

8TH ANNUAL REPORT

2002-2003

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VITAL
COMMUNICATIONS LTD.

VITAL COMMUNICATIONS LIMITED

BOARD OF DIRECTORS

Sh. J P Madaan

Sh. R.K.Garg

Mrs. Shubha

Sh. S.S.Sabharwal

COMPANY SECRETARY

Rajesh Keshry

AUDITORS

Rakesh Raj & Associates

Chartered Accountants

C - 8, East of Kailash,

New Delhi 110 065

REGISTERED OFFICE

606, Kailash Building,

Kasturba Gandhi Marg,

New Delhi 110 001

BANKERS

Global Trust Bank

SHARE TRANSFER AGENTS

Intime Spectrum Registry Ltd.

3, Community Centre,

Naryana Industrial Area, Phase I

New Delhi 110 028

VITAL COMMUNICATIONS LTD.
Regd. Office : 606, Kailash Building,
Kasturba Gandhi Marg, New Delhi – 110 001

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VITAL COMMUNICATIONS LTD.
Regd. Office: 606, Kailash Building,
Kasturba Gandhi Marg, New Delhi – 110 001

NOTICE

NOTICE is hereby given that the 8th ANNUAL GENERAL MEETING of the Members of Vital Communications Ltd. will be held on Tuesday, the 30th day of September 2003 at 9.30. A.M. at Richi Rich Banquet, E-44/14 Okhla Industrial Area, New Delhi 110 020 to transact the following business:

ORDINARY BUSINESS:

Adoption of Director's Report and Annual Accounts

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March 2003 and the Balance Sheet at that date together with the reports of the Board of Directors and Auditors thereon.

Appointment of Directors retiring by rotation

2. To Appoint a Director in place of Mr. R.K.Garg, who retires by rotation and being eligible offer him for re-appointment.

Appointment of Auditors

3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. S.S.Sabharwal who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company u/s 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

5. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT approval of the members of the company be and is hereby accorded for the remuneration paid within the limit of Schedule XIII of the Companies Act, 1956 to Sh. J.P.Madaan from the date of his appointment to till September, 2003 and further approval is accorded for payment of revised remuneration w.e.f. 1.10.2003 to Sh. J.P.Madaan as per the draft of the same enclosed herewith.”

6. To insert the following clauses in the Main Objects of Memorandum of Association of the Company.

To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT the following clauses be and are hereby inserted in Clause III (A) of the main objects of the company after III (A) 7 of the Memorandum of Association of the company subject to necessary approvals and fulfillment of various formalities

- A. To carry on the business of production, marketing, of Television serials television programmes, films, video films, advertisement films, corporate films, feature films, contests, documentaries and marketing of sports and entertainment events.
- B. To promote, buy, sell, import, exhibit, distribute or otherwise deal in Cinematographic films, video films, Video records & compact disc and audio cassettes and compact disc to acquire rights for satellite transmission, distribution in India and abroad and exhibition of feature films, T.V. Serials, telefilms, video films and advertisement films educational films and any other media promotion programmes related with audio and video transmission and exhibition and to establish purchase take on hire or lease, maintain, sell, give on lease or hire studios processing laboratories, picture and cinema halls, theatres for production processing and exhibition films, dramas, dances and other entertainmer and educational programmes and act as agents, representatives distributors of any other Indian or foreign company engaged in the field of music, film and entertainment on the basis of commission, compensation and/or remuneration and to act as agents, distributors, publicit and advertising agents, sponsors, exhibitors of films, serials documentaries, T.V. films, audios and videos plays, dramas, comedie

and other programmes.

- C. To establish, provide, maintain and run research laboratories and experimental workshops for biotechnology and biomedical research, experiments tests of all kinds required to promote scientific and technical investigations and inventions especially in field of life saving drugs and medicines and to develop biological and pharmacological standardization and to acquire any patent and licenses or other protective devices relating to the results of any discovery, investigations, findings or researches and to acquire any processes upon such terms as may seem expedient and to improve the same and to undertake the manufacture of any and either to market the same or to grant licenses to others to market the same and to carry on the business of chemists and druggists and to manufacture, prepare, import export, buy, sell supply, distribute store, stock, maintain and otherwise handle deal in and carry on business in all kinds and varieties of patent and non patent medicines, drugs, mixtures, formulations, capsules, tablets, pills, powders, pharmaceutical chemical, medical and medicinal products, preparations and materials, sterilized injections, vaccines, immunizes, phylacogens, chemical and surgical dressings.
- D. To carry on projects on gene therapy, genomic and stem cells research and to carry on the business of management and analysis of biological information and to use information & technology to determine the functioning of genes in their cellular environment. To identify and function any classify all proteins encoded by the genome and related works and to provide management of and consultancy related to bio-tech in the field related to bio-tech in the field of information technology, data processing and data transfer and to act as representatives or Indian & foreign concerns/persons operation in the line of information technology and to carry on the contract research in these areas.
- E. To carry on the business of manufacture of biological peptones, extracts and dehydrated culture media for microbiology and the business of active synthetic peptides, peptide antibodies, immunoassay kits, enzyme substances and other synthetic chemicals and on the business of diagnostic kits for major infectious diseases like tuberculosis, malaria, Japanese encephalitis, HIV, dengue and hepatitis, as well as non-communicable diseases like hormonal disorders and to carry on the projects in Bio-fuels. "

