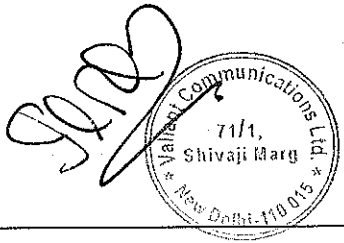
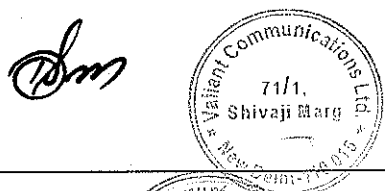
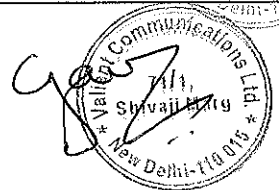
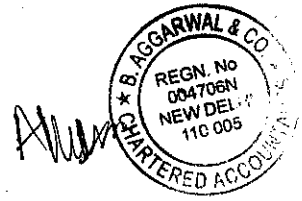


**FORM A**  
**Format of covering letter of the annual audit report to be filed with the stock exchanges**

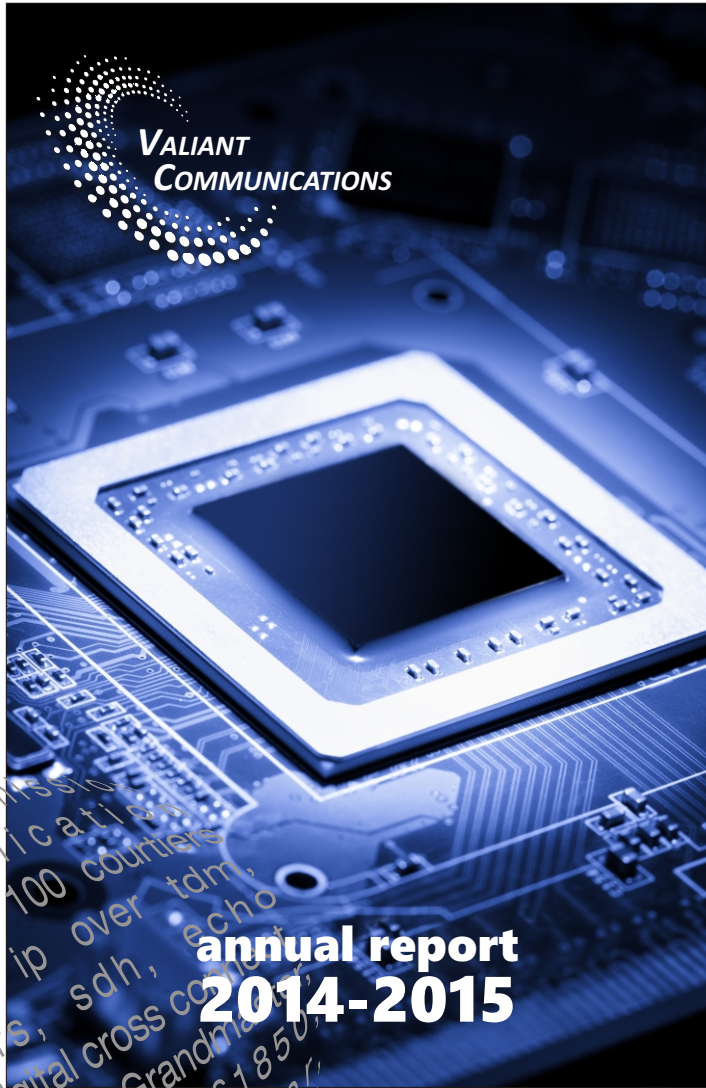
1.	Name of the Company	Valiant Communications Limited
2.	Annual financial statements for the year ended	March 31 <sup>st</sup> 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by:	
	a. Inder Mohan Sood CEO/Managing Director	
	b. Davinder Mohan Sood CFO/ Director-Finance	
	c. Gaurav Kaura Chairman- Audit Committee	
	d. Alok Jain Partner, B. Aggarwal & Co. Chartered Accountants Auditor of the Company	



# Telecom Transmission & Communication Solutions

**Valiant Communications Limited**

**Annual Report 2014-2015**



telecom transmission  
and communication  
solutions in over 100 countries  
tdm over ip, ip over tdm,  
multiplexers, sdh, echo  
cancellers, digital cross connect  
IEEE-1588, GPS Grandmaster  
ethernet switch 61850  
optical multiplexer  
teleprotection C37.91

Integrating  
voice, data  
and IP  
networks

telecom  
transmission  
equipment  
and solutions

VALIANT COMMUNICATIONS LIMITED manufactures a wide range of telecom transmission and communication equipment and solutions with successful installations in over 100 countries.

Valiant's technological strengths span a wide section of the telecom transmission and communication products and solutions, including GPS Primary Reference Clock Synchronization Receivers, GPS PTP IEEE-1588v2 Grandmaster Clocks / PTP IEEE-1588v2 Slave

Units that deliver accuracy of up to 100 nano-seconds for synchronization applications in Cellular networks like UMTS, GPRS, 3G/4G/LTE and for Distributing Time (Time-of-Day / ToD) and Frequency Reference for Power Utilities / Smart Grid, Synchronization of Defence Networks, Airports and Aviation communications, Railway Signalling Networks and Railway Communications, Broadcasting Network and Broadcast equipment. Synchronization solutions include SSU (Synchronization Supply Units), NTP Servers and NTP Display Clocks.

Valiant also now offers a wide range of Power Utility / SCADA / Utility solutions including Voice and Data Multiplexers, Packet Optical Transport Equipment, IP Multiplexers, Teleprotection / Protection Signalling / Digital Protection Coupler equipment and a comprehensive range of reliable and high performance clocks capable of referencing GPS and GLONASS.

Valiant also provides Power Utility Sub-Station hardened, managed Industrial Grade Switches that



are compliant to IEC-61850-3 specifications. All these products are currently being offered and used in various Power Utilities, worldwide.

Additionally, Valiant now offers a wide range of Packet over Optical / TDM over IP / TDM over Ethernet / TDM over MPLS products with unique features providing packet synchronization mechanism for Frequency and



Time-of-Day (ToD) synchronization for all points of the network to a common, single (GPS) source. Applications include for backhauling legacy voice, low speed legacy data and high speed Ethernet services using a single Ethernet infrastructure.

Valiant is now focusing and delivering products and solutions applications for Railways / Metro Networks, Power Utilities, other Utilities including Oil and Gas networks, Airport and the Defence Communications Networks.

Valiant strives to compete with some of the best companies in the world. The Company also continues to expand its global marketing network and build a larger base of associates / distributors, re-sellers and OEM relationships, through which it can sell its products, on a worldwide basis.

Valiant's commitment to research and development investment has assembled an enhanced product portfolio that continues to grow. By investing a significant portion of its revenues in research and development, Valiant intends to be on top of today's trends and to meet tomorrow's needs.

Valiant continues to develop technological building blocks that have resulted in advanced technology products. This enables Valiant to satisfy changing market requirements with speed and flexibility. Valiant equipment is being used by some of the global, multinational, mid-size, regional and government customers. Some of our recent prestigious reference customers using Valiant manufactured equipment include Government Organizations, Defence Organizations, Power Utilities, Oil & Gas Companies, Airport Authority Companies, Mobile / Cellular Service providers, Railways / Metro Rail Networks.

The Company clearly intends to remain focused towards designing and developing telecom transmission equipment and solutions for the international telecommunication marketplace and strive to attain a role of leadership in that domain.



**Board of Directors**

Mr. Inder Mohan Sood  
Managing Director

Mr. Davinder Mohan Sood  
Director Finance

Mr. Gaurav Kaura  
Director

Mr. Sumit Mehta  
Director

Mr. Avinash Verma  
Director

Ms. Neepa Chatterjee  
Director

**Secretary**

Mr. Manish Kumar

**Registered Office**

71/1, Shivaji Marg,  
New Delhi 110 015

**Corporate Identification Number**

L74899DL1993PLC056652

**Overseas Offices**

Valiant Communications  
(UK) Ltd.  
1 Acton Hill Mews  
310-328 Uxbridge Road  
London W3 9QN, UK

**Bankers**

ING Vysya Bank Ltd.  
HDFC Bank Ltd.  
Punjab & Sind Bank Ltd.  
ICICI Bank Ltd.  
ICICI Bank UK plc., U.K.  
Barclays Bank plc., U.K.

**Auditors**

B. Aggarwal & Co.  
Chartered Accountants,  
8/19, GF, Smile Chamber, W.E.A.,  
Karol Bagh, New Delhi 110 005

**Share Registrars**

Link Intime India (P) Ltd.  
44, Community Centre, 2<sup>nd</sup> Floor  
Naraina Industrial Area, Phase-I,  
Near PVR Naraina, New Delhi 110 028

Contents Page

Directors' Report with Annexures	5
Management Discussion & Analysis	16
Report on Corporate Governance	20
Auditors' Report	25
Balance Sheet	28
Profit & Loss Account	29
Notes to Financial Statements	30
Cash Flow Statement	42
Auditors' Report (Consolidated)	44
Consolidated Balance Sheet	47
Consolidated Profit & Loss Account	48
Notes to Consolidated Financial Statements	49
Consolidated Cash Flow Statement	59

telecom transmission solutions



## DIRECTORS' REPORT

To the Members,

The Directors present their 22<sup>nd</sup> Annual Report on the business and operations of the Company and the audited statement of accounts for the year ended March 31<sup>st</sup> 2015.

### Financial Results

In ₹

Particulars	2014-2015	2013-2014
Sales & Other Income	120,953,069	120,466,069
Profit (loss) before depreciation, exceptional item and taxation	10,006,035	8,083,997
Less: Depreciation	13,243,201	10,902,587
Taxes	(1,846,573)	(805,668)
Net Profit (loss)	(1,390,593)	(2,012,922)

### Corporate Highlights

During the year under review, the total income is ₹ 1,209 lakh (previous year: ₹ 1,205 lakh). The profit before depreciation and taxation is ₹ 100 lakh (previous year: ₹ 81 lakh) and the net loss is ₹ 14 lakh (previous year: loss of ₹ 20 lakh).

### Operations and State of Affairs

The operation and state of affairs have been adequately explained in Management Discussion and Analysis segment and form part of this report.

### Subsidiaries and their Performance

As part of its future growth strategy, the Company had established two subsidiaries, viz. Valiant Communications (UK) Limited, United Kingdom and Valiant Infrastructure Limited, India, to explore the emerging opportunities in world telecom market and infrastructure development. The statement containing the salient feature of financial statements of the aforesaid subsidiaries is annexed herewith as Annexure-1.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Clause 49 of the Listing Agreement. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: <http://valiantcom.com/corporate/misc/notice/policy-material.pdf>

### Consolidated Financial Statements

As required under Section 129 of the Companies Act, 2013 ("the Act") and the Listing Agreement with Stock Exchange(s), the audited Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The annual accounts of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

### Dividend

In view of the loss suffered by the Company in the financial year under reporting, the Board of Directors finds it prudent not to propose any dividend for the year under reporting.

### Dematerialisation of Equity Shares

As on March 31<sup>st</sup> 2015, 95.93% (previous year: 95.83%) of the outstanding equity shares of the Company have been dematerialized.

### Employee Stock Option Plan (ESOP)

The Company did not issue any employee stock options / equity shares during the financial year under review, under the Employee Stock Option Scheme.

### Deposits

During the year under review, your Company has not taken any public deposits.

### Particulars of Loans, Guarantee and Investments

During the year under review, your Company has not given any loans, guarantees or made investments under Section 186 of the Act, 2013.

### Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Agreement. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under Clause 49 of the Listing Agreement.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: [www.valiantcom.com/corporate/misc/notice/rtp\\_policy.pdf](http://www.valiantcom.com/corporate/misc/notice/rtp_policy.pdf)

Details of the transactions with Related Parties are provided in the accompanying financial statements.

### Risk Management Policy

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Clause 49 of the Listing Agreement. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

The risk management process consists of risk identification and assessment; risk measurement, mitigation and monitoring; and risk reporting.

### Board of Directors

#### Appointment of Directors and Key Managerial Personnel

At the last Annual General Meeting of the Company held on September 26<sup>th</sup> 2014, the Members had approved the appointment of Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepta Chatterjee as Independent Directors for a term of five years.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Clause 49 of the Listing Agreement entered into with the Stock Exchanges. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

In accordance with the provisions of Section 152 of the Act, Mr. Davinder Mohan Sood, Whole-time Director of the Company, retire by rotation, and being eligible, offers himself for re-appointment.

Apart from above disclosure, there has not been any instance of appointment or resignation of Directors and Key Managerial Personnel during the year under reporting.

#### Policy on appointment and remuneration of Directors

The Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Clause 49 of the Listing Agreement.

In accordance with the Nomination and Remuneration Policy adopted by the Company, the Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company.

The Committee is responsible for reviewing and vetting the profile of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board in accordance with the Nomination and Remuneration Policy of the Company.

The Nomination and Remuneration Committee has formulated the criteria for determining requisite qualifications, positive attributes such as high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment and independence of Directors in terms of provisions of Section 178 of the Act and Clause 49 of the Listing Agreement.

The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered the following factors while formulating the Policy:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company.

The Policy, as approved by the Board, is uploaded on the Company's website at the web link: [www.valiantcom.com/corporate/misc/notice/Nomination.pdf](http://www.valiantcom.com/corporate/misc/notice/Nomination.pdf)

#### Annual Evaluation of Board Performance and Performance of its Committees and of Directors

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including *inter-alia* degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The criteria for performance evaluation of Board and Independent Directors, is uploaded on the Company's website at the web link: [www.valiantcom.com/corporate/misc/notice/criteria.pdf](http://www.valiantcom.com/corporate/misc/notice/criteria.pdf)

#### Corporate Social Responsibility

The provisions of the Act relating to Corporate Social Responsibility are not applicable. Nevertheless, the Company shall continue its endeavor to fulfill its responsibility towards society.



### Board and Committee Meetings

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Agreement.

### Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Act, your directors, to the best of their knowledge and belief and according to the information and explanations obtained by them in the normal course of their work, state that, in all material respects;

- a) In the preparation of the annual financial statements for the year ended March 31<sup>st</sup>, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) Appropriate accounting policies have been selected, applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31<sup>st</sup>, 2015 and of the profit of the company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The annual financial statements have been prepared on a going concern basis;
- e) Proper internal financial controls were in place and the financial controls were adequate and operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### Corporate Governance Report and Management Discussion & Analysis Report

As per Clause 49 of the Listing Agreements entered into with the Stock Exchanges, Corporate Governance Report with auditors' certificate thereon and Management Discussion and Analysis are attached and form part of this report.

### Vigil Mechanism / Whistle Blower Policy

The company has a vigil mechanism named 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The details of the said policy is posted on the website of the company at [www.valiantcom.com/corporate/misc/notice/vigil-mechanism.pdf](http://www.valiantcom.com/corporate/misc/notice/vigil-mechanism.pdf)

### Anti-Sexual Harassment Policy

The Company has not received any complaint of sexual harassment during the financial year under reporting, as required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

### Code of Conduct

All Board of Directors and senior management personnel have affirmed their respective annual compliance with the provisions of the Code of Conduct, laid down by the Board to govern the conduct of Directors and senior management of the Company by certain fundamental business principles, ethics, values, policies and procedures within the applicable laws, rules and regulations.

### Code for Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, the company has adopted a Code for Prevention of Insider Trading. The objective of the code is to restrict an insider from dealing in the shares of the company either directly or indirectly when in possession of unpublished price sensitive information and also to restrict communication of such information. The code is applicable to the directors and designated employees/persons associated with the Company. The code enumerates the procedure to be followed for dealing in the shares of the company and periodic disclosures to be made. It also restricts the insiders from dealing in the company's shares during the period when the 'Trading Window' is announced closed. The company secretary has been designated as the Compliance Officer.

### Internal Controls Systems and Adequacy

The Company's internal audit systems are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying areas of improvement, evaluating the reliability of Financial Statements, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorized use.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

### Auditors and Audit

#### i) Statutory Auditors

The auditors, B. Aggarwal & Company, Chartered Accountants, hold office until the conclusion of Annual General Meeting (AGM) to be held in year 2017, subject to the ratification of their appointment by members at every AGM. They have confirmed their eligibility under section 141 of the Act and their willingness to accept office, on proposed ratification of their appointment in the ensuing AGM.

#### ii) Secretarial Audit

In accordance with the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed K. Chaand & Associates, Company Secretaries, Delhi, to undertake the Secretarial Audit of the company. The Secretarial Audit report is annexed herewith as Annexure-2.

The Auditors' Report and the Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2015 do not contain any qualification, reservation, adverse remark or disclaimer.

#### Extract of Annual Return

The details forming part of the extract of the Annual Return in Form No. MGT-9 is annexed herewith as Annexure-3.

#### Significant and Material Orders passed by the Regulators or Courts

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

#### Personnel

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure-4.

#### Particulars of Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as Annexure-5.

#### Acknowledgments

The Directors sincerely acknowledge the trust and confidence that has been placed by the employees, shareholders and investors in the Company. The Directors are thankful to all the employees and the officers of the Company, for their dedication, support and co-operation.

