

DIRECTOR'S REPORT

TO

THE MEMBERS

VITAL COMMUNICATIONS LIMITED

Your Directors are pleased to present the 22ND Annual report of your Company with the Audited Accounts for the year ended on 31st March, 2017:

FINANCIAL RESULTS:

Particulars	For the year ended March 31 st 2017	For the year ended March 31 st 2016
Total Income	-	-
Profit/(Loss) before tax	(412,395)	(654,491)
Deferred Tax	(30,424)	(36,380)
Profit/(Loss) after tax	(442,819)	(690,871)
Profit/(Loss) adjusted	0.00	0.00
Profit/(Loss) carried to Balance Sheet	(442,819)	(690,871)

PERFORMANCE REVIEW

During the year under review, the Company's incurred a loss of Rs. 442,819/- as against loss of Rs. 690,871/- in 2015-16.

RESERVE AND SURPLUS

The amount of Rs. (442,819/-) is being transferred in the reserve and Surplus as the Current year loss.

DIVIDEND

No Dividend has been declared for the year ended March 31, 2017.

FUTURE PROSPECTS

The Company has been working for the expansion of its Communication Business and has succeeded to spread its functions. The Company keeps the influence and enthusiasm to survive successfully in the Market and expanding its functions and flourishing with immense growth rate.

PUBLIC DEPOSIT

The Company has not accepted any deposits during the year under review.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in form no. MGT - 9 has been annexed to the Report, as Annexure I.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is presented in the separate section and forms an integral part of the Annual Report and attached as annexure II.

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance is attached to the report as an Annexure III. Certificate from the Statutory Auditors of the company M/s G.P. KESHRI & ASSOCIATES, Chartered Accountants, confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as Annexure - III.

SECRETARIAL AUDIT REPORT AND EXPLANATION TO THE QUALIFICATIONS REPORTED IN THE REPORT

Provisions relating to Secretarial Audit as per Section 204 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sumit Gupta & Associates, Company Secretaries, to undertake the Secretarial audit of the Company for the Financial Year 2016-17 and the report is attached herewith as Annexure IV.

With respect to the qualifications, the Company is searching the best candidate for the post of Company Secretary and Chief Financial officer, and would try to intimate and file the required information/compliances timely and effective steps has been taken to comply the qualifications as reported by the Secretarial Auditor

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company has a strong monitoring and reporting process resulting in financial discipline and accountability.

FAMILIARIZATION PROGRAMME

The Company at its various meetings held during the Financial year 2016 -17 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize then with the Company's policies, procedures and practices.

Periodic presentations are made to the Board and Board Committee meeting on Business and performance updates of the Company, Business strategy and risks involved.

Quarterly updates on relevant statutory changes and judicial pronouncements and encompassing important amendments are briefed to the Directors.

RISK MANAGEMENT POLICY

Therefore, in accordance with the provisions of the Companies Act, 2013, the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 314(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 in respect of Conservation of Energy and Technology Absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review

INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

CAPITAL STRUCTURE

There is no change in the capital structure of the company during the financial year 2016-2017.

NAME OF THE COMPANIES WHICH HAVE BEEN BECOME OR CEASED TO BE ITS SUBSIDIARIES AND ASSOCIATE COMPANIES DURING THE YEAR

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Since the Company has no subsidiaries as on 31st March, 2017, provision of section 129 of the Companies Act, 2013 is not applicable.

CONSOLIDATED FINANCIAL STATEMENTS

Since there is no subsidiary of the Company at present, hence no consolidated financial statements have been prepared.

PARTICULAR OF EMPLOYEES

The prescribed particulars of Employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure to this Report.

The information required pursuant to Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company, will be provided on request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees particulars mentioned in rule 5(2) of the said rule which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company upto the date of ensuing Annual General Meeting. If any Member is interest in inspecting the same, such Member may write to the Compliance officer in advance.

