



# Communication & Transmission Solutions

Valiant Communications Limited

Annual Report 2016-2017





VALIANT COMMUNICATIONS LIMITED manufactures a wide range of communication and transmission equipment and solutions with successful installations in over 110 countries.

Valiant offers communication and transmission products and solutions for the Power Utility sector including power generation, transmission, distribution, communication, Smart Grid and Renewables (Hydro, Wind and Solar). Valiant also provides products and solutions for Oil & Gas Sector, Railways & Metro Rail Networks, Airport Communications networks.

Valiant's special attention and focus is on developing secure and redundant networks for its customers which include Firewall, Encryption and Failover solutions for its customer that can withstand the onslaught of cyber-attacks, malicious hacking attempts, Denial-of-Service attack and unauthorized intrusion into customer networks.

Valiant's technological strengths span a wide section of the communication and transmission products and solutions including for Digital Sub-Stations, Secure Networks, GPS / GNSS Primary Reference Clock Synchronization Receivers, PTP IEEE-1588v2 Grandmaster Clocks / Slave Units that deliver accuracy of less than 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.

Valiant has introduced solutions to address the poor Mobile Network Performance and call-drop issues.

The upgradation in the levels in technology from 2G to 3G/4G and LTE has only increased the

requirements of improved Network Performance to a higher level. The Company has added to its range of Frequency, Phase and the Time Synchronization range of products with its GPS / GNSS based Primary Reference Clock with integrated IEEE-1588v2 PTP Grandmaster and NTP Server for installation at cell-sites to provide a comprehensive solution which shall improve





**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**

Kotak Mahindra 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

communication & transmission solutions

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## DIRECTORS' REPORT

To the Members,

The Directors present their 24<sup>th</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> 2017.

### Financial Results

Particulars	In ₹	
	2016-2017	2015-2016
Sales & Other Income	179,877,901	142,577,411
Profit (loss) before depreciation, exceptional item and taxation	24,317,242	18,382,067
Less: Depreciation	17,182,381	15,294,373
Taxes	2,218,399	974,105
Net Profit (loss)	4,916,462	2,113,589

### Corporate Highlights

During the year under review, the total income is ₹ 1,799 lakh (previous year: ₹ 1,426 lakh). The profit before depreciation and taxation is ₹ 243 lakh (previous year: ₹ 183 lakh) and the net profit is ₹ 49 lakh (previous year: loss of ₹ 21 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

To explore the emerging opportunities in world telecom market and infrastructure development, the Company has established direct subsidiaries, viz. Valiant Communications (UK) Limited, United Kingdom and Valiant Infrastructure Limited, India, as part of its future growth strategy. During the financial year under reporting, Valcomm Technologies Inc., USA, is considered as step-down subsidiary of the Company by operation of law, pursuant to the share repurchase agreements executed by the step-down subsidiary. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). 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 Regulations, the audited Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the companies (Accounting Standard) Rules, 2006 form part of the Annual Report and are reflected in the Consolidated Financial Statements.

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.

### Transfer to reserves

The Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriations.

### Dividend

In view of current and expected foreseeable growth opportunities, the Board intends to retain the financial resources of the Company and therefore, finds it prudent not to propose any dividend for the year under reporting.

### Dematerialisation of Equity Shares

As on March 31<sup>st</sup> 2017, 96.19% (previous year: 96.17%) 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 Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

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 the Listing Regulations. 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 Annual General Meeting of the Company held on September 26<sup>th</sup> 2014, the Members had approved the appointments of Mr. Gaurav Kaura, Mr. Avinash Verma, Mr. Sumit Mehta and Ms. Neepa Chaterjee 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 the provisions of the Listing Regulations. 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 the Listing Regulations.

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 the Listing Regulations.

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 the Listing Regulations, 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 the 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 prescribed period.

