

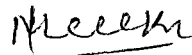
**VITAL**

COMMUNICATIONS LTD.

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For Vital Communications Ltd.



Director

14th Annual Report  
2008-2009



**VITAL COMMUNICATIONS LIMITED**

**BOARD OF DIRECTORS**

Mrs. Shubha Jhindal  
Sh. Shyam Sundar  
Sh. Manoj Kumar

**AUDITORS**

G.PKeshri & Associates  
Chartered Accountants  
A-215,GF,5,Chawla Complex ,  
Vikas Marg , Shakarpur ,  
New Delhi -110092.

**REGISTERED OFFICE**

606, Kailash Building,  
Kasturba Gandhi Marg,  
New Delhi 110 001

**BANKERS**

UTI Bank  
Statesman House  
Barakhamba, Connaught Place  
New Delhi 110001

**SHARE TRANSFER AGENTS**

Link Intime India Pvt. Ltd.  
A-40, 2nd Floor,  
Nariana Industrial Area, Phase II  
New Delhi 110 028





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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 14th ANNUAL GENERAL MEETING of the Members of Vital Communications Ltd. will be held on Wednesday, the 30th day of September 2009 at 10.00. A.M. at Retreat Motel/Resort, Alipur, Main G.T.Karnal Road, Near Palla Mod, Delhi 110 036 to transact the following business:

**ORDINARY BUSINESS:**

**Adoption of Director's Report and Annual Accounts**

1. To consider and adopt the audited Balance Sheet as at 31.3.2009 and the Profit & Loss Account the for the year ended on 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. Shyam Sunder who retires by rotation and being eligible offer herself 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.

**By order of the Board of Directors**

**Place: New Delhi**  
**Dated: 05 September, 2009**

**Shyam Sunder**  
**Director**



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**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/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY INSTRUMENT SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the company will remain closed from 29th September to 30th September, 2009 (both days inclusive) for AGM purpose.
3. 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. *Members/Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting.*
6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in dematerialized form, are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.

**By order of the Board of Directors**

**Place: New Delhi**  
**Dated: 05 September, 2009**

**Shyam Sundar**  
**Director**



## REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors are pleased to present their Fourteen Annual Report and Audited Accounts for the Year ended 31st March, 2009.

### FINANCIAL RESULTS

	Year ended 31st March, 2009 (Rs. In Lac)	Year ended 31st March, 2008 (Rs. In Lac)
Sales and allied Income	0.00	4.34
Profit after Interest but before Depreciation & Taxation	-93.48	-35.23
Net Profit before Tax	-92.09	-87.76
Provision for FBT	0.00	0.21
Deferred Income Tax	-26.07	-22.40
Profit after Tax	-66.01	-65.56

### INTERNAL CONTROL SYSTEMS

Your company's internal control systems and procedures are commensurate with the size of operations and adequate enough to meet the following objectives:

- Efficient use and safeguarding of resources
- Compliances with statutes, policies and procedure
- Transactions being accurately recorded and promptly reported.



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## FINANCIAL PERFORMANCE

The company has a turnover of Rs. 0. lac during the year 2008-09 as against Rs. 4.34 in the previous year. The net loss of Rs 66.01 lac during the year as against a loss of Rs.65.56 lac in previous year.

## HUMAN RESOURCES

Human resource development continues to be a core organizational objectives of the company. The company recognizes that its human resources is its greatest strength in realizing its goals and objectives.

## RISK MANAGEMENT

The company constantly endeavors to broaden the charter of risk management to include opportunities as well as threats. Risk Management is an important part of decision making at all levels of the company.

## DIVIDEND

Yours Directors regrets their inability to propose any dividend in view of the loss during year.

## RESERVES

The Reserves at the end of the year 31st March 2009 is at Rs.334.02 Lacs as against the total Reserves of Rs. 400.04 lacs in previous year.

## MATERIAL CHANGES AFTER THE DATE OF BALANCE SHEET

There has been no material change in the performance of the Company during the current year commencing from 1st April, 2009.

## PARTICULARS OF EMPLOYEES:

None of the employee's particulars are covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975.

## CORPORATE GOVERNANCE

A report on the Corporate Governance Code along with a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is given in **Annexure 'A'** which forms part of this report.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors' Responsibility Statement is given in **Annexure-'B'**, which forms part of this report.

<b>FOREIGN EXCHANGE EARNINGS AND OUTGO</b>	-	<b>Nil</b>
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COMMUNICATIONS LTD.

#### **PARTICULARS REGARDING ENERGY CONSERVATION**

The particulars as described under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, are not applicable to the company.

#### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The company's business demands constant absorption and adaptation of changing technologies to stay competitive in the rapidly changing world. The software development centers are constantly absorbing, adapting and deploying new technologies. Significant efforts have gone towards migration of professionals to the new technology.

#### **FIXED DEPOSITS**

The company has not accepted any fixed deposits during the year therefore the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

#### **DIRECTORS**

In accordance with the provisions of the Articles of Association of the Company Mr. Shyam Sunder is due to retire by rotation and being eligible, offer herself for re-appointment.

#### **AUDITORS**

The Auditors M/s G.P.Keshri & Associates., Chartered Accountants, New Delhi, retires at the conclusion of the forthcoming Annual General Meeting and offers its willingness to hold the office of the Auditors of the Company for next term.

#### **CLARIFICATION OF QUALIFICATION IN AUDITOR'S REPORT**

As there is no qualification in Auditor's Report, need for clarification for the same does not arise.

#### **STOCK EXCHANGES**

The shares of your company are listed on BSE and NSE. The Annual Listing fees of the Bombay Stock Exchange Ltd. for the year 2008-09 has been no paid. Revocation of suspension of trading of shares of the company from NSE is still under process.

#### **ACKNOWLEDGEMENT**

The Directors thank the members, clients, The Securities and Exchange Board of India, The Bombay Stock Exchange Ltd, National Stock Exchange of India Ltd. Company's bankers for their continued support to the company. Your directors wish to place on record their appreciation for the dedicated and sincere services rendered by the staff and officers of the company without whom the steady growth of the company would have not been possible.

The Directors thank you for your support and cooperation to the company.

**By order of the Board of Director**

**Place: New Delhi**

**Shyam Sundar  
Director**

**Date: 5th September 2009**





COMMUNICATIONS LTD.

**ANNEXURE -A**

Auditors' Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement

**TO THE MEMBERS OF VITAL COMMUNICATIONS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Vital Communications Ltd., for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

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 explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency with which the management has conducted the affairs of the Company.

**For G.P. Keshri & Associates  
Chartered Accountants**

**Place:- New Delhi  
Dated: 5th September ,2009.**

**(Gopal Prasad Keshri)  
Prop.**



**Annexure to the Directors' Report**

**Annexure-B**

**Directors Responsibility Statement**

Pursuant to provisions of Section 217 (2AA) of the companies Act, 1956, the Board of Directors of Vital Communications Ltd. having its registered office at 606, Kailash Building, Kasturba Gandhi Marg, New Delhi-110001, do hereby confirm -

- i that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii that the directors had selected such accounting policies and applied them consistently and made judgment 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 financial year and of the profit and loss of the company for that period.
- iii that the directors had 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 that the directors had prepared the annual accounts on a going concern basis.

**For and behalf of the Board**

**Place: New Delhi**  
**Dated: 5th September, 2009**

**Shyam Sundar**  
**Director**