



CIN No. L74899DL1995PLC065076

Date : November 2nd , 2016

To,
Corporate Relation Department
BSE Limited
Phiroze jeejobhoy Towers,
Dalal Street, Mumbai -400001

Scrip Code - 532325 , Scrip Id- VITALCOMM

Sub: Submission of the Annual Report Under Regulation 34(1) of SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) Regulations, 2015

Dear Sir/ Madam,

Please find the Enclosed Annual Report of Vital Communications Limited for the Financial Year 2015-16 as required under regulation 34(1) of Securities Exchange Board of India(Listing Obligations And Disclosure Requirements) Regulations, 2015.

Please take the same on record.

Thanking You

For Vital Communications Limited

Shyam Sunder Sabharwal

Director

DIN: 01912767

21ST ANNUAL REPORT
2015-2016

VITAL COMMUNICATIONS
LIMITED

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CORPORATE INFORMATION

DIRECTORS

Mr. Manoj Kumar - Non-Executive and Non Independent Director

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

REGISTERED OFFICE

Office No. 606, Kailash Building , Kasturba Gandhi Marg,

Connaught Place, New Delhi-110001

Email: vitalcom2007@yahoo.com

CIN No. L74899DL1995PLC065076

BANKERS

Axis Bank Limited

States Man House, Barakhamba

Connaught Place, New Delhi-110001

AUDITORS

M/s. G. P Keshri & Associates

Chartered Accountants

A-215, 5 Chawala Complex, Vikas Marg

Shakarpur, Delhi-110092

(Firm Registration No.017251N)

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

A-40, 2nd Floor Naraina Industrial Area

Phase-II, Near Batra Banquet Hall,

New Delhi-110028

LISTED ON

BSE Limited

National Stock Exchange of India Limited

ANNUAL GENERAL MEETING

Date : 29th September, 2016

Time : 09:00 A.M.

Day : Thursday

Venue : Navkar Tirth Atisey Ksetra, Village Neelwal Near Mahaviday Ksetra, Ghevra More,
Rohtak Road, Delhi

NOTICE OF 21st ANNUAL GENERAL MEETING

Notice is hereby given that the **21st Annual General Meeting** of Vital Communications Limited will be held on Thursday, 29th September, 2016 at 09:00 A.M. at **Navkar Tirth Atisey Ksetra, Village Neelwal Near Mahaviday Ksetra, Ghevra More, Rohtak Road, Delhi** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance sheet of the Company as at March 31 2016, the statement Profit & Loss Account, Cash Flow Statement for the year ended on that date and the Reports of Directors and Auditor's thereon.
2. To Appoint a Director in place of **Mr. Shyam Sundar Sabharwal** who retires by rotation and being eligible offer himself for re - appointment.
3. To ratify the appointment of **M/s G.P KESHRI & ASSOCIATES (Firm Registration No. 017251N)** as Statutory Auditor of the Company to hold the office from the conclusion of this Annual General Meeting till the Conclusion of next Annual General Meeting of the Company at remuneration to be decided mutually.

SPECIAL BUSINESS:

4. **To appoint Mr. Roop Singh (DIN: 07304997) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 160, 149, 152 and all other applicable provisions and Schedule IV to the Companies Act, 2013, the Companies (Appointment the Companies (Appointment and Qualifications of Directors) Rules, 2014, as may be amended, from time to time and the Listing Agreement, Mr. Roop Singh (DIN: 07304997), who was appointed as an Additional Director with effect from 1st August, 2016, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years commencing from 1st August, 2016."

5. **To appoint Ms. Kalpana (DIN: 07586724) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 160, 149, 152 and all other applicable provisions and Schedule IV to the Companies Act, 2013, the Companies (Appointment the Companies (Appointment and Qualifications of Directors) Rules, 2014, as may be amended, from time to time and the Listing Agreement, Ms. Kalpana (DIN: 07586724), who was appointed as an Additional Director with effect from 1st August, 2016, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years commencing from 1st August, 2016."

DATE: 30.08.2016

PLACE: NEW DELHI

BY ORDER OF THE BOARD
For VITAL COMMUNICATIONS LIMITED
SD/-
SHYAM SUNDER SABHARWAL
DIRECTOR

NOTES:

1. An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ONLY ON POLL) INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE DULY COMPLETED AND SIGNED PROXY FORM SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. The Register of Directors and Key managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
4. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
5. Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars for printing on the dividend warrants, if any, under their signatures to Link In time India Private Limited, Address: A - 40, 2nd Floor, Naraina Industrial Area, Phase - II, Near Batra Banquet Hall, New Delhi -110028.
6. Members holding shares in electronic form may update such details with their respective Depository Participants.
7. Pursuant to Section 91 of the Companies Act, 2013, The Share Transfer Books and Members Register of the Company will remain closed from **September 22, 2016** to **September 26, 2016** (both days inclusive).
8. Members seeking any information regarding accounts should write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.

- vi) Members may note that transferees of shares of the Company in physical form shall furnish copy of PAN card to the Company / RTAs for registration of such transfer of shares..

The instructions for shareholders voting electronically are as under:

INSTRUCTIONS

1. Voting through electronic means

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is pleased to offer e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the Extraordinary General Meeting to be held on Thursday, September 29, 2016 at 09.00 A.M. The Company has envisaged the Services of National Securities Depository Limited (NSDL) to provide e-voting facility.
- II. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- III. The Facility for voting through ballot paper shall be available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- IV. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- V. The remote e-voting period commences on 26th September, 2016 (9:00 am) and ends on 28th September, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th July 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote E- voting electronically are as under:-

- A.** In case a member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participant(s) :
- (i) Open email and open PDF file. The said PDF file contains your user ID and password For E-Voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following [URL:https://www.evoting.nsdl.com/](https://www.evoting.nsdl.com/)
 - (iii) Click on shareholder-Login.
 - (iv) Put user ID and password as initial password noted in step (i) above. Click login.
 - (v) Password change menu appears. Change the password with new password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of e-voting opens, click on e-voting : Active Voting cycles.
- (vii) Select "EVEN" Of **VITAL COMMUNICATIONS LIMITED**.
- (viii) Now you are ready for remote E-voting as cast vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on ""Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional & Corporate shareholders(i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy(PDF/JPG Format) of the relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to pkmishra59@yahoo.com with a copy marked to evoting@nsdl.co.in .

B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Depository Participant (s) or requesting physical copy] :

- (i) Initial password is provided as below in the proxy form:

| EVEN (Remote E-Voting Event number) | USER ID | PASSWORD |
|-------------------------------------|---------|----------|
| | | |

- (ii) Please follow all steps from SI. No.(ii) to SI. No.(xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. The e-voting period commences on 26.09.2016 and ends on 28.09.2016. During the period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 20, 2016, may cast their vote electronically in the manner and process set out herein above. The E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the shareholder shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not vote by way ballot form.
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 20, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 20th September 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset Your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Mr. P.K. Mishra, Company Secretary (COP: 16222), Partner M/s. PK Mishra & Associates, Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of the e-voting at the AGM will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company ie. www.vitalcommunications.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the **BSE Limited (BSE) and NSE**.

DATE: 30.08.2016

PLACE: NEW DELHI

**BY ORDER OF THE BOARD
For VITAL COMMUNICATIONS LIMITED
SD/-
SHYAM SUNDER SABHARWAL
DIRECTOR
DIN NO. 01912767**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4 AND 5

Mr. Roop Singh and Ms. Kalpana, who were appointed as Additional Directors of the Company with effect from 1st August, 2016, in terms of Section 161 of the Companies Act, 2013, they hold office until the date of the Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 proposing their candidature for the office of the Director under the provisions of Section 160 of the Companies Act, 2013.

Both are eminent Professionals and bring rich and varied experience to the Board. The Board of Directors recommends their resolutions set out in Item no. 4 and 5 of the Notice for approval of the Members.