On behalf of the Board of Directors  
For Valiant Communications Limited

Inder Mohan Sood  
Chairman and Managing Director

New Delhi, May 16, 2015

#### Annexure -1

#### FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

Serial Number	1	2
Name of the subsidiary	Valiant Communications (UK) Ltd. United Kingdom	Valiant Infrastructure Ltd. India
Reporting period for the subsidiary, if different from the holding company's reporting period	Financial year ended on March 31 <sup>st</sup> 2015 (identical with the holding company's reporting period)	Financial year ended on March 31 <sup>st</sup> 2015 (identical with the holding company's reporting period)
Currency	GBP(£)	Rupee (₹)
Exchange rate to ₹ as on the last date of the relevant financial year i.e. the reporting date	92.459	₹ 1.000
Share capital	225,000 Ordinary Shares amounting to ₹ 20,803,298	321,882 Equity Shares amounting to ₹ 3,218,820
Reserves & surplus	6,685,433	112,315
Total Assets	34,851,126	3,788,917
Total Liabilities	34,851,126	3,788,917
Investments	4,717,910	-
Turnover	9,024,724	-
Profit/ (Loss) before taxation	2,084,969	85,571
Provision for taxation	164,670	26,441
Profit/ (Loss) after taxation	1,920,299	59,130
Proposed Dividend	Nil	Nil
% of shareholding	100%	62.53%

Name of subsidiaries which are yet to commence operations: None

Name of subsidiaries which have been liquidated or sold during the years: None

Part "B" Associates and Joint Ventures: Not applicable

As per our report of even date

For and on behalf of the Board

For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Inder Mohan Sood  
Managing Director

Davinder Mohan Sood  
Director-Finance

Alok Jain  
Partner  
Membership No. 510960

Manish Kumar  
Company Secretary

New Delhi, May 16, 2015



## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

### FORM NO. MR-3

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

To,  
The Members,  
VALIANT COMMUNICATIONS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Valiant Communications Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Valiant Communications Limited'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 and the representations made by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Valiant Communications Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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; and
- (vi) Other laws applicable to the Company as per the representation given by the Company.

We have also examined compliance with the applicable

clauses of the following:

- (i) Secretarial Standards of The Institute of Company Secretaries of India with respect to general and board meetings are yet to be specified under the Act by the Institute during the year under report.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange (BSE) Limited.

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

The provisions under Section 135 of Companies Act, 2013 and rules made there under related to Corporate Social Responsibility do not apply on the company.

We 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. During the period under review Ms. Neepa Chatterjee (DIN: 05302341) has been appointed as a women director under Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent 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.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that as represented by the Company and relied upon by us 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 etc.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure 'A'**

To,  
The Members  
Valiant Communications Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have relied upon the Statutory Auditors' Report for the correctness and appropriateness of financial records and Books of Accounts of the Company for the period under review.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Delhi  
Date: May 16, 2015

For K. Chaand & Associates  
Kapil S. Chaand  
Proprietor  
ACS: 36673 CP: 13654

**Annexure -3**

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

As on financial year ended on 31.03.2015  
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	L74899DL1993PLC056652
2. Registration Date	28-12-1993
3. Name of the Company	Valiant Communications Limited
4. Category/Sub-category of the Company	Public Company / Limited by Shares
5. Address of the Registered office & contact details	71/1, Shivaji Marg, New Delhi – 110015, Ph.: 011-25928415
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India (P) Ltd. 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110 028. Telephone no.+91-11-4141 0592

**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	Manufacturing of Telecom Transmission Equipment	32204	100





### III. 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	Valiant Infrastructure Limited 71/1, Shivaji Marg, New Delhi – 110015	U74899DL1995PLC066264	Subsidiary	62.53	2(87)(ii)
2	Valiant Communications (UK) Ltd. 1 Acton Hill Mews, Uxbridge Road, London W3 9QN, United Kingdom	Not applicable	Subsidiary	100.00	2(87)(ii)

### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

#### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual HUF	2,297,938	-	2,297,938	31.81	2,532,588	-	2,532,588	35.06	3.25
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	508,768	-	508,768	7.04	508,768	-	508,768	7.04	-
e) Bank / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>2,806,706</b>	<b>-</b>	<b>2,806,706</b>	<b>38.86</b>	<b>3,041,356</b>	<b>-</b>	<b>3,041,356</b>	<b>42.10</b>	<b>3.25</b>
<b>2. Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Holding of Promoter (A)	2,806,706	-	2,806,706	38.86	3,041,356	-	3,041,356	42.10	3.25
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	3,900	3,900	0.05	-	3,900	3,900	0.05	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B) (1):-</b>	<b>-</b>	<b>3,900</b>	<b>3,900</b>	<b>0.05</b>	<b>-</b>	<b>3,900</b>	<b>3,900</b>	<b>0.05</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1,005,532	16,601	1,022,133	14.15	912,592	16,601	929,193	12.86	(1.29)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	1,358,845	200,687	1,559,532	21.59	1,417,954	193,587	1,611,541	22.31	0.72
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	1,095,270	10,100	1,105,370	15.30	1,220,708	10,100	1,230,808	17.04	1.74
c) Other (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	476,057	63,789	539,846	7.47	111,766	63,789	175,555	2.43	(5.04)
Overseas Corporate Bodies	-	6,037	6,037	0.08	-	6,037	6,037	0.08	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	33,020	-	33,020	0.46	3,976	-	3,976	0.06	(0.40)
Hindu Undivided Family	146,916	-	146,916	2.03	221,094	-	221,094	3.06	1.03
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>4,115,640</b>	<b>297,214</b>	<b>4,412,854</b>	<b>61.09</b>	<b>3,888,090</b>	<b>290,114</b>	<b>4,178,204</b>	<b>57.84</b>	<b>(3.25)</b>
<b>Total Public</b>	<b>4,115,640</b>	<b>301,114</b>	<b>4,416,754</b>	<b>61.14</b>	<b>3,888,090</b>	<b>294,014</b>	<b>4,182,104</b>	<b>57.90</b>	<b>(3.25)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>6,922,346</b>	<b>301,114</b>	<b>7,223,460</b>	<b>100.00</b>	<b>6,929,446</b>	<b>294,014</b>	<b>7,223,460</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoter**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Changes in shareholding 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	Inder Mohan Sood	941,536	13.03	-	1,041,536	14.42	-	1.38
2	Davinder Mohan Sood	935,058	12.94	-	1,031,208	14.28	-	1.33
3	Usha Lata Sood	233,100	3.23	-	233,100	3.23	-	-
4	Shompa Sood	78,025	1.08	-	85,025	1.18	-	0.10
5	Garv Mohan Sood	72,337	1.00	-	103,837	1.44	-	0.44
6	Anupam Sood	12,000	0.17	-	12,000	0.17	-	-
7	Gaurav Mohan Sood	25,882	0.36	-	25,882	0.36	-	-
8	Gem Financiaries and Distributions (P) Ltd.	310,373	4.30	-	310,373	4.30	-	-
9	Great Films (P) Ltd.	198,395	2.75	-	198,395	2.75	-	-
	<b>TOTAL</b>	<b>2,806,706</b>	<b>38.86</b>	<b>-</b>	<b>3,041,356</b>	<b>42.10</b>	<b>-</b>	<b>3.25</b>

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

S. No.	Particulars	Date	Reason	Promoter name*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
					No. of Shares	% of Total shares	No. of Shares	% of Total shares
1	At the beginning of the year	01/04/2014					2,806,706	38.86
2	Changes during the year	29/04/2014	Purchase	DMS	1,750	0.02	2,808,456	38.88
		30/04/2014	Purchase	DMS	3,400	0.05	2,811,856	38.93
		02/05/2014	Purchase	IMS	100,000	1.38	2,911,856	40.31
		02/05/2014	Purchase	DMS	91,000	1.26	3,002,856	41.57
		16/05/2014	Purchase	SS	2,000	0.03	3,004,856	41.60
		19/02/2015	Purchase	GMS	5,000	0.07	3,009,856	41.67
		20/02/2015	Purchase	GMS	550	0.01	3,010,406	41.68
		23/02/2015	Purchase	GMS	4,450	0.06	3,014,856	41.74
		26/03/2015	Purchase	GMS	15,000	0.21	3,029,856	41.94
		26/03/2015	Purchase	SS	5,000	0.07	3,034,856	42.01
3	At the end of the year	31/03/2015	Purchase	GMS	6,500	0.09	3,041,356	42.10

\*Promoter name:IMS for Inder Mohan Sood, DMS for Davinder Mohan Sood, SS for Shompa Sood and GMS for Garv Mohan Sood

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Date	Reason	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
1	Name: Mohini Singh						
	At the beginning of the year			271,073	3.75	271,073	3.75
	Changes during the year	17/10/2014	Purchase	150	0.00	271,223	3.75
	At the end of the year					271,223	3.75
2	Name: Vistar Links (P) Ltd.						
	At the beginning of the year			154,500	2.14	154,500	2.14
	Changes during the year			-	-	-	-
	At the end of the year					154,500	2.14
3	Name: Ostrich Estate (P) Ltd.						
	At the beginning of the year			410,000	5.68	410,000	5.68
	Changes during the year			-	-	-	-
	At the end of the year					410,000	5.68
4	Name: Ajit Singh						
	At the beginning of the year			59,250	0.82	59,250	0.82
	Changes during the year	04/01/2015	Sale	(80)	(0.00)	59,170	0.82
	At the end of the year					59,170	0.82
5	Name: Narayan Sultania						
	At the beginning of the year			58,346	0.81	58,346	0.81
	Changes during the year			-	-	-	-
	At the end of the year					58,346	0.81
6	Name: Surpreet Suri						
	At the beginning of the year			46,200	0.64	46,200	0.64
	Changes during the year			-	-	-	-
	At the end of the year					46,200	0.64
7	Name: Sunny Gupta						
	At the beginning of the year			44,553	0.62	44,553	0.62
	Changes during the year			-	-	-	-
	At the end of the year					44,553	0.62
8	Name: Vidur Bharadwaj						
	At the beginning of the year			40,000	0.55	40,000	0.55
	Changes during the year			-	-	-	-
	At the end of the year					40,000	0.55
9	Name: Supratim Basu						
	At the beginning of the year			37,900	0.52	37,900	0.52
	Changes during the year			-	-	-	-
	At the end of the year					37,900	0.52
10	Name: August Trading (P) Ltd.						
	At the beginning of the year			62,776	0.87	62,776	0.87
	Changes during the year			-	-	-	-
	At the end of the year					62,776	0.87



S. No.	For each of the Top 10 shareholders	Date	Reason	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
11	Name: Atim Kabra			83,154	1.15	83,154	1.15
	At the beginning of the year						
	Changes during the year	26/03/2015	Sale	(78,732)	(1.09)	4,422	0.06
	At the end of the year					4,422	0.06
12	Name: Vikramaditya Singh			-	-	-	-
	At the beginning of the year						
	Changes during the year	26/03/2015	Purchase	51,360	0.71	51,360	0.71
	At the end of the year					51,360	0.71
13	Name: Jainam Share Consultants (P) Ltd.			-	-	-	-
	At the beginning of the year						
	Changes during the year	31/12/2014	Purchase	78,700	1.09	78,700	1.09
	At the end of the year	27/03/2015	Sale	(78,700)	(1.09)	-	-
	At the end of the year					-	-
14	Name: Dinesh Babubhai Shah			55,394	0.77	55,394	0.77
	At the beginning of the year						
	Changes during the year			-	-	-	-
	At the end of the year					55,394	0.77

#### (v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key of the company Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares of the company
1	Name: Manish Kumar			-	-	1,115	0.02
	At the beginning of the year						
	Changes during the year	18/02/2015	Purchase	3,644	0.05	4,759	0.07
		11/03/2015	Purchase	1,500	0.02	6,259	0.09
		12/03/2015	Purchase	113	0.00	6,372	0.09
		13/03/2015	Purchase	150	0.00	6,522	0.09
		26/03/2015	Purchase	5,218	0.07	11,740	0.16
	At the end of the year					11,740	0.16

Note: 1. For shareholding of Mr. Inder Mohan Sood (CEO and Managing Director) and Mr. Davinder Mohan Sood (Whole-time Director and CFO), please refer their respective shareholding in "Shareholding of Promoters" mentioned above.  
2. The other directors, being Independent, do not hold any share of the Company.

#### (V) INDEBTEDNESS

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

**Not applicable, as the Company is a debt free company, either secured or unsecured.**

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

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

S. No.	Particulars of Remuneration Designation	Mr. Inder Mohan Sood Managing Director & CEO	Mr. Davinder Mohan Sood Wholetime Director & CFO	Total Amount (in ₹)
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,445,000	2,242,000	4,687,000
	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: Service compensation from subsidiary	794,997	794,997	1,589,994
	Total (A)	3,239,997	3,036,997	6,276,994
	Ceiling as per the Act	4,200,000	4,200,000	8,400,000

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
1	Independent Directors	Mr. Gaurav Kaura	Mr. Avinash verma	Mr. Sumit Mehta	Ms. Neepa Chatterjee	
	Fee for attending board / committee meetings	22,500	30,000	30,000	15,000	97,500
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	22,500	30,000	30,000	15,000	97,500

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
2	Other Non-Executive Directors	Not Applicable				-
	Fee for attending board / committee meetings	-	-	-	-	
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	Total (2)	-	-	-	-	
	Total (B)=(1+2)	22,500	30,000	30,000	15,000	97,500
	Total Managerial Remuneration					97,500
	Overall ceiling as per the Act					1,500,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (in ₹)
		Mr. Inder Mohan Sood CEO	Mr. Davinder Mohan Sood CEO	Manish Kumar Company Secretary	
1	Gross salary	As disclosed above	As disclosed above		
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961			1,664,160	1,664,160
	(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	-	-	1,664,160	1,664,160

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Annexure -4**

**[Pursuant to Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year and;
2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

Name of Director	Category	Ratio to Median	% increase in Remuneration
Mr. Inder Mohan Sood	Managing Director & CEO	2.9 : 1	15.15
Mr. Davinder Mohan Sood	Whole-time Director & CFO	2.7 : 1	12.99
Mr. Gaurav Kaura	Independent Director	0.35 : 1	None
Mr. Avinash Verma	Independent Director	0.35 : 1	None
Mr. Sumit Mehta	Independent Director	0.35 : 1	None
Ms. Neepta Charterjee*	Independent Director	0.23 : 1	Not Applicable

\* Appointed as Woman Independent Director w.e.f. 26/09/2014

The percentage increase in remuneration of Mr. Manish Kumar, Company Secretary is 13.51%.

3. The percentage increase in the median remuneration of employees in the financial year: 21.56%
4. The number of permanent employees on the rolls of Company as at reporting date: 44



5. The explanation on the relationship between average increase in remuneration and Company performance:

The percentage increase in the median remuneration of employees is higher than the percentage increase of Key Managerial Personnel (KMP) in the financial year under reporting. The remuneration of employees including KMP, was increased due to various reasons such as inflation, talent retention, expected future prospectus of the Company.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

The gross income of the Company (standalone) for the year 2013-14 were ₹1,209.53 lac in comparison of previous year ₹ 1,204.66 lac previous year. Loss during the year was also reduced to ₹ 13.90 lac from ₹ 20.12 lac. The remuneration of KMP, are being decided by Nomination and Remuneration Committee based on the nomination and remuneration policy of the Company. At present, the remunerations paid to KMP are below industrial standards and are being paid as per minimum standards laid down by Schedule V of the Companies Act, 2013.

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

The market capitalization of the Company as at 31<sup>st</sup> March, 2015 is ₹ 1,690.28 lac, as against ₹ 1,191.87 lac as at 31<sup>st</sup> March, 2014. The price earnings ratio of the Company at present is not applicable because of losses suffered by the Company. The market quotation of the Equity Shares of the Company as on 31<sup>st</sup> March, 2015 was ₹ 23.40 for shares of face value of ₹ 10/- each, representing an increase of 41.82% over the period.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 20.41%, as against an increase of 13.95% in the salary of the KMP. The increment given to each individual employee is based on the employees' education, potential, experience as also their performance and contribution to the Company's progress over a period of time and also the industrial standards in India.

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

The information has been provided in above paragraphs.

10. The key parameters for any variable components of remuneration availed by the Directors:

In the financial year under reporting, the Company has paid minimum standards laid down by Schedule V of the Companies Act, 2013. On improvement in the financial performance of the Company, the variable components shall be considered by Nomination and Remuneration Committee based on the nomination and remuneration policy adopted by the Company. Similarly, Independent Non-Executive Directors are being paid by only sitting fee. However, based on the performance of Company's UK subsidiary, the board of subsidiary has paid the service compensation to both the executive directors.

11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

The highest paid Director is the Managing Director. No employee has received remuneration in excess of the Managing Director during the year.

12. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

**[Pursuant to Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

None of the employees' remuneration exceeds the limit specified.

**Annexure -5**

**Information as Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.**

**Conservation of Energy**

The Company's operations are not power-intensive and involve low energy consumption. Nevertheless, energy conservation measures and optimal use of energy through improved operational methods have already been taken, wherever possible, the details of which are as follows:

- (i) Employment of highly efficient low power consuming manufacturing equipment, e.g., LED lighting, automatic wave soldering machines, automatic testing equipment using state-of-the-art technology.
- (ii) Use of programmable power supplies with equipment, which consume less power than conventional supplies.

**TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION**

The Company continues to use the latest technologies for improving the productivity and quality of its products.

**RESEARCH AND DEVELOPMENT**

Research and Development (R&D) is being carried out by the Company to develop special systems to meet customer requirements in the export markets. The benefits being derived from this are improved quality of products, process efficiencies, easy maintenance of products, standardization of components and above all, customer satisfaction. With a

strong focus on new product development, the Company is able to adapt quickly to the needs of the customer on design and configuration modifications for any specific market.

