

ANNUAL REPORT

2005-06

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 30th September, 2006 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, 2006 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. Kailashchand 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.

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 : 01/09/2006

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 20th September, 2006 to 30th September, 2006 (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.

Details of Directors retiring by Rotation and seeking re-appointment

Name of the Director: Mr. Kailashchand Gupta
Date of Birth : 15/01/1966
Date of Appointment : 28/09/1994
Experience in Specified Area: Rich Experience in the Field of Finance

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By Order of the Board


DIRECTOR

Date : 01/09/2006

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, 2006.

FINANCIAL PERFORMANCE:

During the year under review company has achieved a profit of Rs. 3,79,430/- compared to loss of Rs. 2,02,578/- for the previous year.

DIVIDEND

Company wants to reinvest the profits in to the Business hence your directors are unable to declare 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. Kailashchand Gupta will retire by rotation and being eligible for offers himself for reappointment.

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 : 01/09/2006

**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

1.	Shri Kailash Chand Gupta	Jt. Managing Director
2.	Shri Vijaysingh Rathore	Managing Director
3.	Shri Tarachand Gupta	Non-executive

The Board of Directors of the Company comprises of majority of Executive Director. Since More than half of the Board comprises of Executive Directors, company is unable to fulfill the condition prescribed under clause 49 of Listing Agreement. The board meets at least once in a quarter to consider amongst other business matters, the quarterly performance of the company and financial results.

(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	5	2	3
2	Shri Vijaysingh Rathore	5	-	-
3	Shri Tarachand G Gupta	5	2	3

* - 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.

(4) AUDIT COMMITTEE:

- Terms of reference:**

The matters specified for the reference of Audit Committee under clause 49 of the listing agreements read with provisions of section 292A of the Companies Act, 1956 are as follows:

- to review the quarterly, half yearly and annual results before presenting it for the consideration of Board of Directors,
- to consider the appointment of Statutory Auditor, the Audit Fee and any matter of resignation or dismissal,
- to have a discussion with statutory auditor about the nature and scope of the audit,
- to review Auditor's Report and presenting to board's response with recommendation,

- (e) to review the effectiveness of Internal Control System and have a periodical review with the statutory auditor,
- (f) to ensure that the Internal Audit Functions is adequately resourced and has appropriate standing within the Company,
- (g) to consider the material breach of regulatory requirements, ethical code of practice, which could have a material impact on the financial position of the Company,
- (h) to look into the reason for substantial default in payment to the depositors, debenture holders and shareholders, and
- (i) to consider the other topics as defined by the Board.

• **Composition:**

Audit Committee is not duly constituted as required under clause 49 of the listing agreement along with the provision of Sec. 292A of the Companies Act because majority of the Directors of the company are promoter and executive directors. The constitution of Audit committee is as follows:

Shri Kailashchand Gupta	- Chairman.
Shri Vijaysingh Rathore	- Member
Shri Tarachand G Gupta	- Member

• **Meetings:**

There were two Meetings of the Audit Committee in the year, which were attended by majority of the members of the committee.

(5) INFORMATION REGARDING PAYMENT OF REMUNERATION TO DIRECTORS:

During the Year under review Company has paid Rs. 3,60,000/- towards Directors Remuneration to its Managing Directors for their valuable services to the company.

(6) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Committee of members of Board of Directors as Shareholders / Investors Grievance Committee is working since March 30, 2002, as per the provisions of the Clause 49 of the Listing Agreement to look into the matters relating to redressing of Shareholders and Investors' Complaints like transfer of shares, non-receipt of Balance-Sheet, Address Change etc. and to resolve them to the satisfaction of investors/ shareholders.

The Committee comprises of the following: -

Shri Vijaysingh Rathore	- Chairman.
Shri Kailashchand Gupta	- Member
Shri Tarachand G Gupta	- Member

The Company has adopted a practice of having its meetings on regular intervals as and when deems necessary.

(7) SHAREHOLDERS' / INVESTORS' COMPLAINTS:

No. of Total Complaints Received During the Year	Resolved / action taken	Pending as on 30-09-2006
8	6	2

(8) CHANGE IN THE DIRECTORSHIP:

During the year there being no changes in 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.	30/09/2005	AGM	301, Simandhar Estate, Opp. Sakar – III, Opp. Gujarat High Court, Ashram Road, Ahmedabad – 380 009.	11.00 A.M.
2.	30/09/2004	AGM	As Above	11.00 A.M.
3.	30/09/2003	AGM	As above	11.00 A.M.

(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:**a) Annual General Meeting:**

Date	Day	Time	Venue
September 30, 2006	Saturday	11.00 A.M.	301, Simandhar Estate, Opp. Sakar – III, Opp. Gujarat High Court, Ashram Road, Ahmedabad – 380 009.

b) Book Closure: Wednesday the 20th day of September, 2006 to Saturday the 30th Day of September, 2006. (Inclusive of Both the days).

c) Listing on Stock Exchanges (where listed);

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

d) Security Code:

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