### 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 under reporting, 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 reporting date 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 the provisions of Listing Regulations, 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 <http://www.valiantcom.com/corporate/misc/notice/vigil-mechanism.pdf>

### Amendment in Code and Policies

Pursuant to the notified Listing Regulations by the Securities and Exchange Board of India, whereby the provisions of erstwhile Listing Agreement and various circulars issued with respect thereto were repealed, the Company has suitably replaced the repealed provisions of Listing Agreement with Listing Regulations in its relevant codes and policies adopted. The details of the aforesaid amendment in codes and policies of the Company can be accessed at <http://www.valiantcom.com/corporate/misc/notice/amndmnt-codes-policies-2015.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 for the year 2016-17, 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 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 Audit Committee and the Board of Directors of the Company had recommended the appointment of M/s Pawan Nanak Bansal & Co., Chartered Accountants, (ICAI Firm Registration no. 008953C) as the new Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting subject to ratification by members every year in place of existing Auditors M/s B. Aggarwal & Company, Chartered Accountants who will be retiring at this Annual General Meeting in compliance with mandatory rotation of Auditors as per the provisions of Section 139(2) of the Companies Act, 2013.

### 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 Bhalla & 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, 2017 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 with any amendments thereto, 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 with any amendments thereto, 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.

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On behalf of the Board of Directors  
For Valiant Communications Limited

Inder Mohan Sood  
*Chairman and Managing Director*

New Delhi, May 3, 2017

**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

In ₹

Serial Number	1	2	3
Name of the subsidiary	Valiant Communications (UK) Ltd., United Kingdom	Valcomm Technologies Inc., United State of America	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> 2017 (identical with the holding company's reporting period)	Financial year ended on March 31 <sup>st</sup> 2017 (identical with the holding company's reporting period)	Financial year ended on March 31 <sup>st</sup> 2017 (identical with the holding company's reporting period)
Currency	GBP (£)	USD (\$)	Rupee (₹)
Exchange rate to ₹ as on the last date of the relevant financial year i.e. the reporting date	80.880	64.839	1.000
Share capital	225,000 Ordinary Shares amounting to ₹18,197,933	8,250,000 Capital Stock amounting to ₹5,349,185	321,882 Equity Shares amounting to ₹ 3,218,820
Reserves	4,080,315	933,228	280,196
Total Assets	22,355,960	6,282,445	3,971,975
Total Liabilities	22,355,960	6,282,445	3,971,975
Investments	4,127,064	5,098,000	-
Turnover	2,509,787	-	-
Profit/ (Loss) before taxation	(1,767,447)	1,969,984	160,336
Provision for taxation	(11,323)	380,216	49,544
Profit/ (Loss) after taxation	(1,756,124)	1,589,768	110,792
Proposed Dividend	Nil	Nil	Nil
% of shareholding	100%	100%	88.94%

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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836

New Delhi, May 3, 2017

For and on behalf of the Board

Inder Mohan Sood  
Managing Director  
DIN: 00001758

Manish Kumar  
Company Secretary  
Membership No. A16483

New Delhi, May 3, 2017

Davinder Mohan Sood  
Director-Finance  
DIN: 00001756

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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, 2017 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, 2017 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (iii) 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, however the provisions under Section 135 of Companies Act, 2013 and rules made thereunder related to Corporate Social Responsibility are not applicable on the Company for the reporting year.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- b) 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.
- c) Decisions at the Board Meetings, as represented by the management, were taken by the requisite majority.

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.

For & on behalf of Bhalla & Associates  
Company Secretaries  
FRN: S2016DE424900

Sushant Bhalla  
(Proprietor)  
ACS: 46640 CP: 17201

**Note:** 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.

For & on behalf of Bhalla & Associates  
Company Secretaries  
FRN: S2016DE424900

Place: New Delhi  
Date: May 3, 2017

Sushant Bhalla  
(Proprietor)  
ACS: 46640 CP: 17201

**Annexure - 3**
**EXTRACT OF ANNUAL RETURN  
FORM NO. MGT 9**

As on financial year ended on 31.03.2017  
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	99.89

### 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, India	U74899DL1995PLC066264	Subsidiary	88.94	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)
3	Valcomm Technologies Inc. 4000, Ponce de Leon, Suite 470 Coral Gables, FL 33146 USA	Not applicable	Subsidiary	100.00	2(87)(ii)