The Board recommends the resolutions for your approval. Mr. Roop Singh and Ms. Kalpana are interested in their respective resolutions to the extent of their appointment.

None of the remaining Directors and their relatives is concerned or interested in the proposed resolution.

DATE: 30.08.2016
PLACE: NEW DELHI

BY ORDER OF THE BOARD
For VITAL COMMUNICATIONS LIMITED
SD/-
SHYAM SUNDER SABHARWAL
DIRECTOR
DIN NO. 01912767

ANNEXURE II TO THE NOTICE

Details of the directors proposed to be appointed / re-appointed as per clause 1.2.5 of Secretarial Standards on General Meeting and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

| | |
|---|--|
| Name | Shyam Sundar Sabharwal |
| Age | 62 Years |
| Qualifications | Graduate |
| Experience | 30 years |
| Terms and conditions of appointment including details of remuneration | Mr. Shyam Sundar Sabharwal will hold the office of Additional Director for a period of five years commencing from 30 th April, 2003. He will be entitled for remuneration as per the provisions of Companies Act, 2013 and as may be decided by the Board of Directors and approved by the members of the Company from time to time. Other terms and conditions are mentioned in the letter for appointment which is available for inspection by members on all working days except holidays from 11.00 a.m to 5.00 p.m at the registered office of the company. |
| Last drawn remuneration | Nil |
| Date of first appointment by the Board of Directors of the Company | 30/04/2003 |
| Shareholding in the Company | Nil |
| Relationship with other directors and Key Managerial of the Company | None |
| Number of meetings attended during the financial year 2015-16 | 8 |
| Other directorship, membership / chairmanship of committees of other board | Director/Designated partner in: STURDIA DEVELOPERS PRIVATE LIMITED |
| Justification for appointment of Independent Director | NA |
| Performance evaluation report | NA |

| | |
|--|---|
| Name | Roop Singh |
| Age | 35 |
| Qualifications | Graduate |
| Experience | 15 |
| Terms and conditions of appointment including details of remuneration | Mr. Roop Singh will hold the office of Additional Director for a period of five years commencing from 1 st August, 2016. He will be entitled for remuneration as per the provisions of Companies Act, 2013 and as may be decided by the Board of Directors and approved by the members of the Company from time to time. Other terms and conditions are mentioned in the letter for appointment which is available for inspection by members on all working days except holidays from 11.00 a.m to 5.00 p.m at the registered office of the company |
| Last drawn remuneration | NIL |

| | |
|--|---|
| Date of first appointment by the Board of Directors of the Company | 01/08/2016 |
| Shareholding in the Company | Nil |
| Relationship with other directors and Key Managerial of the Company | None |
| Number of meetings attended during the financial year 2015-16 | Nil |
| Other directorship, membership/ chairmanship of committees of other board | Director/Designated partner in: SATKAR FINLEASE LIMITED |
| Justification for appointment of Independent Director | <p>The appointment will be for the period mentioned against their respective names ("Term"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act. As Independent Directors, they will not be liable to retire by rotation.</p> <p>Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.</p> <p>Appointment of Independent Director shall be done in accordance with the all the applicable laws of Companies Act 2013 and Listing Agreement entered by the Company with Stock Exchanges.</p> |
| Performance evaluation report | NA |

| | |
|--|--|
| Name | Kalpana |
| Age | 23 |
| Qualifications | Graduate |
| Experience | 3 |
| Terms and conditions of appointment including details of remuneration | <p>Ms. Kalpana will hold the office of Additional Director for a period of five years commencing from 1st August, 2016. He will be entitled for remuneration as per the provisions of Companies Act, 2013 and as may be decided by the Board of Directors and approved by the members of the Company from time to time. Other terms and conditions are mentioned in the letter for appointment which is available for inspection by members on all working days except holidays from 11.00 a.m to 5.00 p.m at the registered office of the company</p> |
| Last drawn remuneration | Nil |
| Date of first appointment by the Board of Directors of the Company | 01/08/2016 |
| Shareholding in the Company | Nil |
| Relationship with other directors and Key Managerial of the Company | None |
| Number of meetings attended | Nil |

| | |
|---|---|
| during the financial year 2015-16 | |
| Other directorship, membership / chairmanship of committees of other board | Director/ Designated partner in: Nil |
| Justification for appointment of Independent Director | <p>The appointment will be for the period mentioned against their respective names ("Term"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act. As Independent Directors, they will not be liable to retire by rotation.</p> <p>Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.</p> <p>Appointment of Independent Director shall be done in accordance with the all the applicable laws of Companies Act 2013 and Listing Agreement entered by the Company with Stock Exchanges.</p> |
| Performance evaluation report | NA |

DATE: 30.08.2016

PLACE: NEW DELHI

BY ORDER OF THE BOARD
For VITAL COMMUNICATIONS LIMITED
SD/-
SHYAM SUNDER SABHARWAL
DIRECTOR
DIN NO. 01912767

DIRECTOR'S REPORT

TO

THE MEMBERS

VITAL COMMUNICATIONS LIMITED

Your Directors are pleased to present the 21st Annual report of your Company with the Audited Accounts for the year ended on 31st March, 2016:

FINANCIAL RESULTS

| Particulars | For the year ended | For the year ended |
|--|-----------------------------|-----------------------------|
| | March 31 st 2016 | March 31 st 2015 |
| Total Income | - | - |
| Profit/(Loss) before tax | (654,491) | (339,945) |
| Deferred Tax | - | - |
| Profit/(Loss) after tax | (690,871) | (380,831) |
| Profit/(Loss) adjusted | 0.00 | 0.00 |
| Profit/(Loss) carried to Balance Sheet | (690,871) | (380,831) |

PERFORMANCE REVIEW

During the year under review, the Company's incurred a loss of Rs. 6,90,871/- as against loss of Rs. 3,80,831/- in 2014-15.

RESERVE AND SURPLUS

The amount of Rs. (6,90,871/-) 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, 2016.

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 Directors 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 2014-15 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

No material changes and commitments occurred between the end of the financial year as on March 31, 2016 and the date of this report which affects financial position of the company.

FAMILIARIZATION PROGRAMME

The Company at its various meetings held during the Financial year 2014 -15 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 them 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 2015-2016.

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

Since the Company has no subsidiaries as on 31st March, 2016, 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.

DIRECTORS

During the financial year under review, there has been no change in the composition of the Board of Directors of the company.

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

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.

| S. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended |
|--------|----------------------------------|---|---------------------------|
| 1. | 30 th May, 2015 | 3 | 3 |
| 2. | 14 th August, 2015 | 3 | 3 |
| 3. | 01 th September, 2015 | 3 | 3 |
| 4. | 13 th November, 2015 | 3 | 3 |
| 5. | 01 st December, 2015 | 3 | 3 |
| 6. | 12 th February, 2016 | 3 | 3 |
| 7. | 28 th March, 2016 | 3 | 3 |

EXTRAORDINARY GENERAL MEETINGS DURING THE FINANCIAL YEAR 2015-16

There is no Extraordinary General Meeting Convened during the Financial Year 2015-16.

COMPOSITION AND MEETINGS OF AUDIT COMMITTEE

COMPOSITION

During the year ended on 31st March, 2016, the composition of Audit Committee has been as under:

- a) Mr. Shubha Jindal (Chairman)
- b) Mr. Shyam Sunder Sabharwal (Member)
- c) Mr. Manoj Kumar * (Member)

The Chairman of the Audit Committee is Ms. Shubha Jindal.

During the financial year 2015-16, Four (5) meeting of Audit Committee was held i.e. 30.05.2015, 14.08.2015, 01.09.2015, 13.11.2015, 12.02.2016

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 of Disclosure Requirements), 2015.

COMPOSITION

- a) Mr. Shyam Sunder Sabharwal (Chairman)
- b) Mr. Manoj Kumar (Member)
- c) Ms. Shubha Jindal * (Member)

The Chairman of the Committee is Mr. Shyam Sunder Sabharwal.