7. To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution

“RESOLVED THAT supplemental to the resolution passed by the shareholders at the 6th Annual General meeting of the company held on 25th September, 2001 and subject to provisions of the SEBI (Delisting of securities) Guidelines 2003 and/ or provisions of any other law for the time being in force or any other statutory guidelines and terms and provisions of the listing agreement, if any the approval of the members of the company be and is hereby accorded to the delisting of the shares of the company from Delhi Stock Exchange, Ahmedabad Stock Exchange and Jaipur Stock Exchange at such time as the Board of Directors may deem fit.”

8. To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution

“RESOLVED THAT Pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the company be and is hereby authorised to invest an amount up to Rs.2500 Lacs in the Equity Shares or any other instruments of the Bodies corporate in addition to the maximum limits prescribed under section 372A of the Companies Act, 1956.”

By order of the Board

Place: New Delhi
Date: 5th September, 2003

Rajesh Keshry
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY TO VALID SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from 29th September to 30th September, 2003 (both days inclusive).

Members are requested to notify any change in their addresses, at its Registered Office or to its Share Transfer Agents.

4. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
5. The transaction of special business for alteration of object clause of Memorandum of Association of the company by item no.6, delisting of shares from stock exchanges by item no.7 and Enhancement of limit of investment by item no.8 of the above agenda requires consent of the members through postal ballot.

ANNEXURE TO THE NOTICE

Explanatory Statement

The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 for Item nos. 4 to 8 accompanying the notice as under:

Item no. 4

Mr. S.S.Sabharwal was co-opted as an Additional Director of the company pursuant to Sec.260 of the Companies Act, 1956 and he holds the office of director up to the date of ensuing Annual General Meeting of the company.



The company has received notice in writing from a member proposing the candidature of Mr. S.S.Sabharwal for the office of Director under the provision 257 of the Companies Act, 1956.

None of the Directors other than Mr.S.S.Sabharwal is interested in this resolution.

Sh. S.S. Sabharwal, Director will not get any remuneration hence his resume is not given.

Item no.5

Approval of the members of the company is necessary for making the payment of remuneration (as annexed alongwith) to Sh. J.P.Madaan as whole time Director of the company.

None of the Directors of the company is interested either directly or indirectly, in the said proposal except Sh.J.P.Madaan.

Your board therefore recommends your approval for the passing of the aforesaid resolution in the interest of the efficient management of the company.

Item no. 6

In the changing scenario of the business worldwide and to achieve the objective of the Company more effectively in line with present objects of the Company, the Board of Directors of the Company understands that additional clauses in the Main Objects of the Company shall be more advantageous for future strategic plans of the Company. For giving effect to these amendments consent of the shareholders by way of a special resolution is required.

In a bid to take the benefits of opportunities prevailing in the field of entertainment and media management, your company has set out plans to diversify and thereby invest in the growing sector of Entertainment & Media and Biotech and Bio informatics.

The proposed new business, more particularly described in the subjoined resolution under the existing circumstances may conveniently and advantageously be combined with the present business of the company.

With a view to strengthening shareholders democracy, section 192A inserted by Companies (Amendment) Act of 2000 requires such resolution to be passed only through the Postal Ballot method.

None of the directors is any way concerned or interested in the aforesaid Resolution.

The Board had already sent the said resolution under this item to all the shareholders of the company for their approval through postal ballot.

Item No.7

The members of the company had accorded their approval for the delisting of the shares from Ahmedabad Stock Exchange and Jaipur Stock Exchange in the 6th Annual General meeting held on 25th September 2001.

Recently issued SEBI (Delisting of securities) Guidelines, 2003 have made certain changes in the norms for delisting of the shares from the stock exchanges. Consequently, for getting shares delisted from Stock Exchanges a fresh approval of the members of the company is required.

In present scenario, trading of the shares is being done mainly on two nation wide stock exchanges i.e. National Stock Exchange (NSE)/Bombay Stock Exchange (BSE), there has been no trading volume at other stock exchanges. So looking at the cost of continued listing with the aforesaid stock exchanges vis a vis the nil trading volumes thereat as also the fact that no particular benefit is available to the shareholders of the company from continued listing on the aforesaid stock exchanges, it is accordingly proposed to delist the shares of the company from the Delhi Stock Exchange, Ahmedabad Stock Exchange & Jaipur Stock Exchange and to give the authority to the directors to do so.

None of the directors is in any way concerned or interested in the aforesaid Resolution.

The Board had already sent the said resolution under this item to all the shareholders of the company for their approval through postal ballot.

Item No. 8

As per the maximum limits prescribed under section 372A of the companies Act, 1956, an amount equal to 60% of the Paid Up Capital and Free Reserves or 100% of the Free Reserves can be invested in the securities of other bodies corporate. However the company needs further investment in excess of the limits, hence your directors need your approval for such investment.