

ANNUAL REPORT
YEAR 2006-07

VAX HOUSING FINANCE CORPORATION
LIMITED

VAX HOUSING FINANCE CORPORATION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of **VAX HOUSING FINANCE CORPORATION LIMITED** will be held at 301, Simandhar Estate, Opp. Sakar- III, Opp. Old Gujarat High Court, Ashram Road, Ahmedabad-380 009, on 29th September, 2007 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Profit & Loss Account for the period ended on March 31, 2007 and the Balance sheet as on the said date together with the Auditor's and Directors' Report thereon.
2. To appoint a Director in place of Mr. Vijaysingh Rathore, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

To consider and if thought fit, to pass, with or without modifications, the following resolutions as an Ordinary Resolution

4. **"RESOLVED THAT** Mr. Faisal Parekh who was appointed as an Additional Director of the Company pursuant to Sec.260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company"

To consider and if thought fit, to pass, with or without modifications, the following resolutions as an Ordinary Resolution

5. **"RESOLVED THAT** Ms. Mona Ruparel who was appointed as an Additional Director of the Company pursuant to Sec.260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, in writing, proposing her candidature for the office of director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company"

Registered Office :

301, Simandhar Estate,
Opp. Sakar- III,
Opp. Old Gujarat High Court,
Ashram Road,
Ahmedabad-380 009

By Order of the Board


DIRECTOR

Date : 28/08/2007

NOTES :

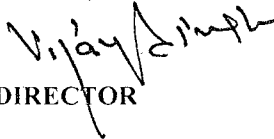
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **14th September, 2007 to 29th September, 2007 (Both days inclusive)** for the purpose of Annual General Meeting.
3. Members are requested to notify Company immediately the changes, if any, in the address in full with the postal area, pin code number, quoting their folio numbers.

Registered Office :

301, Simandhar Estate,
Opp. Sakar- III,
Opp. Old Gujarat High Court,
Ashram Road,
Ahmedabad-380 009

Date : 28/08/2007

By Order of the Board


DIRECTOR

Explanatory statement pursuant to Sec. 173(2) of the Companies Act, 1956

Item No. 4

Keeping in view the plans of the company professional board has been considered as prior requirement. The Board has accordingly inducted Mr. Faisal Parekh additional director with effect from 26th March, 2007 and he holds office till the conclusion of the annual general meeting. The Board recommends his appointment. None of the directors except Mr. Faisal Parekh is interested in the above resolution.

Name of the Director	Mr. Faisal Parekh
Date of Birth	05-06-1983
Date of appointment	26-03-2007
Experience in specific functional area	5 Years
Qualification	B.Com, C.A. Final
Directorship in other companies	NIL

Item No. 5

Keeping in view the plans of the company professional board has been considered as prior requirement. The Board has accordingly inducted Ms. Mona Ruparel as additional director with effect from 26th March, 2007 and She holds office till the conclusion of the annual general meeting. The Board recommends her appointment. None of the directors except Ms. Mona Ruparel is interested in the above resolution.

Name of the Director	Ms. Mona Ruparel
Date of Birth	03-11-1980
Date of appointment	26-03-2007
Experience in specific functional area	6 Years
Qualification	B.Com, CA Final
Directorship in other companies	NIL

Registered Office :

301, Simandhar Estate,
Opp. Sakar- III,
Opp. Old Gujarat High Court,
Ashram Road,
Ahmedabad-380 009

By Order of the Board

Vijay Dimple
DIRECTOR

Date : 28/08/2007

DIRECTORS' REPORT

Dear Members,

We have pleasure in presenting the Annual Report of the Company alongwith the audited statements of Accounts for the year ended 31st March, 2007.

FINANCIAL PERFORMANCE:

During the year under review Company has earned income from operation Rs. 32,13,914 compared to Rs. 55,38,330 for the previous year.

Company has achieved a profit of Rs. 1,84,106/- compared to profit of Rs. 3,79,430/- for the previous year.

DIVIDEND

During the year under review company has achieved marginal profit therefore your directors are unable to recommend any dividend for the current year.

DEPOSITS

The Company has not accepted any Deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and Rules made thereunder.

DIRECTORS

At the ensuing Annual General Meeting Mr. Vijaysingh Rathore will retire by rotation and being eligible and offers himself for reappointment.

