

# REPORT ON CORPORATE GOVERNANCE

As per the disclosure requirements prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Corporate Governance, your Company is complying with the requirements. The report for current year is as follows:

## Company's Philosophy on Corporate Governance

The Company believes in and remains committed to good Corporate Governance. The spirit of corporate governance has remained imbibed in the Company's business philosophy since long. This philosophy is shaped by the values of transparency, professionalism and accountability. Today, your Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making.

## Board of Directors

As on 31<sup>st</sup> March, 2017 the Company comprise of three directors

Mr. Shyam Sunder Sabharwal - Non-Executive and Non Independent Director

Mr. Roop Singh - Non-Executive and Independent Director

Ms. Kalpana - Non-Executive and Independent Director

## Number of Board Meetings

The Board met Thirteen (13) times during the year and the maximum time between any two board meetings was not more than 120 Days.

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

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12.	14 <sup>th</sup> February, 2017	3	3
13.	23 <sup>rd</sup> February, 2017	3	3

### Directors' Attendance Record and Directorships Held

The Board is properly constituted as per Clause the Listing Agreement and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors are members of neither more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Annexure 1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanship.

### Annexure 1 -Composition of the Board of Directors

Name of the Directors	Category	Number of Board Meetings attended		Last AGM	No. of other Directorships* (Public Limited)
		Held	Attended		
Shyam Sunder Sabharwal	Director	13	13	Yes	Nil
Roop Singh	Director	12	12	Yes	2
Kalpana	Director	12	12	Yes	Nil

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

\*The Directorships held by the Directors do not include Directorship of foreign companies and private limited companies.

### Code of Conduct

The Board has laid down a code of conduct for all Board members and designated senior management of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

### Information Supplied to the Board

The Board has complete access to all information with the Company. Adequate information is circulated as part of the agenda papers and also placed at the meeting to enable the Board to take an informed decision. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting.

- Annual operating plans & budgets and any update thereof.
- Quarterly results of the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non compliances.

### Committees of the Board

#### Audit Committee

- i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges read with Section 177 of the Companies Act, 2013.
- ii) The terms of reference stipulated by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as follows:
  - Overseeing the Company's financial reporting process and the disclosure of its financial information so as to ensure that the financial statements depict a true and fair view of the Company's affairs.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Reviewing with management the Annual Financial Statements before submission to the board, focusing primarily on:
    - (i) Any changes in accounting policies and practices,
    - (ii) Major accounting entries based on exercise of judgment by Management,
    - (iii) Qualifications in draft Audit Report,
    - (iv) Significant adjustments arising out of Audit,
    - (v) The going concern assumption,
    - (vi) Compliance with Accounting Standards,
    - (vii) Compliance with Stock Exchange and legal requirements concerning financial statements and
    - (viii) Any related party transaction i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
  - Reviewing with the Management, External and Internal Auditors, the adequacy of Internal Control Systems.
  - Reviewing the adequacy of Internal Audit Functions.
  - Discussion with Internal Auditors any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
  - Discussion with External Auditors before the audit Commences, about the nature and scope of audit as well as the post-audit discussion to ascertain any area of concern.
  - Reviewing the Company's financial and risk management policies. To look into the reasons for substantial defaults in the payment to the creditors.

### COMPOSITION AND MEETINGS OF AUDIT COMMITTEE

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

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- |                               |               |
|-------------------------------|---------------|
| 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 01<sup>st</sup> August, 2016 and Ms. Shubha Jindal has resigned from the post of Directorship w.e.f 01<sup>st</sup> August, 2016. Further, Mr. Manoj Kumar has also resigned from the post of Directorship w.e.f 14<sup>th</sup> 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)      |
| c) 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 01<sup>st</sup> August, 2016 and Ms. Shubha Jindal has resigned from the post of Directorship w.e.f 01<sup>st</sup> August, 2016. Further, Mr. Manoj Kumar has also resigned from the post of Directorship w.e.f 14<sup>th</sup> 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)      |

c) 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 01<sup>st</sup> August, 2016 and Ms. Shubha Jindal has resigned from the post of Directorship w.e.f 01<sup>st</sup> August, 2016. Further, Mr. Manoj Kumar has also resigned from the post of Directorship w.e.f 14<sup>th</sup> February 2017

### **Market price**

The trading activity of the Company has been suspended on BSE Limited due to some Penal Reason.

### **Compliance officer**

Mr. Shyam Sunder Sabharwal is the Compliance officer of the Company.

### **CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION**

Your Company has taken adequate steps to adhere to all the stipulations laid down in the Listing Agreement and disclosure requirements prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report.

