 022-28917142
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, 2010 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 **except as mentioned in Note No "B(18) "**.
- 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 31.03.2010 and taken on record by the board of directors, we report that none of the directors of the Company are disqualified as on 31.03.2010 from being appointed as director under Sec. 274 (1) (g) of the Companies Act, 1956.

- 6) *The financial statements have been prepared by the management on a going concern basis even though the company has substantial accumulated losses, its activity is stand still and has eroded its net worth as explained in Note No. "B (9)" in respect of which we are unable to express an opinion wither the Company can now operate as a going concern*
- 7) *With respect to Loans & Advances of Rs. 145.31 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.*
- 10) *Attention is invited to Note No. "B (18)" regarding non availability of balance confirmation and statement of account from Union Bank of India Ahmedabad , this balances is subject to confirmation and reconciliation and adjustment / entries to these account would be made on receipt of statement of account and confirmation and completion of reconciliation .*
- 11) *Attention is invited to Note No. "B (8)" regarding non appointment of Company Secretary and Managing Director as required by Section 383A and Section 269 respectively of Companies Act, 1956.*
- 12) *We further report that resultant impact of observation made by us in paragraph 6 to10 above on the loss for the year and current assets, Investments, liabilities and balance in profit & loss account at the year end, on the cash flow statement are unascertainable and accordingly cannot be commented upon by us.*
- 13) *Subject to whatever stated or observed in paragraph no.(6) to (11) above, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :*
- i) *in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;*
 - ii) *in the case of the Profit and Loss account, of the Loss for the year ended on that date and*
 - iii) *in the case of cash flow statement of the cash flow for the year ended on that date.*
- 14) *As required by the Companies (Auditor's Report) Order, 2003(as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the 'said Order')and in our opinion and on the basis of such checks as we considered appropriate we further report that :*

- i) a) The Company has maintained proper records/details showing full particulars including quantitative details and situation of fixed assets.
 - b) The Fixed Assets, except for assets given on lease and which are impaired, have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of the business. No material discrepancies were noticed on such verification. As the impaired assets are not in good condition to use and as explained to us the said assets are in the process of scrap it out ,hence the impaired assets are not verified during the year.[Refer Note :5(b)] In respect of Leased assets, the Company has a procedure of collecting confirmation from lessees as to physical existence and working condition of leased assets. During the year, the Company has not sent confirmation to any of the lessee. In the absence of confirmations, we are unable to comment upon the existence and discrepancies if any, in respect of these leased assets.
 - c) A substantial part of the fixed assets has not been disposed off during the year *However, as noted in paragraph 6 of our report we are unable to form an opinion whether the going concern assumption used in the preparation of financial statement is appropriate.*
- ii) According to the information and explanations given to us, and having regard to the Company's business, the reporting on clause 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the said Order are not applicable.
 - iii) a) The Company has not taken secured/unsecured loan from parties covered in the register maintained u/s 301 of the Companies Act, 1956. The Company has granted interest free loan to parties covered in register maintained U/s 301 of the Companies Act, 1956. There are three Companies covered in the register maintained u/s 301 of the Companies Act, 1956 to which Company has granted loans. The maximum amount involved during the year was Rs.3.52 lacs and the year end balance of loans granted to such parties was Rs.3.52 Lacs.
 - b) As the above loans are given interest free & there are no stipulations as to repayment of loans, clause (b), (c) & (d) are not commented upon.
- iv) According to the information and explanations given to us there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
 - v) a) In our opinion and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered in the register maintained under section 301 of the Companies Act, 1956.
 - b) Sub-clause (b) is not applicable.
- vi) In our opinion and according to explanations given to us, the company has not accepted deposits from public during the year.

- vii) During the year review, due to absence of business operations there was no formal internal audit systems. However Company's control procedure ensures reasonable internal checking of its financial and other records.
- viii) According to the information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act,1956, hence the question of reporting under clause 4(viii) of the said Order does not arises.
- ix) a) According to the records of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess & other material statutory dues applicable to it. As there are no employees on pay roll of the Company, Provision of Provident Fund, Employees State Insurance Scheme are not applicable and also provisions of Investor Education & Protection Fund are not applicable.
b) As per records of the Company and according to the information and explanation given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty Excise Duty & Cess as at 31.03.2010 for a period more than six months from the date they become payable
c) As per records of the Company and according to the information and explanation given to us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty Excise Duty and cess which have not been deposited on account of any dispute.
- x) In our Opinion, the accumulated losses of the company are more than fifty percent of the Net worth. The Company has incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.
- xi) The Company has not borrowed from a financial institution or a bank and has not issued any debentures. Therefore clause 4 (xi) of the said Order is not applicable.
- xii) According to information & 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 securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the said Order is not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures, and other investments. The shares are held by the Company in its own name, except where the company is not holding the share certificates along with valid transfer deeds (Refer Note No. "B (6)").and also our qualification in Para 9of the report.

- xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi) The Company has not obtained term loans during the year and no amounts are outstanding.
- xvii) On the basis of information and explanation given thus and as on overall examination of the Balance Sheet & the cash flow statement of the Company, We report that no funds raised on short term basis have been used during the year for the long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.
- xix) The Company has not issued any debentures during the year and no amounts are outstanding. Accordingly question of creating a security for such debentures does not arise.
- xx) The Company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
- xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our Audit.

For S. K. SHETH & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.:110074W

Sd/-

(SHARAD K. SHETH)
PROPRIETOR
M.No. : 34061

Place : Mumbai
Date : 23.08.2010

MEGA FIN (INDIA) LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

Particulars	Schedule No.	As at 31st March, 2010		As at 31st March, 2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUND					
Share Capital	1	91,778,500		91,778,500	
Reserves & Surplus	2	1,000		1,000	
			91,779,500		91,779,500
TOTAL			91,779,500		91,779,500
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	3	29,032,057		29,032,057	
Less : Depreciation / Impairment		29,032,057		29,032,057	
Net Block			0		0
INVESTMENTS					
	4		18,091,548		18,091,548
CURRENT ASSETS LOANS & ADVANCES					
Stock on Hire purchase		0		0	
Sundry Debtors		0		0	
Cash & Bank Balance		43,319		42,168	
Loans & Advances		18,860,525		18,960,146	
			18,903,845		19,002,314
Less: Current Liabilities & Provisions	6		1,912,244	1,907,036	1,907,036
Net Current Assets			16,991,601		17,095,278
Balance In Profit And Loss Account			56,696,352		56,592,674
TOTAL			91,779,500		91,779,500
Notes forming part of the Accounts	9				

As per our attached report of even date

For S. K. Sheth & Co.
Chartered Accountants

For & Behalf of the Board

Sd/-
(Sharad K. Sheth)
Proprietor

Sd/-
Ajay S Mittal
Director

Sd/-
Anil S Mittal
Director

Place : Mumbai
Dated : 23rd August, 2010.

Place : Mumbai
Dated : 23rd August, 2010.