During the financial year 2015-16, One meeting of Nomination & Remuneration And Compensation Committee was held on 30.5.2015

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 2015-16 on 30.05.2015, 14.08.2015, 13.11.2015, and 12.02.2016 and following is the composition:

COMPOSITION

- a) MS. Shubha Jindal (Chairman)
- b) Mr. Manoj Kumar (Member)
- c) Mr. Shyam Sunder Sabharwal (Member)

The Chairman of the Stakeholder Committee is Ms. Shubha Jindal

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

M/s. G. P Keshri & Associates, Chartered Accountants, the retiring auditors have shown their willingness to be reappointed. The Board recommends to the Shareholders for the appointment of the retiring auditors from this Annual General Meeting till the conclusion of next Annual General Meeting.

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.

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

- vi) 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.

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.

AKNOWLEDGEMENT

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: 30.08.2016

Place : Delhi

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

**BY ORDER OF THE BOARD
For VITAL COMMUNICATIONS LIMITED
SD/-
MANOJ KUMAR
DIRECTOR
DIN: 00906104**

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | L74899DL1995PLC065076 |
| 2. | Registration Date | 065076 |
| 3. | Name of the Company | Vital Communications Limited |
| 4. | Category/Sub-category of the Company | Company limited by shares/ Indian Non-Government Company. |
| 5. | Address of the Registered office & contact details | Office No. 606, Kailash Building , Kasturba Gandhi Marg, Connaught Place, New Delhi-110001 |
| 6. | Whether listed company | Listed |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link In Time India Pvt. Limited A-40, 2 nd Floor, Naraina Industrial Area, Phase-II, Batra Banquet Hall, New Delhi-110028 Tel: 011-41410592, Fax No. 011-41410591 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | NIL | NIL | NIL |

I. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|---------------------------------|---------|--------------------------------|------------------|-------------------------------------|
| 1 | N.A. | N.A. | N.A. | N.A. | Section 2(46) and Section 2(87)(ii) |
| 2 | N.A. | N.A. | N.A. | N.A. | Section 2(87)(ii) |

| | | | | | | | | | |
|--|----------------|-----------------|--------------------|--------------|----------------|-----------------|--------------------|--------------|------------|
| Hindu Undivided Family | - | - | - | - | - | - | - | - | - |
| Trusts | | | | | | | | | |
| Sub-total (B)(2):- | 6887600 | 25362157 | 3,22,49,757 | 84.93 | 6887600 | 25362157 | 3,22,49,757 | 84.93 | Nil |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 6887743 | 31082257 | 37970000 | 100% | 6887743 | 31082257 | 37970000 | 100% | Nil |

ii) Shareholding of Promoters-

| SN | Shareholder's Name | Shareholding at the beginning of the year (31.03.2015) | | | Share holding at the end of the year (31.03.2016) | | | % change in share holding during the year |
|----|-------------------------------|--|----------------------------------|--|---|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | Vijay Jindal | 197 | 0.00 | Nil | 197 | 0.00 | Nil | |
| 2. | Shubha Jindal | 14,55,000 | 3.83 | Nil | 14,55,000 | 3.83 | Nil | |
| 3. | Angoori Devi | 14,00,046 | 3.69 | | 14,00,046 | 3.69 | | |
| 4. | Avisha Credit Capital Limited | 15,30,000 | 4.03 | Nil | 15,30,000 | 4.03 | Nil | |
| 5. | Master Finlease Limited | 13,35,000 | 3.52 | Nil | 13,35,000 | 3.52 | Nil | |

iii) Change in Promoters' Shareholding (please specify, if there is no change):

| SN | Name of Shareholders | Shareholding at the beginning of the year (31.03.2015) | | Cumulative Shareholding during the year (31.03.2016) | |
|----|--------------------------------------|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Vijay Jindal | | | | |
| | At the beginning of the year | 197 | 0 | 197 | 0 |
| | At the End of the Year | 197 | 0 | 197 | 0 |
| 2. | Shubha Jindal | | | | |
| | At the beginning of the year | 14,55,000 | 3.83 | 14,55,000 | 3.83 |
| | At the End of the Year | 14,55,000 | 3.83 | 14,55,000 | 3.83 |
| 3. | Angoori Devi | | | | |
| | At the beginning of the year | 14,00,046 | 3.69 | 14,00,046 | 3.69 |
| | At the End of the Year | 14,00,046 | 3.69 | 14,00,046 | 3.69 |
| 4. | Avisha Credit Capital Limited | | | | |
| | At the beginning of the year | 15,30,000 | 4.03 | 15,30,000 | 4.03 |
| | At the End of the Year | 15,30,000 | 4.03 | 15,30,000 | 4.03 |
| 5. | Master Finlease Limited | | | | |
| | At the beginning of the year | 13,35,000 | 3.52 | 13,35,000 | 3.52 |
| | At the End of the Year | 13,35,000 | 3.52 | 13,35,000 | 3.52 |

Note : There is no change in the promoter shareholding during financial year under review.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (31.03.2015) | | Cumulative Shareholding during the year (31.03.2016) | |
|----|---|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Anubhav Communications Private Limited | | | | |
| | At the beginning of the year | 5000000 | 13.17 | 5000000 | 13.17 |
| | At the end of the year | 5000000 | 13.17 | 5000000 | 13.17 |
| 2. | WISDOM PUBLISHING PVT LIMITED | | | | |
| | At the beginning of the year | 2500000 | 6.58 | 2500000 | 6.58 |
| | At the end of the year | 2500000 | 6.58 | 2500000 | 6.58 |
| 3. | Chanakya Overseas Private Limited | | | | |
| | At the beginning of the year | 2500000 | 6.58 | 2500000 | 6.58 |
| | At the end of the year | 2500000 | 6.58 | 2500000 | 6.58 |
| 4. | COSMO CORPORATE SERVICES LTD. | | | | |
| | At the beginning of the year | 1880000 | 4.95 | 1880000 | 4.95 |
| | At the end of the year | 1880000 | 4.95 | 1880000 | 4.95 |
| 5. | TROP TRAC ELECTRODES PVT LTD | | | | |
| | At the beginning of the year | 1885000 | 4.96 | 1885000 | 4.96 |
| | At the end of the year | 1885000 | 4.96 | 1885000 | 4.96 |
| 6. | HERITAGE CORPORATE SERVICES LIMITED | | | | |
| | At the beginning of the year | 1876101 | 4.94 | 1876101 | 4.96 |

| | | | | | |
|-----|--|---------|------|---------|------|
| | At the end of the year | 1876101 | 4.94 | 1876101 | 4.96 |
| 7. | BRUT FINANCE PVT LTD | | | | |
| | At the beginning of the year | 1870207 | 4.93 | 1870207 | 4.93 |
| | At the end of the year | 1870207 | 4.93 | 1870207 | 4.93 |
| 8. | Virasat Builders & Developers Pvt Ltd | | | | |
| | At the beginning of the year | 1860000 | 4.90 | 1860000 | 4.90 |
| | At the end of the year | 1860000 | 4.90 | 1860000 | 4.90 |
| 9. | TROP TRAC MARKETING PVT LTD | | | | |
| | At the beginning of the year | 1850000 | 4.87 | 1850000 | 4.87 |
| | At the end of the year | 1850000 | 4.87 | 1850000 | 4.87 |
| 10. | SANJEEV KUMAR | | | | |
| | At the beginning of the year | 780000 | 2.05 | 780000 | 2.05 |
| | At the end of the year | 780000 | 2.05 | 780000 | 2.05 |

v) *Shareholding of Directors and Key Managerial Personnel:-* NIL

No any Director or Key Managerial Personnel hold Equity Shares in our Company.

