

**14th
Annual report
2007-2008**



**VAX HOUSING FINANCE
CORPORATION LIMITED**



ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

Shri Vijaysingh Rathore
Shri Kailash Gupta
Shri Sanjay Savalia
Shri Jewerilal Nahata
Shri Mayank Bhandari

AUDITORS

Niranjan Jain & Co.
Chartered Accountants
307, 308, Shital Varsha Arcade,
Opp. Girish Cold Drinks,
C.G. Road. Ahmedabad-380 009

BANKERS

Kotak Mahindra Bank

REGISTERED OFFICE

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

BRANCH

BIKANER

Nr. Sardul Sports School,
Gajner Road,
Bikaner (Rajasthan)

Annual General Meeting :
30th September 2008 at 11 a.m.
301, Simandhar Estate,
Opp. Sakar - III,
Opp. Old Gujarat High Court,
Ashram Road,
Ahmedabad - 380 009

A request :

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting.
The Shareholders are requested to bring their copy at the Meeting

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 30th September, 2008 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, 2008 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. Kailash Gupta, 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. Jawerilal G Nahata 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 Mr. Sanjay K. Savalia 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"

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

6. "RESOLVED THAT Mr. Mayank Bhandari 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"

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

By Order of the Board

Sd/-

DIRECTOR

Date : 02/09/2008



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 TO BE A MEMBER.
2. Register of Members and share Transfer Books of the Company will remain close from 15th September, 2008 to 30th September, 2008 (Both days Inclusive) For the purpose of Annual General Meeting.
3. Members are requested to notify the 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 : 02-09-2008

By Order of the Board

Sd/-

DIRECTOR



VAX HOUSING FINANCE CORPORATION LIMITED

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. Jawerilal G Nahata additional director with effect from 25th January, 2008 and he holds office till the conclusion of the annual general meeting. The Board recommends his appointment. None of the directors except Mr. Jawerilal G Nahata is interested in the above resolution.

Name of the Director	Mr. Jawerilal G Nahata
Date of Birth	01-04-1956
Date of appointment	25-01-2008
Experience in specific functional area	28 Years
Directorship in other companies	(1) Western India Sea Prins Pvt. Ltd., (2) Chirai Salt India Pvt. Ltd., (3) Adinath Poly Fills Pvt. Ltd., (4) Growth Field Pvt. Ltd.

Item No. 5

Keeping in view the plans of the company professional board has been considered as prior requirement. The Board has accordingly inducted Mr. Sanjay K. Savalia as additional director with effect from 25th January, 2008 and She holds office till the conclusion of the annual general meeting. The Board recommends her appointment. None of the directors except Mr. Sanjay K. Savalia is interested in the above resolution.

Name of the Director	Mr. Sanjay K. Savalia
Date of Birth	01-06-1975
Date of appointment	25-01-2008
Experience in specific functional area	8 Years
Directorship in other companies	Savalia Developers Pvt. Ltd.

Item No. 6

Keeping in view the plans of the company professional board has been considered as prior requirement. The Board has accordingly inducted Mr. Mayank Bhandari as additional director with effect from 28th February, 2008 and he holds office till the conclusion of the annual general meeting. The Board recommends his appointment. None of the directors except Mr. Mayank Bhandari is interested in the above resolution.

Name of the Director	Mr. Mayank Bhandari
Date of Birth	19-10-1982
Date of appointment	28-02-2008
Experience in specific functional area	5 Years
Directorship in other companies	NIL

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

Date : 02/09/2008

By Order of the Board

Sd/-

DIRECTOR

VAX HOUSING FINANCE CORPORATION LIMITED



Regd. Office : IIIrd Simandhar Estate, Opp. Sakar -III, 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 held on Monday, 30th September, 2008 at 301, Simandhar Estate, Opp. Sakar - III, 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 : IIIrd Simandhar Estate, Opp. High Court, Opp. Sakar -III, 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 10th Annual General Meeting of the Company to be held on Monday, 30th day of September, 2008 at 11 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2008.