**Expenditure on Research and Development (R&D)**

Particulars	₹ in lakhs	
	2014-2015	2013-2014
Capital	77.89	129.52
Recurring	-	-
Total	77.89	129.52
Total R&D expenditure as % of total turnover	6.96	11.53

**Foreign Exchange Earnings and Outgo**

The Company is a 100% Export Oriented Unit registered under the Electronic Hardware Technology Park [EHTP] Scheme and engaged in the manufacturing of Telecom Transmission Solutions with installations in over 100 countries. Hence, all operational activities are relating to exports promotion:

Particulars	₹ in lakhs	
	2014-2015	2013-2014
The foreign exchange earnings	1311.27	1022.34
The foreign exchange outgo	383.91	354.47

**MANAGEMENT DISCUSSION & ANALYSIS**

**Overview**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Accounting Standards issued by the Institute of Chartered Accountants of India. The management accepts responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transaction, and reasonably present the Company's state of affairs and profits of the year.

**Industrial Structure and Development**

Communication technology is positively changing the way we work, live and play. Network infrastructure provides the fundamentals for people to communicate. 24/7 Internet connectivity and high speed data communication is becoming an essential part of modern life. The accelerated demand is fuelled by smartphones and notebooks, coupled with sharply rising usage of video and data services. Mobile data traffic is expected to double annually over the coming three years. Telecommunication hardware business is becoming more and more user-friendly and software intensive.

That said, there are billions of dollars worth of equipment that are already installed in the network, which has not been up-dated and is based on older TDM technology. This equipment will not be discarded or removed from service any time soon. This older equipment also needs to be integrated with the new and latest technologies. The opportunity to do this is considerably large. The changes in technology are complex, but offer significant growth potential.

The accelerated growth in telecommunications capacity and in telecommunications applications has changed all business variables, which will keep changing. The international telecommunications landscape continues to offer growth opportunities, despite the weak recovery in the world economy. With the deregulation of the telecom business worldwide, opportunities exist for companies that will seize them.

**Business Operation**

The Company was mainly focused on the export market; however, since the Indian economy is becoming vibrant, the Company is clearly witnessing a pick-up in demand in communication equipment across the Indian utility sectors such as Power, Airport Communications, Defense, Oil & Gas, Railways including DFCC (Dedicated Freight Corridor Corporation Project).



In the year under reporting, various products of the Company have now been approved by some of the major corporations such as PGCIL (Power Grid), L&T, IRCON, Siemens and various other state electricity companies, which shall provide a discreet advantage to the Company over some large MNCs.

The Company is now well positioned to take advantage of the “Make in India” and “Digital India” initiatives of the Hon’ble Prime Minister.

In overseas market too, the Company's products are being well accepted and approved. The management is hopeful and expects to strengthen its position particularly in Australia, Romania, Vietnam, Turkey, Malaysia and Russia.

The management expects that in view of various ongoing business opportunities at advanced levels, Valiant shall be able to achieve new financial milestones in the forthcoming years.

### Opportunities

Lower speed data connectivity requirements, especially those that support next generation applications such as IP voice, high-speed data communication and video-conferencing are an important part of the equipment requirement. The Company is developing many products that will integrate the new and older technologies, besides bringing out latest technology products that cater to the next generation telecommunication networks.

The Company is a 100% Export Oriented Unit registered under the Electronic Hardware Technology Park [EHTP] Scheme and engaged in the manufacture of Telecom Transmission Solutions with successful installations in over 100 countries.

New product development, technological innovations and strength are Valiant’s assets. With introduction of new products, designs, solutions and applications, Valiant looks forward to growth in sales and profits in the current financial year.

To explore the global telecom marketplace and to mark Valiant’s presence at the international level, a wholly owned subsidiary, namely, Valiant Communications (UK) Limited, United Kingdom, has been established. This subsidiary offers pre-sales and post-sales support to customers in the European Union.

The Company owns a 62.53% equity stake in Valiant Infrastructure Limited, India. The present business of Valiant Infrastructure Limited is to develop know-how and technology for telecom infrastructure projects.

The Company is now focusing on bringing new products to market, expanding its marketing networks and building a larger base of associates, distributors and re-sellers through which it can sell its products, worldwide.

### Quality Initiatives

It is commonly believed that the sustained commitment to highest levels of quality, best-in-class product offerings and robust and fair business practices helps the Company to attain its objectives.

The Company has successfully achieved the yardsticks to meet with standards ISO 9001:2008 (Quality Management), ISO 14001:2004 (Environmental Management), and the ISO 10002:2004. The substantial part of the Company’s product-line of the Company is now **CE** certified.

As the Company also offers products to the Power Utility companies on a global level, its Multiplexer and Digital Cross Connect Switch products has also received Type Test Approval from the Power Grid Corporation of India for deployment in India.

The management believes that all these quality initiatives will further strengthen the Company’s product-line in global market.

### New Products

The Company introduced many new products during the year 2014-2015 incorporating the latest technologies. The Company has also enhanced and upgraded its existing range of the Voice and Data Multiplexers and Teleprotection / Digital Protection Coupler equipment and now also offers a comprehensive range of GPS PTP Grandmaster and Primary Reference Clock products which provide IEEE-1588v2 Synchronization delivering an accuracy of up to 100ns, which is required to synchronize Cellular networks like UMTS, GPRS, 3G/4G/LTE and for distributing Time-of-Day (ToD) and Frequency Reference to Power Utilities and Smart Grid applications. It is also suitable for synchronizing Defense Networks, Airports and Aviation Communications, Railway Signaling Networks and Railway Communication as well as Broadcasting Networks.

The Company has introduced a wide range of products based on IEEE 1588v2 [Precision Time Protocol (PTP)] technology that is used to synchronize Time-of-Day (ToD) and Frequency over an IP network. The IEEE 1588v2 [Precision Time Protocol (PTP)] technology is used by Power Utilities and in Smart Grid operations as well as in Oil and Gas networks etc. In a local area network, it achieves clock accuracy in the sub-microsecond (i.e., nano-second accuracy) range, making it suitable for use in obtaining accurate measurements and in control systems. IEEE 1588 is designed to fill a niche that is not well served by either of the two dominant protocols, NTP and GPS. IEEE 1588 is designed for local systems requiring accuracies beyond those attainable using NTP. It is also designed for applications that cannot bear the cost of a GPS receiver at each node, or where GPS signals are inaccessible.

Additionally, the advanced TDM over IP/Ethernet/ Packet/ MPLS solutions in the company's product portfolio continue to be successfully used to distribute E1 and T1 channels over

an IP network. TDM over IP/Ethernet/Packet/MPLS applications include backhauling of legacy voice, low-speed legacy data and high-speed Ethernet services using a single Ethernet infrastructure. With the focus on developing new solutions for the Power Utility Sector, the Company has also added Sub-Station hardened, managed Industrial Grade Switches that are compliant to IEC-61850-3 specifications. All these products are currently being offered to various Power Utilities, worldwide.

Similarly, the products suited for Railways, Airport Communication, other utilities including Oil and Gas are being added to the product portfolio for increased business opportunities for the Company.

Your management is confident that all these products and technologies will help to create substantial growth opportunities for the company.

### Marketing

The Company is focused on expanding its global marketing network and building a larger base of associates / distributors and re-sellers, through which it can sell its products, on a worldwide basis. The Company has its equipment successfully installed in over 100 countries now.

### Threats

The telecommunication sector, being a high technology-intensive business is prone to rapid technological obsolescence. To cope with an ever changing dynamic and highly competitive telecom business environment, Valiant has to innovate, evolve rapidly; offer technically advanced and competitively priced products, solutions and applications to the demanding international customers, while competing with some of the best businesses in the telecommunication field, in the world.

### Income Tax Demand

In an income tax matter, the Hon'ble Delhi High Court has reversed the erstwhile orders of Income Tax Appellate Tribunal (ITAT), Delhi, and referred back the matters to the ITAT to examine alternate claims of Company. The ITAT has further restored the matter to the assessing officer to examine alternate claims of Company. The Company has also filed a special leave petition before the Hon'ble Supreme Court against the order of the Hon'ble Delhi High Court, which is sub-judice as at reporting date.

The Income Tax Department, in all its notices of demand, has challenged the validity of the approval and registration granted by Software Technology Park of India (STPI), Ministry of Communications, to the Company as a 100% Export Oriented Unit (EOU) under the Electronic Hardware Technology Park (EHTP) Scheme for the purpose of grant of any relief under Income Tax Act, 1961.

An unfavorable decision by the appellate authorities can have an adverse impact on the net worth of the Company.

### Future Prospects

The Company is clearly focused towards the design and development of telecom transmission equipment and solutions, for the international telecommunication marketplace. With the continuous introduction of new products and technologies, Valiant is focused on marketing, distribution and support of its product range.

As part of its future growth strategy, the Company has established a wholly owned subsidiary namely, Valiant Communications (UK) Limited, United Kingdom, to explore the emerging opportunities in the world telecom market. The foreign subsidiaries have been established to offer pre-sales and post-sales support to its worldwide customers.

The Company is in the process of introducing many new products during the year 2015-2016 for SCADA and Secure Communications and applications. Some of these products are already being deployed in various networks, worldwide. A series of new products based on advanced Ethernet / IP / high-speed data communication technologies are further being introduced. We believe that these new products will help to create further growth opportunities for the Company.

### Outlook

The Company continues to design, develop and introduce new products and strengthen its marketing network, worldwide. The introduction of new products and technologies are expected to help to increase export sales growth in the current year. The Company has introduced many new products during the past one year and is confident that these new products will help to increase its sales and performance in the current year ending March 31<sup>st</sup> 2016.

With the focus on developing new solutions for the fast-growing Power Utility and Transportation Sectors such as the Railways and Metro, the company continues to make rapid advancements both in technology upgradation and expanding its marketing footprint so that it can have a higher value share in both of these sectors.

Valiant now offers communication solutions for Power Utilities, Airports, Railways including Dedicated Freight Corridor, Cellular Networks / Mobile operators and Corporate networks.

These products are already being deployed in various networks, worldwide. A series of new products based on advanced technologies are being introduced in the current financial year. We believe that these new products will help to create growth opportunities for the company.

### Segment-wise Performance

During the year 2014-15, the 31.13% (previous year: 38.87%) of operating revenue comes from the US, while 5.57% (previous year: 2.07%) is from the European market and the balance 63.31% (previous year: 59.06%) of the sales is contributed from the rest of the world.



### Shareholders Fund

A statement of Shareholders Fund as on March 31<sup>st</sup> 2015 along with the comparison with previous three years is given below:

the Company seeks to attract and retain the best talent available. The Company provides an environment, which encourages initiatives, innovative thinking and recognizes

In ₹

Particulars	Year ended on March 31 <sup>st</sup> 2015 (Audited)	Year ended on March 31 <sup>st</sup> 2014 (Audited)	Year ended on March 31 <sup>st</sup> 2013 (Audited)	Year ended on March 31 <sup>st</sup> 2012 (Audited)
Equity Paid-up Capital	72,234,600	72,234,600	72,234,600	74,230,100
Reserve and Surplus				
- P&L A/c (Cr.)	106,696,346	109,446,612	111,459,534	114,021,298
- Security Premium	89,676,647	89,676,647	89,676,647	93,508,997
- Capital Redemption Reserve	14,221,400	14,221,400	14,221,400	12,225,900
Shareholders Fund / Equity	282,828,993	285,579,259	287,592,181	293,986,295
Book Value (per equity share)	₹ 39.15	₹ 39.53	₹ 39.81	₹ 39.60

### Risk and Concerns

Risk is an inherent aspect of every business. The telecom sector being part of a rapidly changing technology orbit, the level of risk increases due to high technology obsolescence. However, continuous technological innovation, product development, value additions by research and development can minimize this class of business risk. Effective reporting and control mechanisms ensure timely information availability and facilitate proactive risk management.

Since the capital structure of the Company consists of only equity share capital without having any loan (neither secured nor unsecured), the degree of financial risk is almost negligible.

The Board of Directors is responsible for monitoring risk levels on various parameters and their implementation to ensure the de-risking of the business at various levels. Further, the Audit Committee provides the direction on the risk management.

### Internal Control System

The Company has an adequate system of internal controls, implemented by the management to achieve efficiency in operations, optimum utilization of resources, effective monitoring of systems and compliance with applicable laws. A qualified and independent Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy of internal controls.

### Exchange Rate Fluctuation

The functional currency of your Company is the Indian rupee, whereas all the business receipts are in foreign currencies. The exchange rate between the rupee and foreign currencies have been changing substantially, and your Company faces the risks associated with exchange rate fluctuation and translation effect, wherein the appreciation of the rupee against foreign currencies, adversely impacts its profitability and operating results.

### Human Resources

Human resource is most precious asset of your Company and

and rewards performance. Since the Company operates in state-of-the-art technologies, necessary training and development of its personnel are conducted on a continuous basis. Industrial relations with all employees are cordial.

### Financial Performance

In stand-alone financial statements for the year under review, the total income is ₹ 1,209 lakh (previous year: ₹ 1,205 lakh). The profit before depreciation and taxation is ₹ 100 lakh (previous year: ₹ 81 lakh) and the net loss is ₹ 14 lakh (previous year: loss of ₹ 20 lakh).

Whereas in consolidated financial statements for the year under review, the total income is ₹ 1,312 lakh (previous year: ₹ 1,189 lakh). The profit before depreciation and taxation is ₹ 122 lakh (previous year: ₹ 59 lakh) and the net profit is ₹ 6 lakh (previous year: loss of ₹ 41 lakh).

### Cautionary Statement

Statements and Management Discussion and Analysis describing the Company's objectives and expectations may be forward looking, but within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statement.

## REPORT ON CORPORATE GOVERNANCE

### The Company's Philosophy on Code of Governance

The Company's Board of Directors' responsibility is to govern the affairs of the Company for achievement of business success and the enhancement of long-term stockholders value with the highest standards of integrity and ethics. The Company's Board also considers the interests of other constituencies including the Company's employees, customers, suppliers and the communities in which it does business. The Company strives to set and achieve high standards of Corporate Governance. "Endeavor to maximization of long-term shareholders wealth" is the edifice on which the Corporate Governance initiative of Valiant is built on. The Company is of the view that transparency in management, best board practices and empowerment of shareholders are essential for maximizing shareholders value.

### Board of Directors

The primary functions of Board of Directors include:

- a. **Strategic and Operational planning:** Reviewing, understanding and approving Valiant's long-term strategic plans and annual operating plans and monitoring the implementation and execution of those plans.
- b. **Financial reporting:** Reviewing, understanding and approving Valiant's financial statements and reports and overseeing the establishment and maintenance of controls, process and procedures to promote accuracy, integrity and clarity in financial and other disclosures.
- c. **Governance, compliance and risk management:** Overseeing the establishment and maintenance of Valiant's governance and compliance processes and procedures to promote the conduct of Valiant's business with the highest standards of responsibility, ethics and integrity.

The policy of the Company is to have an optimum combination of Executive and Non-Executive Directors, to ensure the independent functioning of the Board.

The Board of Directors met four times on 23.05.2014, 12.08.2014, 12.11.2014 and 12.02.2015 during the financial year 2014-2015.

Details of the composition of the Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorships / other committee memberships held during the financial year 2014-2015, are given below:

Name of Directors	Board meetings attended During the year	Directorship in other public limited companies
Sh. I.M. Sood <i>Chairman &amp; Managing Director</i>	4	2
Sh. D.M. Sood <i>Executive Director</i>	4	2
Sh. Gaurav Kaura <i>Independent Non Executive Director</i>	3	-
Sh. Avinash Verma <i>Independent Non Executive Director</i>	4	-
Sh. Sumit Mehta <i>Independent Non Executive Director</i>	4	-
Ms. Neepa Chatterjee <sup>5</sup> <i>Independent Non Executive Director</i>	2	-

<sup>5</sup>Appointed w.e.f. Sep 26<sup>th</sup> 2014

None of the directors holds any committee membership in any other public limited company. All directors of the Company had attended the last Annual General Meeting.

The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Annexure X to Clause 49 is made available to the Board. The Board also reviews the declarations made by the Managing Director and Chief Financial Officer regarding compliance with all applicable laws, on a quarterly basis.

### Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on February 12<sup>th</sup> 2015, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Clause 49 of the Listing Agreement.

All Independent Directors have attended the meeting. Mr. Gaurav Kaura chaired the Meeting.

### Evaluation of Board Performance and Performance of its Committees and of Directors

The criteria of evaluation have been adequately explained in Directors' report.

### Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an independent Audit Committee has been constituted.

The powers, roles and terms of reference of the Audit Committee cover the areas as specified under the Listing Agreement and the Companies Act, 2013, besides other terms as may be referred by the Board. The functions of the Audit Committee include reviewing the Company's financial reporting process, disclosure norms, internal control systems, accounting policies and practices as well as quarterly / half-yearly / yearly financial statements.

It approves the appointment of Chief Financial Officer, recommends appointment of Statutory Auditors, fixes audit fees and reviews matters required to be included in the Directors' Responsibility Statements, review of employees' remuneration packages and its financial implications, disclosures of related party transactions (if any), internal control systems, scope for observations of the auditors and adequacy of the internal audit function.

The members of the Audit Committee met four times on 23.05.2014, 12.08.2014, 12.11.2014 and 12.02.2015 during the financial year 2014-2015.

Details of the composition of the Audit Committee and their attendance at Audit Committee meetings are given below:

Name	Category	Meeting Attended
Sh. Gaurav Kaura	Chairman	3
Sh. Avinash Verma	Member	4
Sh. D.M. Sood	Member	4
Sh. Sumit Mehta	Member	4
Ms. Neepa Chatterjee <sup>5</sup>	Member	2

<sup>5</sup> Appointed w.e.f. September 26<sup>th</sup> 2014

#### Stakeholder Relationship Committee

In terms of Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Shareholders'/ Investors' Grievance Committee was renamed as Stakeholders Relationship Committee with effect from May 23<sup>rd</sup> 2014 with terms of reference prescribed therein.