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | NIL | NIL | NIL | NIL |
| | At the end of the year | NIL | NIL | NIL | NIL |

V) INDEBTEDNESS- NIL

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | - | - | - | - |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | - | - | - | - |
| * Addition | - | - | - | - |
| * Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | - | - | - | - |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- NIL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|-----|---|-------------------------|---|---|--------------|
| 1 | Gross salary | - | - | - | - |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - |

| | | | | | |
|---|--|---|---|---|---|
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total (A) | - | - | - | - |
| | Ceiling as per the Act | - | - | - | - |

B. REMUNERATION TO OTHER DIRECTORS - NIL

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|-----|--|-------------------|---|---|--------------|
| 1 | Independent Directors | - | - | - | - |
| | Fee for attending board committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (1) | - | - | - | - |
| 2 | Other Non-Executive Directors | - | - | - | - |
| | Fee for attending board committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - |
| | Overall Ceiling as per the Act | - | - | - | - |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD - NIL

| SN | Particulars of Remuneration | Key Managerial Personnel |
|----|-----------------------------|--------------------------|
|----|-----------------------------|--------------------------|

| | | | | | |
|---|---|---|---|---|---|
| 1 | Gross salary | - | - | - | - |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | - | - | - |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian Communication industry is one of the fastest growing in the world. The Industry has witnessed consistent growth during the last year on the back of rollout of tele networks by operators.

The booming domestic telecom market has been attracting huge amount of investment which is likely to accelerate with the entry of new players and launch of new service.

Consumers are now at peaks on choice of operators and the various kinds of services they desire. Broadband and wireless networks, as well as the likely convergence of various technologies and standards will drive the telecom market growth in India in the coming years.

Opportunities and Threats:

Mobile Internet and big data will create tremendous opportunities for telecom operators. Mobile internet is expected to be booming in the following three years. Telecom operators control the last mile for all mobile devices to access the Internet, and therefore will share the future profit from the mobile internet market. Currently, telecom operators are advised to enhance customer loyalty and increase the migration cost for changing the mobile numbers and switching service providers. A large user base is the key to winning market share in the mobile internet arena, and telecom operators are able to secure a huge number of low-end users through subsidizing low-cost Android-based devices.

The Company has identified the following threats:

- Intense competition due to large number of players.
- Rising price of input.
- Keeping pace with technology change.

RISK MANAGEMENT

Your Company continues to believe that managing risk is critical for its growth and sustenance. The Company is constantly monitoring and assessing the internal as well as external risk factors associated with day to day operations and thereby mitigating possible risks associated therewith. The Company's business operations are subjected to various risks such as changes in economy, financial risk, internal risk, technology etc.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your management attaches very high importance to corporate governance. The independent directors have full access and Visibility to any details in the company. One of the senior most members of the Board heads the audit committee. Audit committee's recommendations are taken very seriously by the board and implemented in letter and spirit. Commensurate with the size and scale of operations of the company, the company has well set processes and procedures for planning, review, revenue recognition, expenses authorization, capital expenditure approval , risk management, investments etc.

By Order of the Board
For VITAL COMMUNICATIONS LIMITED

Place: Delhi
Date: 30.08.2016

Sd/-
Shyam Sunder Sabharwal
DIN: 01912767

Sd/-
Manoj Kumar
DIN: 00906104

Annexure to the Directors Report Disclosure 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 are given below:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/ KMP for FY 2014-15 (Rs.) | % increase in Remuneration in FY 2014-15** | Ratio of Remuneration of Director to Median Remuneration of employees | Ratio of Remuneration of Director to Median Remuneration of Employees |
|----------------|---|---|---|--|--|
| 1. | N.A | N.A | N.A | N.A | N.A |

Mr. Roop Singh and Ms. Kalpana had been appointed as the Additional Director of the company w.e.f. 01.08.2016 and Ms. Subha Jindal has resigned from the directorship of the company w.e.f 01.08.2016.

The number of permanent employees as on 31st March 2016 was **2**.

Average of remuneration of employees excluding KMPs - **Nil**

No employee's remuneration for the year 2015-16 exceeded the remuneration of any of the Directors.

Company's performance has been provided in the Directors' Report which forms part of the Board Report.

The key parameter for the variable component of key Managerial personnel(s) is linked with Company performance and Individual performance.

The remuneration of Directors, KMPs and other employees is in accordance with the Remuneration Policy of the Company.

STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES IN ACCORDANCE WITH SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016 -NOT APPLICABLE

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 31st March, 2016 the Company comprise of three directors

Number of Board Meetings

The Board met Seven (07) times during the year on 30.05.2015, 14.08.2015, 01.09.2015, 13.11.2015, 01.12.2015, 12.02.2016 and 28.03.2016 The maximum time between any two board meetings was not more than four (04) months.

Directors' Attendance Record and Directorships Held

The Board is properly constituted as per Clause 49 of 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 | | |
| *Shubha Jhindal | Director | 7 | 7 | Yes | • Avisha Credit Capital Ltd. |

- Master FinleaseLtd.
- Mayur Development and Leasings Ltd.
- 2021 Plan Developers Limited
- 2021 Plans And Projects Limited.
- 2021 Buildwell Projects Limited

| | | | | | |
|------------------------|-----------------|---|---|-----|-----|
| Manoj Kumar | Director | 7 | 7 | Yes | Nil |
| Shyam Sunder Sabharwal | Director | 7 | 7 | Yes | Nil |

*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.

a) Audit Committee

As on 31st March 2016, the Audit Committee comprises three members Mrs. Shubha Jhindal, Mr. Shyam Sunder Sabharwal, Mr. Manoj Kumar and Mrs. Shubha Jhindal is the Chairperson of the Audit Committee. The Audit Committee met five times during the year on 30.05.2015, 14.08.2015, 01.09.2015, 13.11.2015 and 12.02.2016. The particulars of attendance of the members in the Meetings of this Committee is set out in Annexure 2 hereunder:

Annexure 2: Attendance record of Audit Committee during 2015-16

| Name of Members | Category | No. of Meetings | |
|----------------------------|---------------------------|-----------------|----------|
| | | Held | Attended |
| Mrs. Shubha Jhindal | <u>Chairperson</u> | 5 | 5 |
| Mr. Manoj Kumar | <u>Member</u> | 5 | 5 |
| Mr. Shyam Sunder Sabharwal | <u>Member</u> | 5 | 5 |

b) Stakeholders Relationship Committee

The Stakeholder Relations Committee comprised Mrs. Shubha Jhindal as its Chairperson, The terms of reference to this Committee is to look into and redress the complaints received from investors, in coordination with the Company's Registrars and Share Transfer Agent. The Committee met Four (04) during the year. During the year, no complaints were received from investors. At the close of the year there were no cases pending in respect of share transfers. Annexure 3 gives the details:

Annexure 3: Attendance record of Shareholders Grievance Committee during 2014-15

| Name of Members | Category | No. of Meetings | |
|----------------------------|---------------------------|-----------------|----------|
| | | Held | Attended |
| Mrs. Shubha Jhindal | <u>Chairperson</u> | 4 | 4 |
| Mr. Manoj Kumar | <u>Member</u> | 4 | 4 |
| Mr. Shyam Sunder Sabharwal | <u>Member</u> | 4 | 4 |

Market price

The trading activity of the Company has been suspended on BSE.

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 Clause 49 of 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, victimisation, 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 www.vitalcommunications.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.

Your Company is following the non mandatory requirements of the provisions of Clause 49 of the Listing Agreement.

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.