CHANGE IN THE COMPOSITION OF BORAD OF DIRECTORS

During the year under review, Mr. Roop Singh and Ms. Kalpana has been Appointed as Additional Director of the company with effect from 01st August, 2016 and Ms. Shubha Jindal has resigned from the post of Directorship w.e.f 01st August, 2016.

Further, Mr. Manoj Kumar has also resigned from the post of Directorship w.e.f 14th February 2017 and Ms. Nikita Mor has been appointed as the Company Secretary of the company w.e.f 01st July 2017.

b) Declaration by an Independent Director(s) and re- appointment, if any

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, and Listing Agreement.

c) Formal Annual Evaluation

Pursuant to the provisions of companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

BOARD MEETINGS

During the year Board Meetings were convened and held. The details of which are given below. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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S. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended
1.	28 th May, 2016	3	3
2.	1 st August, 2016	4	4
3.	13 th August, 2016	4	4
4.	29 th August, 2016	4	4
5.	30 th August, 2016	4	4
6.	01 st September, 2016	4	4
7.	22 nd September, 2016	4	4
8.	01 st October, 2016	4	4
9.	12 th November, 2016	4	4
10.	01 st February, 2017	4	4
11.	13 th February, 2017	4	4
12.	14 th February, 2017	3	3
13.	23 rd February, 2017	3	3

EXTRAORDINARY GENERAL MEETINGS DURING THE FINANCIAL YEAR 2016-17

There is no Extraordinary General Meeting Convened during the Financial Year 2016-17.

COMPOSITION AND MEETINGS OF AUDIT COMMITTEE

During the year ended on 31st March, 2017, the composition of Audit Committee has been as under:

- a) Mr. Shubha Jindal* (Chairperson)
- b) Mr. Shyam Sunder Sabharwal (Member)
- c) Mr. Manoj Kumar * (Member)
- d) Mr. Roop Singh* (Member)
- c) Mr. Kalpana* (Chairperson)

The Chairman of the Audit Committee is Ms. Kalpana.

During the financial year 2016-17, Four (4) meeting of Audit Committee was held i.e. 28.05.2016, 13.08.2016, 12.11.2016 and 13.02.2017

*During the year under review, Mr. Roop Singh and Ms. Kalpana has been Appointed as Additional Director of the company with effect from 01st August, 2016 and Ms. Shubha Jindal has resigned from the post of Directorship w.e.f 01st August, 2016. Further, Mr. Manoj Kumar has also resigned from the post of Directorship w.e.f 14th February 2017

COMPOSITION AND MEETINGS OF NOMINATION & REMUNERATION COMMITTEE

The Company has duly constituted Nomination and Remuneration Committee to align with the requirements prescribed under the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

COMPOSITION

- | | |
|-------------------------------|---------------|
| a) Mr. Shubha Jindal* | (Member) |
| b) Mr. Shyam Sunder Sabharwal | (Chairman) |
| c) Mr. Manoj Kumar * | (Member) |
| d) Mr. Roop Singh* | (Member) |
| e) Mr. Kalpana* | (Chairperson) |

The Chairman of the Nomination and Remuneration Committee is Ms. Kalpana.

During the financial year 2016-17, Four (4) meeting of Nomination and Remuneration Committee was held i.e. 28.05.2016, 13.08.2016, 12.11.2016 and 13.02.2017

*During the year under review, Mr. Roop Singh and Ms. Kalpana has been Appointed as Additional Director of the company with effect from 01st August, 2016 and Ms. Shubha Jindal has resigned from the post of Directorship w.e.f 01st August, 2016. Further, Mr. Manoj Kumar has also resigned from the post of Directorship w.e.f 14th February 2017

COMPOSITION AND MEETINGS OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Composition and terms of reference of the Committee satisfy the requirements Section 178 of the Companies Act, 2013. The Committee met 4 times during the financial year 2016-17 on 28.05.2016, 13.08.2016, 12.11.2016, and 13.02.2016 and following is the composition:

COMPOSITION

- | | |
|-------------------------------|---------------|
| a) Mr. Shubha Jindal* | (Chairperson) |
| b) Mr. Shyam Sunder Sabharwal | (Member) |
| c) Mr. Manoj Kumar * | (Member) |
| d) Mr. Roop Singh* | (Member) |
| e) Mr. Kalpana* | (Chairperson) |

The Chairman of the Stakeholder Relationship Committee is Ms. Kalpana.