To focus on the shareholders' grievances towards strengthening investor relations, the Board has constituted the Stakeholder Relationship Committee under the Chairmanship of Mr. Gaurav Kaura, an Independent Non-Executive Director with other Independent Non-Executive Directors namely, Mr. Avinash Verma, Mr. Sumit Mehta, Ms. Neepa Chatterjee, and an Executive Director, Mr. D.M. Sood.

The Company received a total of seven queries regarding change of addresses of shareholders, non-receipt of Annual Report / Dividend Warrant / Transfer of Shares / Dematerialization etc. All complaints were attended to the satisfaction of the investors. There were no pending share transfers at the close of the financial year ended on March 31<sup>st</sup> 2015.

Mr. Manish Kumar, Company Secretary, has been appointed as Compliance Officer within the meaning of Listing Agreement.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of four Independent Non-Executive Directors with the following details:

Name of the member	Category	No. of Meeting Attended
Sh. Gaurav Kaura	Chairman	1
Sh. Avinash Verma	Member	2
Sh. Sumit Mehta	Member	2
Ms Neepa Chatterjee <sup>5</sup>	Member	1

<sup>5</sup> Appointed w.e.f. September 26<sup>th</sup> 2014

The members of the Committee met two times on 23.05.2014 and 12.02.2015 during the financial year 2014-2015.

The broad terms of reference of the committee:

1. Evaluate the performance including extension of contract, of executive directors (EDs). The NRC would set the performance measures of EDs and evaluate their performance annually.
2. Recommend the remuneration for the EDs based on evaluation.
3. Evaluate the performance including extension of the employment of senior management (one level below the Eds).
4. Recommend the remuneration of the senior management based on the evaluation.
5. Evaluate the need for EDs and recommend their appointment.
6. Identify all critical positions in the company among the EDs and senior management and review progress of succession plans.
7. Recommend to the Board the policy relating to the remuneration of directors and key management personnel.
8. Lay down criteria for selecting new non-executive directors (NEDs) based on the requirements of the organization.
9. Carry out evaluation of the performance of the NEDs and defining the system for linking remuneration of NEDs to evaluation.
10. Review succession plan for those NED positions that are likely to be vacant during the year. Review and approve the Code of Conduct for the company.
11. Review and approve the disclosures of the committee in the annual report.
12. Devise a policy relating to human resources, including diversity.
13. Review and modify these terms of reference on a need basis.
14. Any other matter as may be assigned by the Board of Directors.

#### Remuneration Policy

The Remuneration Policy has been adequately explained in Directors' report.

#### Details of Remuneration Paid to Directors

The remuneration of Executive Directors is decided by the Board based on the recommendations of the Remuneration Committee as per remuneration policy, within the ceiling fixed by the shareholders.

Name & Category	Annual Salary	Directors' Fees paid	Service Contract
Sh. I.M. Sood <i>Chairman &amp; Managing Director</i>	2,445,000	Nil	Up to 16/08/2019
Sh. D.M. Sood <i>Executive Director</i>	2,242,000	Nil	Up to 30/11/2019
Ms. Neepa Chatterjee <sup>5</sup> <i>Independent Non Executive Director</i>	Nil	15,000	Not Applicable
Sh. Gaurav Kaura <i>Independent Non Executive Director</i>	Nil	22,500	Not Applicable
Sh. Avinash Verma <i>Independent Non Executive Director</i>	Nil	30,000	Not Applicable
Sh. Sumit Mehta <i>Independent Non Executive Director</i>	Nil	30,000	Not Applicable

<sup>5</sup>Appointed w.e.f. Sep 26<sup>th</sup> 2014

For any termination of contract, the applicable notice period is one month for all Executive Directors.

No stock options have been allotted to any Director(s) during the financial year under consideration.

The Company has no other pecuniary relationship or transactions with Non-Executive Directors.

As on March 31<sup>st</sup> 2015, none of Non-Executive Independent Directors holds any share in the Company.

#### Directors Inter-se Relations

Mr. Inder Mohan Sood, Managing Director and Mr. Davinder Mohan Sood, Director, are brothers. There is no other relationship between directors inter-se.

#### Disclosures

- There were no transactions of the Company which is / are of material nature with its Directors or relatives that may have potential conflict with the interest of the Company at large.
- There were no cases of non-compliance by the Company and no penalties, no strictures were imposed on the Company by the Stock Exchanges or the SEBI or any other statutory authority on any matter related to capital markets, during the last three years.
- The Board has implemented the whistle-blower policy and no personnel has been denied access to the audit committee.
- The Company has complied with all mandatory requirements of Clause 49 of Listing Agreement.

#### Means of Communications

- The quarterly / half yearly / annual financial results are submitted to the Stock Exchanges and published in the leading national daily newspaper *Business Standard*, both in English and in vernacular language.

In addition to the above, the Company's quarterly half-yearly and annual audited financial results and other

statutory filings are also available on [www.bseindia.com](http://www.bseindia.com) and [www.valiantcom.com](http://www.valiantcom.com) i.e., the web portal of the Company.

- Official news releases and presentations made to Institutional Investors and Analysts are posted on the Company's website.
- The Management Discussion and Analysis is a part of Annual Report.

#### General Body Meeting

The details of Annual General Meetings held in the last 3 years are as under:

	Date and Time	Venue
21 <sup>th</sup> Annual General Meeting	September 26 <sup>th</sup> 2014 at 9.30 a.m.	Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110 041
20 <sup>th</sup> Annual General Meeting	September 24 <sup>th</sup> 2013 at 9.30 a.m.	Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110 041
19 <sup>th</sup> Annual General Meeting	September 24 <sup>th</sup> 2012 at 9.30 a.m.	Surbhi Farms, 96/4 Post & Village, Tikri Kalan, New Delhi 110 041

During the previous three years, the Company has passed special resolution(s) in the 20<sup>th</sup> and 19<sup>th</sup> Annual General Meeting; however, the Company had not passed any special resolution during last three years, by way of postal ballot. There is no proposed special resolution to be passed by way of postal ballot.

#### Shareholders' Information

##### a. Annual General Meeting:

The information regarding the 22<sup>nd</sup> Annual General Meeting during the year 2015 is as follows:

Date: September 30<sup>th</sup> 2015  
Day: Wednesday  
Time: at 9.30 a.m.  
Place: 96/4, Post & Village, Tikri Kalan, New Delhi 110 041

##### b. Financial Calendar: 1<sup>st</sup> April to 31<sup>st</sup> March

##### c. Date of Book Closure: Saturday, September 26<sup>th</sup> 2015 to Wednesday, September 30<sup>th</sup> 2015 (both days inclusive)

##### d. Stock Code : Bombay Stock Exchange : 526775 Demat ISIN Number in NSDL & CDSL: INE 760B01019

##### e. Dividend:

Keeping in view the loss suffered by the Company in the financial year under reporting, the Board of Directors finds it prudent to not to propose any dividend for the year under reporting.



#### f. Listing of Shares:

The Stock Exchange on which the Company's equity shares are listed:

#### Bombay Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 01

Listing Fee: The Company has paid, till date, the listing fees of Bombay Stock Exchange, Mumbai, for the year 2014-2015 and 2015-2016.

#### g. Share Transfer System:

The transfer is processed by the Registrar and Share Transfer Agent, Link Intime India (P) Ltd. and approved by Share Transfers Committee. The transfers are normally processed within 10-12 days from the date of receipt, if the document is complete in all respects. The Company's share in electronic form are transferable through the depository system.

#### h. Registrar and Share Transfer Agent:

M/s. Link Intime India (P) Ltd. has been appointed as Registrar & Share Transfer Agent for all works relating to share registry in terms of both physical and electronic modes. All transfers, transmissions, requests related to correspondence / queries, intimation of change of

#### i. Distribution of Shareholding (as on 31<sup>st</sup> March 2015)

No. of equity shares held	No. of Shareholders	% of Shareholders
Up to 250	3,176	69.68
251-500	621	13.62
501-1000	338	7.42
1001-2000	162	3.55
2001-3000	75	1.65
3001-4000	38	0.83
4001-5000	30	0.66
5001-10000	47	1.03
10001 & above	71	1.56
<b>Total</b>	<b>4,558</b>	<b>100.00</b>

No. of equity shares held	No. of Shares held	% of Shares held
Up to 250	325,380	4.51
251-500	252,880	3.50
501-1000	281,132	3.89
1001-2000	251,742	3.49
2001-3000	192,713	2.67
3001-4000	138,821	1.92
4001-5000	140,581	1.94
5001-10000	353,358	4.89
10001 & above	5,286,853	73.19
<b>Total</b>	<b>7,223,460</b>	<b>100.00</b>

address and dividend mandate, etc., should be addressed to our RTA directly at the following address:

LINK INTIME INDIA (P) LTD.  
44, COMMUNITY CENTRE, 2<sup>ND</sup> FLOOR,  
NARAINA INDUSTRIAL AREA, PHASE-I,  
NEAR PVR NARAINA,  
NEW DELHI-110 028.  
TELEPHONE NO. +91-11-4141 0592

#### j. Dematerialisation of Shares and Liquidity:

The Company's equity shares are in the demat trading segment and the Company has established connectivity with both NSDL and CDSL by signing the necessary agreements. As on March 31<sup>st</sup> 2015, 95.93% (previous year: 95.83%) of the outstanding equity shares of the Company have been dematerialized.

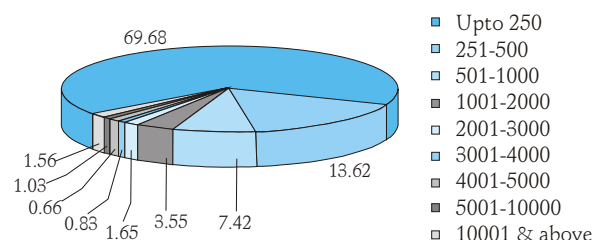
#### k. Address for Factory / Correspondence:

Valiant Communications Ltd.  
71/1, Shivaji Marg,  
New Delhi 110015, India

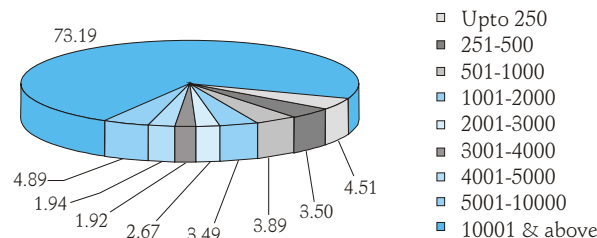
#### l. Compliance Officer:

Mr. Manish Kumar, Company Secretary  
Valiant Communications Ltd.

**Distribution of Shareholders**



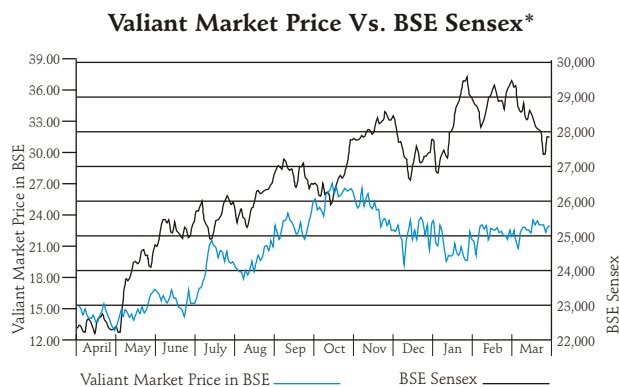
**Distribution of Total Shareholding**





m. Market Price Data: High / Low during each month in financial year 2014-2015\*

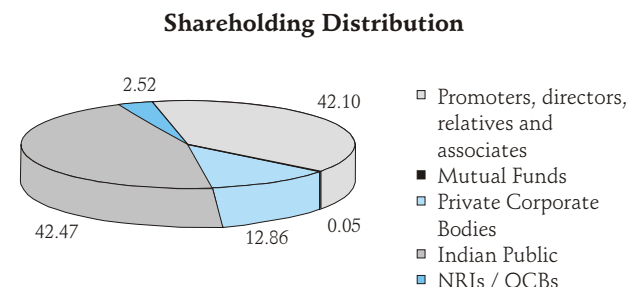
Month	Valiant' market price in BSE	
	High	Low
April	15.75	13.85
May	16.10	12.70
June	18.20	14.75
July	22.65	14.60
August	21.95	18.05
September	26.25	20.00
October	31.00	22.15
November	29.70	23.25
December	27.45	18.50
January	25.15	19.50
February	25.85	20.10
March	25.90	20.10



\*Data Source – official website of Bombay Stock Exchange www.bseindia.com

n. Shareholding Pattern (as on 31-03-2015)\*

Categories	No. of Shares	Shareholding in %
Promoters and , promoters Groups <sup>§</sup>	3,041,356	42.10
Mutual funds	3,900	0.05
Private corporate bodies	929,193	12.86
Indian public	3,067,419	42.47
NRIs/OCBs/FIIs	181,592	2.52
<b>Total</b>	<b>7,223,460</b>	<b>100.00</b>



Note: \*The Company has issued only one class of shares / securities i.e., fully paid-up equity shares.

<sup>§</sup>The entire shareholding of Promoter and Promoter' Group is free from any kind of encumbrance.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Valiant Communications Limited,

We have examined the compliance of the conditions of Corporate Governance by Valiant Communications Limited (the Company) for the year ended March 31<sup>st</sup> 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the 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 an 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, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such 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 and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain (Partner)  
Membership No. 510960

New Delhi, May 16, 2015



## INDEPENDENT AUDITORS' REPORT

To the Members of  
VALIANT COMMUNICATIONS LIMITED,

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Valiant Communications Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2015, the statement of profit and loss and 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters that 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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March 2015 and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the 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 it appears from our examination of those books;
  - c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the contingent liability regarding disputes pending with taxation authorities Refer Note 15.1 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain  
Partner  
Membership No. 510960

New Delhi, May 16, 2015

---

#### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2015, we report that:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
  2. a. The stocks of the finished goods, stores and spare parts have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.  
b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c. The Company has maintained proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of stocks, as compared to book records.
  3. We are informed that the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act.
  4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
  5. The Company has not accepted any deposits from the public.
  6. The Company is not required to maintain cost records as prescribed under Section 148(1) of the Act.
-

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 including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material 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 employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no material dues of wealth tax, sales tax, service tax, duty of customs or duty of excise and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (₹)	Assessment Year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	49,523,788/-	2003-2004 to 2007-08*	Supreme Court
Income Tax Act, 1961	Income tax	6,637,572/-	2008-09	Delhi High Court
Income Tax Act, 1961	Income tax	6,938,270/-	2009-2010	CIT (Appeals)
Income Tax Act, 1961	Income tax	304,860/-	2010-11 & 2011-12	CIT (Appeals)
Income Tax Act, 1961	Income tax	140,050/-	2012-13	CIT (Appeals)

\*The Delhi High Court has also referred back the matters to Income Tax Appellate Tribunal for alternate claims of the Company.

- c. According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. The Company has not taken any loans (either secured or unsecured) from financial institutions or banks or debenture holders.
10. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. The Company did not have any term loans outstanding during the year.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain  
Partner  
Membership No. 510960

New Delhi, May 16, 2015

VALIANT COMMUNICATIONS LIMITED

BALANCE SHEET AS AT

(In ₹)

Particulars	Note No.	31-03-2015	31-03-2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	72,234,600	72,234,600
Reserves & surplus	2	210,594,393	213,344,659
		282,828,993	285,579,259
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	3	-	1,398,114
		-	1,398,114
<b>Current liabilities</b>			
Trade payables	4	3,341,661	6,556,233
Other current liabilities		4,241,676	4,021,970
Short-term provisions		749,897	476,498
		8,333,234	11,054,701
<b>Total</b>		<b>291,162,227</b>	<b>298,032,074</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5		
Tangible assets		43,313,926	40,127,021
Intangible assets		21,292,362	21,969,628
Non-current investments	6	22,175,470	26,705,724
Deferred tax assets (net)	3	448,459	-
Long-term loans and advances	7	7,648,500	4,687,500
		94,878,717	93,489,873
<b>Current assets</b>			
Inventories	8	85,033,600	95,213,950
Trade receivables	9	17,724,549	28,795,833
Cash and cash equivalents	10	82,935,340	70,458,762
Short-term loans and advances	11	10,590,021	10,073,656
		196,283,510	204,542,201
<b>Total</b>		<b>291,162,227</b>	<b>298,032,074</b>
Significant accounting policies	14		
Other notes to accounts	15-25		

As per our report of even date

For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain  
Partner  
Membership No. 510960

New Delhi, May 16, 2015

For and on behalf of the Board

Inder Mohan Sood      Davinder Mohan Sood  
Managing Director      Director-Finance

Manish Kumar  
Company Secretary

New Delhi, May 16, 2015





## VALIANT COMMUNICATIONS LIMITED

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED

(In ₹)

Particulars	Note No.	31-03-2015	31-03-2014
<b>INCOME</b>			
I. Revenue from operations		111,833,636	112,358,827
II. Other income		9,119,972	8,107,242
III. <b>Total revenue (I+II)</b>	12	120,953,608	120,466,069
<b>EXPENSES</b>			
Cost of raw materials consumed		49,502,968	51,486,650
Changes in inventories of finished goods, work-in-progress and stock-in-trade		8,912,548	8,301,253
Employee benefits expenses		26,731,903	24,648,372
Depreciation and amortization expenses		13,243,201	10,902,587
Other expenses		25,800,154	27,945,797
IV. <b>Total expenses</b>	13	124,190,774	123,284,659
V. Profit before exceptional and extraordinary items and tax (III-IV)		(3,237,166)	(2,818,590)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		(3,237,166)	(2,818,590)
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		(3,237,166)	(2,818,590)
X. Tax expenses			
1) Current tax		-	-
2) Deferred tax		(1,846,573)	(805,668)
XI. <b>Net profit/(loss) after tax for the period (IX-X)</b>		(1,390,593)	(2,012,922)
XII. Earning per share (basic and diluted)		(0.19)	(0.28)
XIII. Weighted average number of equity shares		7,223,460	7,223,460
Significant accounting policies	14		
Other notes to accounts	15-25		

As per our report of even date

For and on behalf of

B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain  
Partner  
Membership No. 510960  
New Delhi, May 16, 2015

For and on behalf of the Board

Inder Mohan Sood      Davinder Mohan Sood  
Managing Director      Director-Finance  
  
Manish Kumar  
Company Secretary

New Delhi, May 16, 2015

## VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

(In ₹)

Particulars	31-03-2015	31-03-2014
<b>1. Share capital</b>		
<b>Authorized</b>		
15,000,000 (previous year: 15,000,000) equity shares of ₹ 10/- each	150,000,000	150,000,000
<b>Issued, subscribed and paid-up</b>		
7,223,460 (previous year: 7,223,460) equity shares of ₹ 10/- each fully paid up	72,234,600	72,234,600
<b>Total</b>	<b>72,234,600</b>	<b>72,234,600</b>

**1.1 Reconciliation statement for number of equity shares outstanding**

Equity	31-03-2015		31-03-2014	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
At the beginning of reporting period	7,223,460	72,234,600	7,223,460	72,234,600
Any addition or deduction during the year	-	-	-	-
Outstanding at the end of reporting period	7,223,460	72,234,600	7,223,460	72,234,600

**1.2 Terms/ rights attached to equity shares**

The Company has issued only one class of shares/ securities, i.e., fully paid-up equity shares. Each equity shareholder is entitled to vote one vote per share. The dividend proposed by Board of Directors is subject to the approval of equity shareholders in their ensuing annual general meeting.