During the year Mr. Faisal Parekh and Ms. Mona Ruparel are appointed as an additional director of the Company and Mr. Tarachand Gupta has resigned from the post of director of the Company. There being no other change in directorship of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, which requires company to give a Directors Responsibility statement, your directors hereby confirm -

That in preparation of annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departure.

That Company has selected Mercantile 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.

That the directors has taken proper and sufficient care for the maintainance of adequate accounting records in accordance with the provisions of this Act for the 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.

AUDITORS :

The Auditors M/s. Niranjan Jain & Co. , Chartered Accountants, Ahmedabad, retire at the conclusion of the ensuing Annual General Meeting and offer themselves for reappointment. You are requested to appoint auditors and to fix their remuneration.

COMMENT ON AUDITORS' REPORT

The notes to the Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanation under Section 217(3) of the Companies' Act, 1956.

PARTICULARS OF EMPLOYEES AND OTHERS

The company does not have any employee receiving remuneration of Rs.200000/- per month or Rs.2400000/- per annum and therefore, no particulars are required to be furnished under section 217(2A) of the Companies Act, 1956.

INFORMATION ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING

As the company is not engaged in any manufacturing activities, Particulars regarding conservation of energy, Technology upgradation and Foreign Exchange earnings and outgo, pursuant of Companies (Disclosure of particulars in the report of Board of directors) Rules, 1988 is Nil.

APPRECIATION

The company places on record its deep appreciation for all those who have been associated with the company and have continued their support towards the growth and stability of the company.

PLACE : AHMEDABAD

DATE : 28/08/2007

For & on behalf of the
Board of Directors


CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

(1) COMPANY'S PHILOSOPHY

As a measure of good corporate governance the company adheres to all laws, rules, regulations, procedures. The Company is striving to provide its members all the necessary and materially important information wherever and whenever possible in the Annual Report of the Company.

(2) BOARD OF DIRECTORS

Composition and category of directors of March 31, 2007 is as follows.

Category	No. of directors	%
Promoter directors	2	50
Non-executive, independent directors	2	50
Total	4	100

(3) DETAILS OF BOARD MEETINGS & ATTENDANCE RECORD OF THE MEMBERS OF PRESENT BOARD OF DIRECTORS (Since Last Annual General Meeting) IS AS UNDER:

Sr. No.	Name of Director(s)*	No. of Meeting Attended		
		Board Meeting	Audit Committee	S / I G* Committee
1	Shri Kailashchand Gupta	6	2	1
2	Shri Vijaysingh Rathore	6	-	-
3	Shri Tarachand G Gupta	6	2	1

* - S / I G Committee: - Shareholders / Investors' Grievances Committee.

None of the Directors on the Board holds the office of Director in more than 15 Companies or memberships in committees or Chairmanship in committees across all companies in which they are Directors.

Six board meetings were held during the year. The dates on which the meetings were held are as follows:

24th April, 2006, 24th July, 2006, 1st September, 2006, 30th October, 2006, 29th January, 2007 and 26th March, 2007

None of the non-executive directors of the company have any pecuniary relationships or transactions with the company.

There is no compensation package for non-executive directors and Company has an executive chairman.

4) AUDIT COMMITTEE:

Company has formed audit committee comprising of Independent directors. The audit committee meetings are held prior to the meeting of Board of Directors approving the provisional / un-audited results of the Company and audited results.

Composition, name of members

The Audit Committee met 2 times during the year on 24th July, 2006 and 1st September, 2006 and the attendance of members at the meeting was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Kailash Gupta	Member	2
Mr. Tarachand Gupta*	Member	2
Mr. Faisal Parekh**	Chairman	-
Ms. Mona Ruparel***	Member	-

* Resigned as a Director of the Company W.E.F. 26/03/2007

** Appointed as an additional director of the Company W.E.F. 26/03/2007

*** Appointed as an additional director of the Company W.E.F. 26/03/2007

Brief description of terms of reference

The audit committee is looking at effective supervision of the financial reporting process and ensuring financial and accounting controls. The committee periodically interacts with the statutory auditors and Head accounts & finance to discuss internal control and financial reporting issues. The committee provides the overall direction on the risk management policies, including the focus of management Audit. The committee has full access to financial data and to members of the company's staff. The committee reviews the annual and half yearly financial statements before they are submitted to the board. The committee also monitors proposed changes in accounting policies, reviews internal audit functions and discusses the accounting implications of Major transactions.