*During the year under review, Mr. Roop Singh and Ms. Kalpana has been Appointed as Additional Director of the company with effect from 01st August, 2016 and Ms. Shubha Jindal has resigned from the post of Directorship w.e.f 01st August, 2016. Further, Mr. Manoj Kumar has also resigned from the post of Directorship w.e.f 14th February 2017

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

During the year, as per Section 177(9) read with Rule 7(1) of The Companies (Meeting of Board and its Powers) Rules, 2014, Company is required to establish a Vigil Mechanism for its Directors and employees. In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year, Company has not provided Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information under notes to Accounts.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at workplace; the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are effective in the Company. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy.

The following is a summary of Sexual Harassment complaints received and disposed off during the year:

- a. No. of Complaints received: 0
- b. No. of Complaints disposed off : 0

MANAGERIAL REMUNERATION POLICY

Provisions relating to Managerial Remuneration as per Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 The Board have on the recommendation of the Nomination & Remuneration Committee framed a Policy for Selection and appointment of Directors, senior management and their Remuneration.

AUDITORS

In the 21st Annual General Meeting of the company, appointment of M/s. Ranjan Gupta & Associates, Chartered Accountants (FRN 17319N), were ratified as the Statutory Auditors of the Company for the financial year 2016-2017. The Report given by the Statutory Auditors for the Financial Statements for the year ended March 31, 2017 read with explanatory notes thereon do not call for any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Further at the 22nd Annual General Meeting of company, the appointment of M/s RANJAN GUPTA & ASSOCIATES, as Statutory Auditor of the Company for the period of five year commencing from the conclusion of this Annual General Meeting of the company at remuneration to be decided mutually is placed for the approval of shareholders.

CHANGE THE REGISTERED OFFICE

During the year under review, the company has changed its registered office from 606, Kailash Building, Kasturba Gandhi Marg, Connaught Place, New Delhi 110001 to Office No.323, third floor, Vardhman Fortune Mall, G.T. Karnal Road, Near Gujarawala Town, Delhi -110033 with effect from 01st September 2016.

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Further, the company has changed its registered office from Office No.323, third floor, Vardhman Fortune Mall, G.T. Karnal Road, Near Gujarawala Town, Delhi -110033 to 3G Gopala Tower, Rajendra Place, New Delhi-110008 with effect from 01st February 2017

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

On 31st July, 2014, SEBI has passed order no. WTM/RKA/IVD/ID-08/72- 95/2014 dated July 31, 2014 restrained the Company from accessing the securities market and are further prohibiting them from buying, selling or otherwise dealing in the securities market, either directly or indirectly, or being associated with the securities market in any manner, whatsoever, for the period of 3 years.

In this regard, we would like to inform you that the period of 3 year has elapsed on 30th July, 2017. Now the company is free to access securities market or buying, selling or otherwise dealing in the securities market, either directly or indirectly, or being associated with the securities market in any manner, whatsoever.

AUDITORS OBSERVATIONS / QUALIFICATIONS

The Auditors observations / qualifications are detailed in the Auditor's Report annexed hereto are self explanatory and be read together with the notes to the accounts in the Schedule annexed to the Account.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the Company is not required to comply with the provisions related to Corporate Social Responsibility on the basis of its financial statement.

DIRECTORS' RESPONSIBILITY STATEMENTS

The directors report that

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

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- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the cooperative banks, Government Authorities, customers, vendors and, members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executive's, Staff.

Date: 30.08.2017

Place : Delhi

**BY ORDER OF THE BOARD
For VITAL COMMUNICATIONS LIMITED**

**SD/-
SHYAM SUNDER SABHARWAL
DIRECTOR
DIN: 01912767**

**SD/-
ROOP SINGH
DIRECTOR
DIN: 07304997**