1 Rupee
Revenue
Stamp

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



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, 2008.

FINANCIAL PERFORMANCE:

During the year under review Company has earned income from operation Rs. 99,93,942/- compared to Rs. 32,13,914 for the previous year.

Company has achieved a profit of Rs. 7064163/- compared to profit of Rs. 1,84,106/- for the previous year.

DIVIDEND

Company wants to reinvest the profits in to business for future growth therefore your directors are unable to recommend any dividend for the current financial 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. Kailash Gupta will retire by rotation and being eligible for offers himself for reappointment.

During the year Mr. Jawerilal G Nahata, Mr. Sanjay K Savalia and Mr. Mayank Bhandari were appointed as an additional director of the Company and Mr. Faisal Parekh and Ms. Mona Ruparel have resigned from the post of director of the Company. There being no other changes 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 irregularations.

That the Directors had prepared the annual accounts on a going concern basis.

VAX HOUSING FINANCE CORPORATION LIMITED



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 : 02/09/2008

**For & on behalf of the
Board of Directors**

Sd/-

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, 2008 is as follows.

Category	No. of directors	%
Promoter directors	2	40
Non-executive, independent directors	3	60
Total	5	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	8	5	1
2	Shri Vijaysingh Rathore	8	-	-
3	Shri Faisal Parekh*	8	5	1
4	Smt. Mona Ruparel**	6	5	1
5	Shri Sanjay Savalia***	2	-	-
6	Shri Jewerilal Nahata****	2	-	-
7	Shir Mayank Bhandari*****	-	-	-

- * Shri Faisal Parekh has resigned from the director ship w.e.f 28/02/2008.
- ** Smt. Mona Ruparel has resigned from the directorship w.e.f. 25/01/2008
- *** Shri Sanjay Savalia was appointed as an additional director w.e.f. 25/01/2008
- **** Shri Jewerilal Nahata was appointed as an additional director w.e.f. 25/01/2008
- ***** Shri Mayank Bhandari was appointed as an additional director w.e.f. 28/02/2008

* - 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.

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

30th April, 2007, 5th July, 2007, 28th August, 2007, 31st October, 2007, 21st January, 2008, 25th January, 2008, 31st January, 2008 and 28th February, 2008



VAX HOUSING FINANCE CORPORATION LIMITED

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 5 times during the year on 30th April, 2007, 5th July, 2007, 28th August, 2007, 31st October, 2007 and 21st January, 2008 and the attendance of members at the meeting was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Kailash Gupta	Member	5
Mr. Sanjay Savalia***	Member	-
Mr. Jewerilal Nahata****	Member	-
Mr. Faisal Parekh*	Chairman	5
Ms. Mona Ruparel**	Member	5

* Resigned as a Director of the Company W.E.F. 28/02/2008

** Resigned as a Director of the Company W.E.F. 25/01/2008

*** Appointed as an additional director W.E.F. 25/01/2008

**** Appointed as an additional director W.E.F. 25/01/2008

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 not paid any Remuneration to its Managing Directors.

(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.

VAX HOUSING FINANCE CORPORATION LIMITED



The Committee met on 31st October, 2007 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. Sanjay Savalia***	Member	-
Mr. Jewerlal Nahata****	Member	-
Mr. Faisal Parekh*	Chairman	1
Ms. Mona Ruparel**	Member	1

- * Resigned as a Director of the Company W.E.F. 28/02/2008
- ** Resigned as a Director of the Company W.E.F. 25/01/2008
- *** Appointed as an additional director W.E.F. 25/01/2008
- **** Appointed as an additional director W.E.F. 25/01/2008

(7) SHAREHOLDERS' / INVESTORS' COMPLAINTS:

No. of Total Complaints Received During the Year	Resolved / action taken	Pending as on 30-09-2008
4	4	0

(8) CHANGE IN THE DIRECTORSHIP:

During the year Mr. Jwerlal Nahata, Mr. Sanjay Savalia and Mr. Mayank Bhandari were appointed as additional directors in the Company and Mr. Faisal Parekh and Ms. Mona Ruparel have 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.	29/09/2007	AGM	301, Simandhar Estate, Opp. Sakar - III, Opp. Gujarat High Court, Ashram Road, Ahmedabad - 380 009.	11.00 A.M.
2.	30/09/2006	AGM	As Above	11.00 A.M.
3.	30/09/2005	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.