(5) INFORMATION REGARDING PAYMENT OF REMUNERATION TO DIRECTORS:

During the Year under review Company has paid Rs. 1,44,000/- towards Directors Remuneration to its Managing Directors for their valuable services to the company.

(6) SHAREHOLDERS / INVESTORS GREIVANCE CCOMMITTEE:

Company has formed Investor grievance committee. The committee oversees the share transfers as well as takes care of investor grievances.

The Committee met on 30th October, 2006 and the attendance of members at the meeting was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Kailash Gupta	Member	1
Mr. Tarachand Gupta*	Member	1
Mr. Faisal Parekh**	Chairman	-
Ms. Mona Ruparel***	Member	-

* Resigned as a Director of the Company W.E.F. 26/03/2007

** Appointed as an additional director of the Company W.E.F. 26/03/2007

*** Appointed as an additional director of the Company W.E.F. 26/03/2007

Name and designation of compliance officer:

Mr. Kailashchand Gupta (Jt. Managing Director)

(7) SHAREHOLDERS' / INVESTORS' COMPLAINTS:

No. of Total Complaints Received During the Year	Resolved / action taken	Pending as on 29-09-2007
6	5	1

(8) CHANGE IN THE DIRECTORSHIP:

During the year Mr. Faisal Parekh and Ms. Mona Ruparel are appointed as additional directors in the Company and Mr. Tarachand G Gupta has resigned from the directorship of the Company. There being no change in other directorship of the company during the year.

(9) VENUE AND TIME OF THE LAST THREE GENERAL BODY MEETINGS:

Sr. No.	Date	Category	Venue	Time
1.	30/09/2006	AGM	301, Simandhar Estate, Opp. Sakar – III, Opp. Gujarat High Court, Ashram Road, Ahmedabad – 380 009.	11.00 A.M.
2.	30/09/2005	AGM	As Above	11.00 A.M.
3.	30/09/2004	AGM	As above	11.00 A.M.

Disclosures :

None of the transactions with any of the related parties were in conflict with the interest of the company.

Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchange or SEBI or any statutory authority, or any matter related to capital markets, during the last three years.

None

(10) MEANS OF COMMUNICATION:

Quarterly Provisional Financial Results subject to a limited review of the Company are submitted to Stock Exchanges

(11) GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting:

Date	Day	Time	Venue
September 29, 2007	Saturday	11.00 A.M.	301, Simandhar Estate, Opp. Sakar – III, Opp. Gujarat High Court, Ashram Road, Ahmedabad – 380 009.

Book Closure: Friday the 14th day of September, 2007 to Saturday the 29th Day of September, 2007. (Inclusive of Both the days).

Listing on Stock Exchanges (where listed);

1. The Stock Exchange, Ahmedabad,
2. The Stock Exchange, Mumbai,

Security Code:

The Stock Exchange, Ahmedabad - 65015
The Stock Exchange, Mumbai - 531650

Status of Listing Fees:

Company has paid listing fees For the Year 2006-07 to the Stock Exchange Mumbai, however listing fees for the year 2006-07 is in arrears for Ahmedabad Stock Exchange.

Registrar & Transfer Agent :

As per the Directives of SEBI, Company has appointed M/s. Intime Spectrum Registry Limited as a common Registrar for Electronic Connectivity as well as request for transfer of shares in a physical mode.

Address of Registrar and Transfer Agent is below mentioned:

Intime Spectrum Registry Limited
211 Sudarshan Complex,
Nr. Mithakhali Under Bridge,
Ahmedabad – 380 009.

Share Transfer System:

All the requests lodged with the Company for the transfer of Shares in physical form are processed and Transfer of them registered and returned within a period of 25 to 30 days from the date of receipt, provided the documents filed with the Company with this

respect are complete, properly filled with the information required in that respect and the shares for transfer are not under dispute.