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:

Financial Calendar (Tentative) Results for the quarter ending

| | |
|---------------------------|--|
| June 30, 2016 | Upto 14th August, 2016 |
| September 30, 2016 | Upto 14th November, 2016 |

December 31, 2016

Upto 14th February, 2017

March 31, 2017

Upto 30th May, 2017**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 |
|------|------------|--|-----------|---|
| 2015 | 30/09/2015 | NAVKAR 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 |
| 2013 | 30/09/2013 | RETREAT ' MOTEL/RESORT, ALIPUR, MAIN G.T. ROAD, NEAR PALLA MOD, DELHI - 110036 | 10:00 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. www.vitalcommunications.com

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2016

| No. of equity shares held | No. Of Shareholders | No. Of Shares |
|---------------------------|---------------------|-----------------|
| 10001 and above | 153 | 26586144 |
| 5001 – 10000 | 153 | 1204308 |
| 2001 – 5000 | 547 | 4312124 |
| 1001 – 2000 | 562 | 969101 |
| 501 – 1000 | 926 | 866579 |
| Less than 500 shares | 2279 | 4031744 |
| Total | 4620 | 37970000 |

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

Office No. 323, Third Floor, Vardhman Fortune Mall,
G.T. Karnal Road, Near Gujrawala Tower,
Delhi - 110033

Email: vitalcom2007@yahoo.com

Website: www.vitalcommunications.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 GENEARL MEETING

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

| | |
|--|------------------------------------|
| Name of Director | Mr. Shyam Sundar Sabharwal |
| Age | 62 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 |

By Order of the Board
For VITAL COMMUNICATIONS LIMITED

Place: Delhi
Date: 30.08.2016

Sd/-
Shyam Sunder Sabharwal
DIN: 01912767

Sd/-
Manoj Kumar
DIN: 00906104

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) Under SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Shyam Sunder Sabharwal, one of the Directors of the company certify that:

- a) I have reviewed financial statements for the financial year ended on 31st March, 2016 and that to the best of my knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee:
- i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

PLACE: NEW DELHI
DATE: 30.08.2016

BY ORDER OF THE BOARD
For VITAL COMMUNICATIONS LIMITED
SD/-
SHYAM SUNDER SABHARWAL
DIRECTOR
DIN NO. 01912767

Auditors' Certificate on Corporate Governance

To,

THE MEMBERS

VITAL COMMUNICATIONS LIMITED,

We have examined the compliance of conditions of Corporate Governance by Vital Communications Limited, for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period April 2015 to 30 November 2015 and as per the Regulation 4(2) read with Chapter IV and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period December 1, 2015 to March 31, 2016.

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.

In our opinion and to the best of our information and according to the explanation given to us, and the representation made by the management, we certify that the company has complied with the conditions of corporate governance as stipulated in above-mentioned Listing Agreement / Listing Regulations, as applicable.

As required by the guidance note on certification of corporate governance issued by the Institute of Chartered Accountants of India, we state that the share registry department of the company has certified that as at 31st March, 2016 there were no investor grievances remaining unattended/pending for more than thirty days.

We state that 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 G.P.Keshri & Associates.

Chartered Accountants

SD/-

(CA. Gopal Prasad Keshri)

Partner

FRN: 017251N

M.NO.: 098476

Place: New Delhi

Date: 30.08.2016

CODE OF CONDUCT

DECLARATION

It is hereby declared that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the Directors and senior management of the Company in respect of the financial year ended March 31, 2016.

DATE: 30.08.2016

PLACE : DELHI

For VITAL COMMUNICATIONS LIMITED

SD/-

SHYAM SUNDER SABHARWAL

DIRECTOR

DIN NO. 01912767

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

To,
The Members,
Vital Communications Limited
Office No. 323, Third Floor,
Vardhman Fortune Mall G.T. Karnal Road,
Near Gujrawala Tower Delhi North Delhi-110033

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vital Communications Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (ECB). **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **Not Applicable**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **Not Applicable**;

(vi) The Factories Act, 1948, Industrial Disputes Act, Industrial (Development & Regulation) Act, 1956, Payment of Bonus Act, 1965, Payment of Gratuity Act, 1972, Contract Labour (Regulation and Abolition) Act, 1970 and other labour legislations governing the Company and its establishments.

(vii) Employee Provident Fund and Miscellaneous Provisions Act, 1952 **Not Applicable**

(viii) Air (Prevention & Control of Pollution) Act, 1981, Water (Prevention & Control of Pollution) Act, 1974 and Environment Protection Act, 1986- **Not Applicable**

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. **Not Applicable**

(ii) The Listing Agreements entered into by the Company with BSE Limited.

For examining compliance of Accounting Standards, Income-tax Act, Sales Tax Act, VAT, Service Tax, Excise Duty and Entry Tax, the report of Statutory Auditor has been referred.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *During the year under review, the company has not appointed any Independent Director pursuant to the provisions of section 149(6) of Companies Act, 2013 during the financial year 2015-2016.*
2. *During the period under review, the company has not appointed the Chief financial officer pursuant to the provisions of section 203 of Companies Act, 2013.*
3. *During the period under review, The Company has not filed form ADT-1 with MCA for the appointment of auditor for the financial year 2015-2016.*
4. *During the period under review, there are some instances where the Company has filed delay intimations/Compliances to BSE and National Stock Exchange Limited and Registrar of Companies, NCT of Delhi & Haryana.*
5. *During the period under review, The Company has not appointed any Company Secretary for the financial year 2015-2016.*
6. *During the period under review, Company has a status of suspended Due to penal reason on BSE Limited.*

7. *During the period under review, Company has not filed form MGT-15 Report on the Annual General Meeting of the Company under Section 121 of the Companies Act, 2013 for the financial year 2015-2016.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there has been no events/ actions having major bearing on the Company's affairs.

Place: New Delhi
Date: 30/08/2016

For Sumit Gupta & Associates
Company Secretaries
SD/-
Sumit Gupta
Prop.
ACS No. : A29247
C P No.: 10542



G.P. KESHRI & ASSOCIATES

CHARTERED ACCOUNTANTS

A-215,5 CHAWALA COMPLEX, VIKAS MARG SHAKARPUR, DELHI-110092

INDEPENDENT AUDITORS' REPORT

**TO,
THE MEMBERS
M/S VITAL COMMUNICATIONS LTD.**

Report on the Financial Statements

We have audited the accompanying financial statements of **VITAL COMMUNICATIONS LTD.** (CIN: L74899DL1995PLC065076) ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2016, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.

For G.P.Keshri & Associates.
Chartered Accountants

SD/-
(CA. Gopal Prasad Keshri)
Partner
FRN: 017251N
M.NO.: 098476

Place: New Delhi
Date: 28.05.2016

VITAL COMMUNICATIONS LTD.

Annexure to the Auditors' Report Companies (Auditor's Report) Order, 2016 ("the Order")

The Annexure referred to in our report to the members of **VITAL COMMUNICATIONS LTD.** for the year Ended on 31st March 2016. We report that:

1. (a) Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regards to the size of the company and the nature of the assets. No discrepancies were noticed on such verification.
2. (a) Company does not have any inventory at the end of the year.

(b) In view of our comment in paragraph (a) above, clause (ii) (a) (b) and (c) of paragraph 2 of the aforesaid order are not applicable to the company.
3. (a) Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

(b) in view of our comment in paragraph (a) above, clause (iii) (a) and (b) of paragraph 3 of the aforesaid order are not applicable to the company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
5. Company has not accepted deposits from public. Hence provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, do not apply to this company.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any of the products manufactured/services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth tax, Sales tax, Excise Duty, Cess, Employees' State Insurance and Investor Education and Protection Fund.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(c) According to the records of the Company, there were no amount which were required to be transferred to investor education and protection fund. Therefore, the provision of clause 3 (viii) (c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For G.P.Keshri & Associates.
Chartered Accountants

SD/-
(CA. Gopal Prasad Keshri)
Partner
FRN: 017251N
M.NO.: 098476

Place: New Delhi
Date: 28.05.2016

VITAL COMMUNICATIONS LTD.