VAX HOUSING FINANCE CORPORATION LIMITED



(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 30, 2008	Saturday	11.00 A.M.	301, Simandhar Estate, Opp. Sakar - III, Opp. Gujarat High Court, Ashram Road, Ahmedabad - 380 009.

Book Closure: Monday the 15th day of September, 2008 to Tuesday the 30th Day of September, 2008.
(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 2007-08 to the Stock Exchange Mumbai, however listing fees for the year 2007-08 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.



VAX HOUSING FINANCE CORPORATION LIMITED

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 31-03-2008)

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	18700	0.37
Indian Public	2540910	50.79
NRIs/OCBs	-	-
GDR/ADR	-	-
Grand Total	50,03,200	100.00

Distribution of Shareholding: (As on 31-03-2008)

Share holding		Share holders		Share amount	
Nominal value (1)		Numbers (2)	% of total (3)	In Rs. (4)	% of total (5)
Upto	- 5,000	2531	79.45	705410	14.10
	5,001 - 10,000	236	7.40	218300	4.36
	10,001 - 20,000	145	4.55	228200	4.56
	20,001 - 30,000	111	3.48	293100	5.85
	30,001 - 40,000	34	1.07	115500	2.31
	40,001 - 50,000	31	0.97	149700	3.00
	50,001 - 1,00,000	54	1.70	417400	8.34
	1,00,001 & Above	44	1.38	2875590	57.48
TOTAL -		3186	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.

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

VAX HOUSING FINANCE CORPORATION LIMITED



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

Sd/-

CHAIRMAN

Date: 02.09.2008
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, 2008, 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, 2008 and no 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

Sd-/

(Niranjan Jain)
Partner
M.No. 47811

Place : Ahmedabad
Date : 2nd September, 2008.



VAX HOUSING FINANCE CORPORATION LIMITED

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, 2008 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 refers 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, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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 2008, 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)

Sd/-

Date : 02-09-2008
Place: Ahmedabad

(**NIRANJAN JAIN**)
Partner
Mem. No. 47811

VAX HOUSING FINANCE CORPORATION LIMITED



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 disposed of land at bikaner
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 repaying 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.

VAX HOUSING FINANCE CORPORATION LIMITED



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, 2008 for a period of six months from 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

Sd/-

Date : 02-09-2008
Place : Ahmedabad

NIRANJAN JAIN
Partner
Mem. No. 47811

VAX HOUSING FINANCE CORPORATION LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	SCH		31/03/08		31/03/07
SOURCES OF FUNDS					
1. SHARES HOLDER'S FUNDS					
A SHARE CAPITAL	A	50032000		50032000	
		0		0	
			50032000		50032000
2. LOANS FUNDS	B				
A SECURED LOANS		0		1813151	
B UNSECURED LOANS		0		0	
			0		1813151
	TOTAL		50032000		51845151
APPLICATION OF FUNDS					
1. FIXED ASSETS					
GROSS BLOCK	C	5754803		6837553	
LESS: DEPRECIATION		3131118		2946829	
NET BLOCK			2623685		3890724
2. INVESTMENT	D		24236600		24050000
3. CURRENT ASSETS, LOANS & ADVANCES					
A Cash & Bank Balance	E	3254088		545558	
B Loans & Advances, Deposit	F	33729072		22618558	
		36983160		23164116	
Less - Current Liabilities & Provision	G	22826110		14399171	
			14157050		8764945
4. PROFIT & LOSS A/C.			6471818		13535981
5. BIKANER BRANCH			1608113		1603501
6. PRE OPERATIVE EXPS.			934734		0
			50032000		51845151
Significant Accounting Policies & Note on Account	J				