Share holding Pattern: (As on 31-03-2007)

Category	No. of Shares held	% of holding
Promoters	24,43,590	48.84
Mutual Funds	-	-
Banks and Financial Institutions	-	-
Insurance Companies	-	-
Foreign Institutional Investors	-	-
Private Bodies Corporate	-	-
Indian Public	25,59,610	51.16
NRIs/OCBs	-	-
GDR/ADR	-	-
Grand Total	50,03,200	100.00

Distribution of Shareholding: (As on 31-03-2007)

Share holding Nominal value (1)	Share holders		Share amount	
	Numbers (2)	% of total (3)	In Rs. (4)	% of total (5)
Upto - 5,000	5595	98.35	18108100	36.19
5,001 - 10,000	51	0.91	3943000	7.88
10,001 - 20,000	19	0.33	2737100	5.47
20,001 - 30,000	9	0.16	2232600	4.46
30,001 - 40,000	2	0.04	629000	1.26
40,001 - 50,000	1	0.01	500000	1.00
50,001 - 1,00,000	7	0.12	4799200	9.60
1,00,001 & Above	5	0.08	17083000	34.14
TOTAL-	5689	100.00	50032000	100.00

Stock Market Data:

During the year under review Listing of the Company has been suspended so no trading was taken place both on Bombay Stock Exchange and Ahmedabad Stock Exchange.

Plant Locations:

Company being a finance company details regarding location of plant did not applicable.

l) Address for Correspondence: 301, Simandhar Estate, Opp. Sakar – III,
Opp. Gujarat High Court, Ashram Road,
Ahmedabad – 380 009.


m) Name of Compliance Officer : Kailashchand G Gupta
(Jt. Managing Director)

Certificate from Auditor:

Company has obtained the certificate from the Auditor of the company regarding Compliance of Conditions of Corporate Governance under clause 49 of Listing Agreement which is annexed as per "Annexure-C".

BY ORDER OF THE BOARD

FOR VAX HOUSING FINANCE CORPORATION LIMITED



CHAIRMAN

Date: 28.08.2007

Place: Ahmedabad

ANNEXURE -C

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S).

To the members of
VAX HOUSING FINANCE CORPORATION LIMITED

- 1 We have examined the compliance of conditions of Corporate Governance by VAX HOUSING FINANCE CORPORATION LIMITED for the year ended on 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company, with Stock Exchanges.
- 2 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.
- 3 In our opinion and to the best of our information and according to the explanations given to us and subject to Para 4 below, we certify that the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements have been complied with particularly with respect to the constitution and formation of Audit committee and in all the material aspects by the company.
- 4 Attention is invited that the company has no internal audit system; hence no internal audit report was furnished to audit committee for review.
- 5 We state that in respect of investor grievances received during the year ended 31st March, 2007 and some of the investor grievances are pending against the Company for a period exceeding one month as per the records maintained by the Company and presented to the Shareholders / Investors 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.

**For Niranjan Jain & Co.
Chartered Accountants,**



Partner

**Place : Ahmedabad
Date : 28th August, 2007.**

AUDITORS REPORT

To,
The Members of
VAX HOUSING FINANCE CORPORATION LIMITED
AHMEDABAD

We have audited the attached Balance Sheet of **VAX HOUSING FINANCE CORPORATION LIMITED** as at **31st March, 2007** and also the profit and Loss Account 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 these 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 a test basis, evidence supporting the amounts and disclosure 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.

We report as follows :-

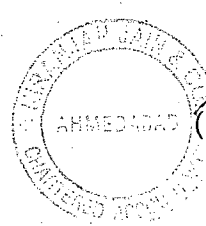
1. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph above.
 - 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 accounts as required by law have been kept by the company so far as appears from our examination of the books.
 - c. The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956:
 - e. On the basis of written representation received from the Directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2007 from being appointed as Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and the Notes thereto, 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 on 31st March 2007, and

II. In the case of the Profit and Loss Account of the Profit of the Company for the Year ended on that date: and

For, **NIRANJAN JAIN & CO.**
(Chartered Accountants)



(**NIRANJAN JAIN**)
Partner

Date : 28-08-2007
Place: Ahmedabad

Mem. No. 47811

ANNEXURE TO THE AUDITOR'S REPORT
Referred to in paragraph 1 of our Report of even date:

1. a). The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) All the assets have not been physically verified by the management during the year but there is regular program of verification. Which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained the reconciliation of physical inventory of all assets with book records is almost over and the Company is in process of reconciliation of physical inventory with book records in respect of all the assets.

c) During the year, Company has not disposed of any substantial/major part of fixed assets.

2. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(C) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory the discrepancies noticed on physical verification of inventory as compared to the books records were not material and have been properly dealt with in the books of account.