“Annexure B” to the Independent Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Vital Communications Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G.P.Keshri & Associates.
Chartered Accountants

SD/-
(CA. Gopal Prasad Keshri)
Partner
FRN: 017251N
M.NO.: 098476

CIN: L74899DL1995PLC065076
BALANCE SHEET AS AT 31 March 2016

| Particulars | Note | As at 31.03.2016 | As at 31.03.2015 |
|--|-----------|--------------------|--------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 2 | 379,700,000 | 379,700,000 |
| (b) Reserves and surplus | 3 | 23,550,331 | 24,241,202 |
| (c) Money received against share warrants | | - | - |
| 2 Share application money pending allotment | | - | - |
| Non-current | | | |
| 3 liabilities | | | |
| (a) Long-term borrowings | 4 | 12,566,851 | 12,566,851 |
| (b) Deferred tax liabilities (Net) | | 476,963 | 440,584 |
| (c) Other Long term liabilities | 5 | - | - |
| (d) Long-term provisions | 6 | - | - |
| 4 Current liabilities | | | |
| (a) Short-term borrowings | 7 | - | - |
| (b) Trade payables | | - | - |
| (c) Other current liabilities | 8 | 2,264,927 | 2,272,629 |
| (d) Short-term provisions | | - | - |
| TOTAL | | 418,559,072 | 419,221,266 |
| II. ASSETS | | | |
| Non-current assets | | | |
| 1 (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 23,428 | 37,063 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in-progress | | 77,500,000 | 77,500,000 |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 10 | 105,500,000 | 105,500,000 |
| (c) Long-term loans and advances | 11 | 67,430,219 | 67,980,219 |
| (d) Other non-current assets | | - | - |
| 2 Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | | - | - |
| (c) Trade receivables | 12 | | |

| | | | | |
|---|-----------------------------------|------------|--------------------|--------------------|
| | | 95,178,350 | 95,178,350 | |
| (d) | Cash and cash equivalents | 13 | 927,075 | 525,634 |
| (e) | Short-term loans and advances | 14 | 72,000,000 | 72,500,000 |
| (f) | Other current assets (Misc. exps) | | - | - |
| | TOTAL | | 418,559,072 | 419,221,266 |
| The accompanying notes are an integral part of the financial statements | | | | |

As per our Report of even date

For G.P.KESHRI & ASSOCIATES
CHARTERED ACCOUNTANTS

SD/-
(GOPAL PRASAD KESHRI)
PARTNER
MEMBERSHIP NO. 098476
FRN: 017251N

PLACE : NEW DELHI
DATE : 28/05/2016

For VITAL COMMUNICATIONS LIMITED

SD/-
MANOJ KUMAR
DIN: 00906104

SD/-
S. D SABHARWAL
DIN: 01912767

VITAL COMMUNICATIONS LIMITED
606, KAILASH BUILDING, KASTURBA GANDHI MARG, CONNAUGHT PLACE, NEW DELHI, DELHI -
110001

CIN: L74899DL1995PLC065076

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

| Particulars | Notes | As at 31.03.2016 | As at 31.03.2015 |
|--|-----------|---------------------|------------------|
| I. Revenue from operations | 15 | - | - |
| II. Other income | 16 | - | - |
| III. Total Revenue (I + II) | | - | - |
| IV. Expenses: | | | |
| Cost of materials consumed | | - | - |
| Purchases of Stock-in-Trade | | - | - |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | | - | - |
| Employee benefits expense | | - | - |
| Finance costs | 17 | - | - |
| Depreciation and amortization expense | 9 | 13,635 | 21,916 |
| Preliminary Expenses W/off | | - | - |
| Other expenses | 18 | 640,856 | 318,029 |
| Total expenses | | 654,491 | 339,945 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | | (654,491) | (339,945) |
| VI. Exceptional items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | (654,491) | (339,945) |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax (VII- VIII) | | (654,491) | (339,945) |
| X Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | 36,380 | 40,886 |
| XI Profit (Loss) for the period from continuing operations (IX-X) | | (690,871) | (380,831) |
| XII Profit/(loss) from discontinuing operations | | - | - |
| XIII Tax expense of discontinuing operations | | - | - |
| XIV Profit/(loss) from Discontinuing | | - | - |

| | | | |
|-----------|--|------------------|------------------|
| | operations (after tax) (XII-XIII) | - | |
| XV | Profit (Loss) for the period (XI + XIV) | (690,871) | (380,831) |
| XVI | Earnings per equity share: | | |
| | (1) Basic | (0.0182) | (0.0100) |
| | (2) Diluted | (0.0182) | (0.0100) |

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For G.P.KESHRI & ASSOCIATES
CHARTERED ACCOUNTANTS

For VITAL COMMUNICATION LIMITED

SD/-
(GOPAL PRASAD KESHRI)
PARTNER
MEMBERSHIP NO. 098476
FIRM REGD.NO. 017217N

SD/-
MANOJ KUMAR
(Director)
DIN: 00906104

SD/-
S. D SABHARWAL
(Director)
DIN: 01912767

PLACE : NEW DELHI
DATE : 28/05/2016

VITAL COMMUNICATIONS LIMITED

Notes to financial statements for the year ended 31st March,2016

CIN: L74899DL1995PLC065076

NOTE 2: SHARE CAPITAL**Break up of Share Capital**

| <u>Share Capital</u> | As at 31.03.2016 | | As at 31.03.2015 | |
|--|------------------|--------------|------------------|--------------|
| | Number | Amount (Rs.) | Number | Amount (Rs.) |
| - | - | - | - | - |
| <u>Authorised</u> | | | | |
| 41000000 Equity Shares of Rs10/- each | 41,000,000 | 410,000,000 | 41,000,000 | 410,000,000 |
| <u>Issued, Subscribed & Paid up</u> | | | | |
| 37970000 Equity Shares of Rs 10/- each fully paid (10000000 Equity Shares of Rs.10/- allotted on Preferential basis under SWAP Arrangement) (2000000 Equity Shares of Rs.10/- allotted on Preferential basis to Promotors PAC's for Cash) (15000000 Equity Shares of Rs.10/- allotted by way of Conversion of Loan into Equity) | 37,970,000 | 379,700,000 | 37,970,000 | 379,700,000 |
| | 37,970,000 | 379,700,000 | 37,970,000 | 379,700,000 |

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**Equity shares**

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|---|------------------|--------------|------------------|--------------|
| | Number | Amount (Rs.) | Number | Amount (Rs.) |
| Shares outstanding at the beginning of the year | 37,970,000 | 379,700,000 | 37,970,000 | 379,700,000 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 37,970,000 | 379,700,000 | 37,970,000 | 379,700,000 |

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

| Name of Shareholder | 31.03.16 | | 31.03.15 | |
|-------------------------------|--------------------|-------|--------------------|-------|
| | No. of Shares held | % | No. of Shares held | % |
| Anupama Communication Pvt.Ltd | 5000000 | 13.17 | 5000000 | 13.17 |
| Wisdom Publishing Pvt.Ltd | 2500000 | 6.58 | 2500000 | 6.58 |
| Chanakya Overseas Pvt.Ltd | 2500000 | 6.58 | 2500000 | 6.58 |

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE 3: RESERVES & SURPLUS

| <u>Reserves & Surplus</u> | 31.03.16 | 31.03.15 |
|--|---------------------|---------------------|
| - | - | - |
| Capital Reserves | | |
| Opening Balance | 8,001,500 | 8,001,500 |
| Securities Premium Account | | |
| Opening Balance | 35,800,000 | 35,800,000 |
| Add : Securities premium credited on Share issue | | |
| Surplus | | |
| <u>Opening balance</u> | (24,560,298) | (24,179,467) |
| (+) Net Profit/(Net Loss) For the current year | (690,871) | (380,831) |
| (+) Transfer from Reserves | 5,000,000 | 5,000,000 |
| (-) Proposed Dividends | - | - |
| (-) Interim Dividends | - | - |
| (-) Transfer to Reserves | - | - |
| Closing Balance | (25,251,169) | (24,560,298) |
| Total | 23,550,331 | 24,241,202 |