In the event of liquidation of Company, the equity shareholders shall be entitled for remaining assets of the Company, after distribution of all preferential amount. The distribution shall be in proportion to the number of shares held by equity shareholders.

**1.3 Details of shareholders holding more than five percent equity shares in the Company**

Name	Category	31-03-2015		31-03-2014	
		No. of shares	% shareholding	No. of shares	% shareholding
Inder Mohan Sood	Promoter	1,041,536	14.42	941,536	13.03
Davinder Mohan Sood	Promoter	1,031,208	14.28	935,058	12.94
Ostrich Estate Private Ltd.	Non-promoter	410,000	5.68	410,000	5.68

## VALIANT COMMUNICATIONS LIMITED

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**

(In ₹)

<b>Particulars</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>2. Reserves &amp; surplus</b>		
<i>Securities premium account</i>		
Balance as per last financial statement	89,676,647	89,676,647
Addition / deduction	-	-
Closing balance	<u>89,676,647</u>	<u>89,676,647</u>
<i>Capital redemption reserve</i>		
Balance as per last financial statement	14,221,400	14,221,400
Addition / deduction	-	-
Closing balance	<u>14,221,400</u>	<u>14,221,400</u>
<i>Surplus in statement of profit and loss account</i>		
Balance as per last financial statement	109,446,612	111,459,534
Add: Profit/ (loss) for the year	(1,390,593)	(2,012,922)
Less: Transition provision of depreciation (refer note 5)	(1,359,673)	-
Closing balance	<u>106,696,346</u>	<u>109,446,612</u>
<b>Total</b>	<b><u>210,594,393</u></b>	<b><u>213,344,659</u></b>
<b>3. Deferred tax assets / liabilities</b>		
Depreciation and amortization	2,720,466	3,489,886
Gross deferred tax liability	<u>2,720,466</u>	<u>3,489,886</u>
Less:		
Unabsorbed depreciation carried forward	2,937,207	1,944,534
Expenditure under Section 43B of Income Tax Act	231,718	147,238
Gross deferred tax asset	<u>3,168,925</u>	<u>2,091,772</u>
<b>Deferred tax liabilities (net)</b>	<b>-</b>	<b><u>1,398,114</u></b>
<b>Deferred tax assets (net)</b>	<b><u>448,459</u></b>	<b>-</b>
<b>4. Current liabilities</b>		
Trade payables	3,341,661	6,556,233
<i>Other current liabilities</i>		
Advances from customers	3,313,702	2,817,308
Tax deduction at source (TDS) payable	346,021	446,702
Unpaid dividend	581,953	757,960
	<u>4,241,676</u>	<u>4,021,970</u>
<i>Short-term provisions</i>		
Provision for gratuity	348,847	155,730
Provision for short-term employees benefits	401,050	320,768
	<u>749,897</u>	<u>476,498</u>
<b>Total</b>	<b><u>8,333,234</u></b>	<b><u>11,054,701</u></b>

VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

(In ₹)

5. Fixed assets

Description	GROSS BLOCK			DEPRECIATION & AMORTIZATION			NET BLOCK			
	As at 01-04-2014	Additions	Deductions	Total upto 31-03-2015	Total upto 31-03-2014	Depreciation for the year	Transition Depreciation*	Accumulated Depreciation upto 31-03-2015	Total as at 31-03-2014	Total as at 31-03-2015
<b>Tangible Assets</b>										
Building	18,106,657	-	-	18,106,657	2,982,040	592,132	-	3,574,172	15,124,617	14,532,485
Plant & Machinery	18,770,720	87,132	-	18,857,852	15,253,794	291,293	-	15,545,087	3,516,926	3,312,765
Electric Installations	858,323	-	-	858,323	498,473	84,825	-	583,298	359,850	275,025
Office Equipment	3,335,607	13,230	-	3,348,837	2,051,837	166,515	933,883	3,152,235	1,283,770	196,602
Air Conditioner	1,117,633	580,932	-	1,698,565	568,946	86,319	-	655,265	548,687	1,043,300
Generator Set	732,487	-	-	732,487	399,920	32,873	-	432,793	332,567	299,694
Vehicles	5,729,336	4,517,691	-	10,247,027	2,766,104	736,900	187,389	3,690,393	2,963,232	6,556,634
Tools & Dies	1,945,663	24,525	-	1,970,188	1,622,540	25,505	-	1,648,045	323,123	322,143
Testing Equipment	22,149,545	3,407,507	-	25,557,052	8,609,195	1,387,720	-	9,996,915	13,540,350	15,560,137
Furniture & Fixtures	3,696,961	-	-	3,696,961	2,800,583	161,844	-	2,962,427	896,378	734,534
Computer	4,242,844	157,932	-	4,400,776	3,005,323	676,445	238,401	3,920,169	1,237,521	480,607
	80,685,776	8,788,949	-	89,474,725	40,558,755	4,242,371	1,359,673	46,160,799	40,127,021	43,313,926
<b>Intangible Assets</b>										
Software	8,689,319	585,137	-	9,274,456	8,331,435	154,830	-	8,486,265	357,884	738,191
Technical Know-How	70,039,333	7,788,427	-	77,827,760	48,427,589	8,846,000	-	57,273,589	21,611,744	20,554,171
	78,728,652	8,323,564	-	87,052,216	56,759,024	9,000,830	-	65,759,854	21,969,628	21,292,362
<b>Total</b>	<b>159,414,428</b>	<b>17,112,513</b>	<b>-</b>	<b>176,526,941</b>	<b>97,317,779</b>	<b>13,243,201</b>	<b>1,359,673</b>	<b>111,920,653</b>	<b>62,096,649</b>	<b>64,606,288</b>
Previous year	144,739,381	15,414,646	739,599	159,414,428	87,001,382	10,902,587	-	97,317,779	57,737,999	62,096,649

\* Pursuant to the Companies Act, 2013 (the Act) being effective from April 1<sup>st</sup> 2014, the depreciation charge for the financial year under reporting is higher by ₹ 198,751/-. In respect of assets whose life has already exhausted as on April 1<sup>st</sup> 2014, depreciation of ₹ 1,359,673/- has been adjusted in surplus profit and loss account in accordance with the requirement of Schedule II of the Act.

Particulars	Face value of each	31-03-2015	31-03-2014
<b>6. Non-current investments</b>			
Long-term (at cost) investments in equity instruments			
a) Trade investments in subsidiaries (unquoted, fully paid up):			
i) Valiant Communications (UK) Limited, United Kingdom; 225,000 (previous year: 225,000) ordinary shares	£ 1.00	17,758,130	17,758,130
ii) Valiant Infrastructure Ltd., India; 201,287 (previous year: 201,287) equity shares	₹ 10.00	2,012,870	2,012,870
		19,771,000	19,771,000
b) Non-trade investments (unquoted, fully paid up, other than in subsidiaries, associates, joint ventures and controlled special purpose entities)			
i) Alcoa Inc., United States of America nil (previous year: 6,000) common stock	US\$ 1.00	-	4,530,254
ii) United States Steel Corporation, United States of America 1,100 (previous year: 1,100) common stock	US\$ 1.00	2,404,470	2,404,470
		2,404,470	6,934,724
<b>Total</b>		<b>22,175,470</b>	<b>26,705,724</b>

## VALIANT COMMUNICATIONS LIMITED

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**

(In ₹)

<b>Particulars</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>7. Long-term loans &amp; advances</b>		
<i>(Unsecured but considered good to other than related parties)</i>		
Capital advances	7,626,500	4,665,500
Security deposit	22,000	22,000
<b>Total</b>	<b>7,648,500</b>	<b>4,687,500</b>
<b>8. Inventories</b> <i>(Valued at lower of cost or net realizable value)</i>		
Raw material	64,273,546	65,541,348
Work-in-progress	20,760,054	29,672,602
<b>Total</b>	<b>85,033,600</b>	<b>95,213,950</b>
<b>9. Trade receivables</b> <i>(Unsecured, but considered good)</i>		
Debts (outstanding for less than six months)	17,724,549	28,795,833
<b>Total</b>	<b>17,724,549</b>	<b>28,795,833</b>
<b>10. Cash &amp; cash equivalents</b>		
Cash on hand	203,814	63,153
<i>Balances with banks*</i>		
Current accounts	15,692,848	6,636,080
Deposits	67,038,678	63,759,529
<b>Total</b>	<b>82,935,340</b>	<b>70,458,762</b>
*It includes:		
Restricted bank balance (unpaid dividend accounts)	581,953	757,960
Deposits with more than 12 months maturity	913,206	-
Deposits held as security against bank guarantee(s)	4,408,467	-
<b>11. Short-term loans &amp; advances</b>		
<i>(Unsecured but considered good to other than related parties)</i>		
Sundry advances to suppliers	2,228,867	3,032,563
Earnest money deposits	210,000	-
Tax deducted at source	591,356	626,930
Advance income and other taxes	6,687,913	6,008,699
Prepaid expenses	871,885	405,464
<b>Total</b>	<b>10,590,021</b>	<b>10,073,656</b>
<b>12. Revenue</b>		
<i>Revenue from operations</i>		
Sales (exports)	111,833,636	112,358,827
<i>Other Income</i>		
Bank interest	5,906,608	6,246,774
Dividend income*	24,113	57,660
Net gain on sale of investments*	1,294,121	-
Net gain/(loss) on foreign currency transaction & translation	1,440,545	1,619,686
Other non-operating income (net of expenses directly attributable to such income)	454,585	183,122
	9,119,972	8,107,242
<b>Total</b>	<b>120,953,608</b>	<b>120,466,069</b>

\*The income is from non-current and non-trade investments in non-subidiaries.



VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

(In ₹)

Particulars	31-03-2015	31-03-2014
<b>13. Expenses</b>		
<b>Cost of raw material consumed</b>		
Opening stock	65,541,348	67,466,615
Add : Purchases	48,235,166	49,561,383
Less : Closing stock	(64,273,546)	(65,541,348)
	49,502,968	51,486,650
<b>Changes in inventories of work-in-progress (semi-finished)</b>		
Opening stock	29,672,602	37,973,855
Less : Closing stock	(20,760,054)	(29,672,602)
(Increase) / decrease in inventories	8,912,548	8,301,253
<b>Employee benefits expenses</b>		
Salary, wages and bonus	24,844,528	23,098,865
Contribution to provident and other funds	847,668	580,344
Staff welfare	1,039,707	969,163
	26,731,903	24,648,372
<b>Depreciation and amortization expenses</b>		
Depreciation on tangible assets	4,242,371	3,748,232
Amortization of intangible assets	9,000,830	7,154,355
	13,243,201	10,902,587
<b>Other expenses</b>		
Consumption of stores and spare parts	677,886	725,357
Power & fuel	1,409,076	1,211,530
Repairs to machinery	93,503	176,477
Repairs to building	304,413	429,319
Other manufacturing expenses	3,211,139	2,050,926
Loss on sale of fixed assets	-	46,743
Rent	720,000	720,000
Rates & taxes, excluding taxes on income	25,107	76,433
Postage, phones & grams	714,092	781,739
Product testing & quality certification	1,026,518	1,081,382
Printing & stationery	1,128,543	731,418
Traveling	2,135,413	5,458,622
Insurance	166,353	203,691
Advertisement	693,432	496,916
Office general expenses	415,958	448,869
Vehicle repair & maintenance	709,099	810,003
Freight & cartage	4,946,454	4,667,592
Books & periodicals	10,880	13,731
Charity and donation	36,000	36,000
Security	878,400	792,905
Miscellaneous	200,597	376,199
Auditors remuneration	660,000	660,000
Bank charges	380,813	315,297
Legal & professional	3,756,599	4,017,315
Packing & forwarding	1,469,652	1,584,623
Business promotion	30,227	32,710
	25,800,154	27,945,797
<b>Total</b>	<b>124,190,774</b>	<b>123,284,659</b>

VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

**14. SIGNIFICANT ACCOUNTING POLICIES**

**a. Accounting assumption**

The financial statements are drawn up in accordance with the historical cost convention on accrual basis and comply with the accounting standards referred to in Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

**b. Employees benefits**

The Company has adopted Accounting Standard 15 (Revised 2005) issued by the Institute of Chartered Accountants of India (ICAI) on 'Employees Benefits'. Accordingly, the Company has provided for liability on account of all following employees benefits available to the employees in accordance with the applicable rules, regulations, laws and employees benefits policy of the Company.

- i) Provident fund is a defined contribution scheme and the contributions are charged to the profit & loss account of the year when the contributions to the government funds are due.
- ii) Gratuity liability is a defined benefit obligation and provided for on the basis of an actuarial valuation as per projected unit credit method, made at the end of each financial year. The Company has taken a policy with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and premium paid to the LIC is charged to Profit and Loss Account. The difference between the actuarial valuation of the gratuity liability of the employees at the year end and the balance of funds with LIC is provided for as liability in the books.
- iii) Employees are entitled to short-term compensated absences, which are provided for on the basis of estimates.
- iv) Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

**c. Fixed assets**

All fixed assets including intangible assets are stated at cost of acquisition less accumulated depreciation. Cost includes inward freight, duties, taxes and expenses incidental to acquisition and installation.

In accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India, consideration is given at the date of balance sheet to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets to recognize impairment loss. However, during the financial year under reporting, there is no indication which gives an expression of impairment loss in carrying amount of the Company's fixed assets.

**d. Depreciation and amortization**

Depreciation on fixed assets has been provided on straight line method at the rates prescribed in Schedule II of the Companies Act, 2013, except for intangible assets, which are amortized over the respective individual estimated useful lives on a straight line basis, commencing from the date, the asset is put to use by the Company. Depreciation on additions/ deletions is provided on pro-rata basis from/ to the date of additions / deletions. The management estimates the useful lives for intangible assets as follows:

Technical know-how	:	4 years
Software	:	6 years

**e. Inventories valuation**

Inventories include raw material and semi finished goods. Inventories have been valued at cost or net realizable value, whichever is lower. The cost is calculated on first-in-first-out (FIFO) basis.

**f. Transactions of foreign currencies**

All transactions in foreign currency during the year are recorded at the rates of exchange prevailing on the date when the relevant transaction took place. Loss/Gain arising on settlement of such transactions is accounted for in the year of settlement. Monetary assets and liabilities are converted into functional currency i.e., INR, at the rate of exchange prevailing at balance sheet date and the exchange rate fluctuation is recognized as gain or loss on unrealized exchange rate fluctuation.

**g. Investments**

As per the Accounting Standard 13 issued by the Institute of Chartered Accountants of India, investments of a long-term nature are stated at cost. Current investments are valued at lower of cost and fair value.

**h. Revenue recognition**

Sale is recognized, when the significant risks and rewards of the ownership of the goods are transferred to the customer and is stated if applicable, net of trade discounts, duties and taxes. Other income is accounted for on accrual basis.

**i. Income tax**

Provision for current income tax liability is made on estimated taxable income under Income Tax Act, 1961 after considering permissible tax exemptions, deductions and allowances. The Minimum Alternate Tax (MAT) if payable in accordance with the tax laws, which gives rise to future benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Deferred assets are recognized only if there is reasonable certainty that

VALIANT COMMUNICATIONS LIMITED  
**NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**

they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**j. Lease**

Operating lease payments are recognized as an expense on straight line basis over the term of the lease.

**k. Contingent liabilities and provisions**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. A disclosure is made for possible or present obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements.

**l. Use of estimates**

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, the management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of

revenues and expenses during the reporting period. Any revision to accounting estimates is recognized prospectively in current and future periods.

**m. Earning per share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**n. Segment reporting**

The Company's operating geographical business segment is based on the locations of customers. Allocable costs are allocated to each segment in proportion to the relative sales of each segment. All the common income, expenses, assets and liabilities, which are not possible to be allocated to different segments, are treated as un-allocable items.