### IV. SHAREHOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

#### (i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year			% of Total Shares	No. of shares held at the end of the year			% of Total Shares	% Change during the year
	Demat	Physical	Total		Demat	Physical	Total		
<b>A. Shareholding of Promoter and Promoter Group</b>									
<b>1. Indian</b>									
a) Individual/HUF	2,535,163	-	2,535,163	35.10	2,535,163	-	2,535,163	35.10	-
b) Bodies Corp.	508,768	-	508,768	7.04	508,768	-	508,768	7.04	-
Sub Total (A) (1)	3,043,931	-	3,043,931	42.14	3,043,931	-	3,043,931	42.14	-
<b>2. Foreign</b>									
Any foreign promoter	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Group (A)=A(1)+A(2)	3,043,931	-	3,043,931	42.14	3,043,931	-	3,043,931	42.14	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds / UTI	-	3,900	3,900	0.05	-	3,900	3,900	0.05	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)	-	3,900	3,900	0.05	-	3,900	3,900	0.05	-
<b>2. Central Government / State Government / President of India Government</b>									
Sub Total (B) (2)	-	-	-	-	-	-	-	-	-
<b>3. Non-Institutions</b>									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	1,407,500	186,586	1,594,086	22.07	1,526,772	184,886	1,711,658	23.70	1.63
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	1,325,255	-	1,325,255	18.35	1,391,179	-	1,391,179	19.26	0.91
b) NBFCs registered	-	-	-	-	-	-	-	-	-
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (Holding Drs)	-	-	-	-	-	-	-	-	-
e) Other (specify)	-	-	-	-	-	-	-	-	-
Trusts	3,990	-	3,990	0.06	3,990	-	3,990	0.06	-
Hindu Undivided	114,860	-	114,860	1.59	106,194	-	106,194	1.47	(0.12)
Non Resident Indians (Non Repat)	38,644	-	38,644	0.54	18,514	-	18,514	0.26	(0.28)
Non Resident Indians (Repat)	192,169	63,689	255,858	3.54	152,565	63,689	216,254	2.99	(0.55)
Overseas Bodies Corporate	-	6,037	6,037	0.08	-	6,037	6,037	0.08	-
Clearing Member	58,451	-	58,451	0.81	104,245	-	104,245	1.44	0.63
Bodies Corporate	761,847	16,601	778,448	10.78	600,957	16,601	617,558	8.55	(2.23)
Sub-total (B)(3)	3,902,716	272,913	4,175,629	57.81	3,904,416	271,213	4,175,629	57.81	-
Total Public (B)(1)+(B)(2)+(B)(3)	3,902,716	276,813	4,179,529	57.86	3,904,416	275,113	4,179,529	57.86	-
Total (A)+(B)	6,946,647	276,813	7,223,460	100.00	6,948,347	275,113	7,223,460	100.00	-
<b>C. Non Promoter Non Public</b>									
1. Custodian / DR	-	-	-	-	-	-	-	-	-
2. Employee Benefits Trust (Under SEBI (Share based Employee Benefits) Regulations, 2014)	-	-	-	-	-	-	-	-	-
Total (A)+(B)+(C)	6,946,647	276,813	7,223,460	100.00	6,948,347	275,113	7,223,460	100.00	-

**(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	1,032,536	14.29	-	1,149,086	15.91	-	1.62
2	Davinder Mohan Sood	1,031,208	14.28	-	1,147,758	15.89	-	1.61
3	Usha Lata Sood	233,100	3.23	-	-	-	-	(3.23)
4	Shompa Sood	96,600	1.34	-	96,600	1.34	-	-
5	Garv Mohan Sood	103,837	1.44	-	103,837	1.44	-	-
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 Financiaris 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>3,043,931</b>	<b>42.14</b>	<b>-</b>	<b>3,043,931</b>	<b>42.14</b>	<b>-</b>	<b>-</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	01/04/2016					3,043,931	42.14
2	Any change				None		-	-
3	At the end of the year	31/03/2017					3,043,931	42.14