As per our attached audit report of even Date

For, Niranjan Jain & Co.
Chartered AccountantsFor,

Sd/-

(Niranjan Jain)
Partner

Date : 02-09-2008
Place : Ahmedabad

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

Sd/-

Sd/-

Mg. Director / Director

Date : 02-09-2008
Place : Ahmedabad

VAX HOUSING FINANCE CORPORATION LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	SCH	31/03/2008 Rs.	31/03/2007 Rs.
1 INCOME			
Income from Operation	H	9993942	3213914
	TOTAL	<u>9993942</u>	<u>3213914</u>
2 EXPENDITURE			
Administrative Expenses	I	1745490	2810519
	TOTAL	<u>1745490</u>	<u>2810519</u>
Profit Before Depreciation & Tax		8248452	403395
Less: Depreciation		184289	184289
Profit After Depreciation but Before Tax		8064163	219106
Less: Provision for Taxation		1000000	35000
Profit After Tax		7064163	184106
Less : Lower Provision for Taxation		0	0
		<u>7064163</u>	<u>184106</u>
Add: Balance Brought Forward		- 13535981	- 13720087
		<u>-6471818</u>	<u>- 13535981</u>
Significant Accounting Policy & Note on Account	J		

As per our attached audit report of even date and schedule thereto

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

Sd/-

(Niranjan Jain)
Partner
Mem. No 47811

Date : 02-09-2008
Place : Ahmedabad

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

Sd/-

Sd/-

Managing Director / Director

Date : 02-09-2008
Place : Ahmedabad

VAX HOUSING FINANCE CORPORATION LIMITED



SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C

Particulars	31/2008 Rs.	31/2007 Rs.
SCHEDULE : "A" SHARE CAPITALS		
AUTHORISED CAPITAL:		
55,00,000 Eq. Shares of Rs. 10/- each (Pre. Year 55,00,000 Eq. Share of 10/- Each)	5,50,00,000	5,50,00,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
50,03,200 Eq. Shares of Rs. 10/- each Full Paid Up (Pre. Year 55,00,000 Eq. Share of 10/- Each Paid Up)	5,00,32,000	5,00,32,000
Total	<u>5,00,32,000</u>	<u>5,00,32,000</u>
SCHEDULE : "B" SHARE CAPITALS		
SECURED LOAN		
Kotak Mahindra Bank (Against FD OD)	0	1813151
Total	<u>0</u>	<u>1813151</u>
UNSECURED LOAN		
From Directors	0	0
From Others	0	0
Total	<u>0</u>	<u>0</u>

SCHEDULE : "C" FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01/04/07	Add. Dur. The Year	As on 31/3/08	As On 01-04-07	For the Year	As On 31-03-08	As On 31/3/08	As On 31/3/07
Furnitures	1465785	0	1465785	723089	62952	786041	679744	742696
Off. Building	1764310	0	1764310	560541	20990	581531	1182779	1203769
Flats	101098	0	101098	101098	0	101098	0	0
Vehicle	1427706	0	1427706	1064381	47285	1111666	316040	363325
Pager	10390	0	10390	10390	0	10390	0	0
Air Condi.	352622	0	352622	155780	11543	167323	185299	196842
Office Equipment	396803	0	396803	222230	14734	236964	159839	174573
Cycle	2000	0	2000	1091	140	1231	769	909
Ele. Installation	54070	0	54070	33108	2066	35174	18896	20962
Machinery	74919	0	74919	33081	3559	36640	38279	41838
Computer	105100	0	105100	42040	21020	63060	42040	63060
Land at Bikaner	1082750	1082750	0	0	0	0	0	1082750
Total (A)	6837533	1082750	5754803	2946829	184289	3131118	2623685	3890724
Previous Year	7254025	-416472	6837533	2762540	184289	2946829	3890724	4570841

SCHEDULE : "D" INVESTMENT		
Quoted Shares	0	0
Unquoted Shares	24236600	24050000
TOTAL	<u>24236600</u>	<u>24050000</u>