NOTE 4 : LONG TERM BORROWINGS

| <u>Long Term Borrowings</u> | 31.03.16 | 31.03.15 |
|---|-------------------|-------------------|
| - | - | - |
| <u>Secured</u> | | |
| Term loans | | |
| A) Working Capital Loan from Punjab & Sindh bank | | |
| (Secured By Punjab and Sindh Bank) | 1,224,048 | 1,224,048 |
| B) From Uttar Pradesh Financial Corporation | | |
| (Secured against personal guarantee of Ex-Managing Directors) | 11,342,803 | 11,342,803 |
| Total | 12,566,851 | 12,566,851 |

NOTE 5: OTHER LONG TERM LIABILITIES

| <u>Other Long Term Liabilities</u> | - | 31.03.16 | 31.03.15 |
|------------------------------------|---|----------|----------|
| - | - | - | - |
| Trade Payables | | - | - |
| Others | | - | - |
| TOTAL | | - | - |

NOTE 6: LONG TERM PROVISIONS

| <u>Long Term Provisions</u> | - | 31.03.16 | 31.03.15 |
|-------------------------------------|---|----------|----------|
| - | - | - | - |
| (a) Provision for employee benefits | | - | - |
| (b) Others (Specify nature) | | - | - |
| Total | | - | - |

NOTE 7: SHORT TERM BORROWINGS

| <u>Short Term Borrowings</u> | - | 31.03.16 | 31.03.15 |
|---|---|----------|----------|
| - | - | - | - |
| Secured | | | |
| (a) Loans repayable on demand | | | |
| (b) Loans and advances from related parties | | | |
| (c) Deposits | | - | - |
| (d) Other loans and advances (specify nature) | | - | - |
| In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d) | | | |
| Unsecured | | | |
| Total | | - | - |

NOTE 8: OTHER CURRENT LIABILITIES

| <u>Other Current Liabilities *</u> | - | 31.03.16 | 31.03.15 |
|---|---|----------|----------|
| - | - | - | - |
| (a) Current maturities of long-term debt | | - | - |
| (b) Current maturities of finance lease obligations | | - | - |
| (c) Interest accrued but not due on borrowings | | - | - |
| (d) Interest accrued and due on borrowings | | - | - |

| | | |
|---|------------------|------------------|
| (e) Income received in advance | - | - |
| (f) Unpaid dividends | - | - |
| (g) Application money received for allotment of securities and due for refund : | - | - |
| (j) Other payables (specify nature) | | |
| Link Intime India Pvt. Ltd | - | 6,742 |
| Bahubali Finlease Pvt Ltd. | - | 960 |
| Salary Payable | - | - |
| Provision for Gratuity | 56,500 | 56,500 |
| CDSL Fees Payable | - | - |
| Liability (Authorised Capital) | 2,200,000 | 2,200,000 |
| Audit Fees Payable | 8,427 | 8,427 |
| Sundry Payables (as per Details attached) | - | - |
| Total | 2,264,927 | 2,272,629 |

NOTE 10: NON CURRENT INVESTMENTS

| Particulars | 31.03.16 | 31.03.15 |
|---|--------------------|--------------------|
| Trade Investments | | |
| (a) Investment Properties | - | - |
| (b) Other non-current investments | 105,500,000 | 105,500,000 |
| Total (A) | 105,500,000 | 105,500,000 |
| Other Investments (Refer B below) | | |
| (a) Other non-current investments (specify nature) | - | - |
| Total (B) | - | - |
| Grand Total (A + B) | 105,500,000 | 105,500,000 |
| Less : Provision for dimunition in the value of Investments | - | - |
| Total | 105,500,000 | 105,500,000 |

NOTE 11: LONG TERM LOANS AND ADVANCES

| Long Term Loans and Advances | 31.03.16 | 31.03.15 |
|---|-------------------|-------------------|
| a. Capital Advances | - | - |
| b. Security Deposits | | |
| c. Loans and advances to related parties | | |
| d. Other loans and advances (specify nature) | - | - |
| Secured, considered good | - | - |
| Unsecured, considered good (as per details) | 67,430,219 | 67,980,219 |
| Doubtful | | |
| Less: Provision for _____ | - | - |
| | - | - |
| TOTAL | 67,430,219 | 67,980,219 |

NOTE 12: TRADE RECEIVABLES

| Trade Receivables | 31.03.16 | 31.03.15 |
|--|-------------------|-------------------|
| Trade receivables outstanding for a period less than six months from the date they are due for payment | - | - |
| Secured, considered good | | |
| Unsecured, considered good | | |
| Unsecured, considered doubtful | - | - |
| Less: Provision for doubtful debts | - | - |
| | - | - |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | <u>95,178,350</u> | <u>95,178,350</u> |
| Secured, considered good | | |
| Unsecured, considered good | | |
| Unsecured, considered doubtful | - | - |
| Less: Provision for doubtful debts | - | - |
| | - | - |
| Total | 95,178,350 | 95,178,350 |

NOTE 13: CASH AND CASH EQUIVALENTS

| Cash and cash equivalents | 31.03.16 | 31.03.15 |
|---------------------------|----------|----------|
| | - | - |
| a. Balances with banks* | 137,519 | 47,517 |

| | | | |
|---|--|----------------|----------------|
| This includes: | | | |
| <u>Bank deposits with more than 12 months maturity</u> | | 322,535 | 322,535 |
| b. Cheques, drafts on hand | | - | - |
| c. Cash on hand* | | 467,021 | 155,582 |
| d. Bank Balance | | - | - |
| e. Others (specify nature) | | - | - |
| | | 927,075 | 525,634 |

*Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

NOTE:14 SHORT TERM LOANS AND ADVANCES

| Short -term loan and Advances | | 31.03.16 | 31.03.15 |
|---|--|-------------------|-------------------|
| | | | |
| a. Loans and advances to related parties | | | |
| Secured, considered good | | - | - |
| Unsecured, considered good | | - | - |
| Doubtful | | - | - |
| Less:Provision for doubtful loans and advances | | - | - |
| | | | - |
| | | | - |
| b. Others (specify nature) | | | |
| Goldline International Finvest Ltd | | 72,000,000 | 72,500,000 |
| 1. Securities | | - | - |
| 2. TDS Receivable | | - | - |
| Secured, considered good | | - | - |
| Unsecured, considered good | | - | - |
| | | | - |
| Doubtful | | - | - |
| Less:Provision for _____ | | - | - |
| | | | - |
| TOTAL | | 72,000,000 | 72,500,000 |

NOTE 15: REVENUE FROM OPERATIONS

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|--------------------------|-------------------------|-------------------------|
| Sale of products | - | - |
| Sale of services | - | - |
| Other operating revenues | - | - |
| <u>Less:</u> | | |
| Excise duty | - | - |
| Total | - | - |

NOTE 16: OTHER INCOME

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|-------------------------|-------------------------|
| Interest Income (in case of a company other than a finance company) | - | - |
| Dividend Income | - | - |
| Net gain/loss on sale of investments | - | - |
| Other non-operating income (net of expenses directly attributable to such income) | - | - |
| Total | - | - |

NOTE 17: FINANCE COST

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|---|-------------------------|-------------------------|
| Interest expense | - | - |
| Other borrowing costs | - | - |
| Applicable net gain/loss on foreign currency transactions and translation | - | - |
| Total | - | - |

NOTE 18: OTHER EXPENSES**Break up of payments to Auditor**

| Payments to the auditor as | As at 31.03.2016 | As at 31.03.2015 |
|-----------------------------------|-------------------------|-------------------------|
| Auditors Remuneration | - | - |
| Total (A) | - | - |