**(iv) Shareholding Pattern of Top Ten Shareholders**

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

S. No.	Name & Type of Transaction	Shareholding at the beginning of year		Transactions during the year		Cumulative Shareholding at the end of year	
		No. of Shares	% of Total Shares	Date of Transaction	No. of shares	No. of shares	% of total shares
1	Name: Mohini Singh Transfer At the end of the year	211,633	2.93	- 19/08/2016	- (11,633)	211,633 200,000 200,000	2.93 2.77 2.77
2	Name: Ostrich Estate (P) Ltd. Transfer Transfer Transfer Transfer Transfer At the end of the year	380,660	5.27	- 24/02/2017 03/03/2017 17/03/2017 24/03/2017 31/03/2017	- (9,575) (271) (713) (155,672) (20,000)	380,660 371,085 370,814 370,101 214,429 194,429 194,429	5.27 5.14 5.13 5.12 2.97 2.69 2.69
3	Name: Narinder Kaur Suri At the end of the year	128,850	1.78	-	-	128,850 128,850	1.78 1.78
4	Name: Narayan Sultania At the end of the year	81,000	1.12	-	-	81,000 81,000	1.12 1.12
5	Name: Usha Chandrasingh Mehta At the end of the year	63,500	0.88	-	-	63,500 63,500	0.88 0.88
6	Name: Rahul Chandrasingh Mehta At the end of the year	63,500	0.88	-	-	63,500 63,500	0.88 0.88
7	Name: Sheetal Rahul Mehta At the end of the year	63,500	0.88	-	-	63,500 63,500	0.88 0.88
8	Name: Shaaji Palliyath Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer At the end of the year	100,000	1.38	- 09/12/2016 16/12/2016 23/12/2016 06/01/2017 13/01/2017 20/01/2017 10/02/2017 17/02/2017	- (5,326) (9,065) (6,609) (2,181) (8,663) (156) (10,002) (6,526)	100,000 94,674 85,609 79,000 76,819 68,156 68,000 57,998 51,472 51,472	1.38 1.31 1.19 1.09 1.06 0.94 0.94 0.80 0.71 0.71
9	Name: Sunny Gupta Transfer At the end of the year	43,215	0.60	- 28/10/2016	- 4,128	43,215 47,343 47,343	0.60 0.66 0.66
10	Name: Opus Sotware Solutions (P) Ltd. Transfer Transfer Transfer Transfer Transfer At the end of the year	17,784	0.25	- 15/04/2016 10/06/2016 26/08/2016 02/09/2016 24/03/2017	- 3,608 500 3,828 789 17,643	17,784 21,392 21,892 25,720 26,509 44,152 44,152	0.25 0.30 0.30 0.36 0.37 0.61 0.61
11	Name: Vikramaditya Singh Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer At the end of the year	51,760	0.72	- 10/06/2016 15/07/2016 19/08/2016 26/08/2016 02/09/2016 09/09/2016 04/11/2016 10/02/2017 03/03/2017 10/03/2017 17/03/2017	- 1,310 (7,020) (1,081) (9,969) 400 200 100 (7,163) 4,126 2,500 400	51,760 53,070 46,050 44,969 35,000 35,400 35,600 35,700 28,537 32,663 35,163 35,563 35,563	0.72 0.73 0.64 0.62 0.48 0.49 0.49 0.49 0.40 0.45 0.49 0.49 0.49



S. No.	Name & Type of Transaction	Shareholding at the beginning of year		Transactions during the year		Cumulative Shareholding at the end of year	
		No. of Shares	% of Total Shares	Date of Transaction	No. of shares	No. of shares	% of total shares
12	Name: Mahesh Chandra	57,793	0.80	-	-	57,793	0.80
	Transfer			15/04/2016	2,000	59,793	0.83
	Transfer			06/05/2016	1,200	60,993	0.84
	Transfer			27/05/2016	(1,015)	59,978	0.83
	Transfer			03/06/2016	(2,785)	57,193	0.79
	Transfer			10/06/2016	(81)	57,112	0.79
	Transfer			30/06/2016	(2,000)	55,112	0.76
	Transfer			08/07/2016	500	55,612	0.77
	Transfer			15/07/2016	(1,109)	54,503	0.75
	Transfer			22/07/2016	(2,233)	52,270	0.72
	Transfer			29/07/2016	(1,384)	50,886	0.70
	Transfer			05/08/2016	(5,447)	45,439	0.63
	Transfer			12/08/2016	7,000	52,439	0.73
	Transfer			19/08/2016	2,000	54,439	0.75
	Transfer			09/09/2016	(1,000)	53,439	0.74
	Transfer			07/10/2016	(5,100)	48,339	0.67
	Transfer			21/10/2016	(1,339)	47,000	0.65
	Transfer			28/10/2016	(2,000)	45,000	0.62
	Transfer			11/11/2016	80	45,080	0.62
	Transfer			18/11/2016	(580)	44,500	0.62
	Transfer			25/11/2016	(460)	44,040	0.61
	Transfer			02/12/2016	(540)	43,500	0.60
	Transfer			09/12/2016	(2,500)	41,000	0.57
	Transfer			13/01/2017	(1,337)	39,663	0.55
	Transfer			20/01/2017	(10,211)	29,452	0.41
	Transfer			24/02/2017	(1,200)	28,252	0.39
	Transfer			10/03/2017	(3,799)	24,453	0.34
	Transfer			17/03/2017	2,785	27,238	0.38
	Transfer			31/03/2017	(11,384)	15,854	0.22
	At the end of the year					15,854	0.22