3. (a) according to information and explanations given to us, the Company has not taken loan from the parties listed in the Register maintained under Section 301 of the Companies Act, 1956 : the Company has granted unsecured loan to associates Company, listed in the Register maintained under section 301 of the Companies Act, 1956

(b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above loan granted by the Company, are not prima facie, prejudicial to the company.

(c) According to the information and explanations given to us, the company to whom loan and advance in the nature of loan have been given is replying the principal amount as stipulated and is also regular in payment of interest.

(d) There is no overdue amount of loan granted to the company listed in the register maintained under section 301 of the Companies Act, 1956.

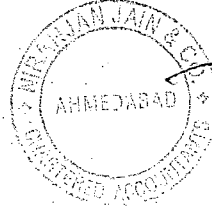
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of section 58A and 58AA of Companies Act, 1956, and Rules there under are not applicable to the Company.
6. In our opinion, an internal audit system is not applicable to the company.
7. We have broadly reviewed the books of account maintained by the company. The company is not required to maintain cost records as prescribed by Central Government u/s 209 (1) (d) of the Companies Act, 1956. as it did not carry any manufacturing activity and are of the opinion that prima-facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examinations of the records with a view to determining whether they are accurate or complete.
8. As per the information and explanations given to us, no undisputed amount payable in respect of Income tax, custom duty and excise duty were remaining outstanding as on 31st March, 2007 for a period of six months form the date they become payable.
9. The Company has accumulated losses as at the end of the year and the Company has incurred cash losses during current financial year.
10. 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 to dues to financial institutions. Banks and debentures and other securities.
11. 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 securities.
12. The provisions of any special status applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the company.
13. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
14. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not availed any term loan hence question of its application for the purpose for which it is obtained does not arise.
15. The company has not made any preferential allotment to parties and companies - covered under register maintained under section 301 of the Companies Act, 1956. During the year and question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.

16. The company has not raised money by any public issues during the year.

17. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For, **NIRANJAN JAIN & CO.**
Chartered Accountants



NIRANJAN JAIN
Partner
Mem. No. 47811

Date : 28-08-2007
Place : Ahmedabad

VAX HOUSING FINANCE CORPORATION LIMITED

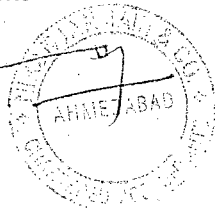
BALANCE SHEET AS ON 31st MARCH 2007

PARTICULARS	SCH.	3/31/2007	3/31/2006
SOURCES OF FUNDS			
1. SHARES HOLDER'S FUNDS			
A SHARE CAPITAL	A	50032000	50032000
		<u>0</u>	<u>0</u>
		50032000	50032000
2. LOANS FUNDS			
A SECURED LOANS	B	1813151	0
B UNSECURED LOANS		<u>0</u>	<u>0</u>
		1813151	0
TOTAL		<u><u>51845151</u></u>	<u><u>50032000</u></u>
APPLICATION OF FUNDS			
1. FIXED ASSETS			
GROSS BLOCK	C	6837553	7254025
LESS: DEPRECIATION		<u>2946829</u>	<u>2762540</u>
NET BLOCK		3890724	4491485
2. INVESTMENT			
	D	24050000	24447300
3. CURRENT ASSETS, LOANS & ADVANCES			
A Cash & Bank Balance	E	545558	1232963
B Loans & Advances, Deposit	F	22618558	18282913
		<u>23164116</u>	<u>19515876</u>
Less :- Current Liabilities & Provision	G	<u>14399171</u>	<u>13750032</u>
		8764945	5765844
4. PROFIT & LOSS A/C.			
		13535981	13720087
5. BIKANER BRANCH			
		1603501	1607284
		<u><u>51845151</u></u>	<u><u>50032000</u></u>
Significant Accounting Policies & Note on Account	J	0	0

As per our attached audit report of even Date

For, Niranjn Jain & Co.
Chartered Accountants

(Niranjan Jain)
Partner



For & on Behalf of Board
For, Vax Housing Finance Corporation Ltd.