Other Items- Special disclosure (DEPENDING ON THE CASE)

| Particulars | As at 31.03.2016 | As at 31.03.2015 |
|----------------------------------|-------------------------|-------------------------|
| Advertisement Expenses | \ | \ |
| Audit Fees | 36,240 | 32,233 |
| Communication Expenses | 8,427 | 8,427 |
| Legal and Professional Expenses | - | - |
| Web Charges | 74,987 | 56,587 |
| Custodian Charges | 4,400 | 6,020 |
| Listing Fees | 103,050 | 67,416 |
| Filling Fees | 229,000 | 112,360 |
| Misc Exps | 67,114 | 21,500 |
| Printing and Stationary Charges | 102,200 | 4 |
| Bank Charges | 2,041 | - |
| General & Miscellaneous Expenses | 114 | - |
| Insurance Exps | - | - |
| | 13,283 | 13,482 |
| Total (B) | 640,856 | 318,029 |

Annexure - A
2015-16

Details of Dep. allowable as per Income Tax Act

| S.No. | Name of Assets | Rate of Dep. % | WDV AS ON | ADDITION/ DELETION | | BALANCE | Depreciation Allowable | WDV as on |
|-------|----------------------|----------------|-------------------|--------------------|------------|-------------------|------------------------|-------------------|
| | | | 01.04.2015 | BEFORE | AFTER | AS ON | | 31.03.2016 |
| | | | | 30.09.2015 | 30.09.2015 | 31.03.2016 | | |
| 1 | Plant & Machinery | 15% | 446176.76 | - | - | 446,176.76 | 66,926.51 | 379,250.25 |
| 2 | Furniture & Fixtures | 10% | 86481.98 | - | - | 86,481.98 | 8,648.20 | 77,833.78 |
| 3 | Car | 15% | 349540.84 | - | - | 349,540.84 | 52,431.13 | 297,109.71 |
| 4 | Office Equipments | 10% | 30265.57 | - | - | 30,265.57 | 3,026.56 | 27,239.01 |
| 5 | Digital Content | 60% | 561.13 | - | - | 561.13 | 336.68 | 224.45 |
| | | | | | | | | |
| | Total | | 913,026.28 | - | - | 913,026.28 | 131,369.07 | 781,657.21 |

VITAL COMMUNICATIONS LIMITED

606, KAILASH BUILDING, KASTURBA GANDHI MARG, CONNAUGHT PLACE, NEW DELHI, DELHI - 110001

CIN: L74899DL1995PLC065076

Notes Forming Part of the Balance Sheet

Note : 3.19 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1- SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Accounting

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards as notified under Rule 7 of the Companies (Accounts) Rules, 2014 which is similar to provisions and presentational requirements of the Companies Act, 2013.

2 Changes in Accounting policies

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

3 Recognition of Income

Sales represents invoiced Value of goods Sold. Other Income is recognised and accounted for on accrual basis unless otherwise stated.

4 Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

5 Taxes on Income

Current tax is determined and provided for on the amount of taxable income at the applicable rates for the relevant financial year. Deferred Tax Assets and Liabilities (DTA/ DTL) are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognised only to the extent that there is reasonable certainty of sufficient future profits against which such DTA can be realised.

6 Contingent Liability

The contingent liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts, if it becomes probable that there will be outflow of resources for settling the obligation.

7 Events occurring after the balance sheet date

Adjustments to assets and liabilities are made for events occurring after the balance sheet date to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the balance sheet date.

8 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year/ period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/ period.

9 Use of estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

10 Depreciation

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

2- NOTES TO THE ACCOUNTS

- 1) The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
- 2) All the investments made by the company are valued at Cost .
- 3) Managerial Remuneration: Nil
- 4) The inventories, if any of the company are valued as per cost price and market price which ever is less.
- 5) Deffered tax arising on account of timing differeance and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deffered tax assests are recognised unless there is virtual certainty with respect to the reversal of the same in future years.
- 6) All schedules annexed to and form integral part of the Balance Sheet and Profit & Loss Account.
- 7) Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convicing evidence that the company will pay normal income tax during the specefied period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entilement to the extent there is no longer convicing evidence to the effect that company will pay normal Income Tax during the specified period.
- 8) Value of Import on CIF Basis Nil
- 9) Earnings in Foreign Exchange (FOB Value) Nil
- 10) Expenditure in Foreign Currency Nil

11 Earning Per Share:

| Particulars | As at 31.03.2016 |
|--|-------------------------|
| Net profit after tax available for Equity Shareholders (Rs.) (A) | |
| Weighted Avg.Number Equity Shares outstanding (Nos.) (B) | |
| Dilutive potential Equity Shares (Nos.) | |
| Dilutive shares outstanding (Nos.) (C) | |
| Nominal value per Equity Shares (Rs./ Share) | |
| Basic Earnings per share (Rs./ Share) (A) / (B) | |
| Diluted Earnings per share (Rs./ Share) (A) / (C) | |

12 No Related party Transaction as per AS- 18 has taken place during the year

As per our report of even date attached.

As per our Report of even date

**For G.P.KESHRI & ASSOCIATES
CHARTERED ACCOUNTANTS**

**FOR
VITALCOMMUNICATIONSLIMITED**

SD/-
(GOPAL PRASAD KESHRI)
PARTNER
MEMBERSHIP NO. 098476
FIRM REGD.NO. 017217N
Date: 02.09.2015

SD/-
MANOJ KUMAR
DIN: 00906104

SD/-
SHYAM SUNDAR
SABHARWAL
DIN: 01912767

ATTENDANCE SLIP

VITAL COMMUNICATIONS LIMITED

Office No. 606 Kailash Building Kasturba Gandhi Marg, Cannaught Place, New Delhi-110001

CIN No.:-L74899DL1995PLC065076

21st Annual General Meeting on , the 29th day of September, 2016 at 09:00 AM at Navkar Tirth Atisey Ksetra, Village Neelwal, Near Mahaviday Ksetra. Ghevra More, Rohtak Road, Delhi

Full name of the members attending _____
(In block capitals)

Ledger Folio No./Client ID No. _____

No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 21st Annual General Meeting on Thursday, the 29th day of September, 2016 at 09:00 AM at Navkar Tirth Atisey Ksetra, Village Neelwal, Near Mahaviday Ksetra, Ghevra More, Rohtak Road, Delhi.

(Member's /Proxy's Signature)

Note: 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.

2) A Proxy need not be a member of the Company.

3) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

4) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | | |
|-----------------------|---------------------|-------|
| Name of the Member(s) | | |
| Registered Address | | |
| E-mail Id | Folio No /Client ID | DP ID |

| | |
|----------------------------|------------|
| Name : | E-mail Id: |
| Address: | |
| Signature , or failing him | |

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the company, to be held on Thursday, the 29th day of September, 2016 at 09:00 a.m. at Navkar Tirth Atisey Ksetra, Village Neelwal Near Mahaviday Ksetra, Ghevra More, Rohtak Road, Delhi and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Resolution(S) | Vote | |
|---------|---|------|---------|
| | | For | Against |
| 1. | To Consider & Adopt of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2016. | | |
| 2. | To appoint a director in place of Mr. Shyam Sundar Sabharwal , who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 3. | Ratification of Appointment of M/s G.P. KESHRI & ASSOCIATES. , Chartered Accountants (Firm Registration No.01725IN) as Statutory Auditors & fixing their remuneration. | | |
| 4. | Appointment of Mr. Roop Singh as an Independent Director | | |
| 5. | Appointment of Ms. Kalpana as an Independent Director | | |

* Applicable for investors holding shares in Electronic form.

| |
|------------------|
| Affix Revenue |
|------------------|

Signed this ____ day of ____ 20__

Signature of Shareholder Signature of Proxy holder Signature of the shareholder
across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.

ELECTRONIC VOTING PARTICULARS

| EVEN (Remote E -Voting Event Number) | USER ID | PASSWORD |
|--------------------------------------|---------|----------|
| | | |

Notes: 1) Each equity share of the Company carries one vote.

2) Please read carefully the instructions printed overleaf before exercising the vote.

Route-Map for Annual General Meeting