**15. Contingent liabilities and commitments**

(In ₹)

Particulars	31-03-2015	31-03-2014
<b>15.1 Contingent liabilities (not provided for)</b>		
Income-tax matter in dispute	63,544,540	63,404,490
Any other contingent liability	359,598	359,598
<b>Total</b>	<b>63,904,138</b>	<b>63,764,088</b>

The Income Tax Department, in all its notices of demand, has challenged the validity of the approval and registration granted by Software Technology Park of India (STPI), Ministry of Communications, to the Company as a 100% Export Oriented Unit (EOU) under the Electronic Hardware Technology Park (EHTP) Scheme for the purpose of grant of any relief under the Income Tax Act, 1961.

On appeals filed by the Income Tax Department, the Hon'ble Delhi High Court has reversed the erstwhile orders of Income Tax Appellate Tribunal (ITAT), Delhi, and referred back the matters to the ITAT to examine alternate claims of Company. The ITAT has further restored the matter to the Assessing Officer to assess the alternate claims of the Company with its observations.

The Company has also filed special leave petitions before the Hon'ble Supreme Court against the order of the Hon'ble Delhi High Court, which is sub-judice as at reporting date.

The other contingent liability represents the demand of Central Excise Department for charges of Cost Recovery Officer. The Company has filed an appeal before the Tribunal, as no such officer was ever appointed by the Revenue Department.

Based on the decisions of appellate authorities given in favour of Company and legal opinion taken by the Company and discussions with the solicitors, the Company believes that there is fair chance of decisions in favor of the Company in respect of items listed above, hence, no provision is considered necessary against the same.

VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

**15.2 Commitments**

In view of loss suffered by the Company in the financial year under reporting, the Board of Directors finds it prudent not to propose any dividend for the year under reporting.

**16. Auditor's remuneration**

(In ₹)

	31-03-2015	31-03-2014
Statutory audit fee	175,000	175,000
Certification charges	50,000	50,000
Income tax representation	310,000	310,000
Tax audit	125,000	125,000
Service tax	-	-
<b>Total</b>	<b>660,000</b>	<b>660,000</b>

In the financial year under reporting, the Company is entitled for CENVAT credit on service tax charged by auditors; hence, the amount of service tax is not recognized as an expense.

**17. Additional information under Schedule III of the Companies Act, 2013**

(In ₹)

Particulars	31-03-2015	31-03-2014
a) Consumption of raw material		
Electronic components	45,912,757	46,569,367
Hardware	3,590,211	4,917,283
	<u>49,502,968</u>	<u>51,486,650</u>
b) Purchases of raw material		
Electronic components	44,948,488	45,056,187
Hardware	3,286,678	4,505,196
	<u>48,235,166</u>	<u>49,561,383</u>
c) Work-in-progress		
Electronic cards	20,760,054	29,672,602
d) Earning in foreign currency		
Value of Exports (FOB)		
i) Telecom transmission equipment / cards	108,173,257	109,042,803
ii) Others	-	-
Dividend received	24,113	57,660
	<u>108,197,370</u>	<u>109,100,463</u>
e) Expenditure in foreign currency		
Raw material	34,232,066	31,638,935
Capital goods	3,197,886	224,450
Total Import (CIF)	<u>37,429,952</u>	<u>31,863,385</u>
Traveling expenses	922,587	1,568,876
	<u>38,352,539</u>	<u>33,432,261</u>

## VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

(In ₹)

Particulars	31-03-2015	31-03-2014
f) Value of raw materials, spares parts and components consumed		
Raw material		
Imported [68.32% (previous year: 72.78%)]	33,820,428	37,471,985
Indigenous [31.68% (previous year: 27.22%)]	15,682,540	14,014,665
	<u>49,502,968</u>	<u>51,486,650</u>
Stores & Spares		
Imported [0.00% (previous year: 0.00%)]	-	-
Indigenous [100.00% (previous year: 100.00%)]	677,886	725,357
	<u>677,886</u>	<u>725,357</u>
<b>18. Segmentwise revenue &amp; results</b>		
<b>Revenue by geographical segment</b>		
USA	34,808,453	42,346,266
Europe	6,228,300	2,298,026
Rest of the world	70,796,883	67,714,535
Total	<u>111,833,636</u>	<u>112,358,827</u>
Less : Inter segment revenue	-	-
Net sales/ revenue from operation	<u>111,833,636</u>	<u>112,358,827</u>
<b>Profit/(loss) before tax and interest by geographical segment</b>		
USA	16,626,502	19,813,150
Europe	2,974,991	1,075,210
Rest of the world	33,816,627	31,682,564
Total	<u>53,418,120</u>	<u>52,570,924</u>
Less : Interest	-	-
Less : Other unallocable expenditure	65,775,258	63,496,756
Add: Other unallocable income	9,119,972	8,107,242
Profit before tax	<u>(3,237,166)</u>	<u>(2,818,590)</u>

## Note:

The Company is a 100% Export Oriented Unit with its sole manufacturing unit being located at New Delhi. The above segment revenue and results are being identified on the basis of geographical markets. The fixed assets used in the Company's business cannot be specifically identified with any geographical segment. The management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a segregation of capital employed on segment basis, is not possible.

**19. Employees benefits**

The Company has a defined benefit gratuity plan with the Life Insurance Corporation of India (LIC) in the form of a qualifying insurance policy. Eligible employees are entitled for gratuity in accordance with the provisions of the Payment of Gratuity Act, 1972, including any statutory modifications or re-enactment thereof.

The following tables are the components of net benefit expenses in the profit & loss account, funded status and amounts recognized in the balance sheet:



## VALIANT COMMUNICATIONS LIMITED

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**

(In ₹)

<b>Particulars</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>Gratuity Scheme</b>		
<b>Changes in present value of defined benefit obligation</b>		
Opening defined benefit obligation	4,207,716	4,091,128
Interest cost	383,590	319,509
Current service cost	283,260	233,296
Benefits paid	-	(1,000,000)
Net actuarial (gain)/ loss on obligation	179,958	563,783
Closing defined benefit obligation	5,054,524	4,207,716
<b>Changes in fair value of plan assets</b>		
Opening fair value of plan assets	4,051,986	4,453,339
Expected return	354,549	400,801
Contribution by employer	298,392	233,296
Benefits paid	-	(1,000,000)
Net actuarial gain/ (loss)	750	(35,450)
Closing fair value of plan assets	4,705,677	4,051,986
<b>Plan assets/ (liability) recognized in the balance sheet</b>	(348,847)	(155,730)
<b>Net employee benefit expenses (recognized in profit &amp; loss account)</b>		
Current service cost	283,260	233,296
Interest cost on benefit obligation	383,590	319,509
Expected return on plan assets	(354,549)	(400,801)
Net actuarial (gain)/ loss recognized in the year	179,208	599,233
Net benefit expense	491,509	751,237
Actual return on plan assets	358,579	365,351
<b>Constitution of the fair value of total plan assets</b>		
Investments with insurer	100%	100%
<b>Principal actuarial assumptions</b>		
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	8.75%	9.00%
Mortality Rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
<b>Contribution to defined contribution plan</b>		
Provident fund	698,139	429,598

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Company expects to contribute ₹ 970,000/- approximately to gratuity in financial year 2015-2016. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

Current and previous years's figures as required to be disclosed under Para 120(n) of Accounting Standard 15, are as follows:

(In ₹)

Gratuity Scheme	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Defined benefit obligation	(5,054,524)	(4,207,716)	(4,091,128)	(3,604,358)	(3,178,351)
Plan Assets	4,705,677	4,051,986	4,453,339	3,913,055	3,335,571
Surplus (deficit)	(348,847)	(155,730)	362,211	308,697	157,220
Experience adjustments on plan liabilities	(179,958)	(563,783)	35,328	27,355	(1,017,525)
Experience adjustments on plan assets	750	(35,450)	11,439	9,819	(13,284)

**20. Foreign currency exposures**

During the financial year under reporting and preceding financial year, the Company did not enter in any transaction of foreign currency derivatives to hedge its exposure in foreign currencies.

Details of foreign currency unhedged exposures as at balance sheet date:

(In ₹)

Particulars	Currency	31-03-2015	31-03-2014
Creditors	US\$	445,522	2,761,575
Creditors	GBP	559,378	-
Debtors	US\$	17,791,643	28,958,192
Advances paid	US\$	1,597,985	2,843,632
Advances received	US\$	3,313,702	2,817,308
Bank balance	US\$	9,779,314	1,566,561

**21. Related parties disclosure**

Name	Relationship	Transaction details
Valiant Communications (UK) Limited, UK	Subsidiary	Sale of goods of ₹1,824,619 (previous year: nil)
Valiant Infrastructure Limited, India	Subsidiary	Nil (previous year: nil)
Mr. Inder Mohan Sood	Key Managerial Personnel	Salary and other employees benefits of ₹
Mr. Davinder Mohan Sood	Key Managerial Personnel	4,687,000/- (previous year: ₹ 5,296,688/-).
Mr. Anil Tandon*	Key Managerial Personnel	

\*Resigned w.e.f. 30/11/2013

Apart from given disclosures, no transaction was recorded between the Company and any related party mentioned in Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

**22. Lease**

The Company has executed a cancelable operating lease agreement with rent payable on a monthly basis, for industrial purpose as defined under the provisions of Accounting Standard 19, issued by the Institute of Chartered Accountants of India. The Company has recognized all operating lease payments as an expense on a straight line basis over the term of lease. The Company has no obligation to pay any contingent rent. The lease is renewable at the sole option of the Company.

The rental expenses of ₹ 720,000/- (previous year: ₹ 720,000/-) in respect of obligation under operating lease(s), have been recognized in the profit & loss account.



VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2015

**23. Other disclosures:**

- During the last five years immediately preceding the date as at the balance sheet is prepared, the Company had bought-back 297,140 equity shares pursuant to the approval of Board of Directors of the Company.
- The unquoted non-trade investments are listed at overseas stock exchange(s) and based on the closing prices as at the reporting date, their market value is ₹ 1,679,916/- (previous year: ₹ 6,466,219/-).
- The export sales figures includes the export sale of products of ₹ 111,833,636/- (previous year: ₹ 109,928,827/-) and the incidental export sale of services of Nil (previous year: ₹ 2,430,000/-).
- During the financial year under reporting, no interest was paid by the Company in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006. Further, all the payments were made to the suppliers on or before appointed day.
- During the financial year under reporting, no interest was paid by the Company in accordance with the provisions of the payable during the reporting year and preceding years in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.
- During the financial year, there is no reportable amount of interest due and payable, accrued and remaining unpaid, small enterprises supplier, to whom the Company owes dues, which are outstanding beyond prescribed period as at the balance sheet date.
- As at the balance sheet date, in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006. the Company has the following unpaid amount, categorized as current liability in balance sheet, to :

Particulars	(In ₹)	
	31-03-2015	31-03-2014
Total outstanding dues including interest, of creditors other than micro and small enterprises	1,473,210	5,038,517
Total outstanding dues including interest, of micro and small enterprises	-	-

- The comparative figures for the previous year have been rearranged, wherever required, to conform to the revised presentation of accounts.
- Notes to financial statements form an integral part of financial statements.

As per our report of even date

For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain  
Partner  
Membership No. 510960

New Delhi, May 16, 2015

For and on behalf of the Board

Inder Mohan Sood                      Davinder Mohan Sood  
Managing Director                      Director-Finance

Manish Kumar  
Company Secretary

New Delhi, May 16, 2015

VALIANT COMMUNICATIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

(In ₹)

Particulars	31-03-2015	31-03-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	(3,237,166)	(2,818,590)
Adjustment for		
Depreciation and amortization	13,243,201	10,902,587
(Profit)/loss on sale of fixed assets	-	46,743
Bank interest	(5,906,608)	(6,246,774)
Net gain on sale of investments	(1,294,121)	-
Dividend income	(24,113)	(57,660)
Net (gain)/Loss on foreign currency translation	(1,440,545)	(1,619,686)
	<u>4,577,814</u>	<u>3,025,210</u>
<b>Operating profit before working capital changes</b>	1,340,648	206,620
Adjustment for		
Trade & other receivables	10,554,918	(14,299,088)
Inventories	10,180,350	10,226,520
Trade and other payables	(2,721,466)	(3,569,008)
<b>Cash generated from operations</b>	<u>19,354,450</u>	<u>(7,434,956)</u>
Interest paid	-	-
Direct taxes	-	-
<b>Net cash generated from operating activities</b>	<b>19,354,450</b>	<b>(7,434,956)</b>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(17,112,513)	(15,414,646)
Sale of fixed assets	-	106,666
Sale of investments	5,824,375	-
Long-term loans and advances	(2,961,000)	3,013,065
Intangible assets under development	-	-
Dividend income	24,113	57,660
Bank interest	5,906,608	6,246,774
<b>Net cash generated from investing activities</b>	<b>(8,318,417)</b>	<b>(5,990,481)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash generated from financing activities</b>	-	-
Net gain/(loss) on foreign currency translation	1,440,545	1,619,686
<b>Net increase in cash and cash equivalents</b>	<b>12,476,578</b>	<b>(11,805,751)</b>
Cash and cash equivalents (opening balance)	70,458,762	82,264,513
<b>Cash and cash equivalents (closing balance)</b>	<b>82,935,340</b>	<b>70,458,762</b>

**Note:** The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

As per our report of even date  
For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

For and on behalf of the Board

Inder Mohan Sood  
Managing Director

Davinder Mohan Sood  
Director-Finance

Manish Kumar  
Company Secretary

Alok Jain (Partner)  
Membership No. 510960  
New Delhi, May 16, 2015

New Delhi, May 16, 2015



**VALIANT COMMUNICATIONS LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31-03-2015**

---



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
VALIANT COMMUNICATIONS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Valiant Communications Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2015, and the consolidated profit/loss and its consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of Valiant Communications (UK) Limited, a foreign subsidiary, whose financial statements reflect total assets of ₹ 34,851,126/- as at 31<sup>st</sup> March, 2015, total turnover of ₹ 8,594,989/- and net cash flows

amounting to ₹ 22,916,208/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited under the provisions of 477 of English Companies Act, 2006 and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and our report in terms of sub-section (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on the Management certification.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors reports of the Company and its subsidiary companies, we give in the Annexure 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the consolidated 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 the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Company and its subsidiary companies incorporated in India, none of the directors of the Company and its subsidiary companies incorporated in India, is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Group have appropriately disclosed the contingent liability regarding disputes pending with taxation authorities in their respective standalone financial statements;
    - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies.

For and on behalf of  
 B. AGGARWAL & CO.  
 Chartered Accountants  
 Firm Registration No. 004706N

Alok Jain  
 Partner  
 Membership No. 510960

New Delhi, May 16, 2015

### **Annexure to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

We report that:

1. In respect of the fixed assets of the Company and its subsidiary companies incorporated in India:
  - a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the respective entities and nature of the assets. No material discrepancies were noticed on such verification.

2. In respect of its inventories of the Company and its subsidiary companies incorporated in India:
  - a) The stocks of the finished goods, stores and spare parts have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the respective entities and the nature of their business.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - c) The respective entities have maintained proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of stocks, as compared to book records.
3. The Company and its subsidiary incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system in the Company and its subsidiary, commensurate with the size of the respective entities and the nature of their business with regard to purchase of inventory and fixed assets and sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
5. The Company and its subsidiary incorporated in India have not accepted any deposits during the year in terms of the provisions of Section 73 and 76 or any other relevant provisions of the Companies act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
6. The Company and its subsidiary incorporated in India is not required to maintain cost records as prescribed under Section 148(1) of the Act.
7. In respect of statutory dues of the Company and its subsidiary companies incorporated in India:
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the respective entities, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the respective entities with the appropriate authorities. As explained to us, the respective entities did not have any dues on account of employees' state insurance and duty of excise.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us, there are no material dues of wealth tax, sales tax, service tax, duty of customs or duty of excise and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the dues of income tax have not been deposited as at March 31<sup>st</sup>, 2015 on account of disputes, as disclosed in our report of even date for financial statements on stand-alone basis.
  - d) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
8. The Group does not have consolidated accumulated losses at the end of the financial year and the Group has not incurred cash losses on a consolidated basis during the financial year and in the immediately preceding financial year.
9. The Company and its subsidiary companies incorporated in India have not taken any loans (either secured or unsecured) from financial institutions or banks or debenture holders.
10. In our opinion and according to the information and the explanations given to us, the Company and its subsidiary companies incorporated in India have not given any guarantee for loans taken by others from banks or financial Institutions.
11. The Company and its subsidiary companies incorporated in India did not avail any term loans during the year.
12. According to the information and explanations given to us, no material fraud on or by the Company and its subsidiary companies Incorporated in India have been noticed or reported during the course of our audit.