Mg. Director/ Director

(Handwritten Signature)

Date : 28-08-2007
Place : Ahmedabad

Date : 28-08-2007
Place : Ahmedabad

VAX HOUSING FINANCE CORPORATION LIMITED

TRADING AND PROFIT & LOSS ACCOUNT AS ON 31st March, 2007

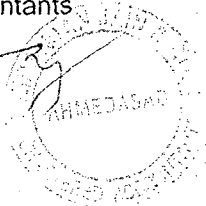
PARTICULARS	SCH.	3/31/2007	3/31/2006
1. INCOME			
INCOME FROM OPERATION	H	3213914	5538330
	TOTAL	<u>3213914</u>	<u>5538330</u>
2. EXPENDITURES			
Share Trading Loss		0	48333
Administrative Expenses	I	2810519	4896111
	TOTAL	<u>2810519</u>	<u>4944444</u>
Profit Before Depreciation & Tax		403395	593886
Less : Depreciation		<u>184289</u>	<u>184456</u>
Profit after Depreciation & Before Tax		219106	409430
Less : Provision for Taxation		<u>35000</u>	<u>30000</u>
Profit after Tax		184106	379430
Less : Lower Provision for Taxation		0	0
		<u>184106</u>	<u>379430</u>
Add : Balance Brought Forward		<u>-13720087</u>	<u>-14099517</u>
		<u><u>-13535981</u></u>	<u><u>-13720087</u></u>

Significant Accounting Police &
Note on Account

As per our attached audit report of even Date

For, Niranjani Jain & Co.
Chartered Accountants

(Niranjani Jain)
Partner



For & on Behalf of Board
For, Vax Housing Finance Corporation Ltd.

Mg. Director/ Director

(Handwritten Signature)

Date : 28-08-2007
Place : Ahmedabad

Date : 28-08-2007
Place : Ahmedabad

VAX HOUSING FINANCE CORPORATION LIMITED

SCHEDULES FORMING PARTS OF BALANCE SHEET AND PROFIT & LOSS A/c.

PARTICULARS	3/31/2007	3/31/2006
--------------------	------------------	------------------

SCHEDULE - "A" SHARE CAPITAL

AUTHORISED CAPITAL

55,00,000 Equity Share of Rs. 10/- Each (Pre. Year 55,00,000 Eq. Share of Rs. 10/- Each)	55000000	55000000
Issued, Subscribed & Paid Up Capital 5003200 Equity Share of Rs. 10/- each full Paid Up (Pre. Year 5003200 Eq. Share of Rs. 10/- Each Paid Up)	50032000	50032000
TOTAL	50032000	50032000

SCHEDULE - "B" SECURED LOAN

Kotak Manindra Bank (Against FD OD)	1813151	0
TOTAL	1813151	0

SCHEDULE - "C" FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS ON	ADD. DUR.	AS ON	AS ON	DEPRECIATION	AS ON	AS ON	AS ON
RS	01/04/06	THE YEAR	31/03/07	01/04/06		31/03/07	31/03/07	31/03/06
Furniture	1465785	0	1465785	660137	62952	723089	742696	868600
Off. Building	1764310	0	1764310	539551	20990	560541	1203769	1245749
Flats	640635	-539537	101098	101098	0	101098	0	548784
Vehicle	1304641	123065	1427706	1017096	47285	1064381	363325	325750
Pager	10390	0	10390	10390		10390	0	0
Air Condit	352622	0	352622	144237	11543	155780	196842	219928
Off. Equipment	396803	0	396803	207496	14734	222230	174573	204041
Cycle	2000	0	2000	951	140	1091	909	1189
Ele. Installation	54070	0	54070	31042	2066	33108	20962	25094
Machinery	74919	0	74919	29522	3559	33081	41838	48956
Computer & Per	105100	0	105100	21020	21020	42040	63060	0
Land at Bikaner	1082750	0	1082750	0		0	1082750	1082750
TOTAL	7254025	-416472	6837553	2762540	184289	2946829	3890724	4570841
Pervious Year	7148925	105100	7254025	2578084	184456	2762540	4491485	4570841

SCHEDULE - "D" INVESTMENT

Quoted Shares	0	0
Unquoted Shares	24050000	24447300
TOTAL	24050000	24447300

SCHEDULE - "E" CASH AND BANK BALANCES

Cash in hand	132840	61119
Bank Balance with Schedules Bank	16322	775448
Ahmedabad Urban Bank (F.D.)	396396	396396
TOTAL	545558	1232963



VAX HOUSING FINANCE CORPORATION LIMITED

SCHEDULES FORMING PARTS OF BALANCE SHEET AND PROFIT & LOSS A/c.