SCHEDULE : "E" CASH AND BANK BALANCES		
Cash in hand	793056	132840
Bank Balance with Schedules Bank	2064636	16322
Ahmedabad Urban Bank (F.D.)	396396	396396
TOTAL	<u>3254088</u>	<u>545558</u>



VAX HOUSING FINANCE CORPORATION LIMITED

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

Particulars	31/2008	31/2007
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SCHEDULE - "F" LOAN & ADVANCES, DEPOSITES

To Companies	3571923	4589848
To Deposit	30000	7744974
To Others	30127149	10283736
TOTAL	33729072	22618558

SCHEDULE - "G" CURRENT LIABILITIES & PROVISIONS

Sundry Creditors	18074682	11828754
Provision for Exps.	730000	67299
Other Current Liabilities	4021428	2503118
TOTAL	22826110	14399171

SCHEDULE - "H" INCOME FROM OPERATION

Subscription	1014371	1014371
Interest Received	1002393	600441
Other Income	0	148137
Dividend	4138	1100
Share Trading Profit	4237000	10500
Profit from Sale of Land	2917250	0
Profit from Bikaner Office	4612	0
Insurance Business Income	814178	1439365
TOTAL	9993942	3213914

VAX HOUSING FINANCE CORPORATION LIMITED



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

Particulars	31/03/2008	31/03/2007
SCHEDULE - "1" ADMINISTRATIVE EXPENSES		
Audit fees	15000	15000
Advertisement Exps.	22683	6859
Bank Charges	86202	93532
Bonus Exps.	0	8500
Books & Periodicals	0	1422
Business Promotion	0	0
Commission & Brokerage Paid	0	353820
Computer Charges	0	24475
Director's Remuneration	0	144000
Electricity & Electrical Exps.	0	103639
Entertainment Exps.	0	10140
F.B.T. Exps.	0	8083
Insurance Business Exps.	603316	1124270
Income Tax Paid	0	5318
Kasar & Vatav	0	800
Labour Charges	798975	0
Legal Exps.	171507	68590
Office Exps.	0	2953
Loss on sale of fixed Assets	0	138537
Refund	0	3023
L.P.A.	0	237
Service Tax	262	0
Misc. Exps.	1549	21923
Petrol Exps.	0	17775
Office Repair Exps.	0	30320
Postage Exps.	0	9255
Rent , Rates & Taxes	45996	57544
Salary & Staff Welfare	0	352835
Stationery & Printing Exps.	0	16904
Telephone Exps.	0	63155
Travelling Exps.	0	104721
Vehicle Maintaince Exps.	0	22889
	-----	-----
TOTAL	1745490	2810519
	=====	=====

VAX HOUSING FINANCE CORPORATION LIMITED



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 instalment 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 Installation, 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 andreconciliation, if any. The effect of the same which is not likely to 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 informing, 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 employe through out the year or Rs. 50,000/- per month if employed for a part of the year.

6. Payment to Auditors include	<u>31-03-2008</u>	<u>31-03-2007</u>
Audit Fees,	Rs. 15,000	Rs. 15,000

7. Previous years figures have been regrouped and recast wherever necessary.

Signature to Schedules "A" to "J"