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 Clause 49 of the Listing Agreement is attached to this report.

### **WHISTLE BLOWER POLICY**

Your Company has a vigil mechanism in place namely, Whistle Blower Policy (GWB) to provide platform to Directors and Employees to raise concerns regarding any discrimination, victimization, irregularity, misconduct, unethical matters and other unfair practices.

The Group Whistle Blower policy as approved by the Board of Directors is uploaded on the Company's website <http://vitalcommunicationsltd.com>

### **DISCLOSURES:**

(a) Materially Significant related party transactions

There was no transaction of material nature with any of the related party, which is in conflict with the interest of the company.

(b) Details of non compliance by the company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years.

There was no instance of levy of any penalties during the last three years except penalty levied imposed by BSE Limited due to delay in submission of quarterly compliances.

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## FINANCIAL CALENDAR

Tentative calendar of events for the financial year 2016-17 (April to March) is as under: Adoption of half yearly Financial Results for:

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Financial Calendar (Tentative) Results for the quarter ending  
September 30, 2017 Upto 14<sup>th</sup> November, 2017

December 31, 2017 Upto 14<sup>th</sup> February, 2018

March 31, 2018 Upto 30<sup>th</sup> May, 2018

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## GENERAL BODY MEETINGS

### Location and time of General Meetings held in the last 3 years

Year	Date	Venue of Meeting	Time	Special Resolution passed in previous AGM
2016	29/09/2016	NAV KAR TIRTH ATISEY KSETRA, VILLAGE NEELWAL NEAR MAHAVIDAY KSETRA, GHEVRA MORE, ROHTAK ROAD, DELHI	09:00 A.M	Yes
2015	30/09/2015	NAV KAR TIRTH ATISEY KSETRA, VILLAGE NEELWAL NEAR MAHAVIDAY KSETRA, GHEVRA MORE, ROHTAK ROAD, DELHI	10:00 A.M	No
2014	29/09/2014	RETREAT ' MOTEL/RESORT, ALIPUR, MAIN G.T. ROAD, NEAR PALLA MOD, DELHI - 110036	09:30 A.M	No

\*No Postal Ballot was conducted during the Year.

## MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after the same are considered by the Board and are published in the newspaper as per the provisions of Listing Agreement. The results of the Company are also made available on the Company's website i.e. <http://vitalcommunicationsltd.com>

## DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2017

No. of equity shares held	No. Of Shareholders	No. Of Shares
10001 and above	158	26586144
5001 - 10000	153	1204308
2001 - 5000	547	4312124

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1001 - 2000	562	969101
501 - 1000	926	866579
Less than 500 shares	2279	4031744
<b>Total</b>	<b>4625</b>	<b>37970000</b>

### Listing Fees

The Company had paid listing fees to the Exchange and depositories for the year 2016-17.

### Cases of Non-Compliances / Penalties

There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of imposition of penalties or strictures by SEBI or the Stock Exchanges does not arise except penalty levied imposed by Stock Exchanges due to delay in submission of quarterly compliances.

### Risk Management

The Company has been addressing various risks impacting the company and the policy of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.

### ADDRESS FOR CORRESPONDENCE

3G Gopala Tower , IIIrd Floor, Rajendra Place

New Delhi-110008

Email: [vitalcom2007@yahoo.com](mailto:vitalcom2007@yahoo.com)

Website: <http://vitalcommunicationsltd.com/>

Corporate Identity Number (CIN) L74899DL1995PLC065076

### CEO / CFO CERTIFICATION

Compliance Certificate under Regulation 17(8) Under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the CEO/CFO Certification is provided in the Annual Report.

### GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling annual general meeting, Corporate Governance Report, Directors Report, audited Financial statements, auditor's report etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and transfer agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

### PROFILE OF THE DIRECTORS WHO ARE APPOINTMENT AT THE ANNUAL GENERAL MEETING

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreements)

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Name of Director	Mr. Shyam Sundar Sabharwal
Age	63 years
Date of Appointment	30/04/2003
Expertise in specific functional areas	Accounts and Finance
Qualifications	Graduate
List of Limited Companies in which outside Directorship held as on 31.03.2016	Nil
Chairman/Member of the Committees of the Boards of the other Companies on which he is a Director	STURDIA DEVELOPERS PRIVATE LIMITED

Place: Delhi  
Date: 30.08.2017

By Order of the Board  
For VITAL COMMUNICATIONS LIMITED  
Sd/- Shyam Sunder Sabharwal  
DIN: 01912767  
Sd/- Roop Singh  
DIN: 07304997