PARTICULARS	3/31/2007	3/31/2006
SCHEDULE - "F" LOAN & ADVANCES, DEPOSITES		
To Companies	4589848	6283765
To Deposit	7744974	30000
To Others	10283736	11969148
TOTAL	<u>22618558</u>	<u>18282913</u>
SCHEDULE - "G" CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	11828754	7897737
Provision for Exps.	67299	72002
Other Current Liabilities	2503118	5780293
TOTAL	<u>14399171</u>	<u>13750032</u>
SCHEDULE - "H" INCOME FROM OPERATION		
Subscription	1014371	1014371
Interest Received	600441	592343
Other Income	148137	32700
Dividend	1100	5200
Share Trading Profit	10500	0
Insurance Business Income	1439365	3893716
TOTAL	<u>3213914</u>	<u>5538330</u>
SCHEDULE - "I" ADMINISTRATIVE EXPENSES		
Audit Fees	15000	11200
Advertisement Exps.	6859	4795
Bank Charges	93532	7581
Bonus Exps.	8500	7260
Books & Periodicals	1422	900
Business Promotion	0	13250
Commission & Brokerage Paid	353820	433321
Computer Charges	24475	10444
Director's Remuneration	144000	360000
Electricity & Electrical Exps.	103639	39338
Entertainment Exps.	10140	9791
F.B.T. Exps.	8083	9216
Insurance Business Exps.	1124270	3052520
Income Tax Paid	5318	0
Kasar & Vatav	800	0
Legal Exps.	68590	760
Office Exps.	2953	0
Loss on sale of fixed Assets	138537	0
Refund	3023	0
L.P.A.	237	0
Listing Fees	0	20000
Misc. Exps.	21923	21032
Petrol Exps.	17775	29695
Office Repair Exps.	30320	42900
Postage Exps.	9255	15519
Rent, Rates & Taxes	57544	35726
Salary & Staff Welfare	352835	687394
Stationery & Printing Exps.	16904	19662
Telephone Exps.	63155	35748
Travelling Exps.	104721	28059
Vehicle Maintenance Exps.	22889	0
TOTAL	<u>2810519</u>	<u>4896111</u>

SCHEDULES – J (A) ACCOUNTING POLICIES / DISCLOSURES

1. Financial Statements are prepared under historical cost in accordance with accounting standards applicable in India.
2. Accounting policies not specified referred to otherwise are insistent with generally accepted accounting principles.
3. There is no any type of contingent liabilities.
4. A preliminary expense are amortized in ten equal annual installment on yearly basis as provided under section 35D of the income tax Act, 1961.
5. Depreciation had been provided on the fixed assets on the S.L.M. method u/s 205(2)(a) of the Companies Act, 1956 at the rates prescribed in schedule added or sold during the year has been calculated at pro-rate basis from the date of such addition or up to date of sale if any.
6. Fixed assets are stated of cost of Acquisition and linstallation, less accumulated Depreciation.

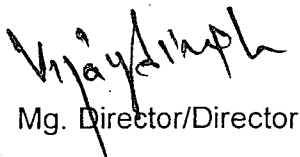
(B) NOTES ON ACCOUNTS

1. Contingent Liabilities provided for in the books of accounts NIL.
2. Balance of Sundry Debtors, Creditors, Loans & Advances are subject to confirmation from respective parties and reconciliation, if any. The effect of the same which is not likely to be material will be adjusted at the time of confirmation /reconciliation.
3. There are no claims against the company, which are not acknowledged as debts.
4. There is no quantitative information, which is required to be given under paragraph 3, 4C, and 4D of part II of Schedule VI of the Companies Act, 1956.
5. There was no person employed by the company who was in receipt of remuneration, which in aggregate was not more than Rs. 6,00,000/- per annum if employed through out the year or Rs. 50,000/- per month if employed for a part of the year.
6. Payment to Auditors, include

	<u>31/03/2007</u>	<u>31/03/2006</u>
a. Audit Fees,	Rs.15000/-	Rs. 11200/-
7. Previous years figures have been regrouped and recast wherever necessary.

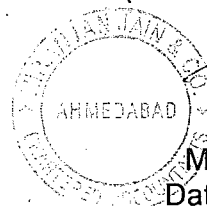
Signature to Schedules "A" to "J"

or and on behalf of Board
For, Vax Housing Finance Corporation Ltd.