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

Sd/-

Sd/-

Managing Director / Director

For and on behalf of
For, NIRANJAN JAIN & CO.
Chartered Accountants

Sd/-

(Niranjan Jain)
Partner
Mem. No. 47811

Date : 02-09-2008
Place : Ahmedabad

Date : 02-09-2008
Place : Ahmedabad



VAX HOUSING FINANCE CORPORATION LIMITED

CASH FLOW STATEMENT

Particulars	As At 31/03/2008 Amount (Rs)	As At 31/03/2007 Amount (Rs)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit Before Tax & Extraordinary Item	8064163	219106
Adjustment For :		
Depreciation and Amortisation	184289	184289
Preliminary Expenses w/o	0	0
Share issue Expenses w/o	0	0
Interest Received	-1002393	-600441
Profit from sale of land	-2917250	0
Dividend Received	-4138	-1100
Operating Profit Before Working Capital Change	4324671	-195146
Adjustment For :		
Trade & Other Receivable	0	0
Increase in balance of Bikaner branch	-4612	0
Inventories	0	0
Loans & Advance	-11110514	-4331862
Current Liabilities & Provisions	8426939	649139
Income tax Paid	1636484	-3880869
CASH GENERATOR FROM OPERATIONS	-1000000	-35000
NET CASH FROM INVESTING ACTIVITIES (A)	636484	-3915869
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	1002393	600441
Dividend Received	4138	1100
Purchase of Fixed Assets	0	-123065
Sale of Fixed Assets	4000000	539537
Purchase of Investments	-186600	0
Sale of Investments	0	397300
NET CASH FLOW FROM FINANCING ACTIVITIES (B)	4819931	1415313
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed From issue Expenses of Capital	0	0
Share Issue Expenses	0	0
Proceed from Long Term Borrowings	0	1813151
Repayment of Long Term Borrowings	-1813151	0
Proceed from Short Term Borrowings	0	0
Re payment of HP Financials Loans	0	0
Public Issue Exps./Preliminary Exps.	-934734	0
CASH FLOW FROM FINANCE ACTIVITIES (C)	-2747885	1813151
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	2708530	-667405
CASH & CASH EQUIVALENTS-OPENING BALANCE	545558	1232963
CASH & CASH EQUIVALENTS-CLOSING BALANCE	3254088	545558



VAX HOUSING FINANCE CORPORATION LIMITED

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

Sd/-

(Niranjan Jain)
Partner
Mem. No 47811

Date : 02-09-2008
Place : Ahmedabad

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

Sd/-

Sd/-

Managing Director / Director

Date : 02-09-2008
Place : Ahmedabad

VAX HOUSING FINANCE CORPORATION LIMITED



PART OF SCHEDULE VI OF COMPANIES ACT, 1956 (AS AMENDED) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A. Registration Details		:	
Registration No.	:	04-23147 of 1994	
State Code	:	04	
Balance Sheet Date	:	31st March, 2008	
B. Capital Raised during the Year (Amount in Rs. Thousands)			
Public issue	:		NIL
Rights issue	:		NIL
Bonus:	:		NIL
Private Placement	:		NIL
C. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	:		50032.00
Total Assets	:		50032.00
Sources of Funds			
Paid-Up-Capital	:		50032.00
Reserves & Surplus	:		NIL
Secured Loans	:		NIL
Unsecured Loans	:		NIL
Application of Funds			
Net Fixed Assets	:		2623.69
Net Current Assets	:		14157.05
Investments	:		24236.60
Misc. Expenditure	:		7406.65
Branch	:		1608.11
D. Performance of Company (Amount in Rs. Thousands)			
Turnover/income	:		9993.94
Total Expenditure	:		1929.78
Profit Before Tax	:		8064.16
Profit After Tax	:		7064.16
Earning per Share in Rs.	:		1.41
Dividend Rate %	:		NIL
E. Generic Names of three principal Products/Services of Company (As per monetary terms)			
Item Code No. (ITC Code)	:		N.A.
Product Description	:		
Item Code No. (ITC Code)	:		N.A.
Product Description	:		
Item Code No. (ITC Code)	:		N.A.
Product Description	:		
For, NIRANJAN JAIN & CO.		ON BEHALF OF THE BOARD OF DIRECTORS	
Chartered Accountants		For, Vax Housing Finance Corporation Ltd.	
Sd/-		Sd/-	Sd/-
(Niranjan Jain)		MANAGING DIRECTOR	DIRECTOR
Partner			
Mem. No. : 47811			

Date : 02-09-2008
Place : Ahmedabad

Date : 02-09-2008
Place : Ahmedabad

BOOK POST

IF NOT DELIVERED, PLEASE RETURNED TO
**VAX HOUSING FINANCE
CORPORATION LIMITED**

301, Simandhar Estate,
Opp. Sakar - III,
Opp. Old High Court
Ashram Road,
Ahmedabad - 380 014

FOTO SCREEN (M) : 9825355352