For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain  
Partner  
Membership No. 510960

New Delhi, May 16, 2015



## VALIANT COMMUNICATIONS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT

(In ₹)

Particulars	Note No.	31-03-2015	31-03-2014
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	1	72,234,600	72,234,600
Reserves & surplus	2	<u>220,398,634</u>	<u>223,235,449</u>
		292,633,234	295,470,049
<b>Minority interest</b>		1,244,832	1,222,678
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	3	-	<u>1,398,114</u>
		-	1,398,114
<b>Current liabilities</b>			
Trade Payables	4	9,436,790	7,020,686
Other current liabilities		4,241,676	4,021,970
Short-term provisions		<u>941,019</u>	<u>504,138</u>
		14,619,485	11,546,794
<b>Total</b>		<b><u>308,497,551</u></b>	<b><u>309,637,635</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5		
Tangible assets		43,313,926	40,127,021
Intangible assets		21,292,362	21,969,628
Non-current investments	6	7,122,380	12,029,746
Deferred tax assets (net)	3	448,459	-
Long-term loans and advances	7	<u>7,998,500</u>	<u>5,037,500</u>
		80,175,627	79,163,895
<b>Current assets</b>			
Inventories	8	85,033,600	95,213,950
Trade receivables	9	23,407,838	28,795,833
Cash and cash equivalents	10	109,253,717	96,160,328
Short-term loans and advances	11	<u>10,626,769</u>	<u>10,303,629</u>
		228,321,924	230,473,740
<b>Total</b>		<b><u>308,497,551</u></b>	<b><u>309,637,635</u></b>
Significant accounting policies	14		
Other notes to accounts	15-24		

As per our report of even date  
For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain  
Partner  
Membership No. 510960  
New Delhi, May 16, 2015

For and on behalf of the Board

Inder Mohan Sood      Davinder Mohan Sood  
Managing Director      Director-Finance

Manish Kumar  
Company Secretary

New Delhi, May 16, 2015

VALIANT COMMUNICATIONS LIMITED

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED

(In ₹)

Particulars	Note No.	31-03-2015	31-03-2014
<b>INCOME</b>			
I. Revenue from operations		119,033,741	112,358,827
II. Other income		12,134,626	6,528,588
III. <b>Total revenue (I+II)</b>	12	131,168,367	118,887,415
<b>EXPENSES</b>			
Cost of raw materials consumed	13	49,502,968	51,486,650
Purchases of stock-in-trade		5,474,095	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	13	8,912,548	8,301,253
Employee benefits expenses	13	28,321,897	24,648,372
Depreciation and amortization expenses	13	13,243,201	10,902,587
Other expenses	13	26,734,025	28,588,112
IV. <b>Total expenses</b>		132,188,734	123,926,974
V. Profit before exceptional and extraordinary items and tax (III-IV)		(1,020,367)	(5,039,559)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		(1,020,367)	(5,039,559)
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		(1,020,367)	(5,039,559)
X. Tax expenses			
1) Current tax		191,111	(164,682)
2) Deferred tax		(1,846,573)	(805,668)
XI. Net profit/(loss) after tax, but before minority interest (IX-X)		635,095	(4,069,209)
XII. Minority interest		22,153	23,148
XIII. <b>Net profit/(loss) after tax for the period (XI-XII)</b>		612,942	(4,092,357)
XIV. Earning per share (basic and diluted)		0.08	(0.57)
XV. Weighted average number of equity shares		7,223,460	7,223,460
Significant accounting policies	14		
Other notes to accounts	15-24		

As per our report of even date  
For and on behalf of

B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain  
Partner  
Membership No. 510960  
New Delhi, May 16, 2015

For and on behalf of the Board

Inder Mohan Sood      Davinder Mohan Sood  
Managing Director      Director-Finance

Manish Kumar  
Company Secretary

New Delhi, May 16, 2015





## VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2015

(In ₹)

Particulars	31-03-2015	31-03-2014
<b>1. Share capital</b>		
<b>Authorized</b>		
15,000,000 (previous year: 15,000,000) equity shares of ₹ 10/- each	150,000,000	150,000,000
<b>Issued, subscribed and paid-up</b>		
7,223,460 (previous year: 7,223,460) equity shares of ₹ 10/- each fully paid-up	72,234,600	72,234,600
<b>Total</b>	<b>72,234,600</b>	<b>72,234,600</b>

**1.1 Reconciliation statement for number of equity shares outstanding**

Equity	31-03-2015		31-03-2014	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
At the beginning of reporting period	7,223,460	72,234,600	7,223,460	72,234,600
Any addition or deduction during the year	-	-	-	-
Outstanding at the end of reporting period	7,223,460	72,234,600	7,223,460	72,234,600

**1.2 Terms/ rights attached to equity shares**

The Company has issued only one class of shares/ securities, i.e., fully paid-up equity shares. Each equity shareholder is entitled to vote one vote per share. The dividend proposed by Board of Directors is subject to the approval of equity shareholders in their ensuing annual general meeting.

In the event of liquidation of Company, the equity shareholders shall be entitled for remaining assets of the Company, after distribution of all preferential amount. The distribution shall be in proportion to the number of shares held by equity shareholders.

**1.3 Details of shareholder holding more than five percent equity shares in the Company**

Name	Category	31-03-2015		31-03-2014	
		No. of shares	% shareholding	No. of shares	% shareholding
Inder Mohan Sood	Promoter	1,041,536	14.42	941,536	13.03
Davinder Mohan Sood	Promoter	1,031,208	14.28	935,058	12.94
Ostrich Estate Private Ltd.	Non-promoter	410,000	5.68	410,000	5.68

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

(In ₹)

Particulars	31-03-2015	31-03-2014
<b>2. Reserves &amp; surplus</b>		
<i>Securities premium account</i>		
Balance as per last financial statement	89,676,647	89,676,647
Addition/ deduction	-	-
Closing balance	89,676,647	89,676,647
<i>Capital redemption reserve</i>		
Balance as per last financial statement	14,221,400	14,221,400
Addition/ deduction	-	-
Closing balance	14,221,400	14,221,400
<i>Surplus in statement of profit and loss account</i>		
Balance as per last financial statement	114,322,252	118,414,609
Add: Profit/ (loss) for the year	612,942	-
Less: Transition provision of depreciation (refer note 5)	(1,359,673)	(4,092,357)
Closing balance	113,575,521	114,322,252
<i>Foreign currency translation reserve</i>		
Balance brought forward	5,015,150	(193,192)
Addition/(deduction) for the year	(2,090,084)	5,208,342
	2,925,066	5,015,150
<b>Total</b>	<b>220,398,634</b>	<b>223,235,449</b>
<b>3. Deferred tax assets / liabilities</b>		
Depreciation and amortization	2,720,466	3,489,886
Gross deferred tax liability	2,720,466	3,489,886
Less:		
Unabsorbed depreciation carried forward	2,937,207	1,944,534
Expenditure under Section 43B of Income Tax Act	231,718	147,238
Gross deferred tax asset	3,168,925	2,091,772
<b>Deferred tax liabilities (net)</b>	<b>-</b>	<b>1,398,114</b>
<b>Deferred tax assets (net)</b>	<b>448,459</b>	<b>-</b>
<b>4. Current liabilities</b>		
Trade payables	9,436,790	7,020,686
<i>Other current liabilities</i>		
Advances from customers	3,313,702	2,817,308
Tax deduction at source (TDS) payable	346,021	446,702
Unpaid dividend	581,953	757,960
	4,241,676	4,021,970
<i>Short-term provisions</i>		
Provision for income tax	191,122	27,640
Provision for gratuity	348,847	155,730
Provision for short-term employees benefits	401,050	320,768
	941,019	504,138
<b>Total</b>	<b>14,619,485</b>	<b>11,546,794</b>

## VALIANT COMMUNICATIONS LIMITED

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED March 31<sup>st</sup> 2015**

(In ₹)

**5. Fixed assets**

Description	GROSS BLOCK				DEPRECIATION & AMORTIZATION			NET BLOCK		
	As at 01-04-2014	Additions	Deductions	Total upto 31-03-2015	Total upto 31-03-2014	Depreciation for the year	Transition Depreciation*	Accumulated Depreciation upto 31-03-2015	Total as at 31-03-2014	Total as at 31-03-2015
<b>Tangible Assets</b>										
Building	18,106,657	-	-	18,106,657	2,982,040	592,132	-	3,574,172	15,124,617	14,532,485
Plant & Machinery	18,770,720	87,132	-	18,857,852	15,253,794	291,293	-	15,545,087	3,516,926	3,312,765
Electric Installations	858,323	-	-	858,323	498,473	84,825	-	583,298	359,850	275,025
Office Equipment	3,335,607	13,230	-	3,348,837	2,051,837	166,515	933,883	3,152,235	1,283,770	196,602
Air Conditioner	1,117,633	580,932	-	1,698,565	568,946	86,319	-	655,265	548,687	1,043,300
Generator Set	732,487	-	-	732,487	399,920	32,873	-	432,793	332,567	299,694
Vehicles	5,729,336	4,517,691	-	10,247,027	2,766,104	736,900	187,389	3,690,393	2,963,232	6,556,634
Tools & Dies	1,945,663	24,525	-	1,970,188	1,622,540	25,505	-	1,648,045	323,123	322,143
Testing Equipment	22,149,545	3,407,507	-	25,557,052	8,609,195	1,387,720	-	9,996,915	13,540,350	15,560,137
Furniture & Fixtures	3,696,961	-	-	3,696,961	2,800,583	161,844	-	2,962,427	896,378	734,534
Computer	4,242,844	157,932	-	4,400,776	3,005,323	676,445	238,401	3,920,169	1,237,521	480,607
	80,685,776	8,788,949	-	89,474,725	40,558,755	4,242,371	1,359,673	46,160,799	40,127,021	43,313,926
<b>Intangible Assets</b>										
Software	8,689,319	535,137	-	9,224,456	8,331,435	154,830	-	8,486,265	357,884	738,191
Technical Know-How	70,039,333	7,788,427	-	77,827,760	48,427,589	8,846,000	-	57,273,589	21,611,744	20,554,171
	78,728,652	8,323,564	-	87,052,216	56,759,024	9,000,830	-	65,759,854	21,969,628	21,292,362
<b>Total</b>	<b>159,414,428</b>	<b>17,112,513</b>	<b>-</b>	<b>176,526,941</b>	<b>97,317,779</b>	<b>13,243,201</b>	<b>1,359,673</b>	<b>111,920,653</b>	<b>62,096,649</b>	<b>64,606,288</b>
Previous year	144,739,381	15,414,646	739,599	159,414,428	87,001,382	10,902,587	-	97,317,779	57,737,999	62,096,649

\* Pursuant to the Companies Act, 2013 (the Act) being effective from April 1<sup>st</sup> 2014, the depreciation charge for the financial year under reporting is higher by ₹ 198,751/-. In respect of assets whose life has already exhausted as on April 1<sup>st</sup> 2014, depreciation of ₹ 1,359,673/- has been adjusted in surplus profit and loss account in accordance with the requirement of Schedule II of the Act.

(In ₹)

Particulars	Face value of each	31-03-2015	31-03-2014
<b>6. Non-current investments</b>			
Long-term (at cost) investments in equity instruments other than in subsidiaries, associates, joint ventures and controlled special purpose entities			
a) Trade investments (unquoted, fully paid up):			
i) Valcomm Technologies Inc., United States of America 8,250,000 (previous year: 8,250,000) equity Shares	US\$ 0.01	4,717,910	5,095,022
		4,717,910	5,095,022
b) Non-trade investments (unquoted, fully paid up):			
i) Alcoa Inc., United States of America nil (previous year: 6,000) common stock	US\$ 1.00	-	4,530,254
ii) United States Steel Corporation, United States of America 1,100 (previous year: 1,100) common stock	US\$ 1.00	2,404,470	2,404,470
		2,404,470	6,934,724
<b>Total</b>		<b>7,122,380</b>	<b>12,029,746</b>
<b>7. Long-term loans &amp; advances</b>			
<i>(Unsecured but considered good to other than related parties)</i>			
Capital advances		7,626,500	4,665,500
Security deposits		372,000	372,000
<b>Total</b>		<b>7,998,500</b>	<b>5,037,500</b>

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2015

(In ₹)

Particulars	31-03-2015	31-03-2014
<b>8. Inventories</b> (Valued at lower of cost or net realizable value)		
Raw material	64,273,546	65,541,348
Work-in-progress	20,760,054	29,672,602
<b>Total</b>	<b>85,033,600</b>	<b>95,213,950</b>
<b>9. Trade receivables</b> (Unsecured but considered good)		
Debts (outstanding for less than six months)	23,407,838	28,795,833
<b>Total</b>	<b>23,407,838</b>	<b>28,795,833</b>
<b>10. Cash &amp; cash equivalents</b>		
Cash on hand	209,797	79,327
Balances with banks*		
Current accounts	39,005,242	29,317,843
Deposits	70,038,678	66,763,158
<b>Total</b>	<b>109,253,717</b>	<b>96,160,328</b>
*It includes:		
Restricted bank balance (unpaid dividend accounts)	581,953	757,960
Deposits with more than 12 months maturity	913,206	-
Deposits held as security against bank guarantee)	4,408,467	-
<b>11. Short-term loans &amp; advances</b> (Unsecured but considered good to other than related parties)		
Sundry advances to suppliers	2,228,867	3,032,563
Earnest money deposits	210,000	-
Tax deducted at source	628,104	654,574
Advance income and other taxes	6,687,913	6,211,028
Prepaid expenses	871,885	405,464
<b>Total</b>	<b>10,626,769</b>	<b>10,303,629</b>
<b>12. Revenue</b>		
Revenue from operations		
Sales (exports)	119,033,741	112,358,827
Other Income		
Bank interest	6,378,027	6,716,044
Dividend income*	24,113	57,660
Net gain on sale of investments*	1,294,121	-
Net gain/(loss) on foreign currency transaction & translation	3,967,388	(432,427)
Other non-operating income (net of expenses directly attributable to such income)	470,977	187,311
	12,134,626	6,528,588
<b>Total</b>	<b>131,168,367</b>	<b>118,887,415</b>

\*The income is from non-current and non-trade investments in non-subsidiaries.

## VALIANT COMMUNICATIONS LIMITED

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**

(In ₹)

<b>Particulars</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
<b>13. Expenses</b>		
<b>Cost of raw material consumed</b>		
Opening stock	65,541,348	67,466,615
Add : Purchases	48,235,166	49,561,383
Less : Closing stock	(64,273,546)	(65,541,348)
	49,502,968	51,486,650
<b>Changes in inventories of work-in-progress (semi-finished)</b>		
Opening stock	29,672,602	37,973,855
Less : Closing stock	(20,760,054)	(29,672,602)
(Increase) / decrease in inventories	8,912,548	8,301,253
<b>Employee benefits expenses</b>		
Salary, wages and bonus	26,434,522	23,098,865
Contribution to provident and other funds	847,668	580,344
Staff welfare	1,039,707	969,163
	28,321,897	24,648,372
<b>Depreciation and amortization expenses</b>		
Depreciation on tangible assets	4,242,371	3,748,232
Amortization of intangible assets	9,000,830	7,154,355
	13,243,201	10,902,587
<b>Other expenses</b>		
Consumption of stores and spare parts	677,886	725,357
Power & fuel	1,409,076	1,211,530
Repairs to machinery	93,503	176,477
Repairs to building	304,413	429,319
Other manufacturing expenses	3,211,139	2,050,926
Loss on sale of fixed assets	-	46,743
Rent	721,800	721,800
Rates & taxes, excluding taxes on income	25,107	76,433
Postage, phones & grams	714,092	781,739
Product testing & quality certification	1,026,518	1,081,382
Printing & stationery	1,155,595	748,936
Traveling	2,593,534	5,826,871
Insurance	166,353	203,691
Advertisement	693,432	496,916
Office general expenses	415,958	448,869
Vehicle repair & maintenance	709,099	810,003
Freight & cartage	4,946,454	4,667,592
Books & periodicals	32,432	27,431
Charity and donation	36,000	36,000
Security	878,400	792,905
Miscellaneous	211,997	385,099
Auditors' remuneration	665,618	665,618
Bank charges	393,114	319,191
Legal & professional	3,962,610	4,239,951
Packing & forwarding	1,469,652	1,584,623
Business promotion	220,243	32,710
	26,734,025	28,588,112
<b>Total</b>	<b>126,714,639</b>	<b>123,926,974</b>



VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

14. SIGNIFICANT ACCOUNTING POLICIES

**a. Basis of consolidation**

The consolidated financial statements comprise of the financial statements of Valiant Communications Ltd. (hereinafter referred to as "Holding Company") with its subsidiaries and associates (hereinafter collectively referred to as "Group"). The consolidated financial statements are prepared in accordance with Accounting Standards 21 and 23, issued by the Institute of Chartered Accountants of India and provisions of Companies Act, 2013.

- i) The financial statements of the holding company and its subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions and unrealized profits/ losses. Exchange difference resulting from the differences due to translation of foreign currency assets, liabilities, income and expenses is disclosed as foreign currency translation reserve. The excess value of consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognized as goodwill (capital reserve). Goodwill is amortized during the financial year of acquisition.
- ii) Investments in entities in which the Group has significant influence but not controlling interest, are reported according to the equity method, i.e., the investments is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. Goodwill amortized during the financial year of acquisition/ investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the investee (associate). The consolidated profit and loss account includes the Company's share of the results of the operations of investee (associate).
- iii) Minority interest's share of net profit is adjusted against the income, to arrive at the net income attributable to shareholders. Minority interest's share of net assets is presented separately in the balance sheet.

**b. Employees benefits**

The Company has provided for liability on account of all the following employees benefits available to the eligible employees in accordance with the applicable rules, regulations, laws and employees benefits policy of the Company:

- i) Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the government funds are due.

- ii) Gratuity liability is a defined benefit obligation and provided for on the basis of an actuarial valuation as per projected unit credit method, made at the end of each financial year. The Company has taken a policy with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and premium paid to the LIC is charged to Profit & Loss Account. The difference between the actuarial valuation of the gratuity liability of the employees at the year end and the balance of funds with LIC is provided for as liability in the books.

- iii) Employees are entitled for short-term compensated absences only, which are provided for on the basis of estimates.

- iv) Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

**c. Fixed assets**

All fixed assets, including intangible assets, are stated at cost of acquisition less accumulated depreciation. Cost includes inward freight, duties and taxes and expenses incidental to acquisition and installation.

In accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India, consideration is given at the date of balance sheet to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets to recognize impairment loss. However, during the financial year under reporting, there is no indication which gives an expression of impairment loss in carrying amount of the Company's fixed assets.

**d. Depreciation and amortization**

Depreciation on fixed assets has been provided on straight line method at the rates prescribed in Schedule II of the Companies Act, 2013, except for intangible assets, which are amortized over the respective individual estimated useful lives on a straight line basis, commencing from the date the asset is put to use by the Company. Depreciation on additions / deletions is provided on pro-rata basis from/ to the date of additions / deletions. The management estimates the useful lives for intangible assets as follows:

Technical know-how	: 4 years
Software	: 6 years

**e. Inventories valuation**

Inventories include raw material and semi-finished goods. Inventories have been valued at cost or net realizable value, whichever is lower. The cost is calculated on first-in-first-out (FIFO) basis.



## VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**f. Transactions of foreign currencies**

All transactions in foreign currency during the year are recorded at the rates of exchange prevailing on the date when the relevant transaction took place. Loss/gain arising on settlement of such transactions is accounted for in the year of settlement. Monetary assets and liabilities are converted in to reporting currency, i.e., INR, at the rate of exchange prevailing at Balance Sheet date and the exchange rate fluctuation is recognized as gain or loss on unrealized exchange rate fluctuation.

**g. Investments**

As per Accounting Standard 13 issued by the Institute of Chartered Accountants of India, investments of a long-term nature are stated at cost. Current investments are valued at lower of cost and fair value.

**h. Revenue recognition**

Sale is recognized, when the significant risks and rewards of the ownership of the goods are transferred to the customer and is stated if applicable, net of trade discounts, duties and taxes. Other income is accounted for on accrual basis.

**i. Income tax**

Provision for current income tax liability is made on estimated taxable income under the Income Tax Act, 1961 after considering permissible tax exemptions, deductions and allowances. The Minimum Alternate Tax (MAT) if payable in accordance with the tax laws, which gives rise to future benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Deferred assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

The income of foreign subsidiaries is subject to the tax laws of host countries, which is charged for determination of net profit of subsidiaries.

**j. Lease**

Operating lease payments are recognized as an expense on straight line basis over the term of the lease.

**k. Contingent liabilities and provisions**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. A disclosure is made for possible or present obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements.

**l. Use of estimates**

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, the management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Any revision to accounting estimates is recognized prospectively in current and future periods.

**m. Earning per share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

15. Notes to the consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding. Recognizing this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

16. The subsidiary companies considered in the consolidated financial statements are:

Name of Subsidiary Companies	Country of Incorporation	Proportion of Ownership/Voting Power as at March 31 <sup>st</sup> 2015	Proportion of Ownership/Voting Power as at March 31 <sup>st</sup> 2014
Valiant Communications (UK) Limited	United Kingdom	100.00%	100.00%
Valiant Infrastructure Limited	India	62.53%	62.53%

17. Auditor's remuneration

(In ₹)

Particulars	31-03-2015	31-03-2014
Statutory audit fee	180,000	180,000
Certification charges	50,000	50,000
Income tax representation	310,000	310,000
Tax audit	125,000	125,000
Service tax	618	618
Total	665,618	665,618

In the financial year under reporting, the holding company is entitled for CENVAT credit on service tax charged by auditors, hence, the amount of service tax is not recognized as an expense.

18. Lease

The Company and its subsidiary have executed cancelable operating lease agreements with rent payable on a monthly basis, for industrial purpose as defined under the provisions of Accounting Standard 19, issued by Institute of Chartered Accountants of India. The companies have recognized all operating lease payments as an expense on a straight line basis over the term of lease. The Companies have no obligation to pay any contingent rent. The lease is renewable at the sole option of the companies.

Rental expenses of ₹ 721,800/- (previous year: ₹ 721,800/-) in respect of obligation under operating lease(s), have been recognized in the profit & loss account.

19. Additional information under Schedule III of Companies Act, 2013

Name of the Entity	Relationship	Net assets i.e. total assets minus total liabilities		Share in profit or loss	
		As a % of consolidated net assets	Amount (in ₹)	As a % of consolidated profit & loss	Amount (in ₹)
Valiant Communications Ltd.	Parent	96.65	282,828,993	(226.87)	(1,390,593)
Valiant Communications (UK) Limited	Foreign subsidiary	9.39	27,488,738	313.29	1,920,299
Valiant Infrastructure Ltd.	Indian subsidiary	1.14	3,331,135	9.65	59,130
Minority interest in all subsidiaries	Minority shareholders	(0.43)	(1,244,832)	(3.61)	(22,153)
Elimination of intra-group balances		(6.76)	(19,770,800)	7.55	46,259
Total		100.00	292,633,234	100.00	612,942



## VALIANT COMMUNICATIONS LIMITED

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**

**20. Related parties disclosure**

Name	Relationship	Transaction details
Mr. Inder Mohan Sood	Key Managerial Personnel	Salary and other employees benefits of ₹ 6,276,994/- (previous year: ₹ 5,296,688/-).
Mr. Davinder Mohan Sood	Key Managerial Personnel	
Mr. Anil Tandon*	Key Managerial Personnel	

\*Resigned w.e.f. 30.11.2013

Apart from given disclosures, no transaction was recorded between the Company and any related party mentioned in Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

**21. Segment wise revenue & results**

	(In ₹)	
	31-03-2015	31-03-2014
<b>Revenue by geographical segment</b>		
USA	34,808,453	42,346,266
Europe	6,712,498	2,298,026
Rest of the world	77,512,790	67,714,535
TOTAL	<u>119,033,741</u>	<u>112,358,827</u>
Less : Inter segment revenue	-	-
Net sales/ revenue from operation	<u>119,033,741</u>	<u>112,358,827</u>
<b>Profit/(loss) before tax and interest by geographical segment</b>		
USA	16,125,527	19,813,150
Europe	3,109,663	1,075,210
Rest of the world	35,908,940	31,682,564
TOTAL	<u>55,144,130</u>	<u>52,570,924</u>
Less : Interest	-	-
Less : Other unallowable expenditure	68,299,123	64,139,071
Add: Other unallowable income	<u>12,134,626</u>	<u>6,528,588</u>
Profit before tax	<u>(1,020,367)</u>	<u>(5,039,559)</u>

The Company manufactures "Telecom Transmission Equipment", which is the only business segment of the Company.

The Company is a 100% Export Oriented Unit with its sole manufacturing unit being located at New Delhi. The above segment revenue and results are being identified on the basis of geographical markets.

The fixed assets used in the Company's business cannot be specifically identified with any geographical segment.

The management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a segregation of capital employed on segment basis, is not possible.

## VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED March 31<sup>st</sup> 2015**22. Other disclosures**

- During the last five years immediately preceding the date as at the balance sheet is prepared, the Company had bought-back 297,140 equity shares pursuant to the approval(s) of Board of Directors of the Company.
- The unquoted non-trade investments are listed at overseas stock exchange(s) and based on the closing prices as at the reporting date, their market value is ₹ 1,642,049/- (previous year: ₹ 6,466,219/-).
- The export sales figures includes the export sale of products of ₹ 119,033,741/- (previous year: ₹ 109,928,827/-) and the incidental export sale of services of Nil (previous year: ₹ 2,430,000/-).
- During the financial year under reporting, the employee (other than key personnel) strength of subsidiaries is nil.
- During the financial year under reporting, no interest was paid by the Company in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006. Further, all the payments were made to the suppliers on or before appointed day.
- During the financial year under reporting, no interest was paid by the holding company and its subsidiaries in accordance with the provisions of the payable during the reporting year and preceding years in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.
- During the financial year, there is no reportable amount of interest due and payable, accrued and remaining unpaid, small enterprises supplier, to whom the holding company and its subsidiaries owe dues, which are outstanding beyond prescribed period as at the balance sheet date.
- As at the balance sheet date, in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, the holding company and its subsidiaries have the following unpaid amount, categorized as current liability in balance sheet, to :

Particulars	(In ₹)	
	31-03-2015	31-03-2014
Total outstanding dues including interest, of creditors other than micro and small enterprises	7,568,339	5,502,970
Total outstanding dues including interest, of micro and small enterprises	-	-

23. The comparative figures for the previous year have been rearranged, wherever required, to conform to the revised presentation of accounts.

24. Notes to financial statements form an integral part of financial statements.

As per our report of even date  
For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain  
Partner  
Membership No. 510960

New Delhi, May 16, 2015

For and on behalf of the Board

Inder Mohan Sood      Davinder Mohan Sood  
Managing Director      Director-Finance

Manish Kumar  
Company Secretary

New Delhi, May 16, 2015





## VALIANT COMMUNICATIONS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(In ₹)

Particulars	31-03-2015	31-03-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	(1,020,367)	(5,039,559)
Adjustment for		
Depreciation and amortization	13,243,201	10,902,587
Loss on sale of fixed assets	-	46,743
Dividend income	(24,113)	(57,660)
Bank Interest	(6,378,027)	(6,716,044)
Net gain on sale of investments	(1,294,121)	-
Foreign currency translation reserve adjustment	(1,712,972)	4,313,898
Net (gain)/loss on foreign currency translation	(3,967,388)	432,427
	(133,420)	8,921,951
<b>Operating profit before working capital changes</b>	(1,153,787)	3,882,392
Adjustment for		
Trade & other receivables	5,064,855	(14,488,757)
Inventories	10,180,350	10,226,520
Trade & other payables	3,072,692	(3,502,325)
<b>Cash generated from operations</b>	17,164,110	(3,882,170)
Direct taxes	(191,111)	164,682
<b>Net cash generated from operating activities</b>	<b>16,972,999</b>	<b>(3,717,488)</b>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(17,112,513)	(15,414,646)
Sale of fixed assets	-	106,666
Sale of investments	5,824,375	-
Long-term loans and advances	(2,961,000)	3,013,065
Intangible assets under development	-	-
Dividend income	24,113	57,660
Bank interest	6,378,027	6,716,044
<b>Net cash generated from investing activities</b>	<b>(7,846,998)</b>	<b>(5,521,211)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash generated from financing activities</b>	-	-
Net gain/(loss) on foreign currency translation	3,967,388	(432,427)
<b>Net increase in cash and cash equivalents</b>	<b>13,093,389</b>	<b>(9,671,126)</b>
Cash and cash equivalents (opening balance)	96,160,328	105,831,454
Cash and cash equivalents (closing balance)	<b>109,253,717</b>	<b>96,160,328</b>

As per our report of even date  
For and on behalf of  
B. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 004706N

Alok Jain (Partner)  
Membership No. 510960

New Delhi, May 16, 2015

For and on behalf of the Board

Inder Mohan Sood  
Managing Director

Davinder Mohan Sood  
Director-Finance

Manish Kumar  
Company Secretary

New Delhi, May 16, 2015





## NOTICE

Notice is hereby given that 22<sup>nd</sup> Annual General Meeting of the Valiant Communications Limited will be held on Wednesday, September 30<sup>th</sup> 2015, at 9.30 a.m. at 96/4, Post & Village, Tikri Kalan, New Delhi 110 041 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt
  - a) the Audited Financial Statements for the financial year ended March 31<sup>st</sup> 2015 together with the Reports of the Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements for the financial year ended March 31<sup>st</sup> 2015 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Davinder Mohan Sood (DIN No. 00001756) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of the Statutory Auditors (Auditors) of the Company and fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of M/s B. Aggarwal & Co., Chartered Accountants (Firm Registration No. 004706N), be and is hereby ratified as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 24th AGM to be held in 2017 (subject to ratification of their appointment at the AGM to be held in 2016), at such remuneration which includes service tax, out-of-pocket and travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

By order of the Board of Directors  
For Valiant Communications Ltd.

Date: May 16, 2015  
Regd. Office: 71/1, Shivaji Marg,  
New Delhi - 110015

Manish Kumar  
Company Secretary

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form duly completed must reach the Company's Registered Office at least 48 hours before the time of the meeting.
3. The members are requested to:
  - i) Notify change in their address, if any to the Company;
  - ii) Send their queries, if any, at least 7 days in advance of the meeting so that necessary information can be made available at the meeting.
4. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, September 26<sup>th</sup> 2015 to Wednesday, September 30<sup>th</sup> 2015.
5. Pursuant to the provisions of Section 124 of Companies Act, 2013, the amounts of dividend remaining unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund. Members who have not encashed the dividend warrants are requested to write to the Company for revalidation of dividend warrants.
6. To support the green initiative of the Government, members are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email addresses with the Share Registrar of the Company i.e. Link Intime India Pvt. Ltd., 44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110 028.
7. Brief profile of director to be appointed:  
Mr. Davinder Mohan Sood is one of Promoters of the Company. He is a Honours Graduate in English from Delhi University and also accredited with Advanced Security Analysis from The New York Institute of Finance, USA. He has varied experience in senior management and operations of the Company. He is associated with the Company right from its inception. Apart from the Company, he holds the office of director in (a) Valiant Infrastructure Ltd. (b) Gem Financiers and Distributors (P) Ltd. (c) Great Films (P) Ltd. (d) Valcomm Technologies Inc. As on March 31<sup>st</sup> 2015, he holds 1,031,208 (14.28%) equity shares of the Company.

## E-Voting

1. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by CDSL, on all resolutions set forth in this Notice.
2. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM, who have not already cast their votes by e-voting, shall be able to exercise their rights at the AGM through ballot paper.
3. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 23<sup>rd</sup> 2015.
4. Mr. Mahesh Kr. Gupta, Mahesh Gupta & Co., Practicing Company Secretaries shall scrutinize the e-voting process in a fair and transparent manner.

### The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next, enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) – Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. – If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Note for non-individuals shareholders and custodians:
  - Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.

### Other instructions:

1. The voting period begins on Saturday, September 26<sup>th</sup> 2015 (10.00 a.m. IST) and ends on Tuesday, September 29<sup>th</sup> 2015 (5.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, September 23<sup>rd</sup> 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the above referred cut-off date, may follow the same instructions as mentioned above for e-Voting.
3. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the AGM.
4. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website ([www.valiantcom.com](http://www.valiantcom.com)) and on the website of CDSL. The results shall simultaneously be communicated to the BSE Limited.
6. A copy of this notice has been placed on the websites of the Company and CDSL.



**VALIANT COMMUNICATIONS LIMITED**  
Registered Office : 71/1, Shivaji Marg, New Delhi 110015.  
CIN: L74899DL1993PLC056652

**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 No. : ..... DP ID No. ....

I/We, being the member(s) of ..... shares of Valiant Communications Limited hereby appoint

1. Name: ..... E-mail Id: .....  
Address: .....  
Signature: .....  
or failing him
2. Name: ..... E-mail Id: .....  
Address: .....  
Signature: .....  
or failing him
3. Name: ..... E-mail Id: .....  
Address: .....  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held Wednesday, September 30<sup>th</sup> 2015 at 9.30 a.m. at 96/4, Post & Village, Tikri Kalan, New Delhi 110 041 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	*Optional	
		For	Against
Ordinary Business			
1(a).	Adoption of Audited Financial Statements, Directors and Auditors Reports for the financial year ended 31 <sup>st</sup> March, 2015		
1(b).	Adoption of Audited Consolidated Financial Statements and Auditors Reports for the financial year ended 31 <sup>st</sup> March, 2015		
2.	Re-appointment of Mr. Davinder Mohan Sood, who retires by rotation		
3.	Ratification of appointment of Statutory Auditors of the Company and fix their remuneration		

Affix  
₹ One  
Revenue  
Stamp

Signed the .....day of .....2015

Signature of shareholder..... Signature of Proxyholder(s).....

- Note: i) This form in order to be effective should be dully completed and deposited at the Registered Office of the Company at 71/1, Shivaji Marg, New Delhi 110015, not less than 48 hours before the commencement of the Meeting.  
ii) Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.  
iii) It is optional to put a "X" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against the Resolutions, your Proxy will be entitled to vote in the manner as He/She thinks appropriate.

----- PLEASE TEAR HERE -----



**VALIANT COMMUNICATIONS LIMITED**  
Registered Office : 71/1, Shivaji Marg, New Delhi 110015.  
CIN: L74899DL1993PLC056652

ATTENDANCE SLIP

(To be presented at the entrance)

22<sup>ND</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, SEPTEMBER 30<sup>TH</sup> 2015 AT 9.30 A.M.  
at 96/4, Post & Village, Tikri Kalan, New Delhi 110 041

Folio Number \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.

REGISTERED OFFICE

Valiant Communications Limited  
71/1, Shivaji Marg,  
New Delhi 110 015, India

OVERSEAS OFFICES

Valiant Communications (UK) Limited  
1 Acton Hill Mews,  
310-328 Uxbridge Road  
London W3 9QN, UK

Valcomm Technologies Inc.  
4000 Ponce de Leon,  
Suite 470, Coral Gables,  
FL 33146, USA

**International Distributors and Representative offices**

---

**U.S.A**

Arizona  
Florida

**Canada**

Ontario

**Central & South America**

Argentina  
Brazil  
Columbia  
Mexico  
Paraguay  
Venezuela

**Australia**

Australia  
Cook Islands  
Fiji  
New Zealand

**Europe**

Bulgaria  
France  
Norway  
Romania  
Russia  
Spain  
Sweden  
Turkey  
United Kingdom

**Middle East**

Iraq  
Israel  
Jordan  
Kuwait  
Qatar  
Saudi Arabia  
U.A.E  
Yemen

**Asia**

Bangladesh  
Brunei  
Cambodia  
China  
Indonesia  
Malaysia  
Singapore  
South Korea  
Sri Lanka  
Thailand  
Vietnam

**Africa**

Algeria  
Egypt  
Libya  
Nigeria  
South Africa

---