Mg. Director/Director

Date : 28-08-2007
Place : Ahmedabad

For and on behalf of
For, Niranjn Jain & Co.
(Chartered Accountants)




(Niranjn Jain)
Partner

Mem. No.
Date : 28-08-2007
Place : Ahmedabad

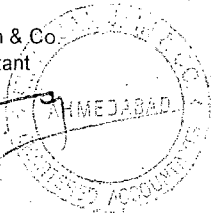
VAX HOUSING FINANCE CORPORATION LIMITED

CASH FLOW STATEMENT

Particulars	As at 31/3/2007 Amount(Rs.)	As at 31/3/2006 Amount(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	219106	409430
Adjustment for :		
Depreciation and Amortisation	184289	184456
Preliminary Expenses w/o	0	0
Share issue Expenses w/o	0	0
Interest Received	-600441	-592343
Dividend Received	-1100	-5200
Operating Profit Before Working Capital Change	-198146	-3657
Adjustment for :		
Trade & other Receivable	0	0
Inventories	0	0
Loans & Advance	-4331862	1638548
Current Liabilities & Provisions	649139	-29404
	-3880869	1605487
Income tax Paid	-35000	-30000
CASH GENERATOR FORM OPERATIONS		
NET CASH FROM INVESTING ACTIVITIES (A)	-3915869	1575487
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	600441	592343
Dividend Received	1100	5200
Purchase of Fixed Assests	-123065	-105100
Sale of Fixed Assests	539537	0
Purchase of Investments	0	-1476620
Sale of Investments	397300	0
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	1415313	-984177
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed From issue of Capital	0	0
Share issue Expenses	0	0
Proceed from Long Term Borrowings	1813151	0
Repayment of Long Term Borrowings	0	0
Proceed from Short Term Borrowings	0	0
Repayment of HP Financials Loans	0	0
Public Issue Exps./ Preliminary Exps.	0	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	1813151	0
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	-687405	591310
CASH & CASH EQUIVALENTS - OPENING BALANCE	1232963	641653
CASH & CASH EQUIVALENTS - CLOSING BALANCE	545558	1232963

For, Niranjn Jain & Co.
Chartered Accountant

(Niranjn Jain)
Partner
Date: 28/08/2007
Place: Ahmedabad



For & Onbehalf of Board
For, Vax Housing Finance Corporation Limited

Mg. Director/ Director
Date: 28/08/2007
Place: Ahmedabad

(Signature)

Vax Housing Finance Corporation Ltd.

(Signature)
Managing Director / Director

VAX HOUSING FINANCE CORPORATION LIMITED

REGISTERED OFFICE :

301, Simandhar Estate,
Opp. Sakar- III,
Opp. Old Gujarat High Court,
Ashram Road,
Ahmedabad-380 009

ATTENDANCE SLIP

(Please Complete this attendance slip, and hand it over at the entrance of the meeting hall)

I, hereby record my presence at the Annual General Meeting of Vax Housing Finance Corporation Limited would held on 29th September, 2007 at 301, Simandhar Estate, Opp. Sakar- III, Opp. Old Gujarat High Court, Ashram Road, Ahmedabad-380 009 at 11.00 A.M.

Signature :

Folio No :

Name of the Shareholder :

VAX HOUSING FINANCE CORPORATION LIMITED

Registered Office :

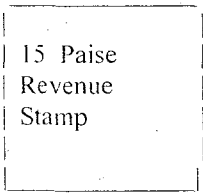
301, Simandhar Estate,
Opp. Sakar- III,
Opp. Old Gujarat High Court,
Ashram Road,
Ahmedabad-380 009

PROXY FORM

Ledger Folio No.: _____

I/We _____ of _____ in the district of _____ being a member/members of **VAX HOUSING FINANCE CORPORATION LIMITED** hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 29TH September, 2007 at 11.00 A.M. and at any adjournment thereof.

Signed this _____ th day of _____, 2007.



Signature
Folio No :
No. of Shares held :

Note : The form duly completed should be deposited at the Registered office of the Company at 301, Simandhar Estate, Opp. Sakar- III, Opp. Old Gujarat High Court, Ashram Road, Ahmedabad-380 009 not later than 48 hours before the time of the meeting.