Note: The above information is based on the weekly beneficiary position received from depositories and calculated based on PAN details shareholders.

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

S. No.	Shareholding of each directors and each Key Managerial Personnel	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: Manish Kumar						
	At the beginning of the year					4,000	0.06
	Changes during the year	27/05/2016	Sale	(2,399)	(0.03)	1,601	0.02
		31/05/2016	Sale	(1,551)	(0.02)	50	0.00
	At the end of the year					50	0.00

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	Mr. Davinder Mohan Sood	Total Amount (in ₹)
		Managing Director & CEO	Wholetime Director & CFO	
1	Gross salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,155,000	2,874,000	6,029,000
	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	808,797	808,797	1,617,594
	<b>Total (A)</b>	<b>3,963,797</b>	<b>3,682,797</b>	<b>7,646,594</b>
	Ceiling as per the Act	8,400,000	8,400,000	16,800,000

## B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
		Mr. Gaurav Kaura	Mr. Avinash Verma	Mr. Sumit Mehta	Ms. Neepa Chatterjee	
1	Independent Directors					
	Fee for attending board / committee meetings	30,000	30,000	30,000	30,000	120,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	30,000	30,000	30,000	30,000	120,000
2	Other Non-Executive Directors		None			
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	30,000	30,000	30,000	30,000	120,000
	Total Managerial Remuneration					120,000
	Overall ceiling as per the Act	1,100,000	1,100,000	1,100,000	1,100,000	4,400,000

## 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 CFO	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			2,158,667	2,158,667
	(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			2,158,667	2,158,667

## 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]

- The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year and;
- 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	5.41 : 1	13.90
Mr. Davinder Mohan Sood	Whole-time Director & CFO	4.92 : 1	12.71
Mr. Gaurav Kaura	Independent Director	0.05 : 1	None
Mr. Avinash Verma	Independent Director	0.05 : 1	None
Mr. Sumit Mehta	Independent Director	0.05 : 1	None
Ms. Neepa Charterjee	Independent Director	0.05 : 1	None

The percentage increase in remuneration of Mr. Manish Kumar, Company Secretary is 13.91%.

- The percentage increase in the median remuneration of employees in the financial year: 12.40%
- The number of permanent employees on the rolls of Company as at reporting date: 43

5. 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 15.50%, as against an increase of 13.49% in the salaries 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.

6. 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 and 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	
	2016-2017	2015-2016
Capital	118.81	145.81
Recurring	-	-
Total	118.81	145.81
Total R&D expenditure as % of total turnover	6.75	10.79

**Future Plan of Action**

Emphasis will continue to be on development of new products with special focus on providing communication and transmission solutions to the customers with an effective marketing strategy.

**Foreign Exchange Earnings and Outgo**

The Company is an 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 110 countries. Hence, all operational activities are relating to exports promotion:

Particulars	₹ in lakhs	
	2016-2017	2015-2016
The foreign exchange earnings	1119.32	1058.28
The foreign exchange outgo	463.94	423.63



## 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

The business of the Company belongs to the industry of communications equipment, which is substantially dominated by large foreign Multi-National Corporations (MNCs). Communication technology has positively changed the way we work, live and play. Modern and ever-changing network infrastructure provides the fundamentals for people to communicate. 24/7 Internet connectivity and high-speed data communication has become an essential part of modern life. Most of us cannot think of a day without internet connectivity, either at work or at play. The accelerated demand has fuelled smartphones and notebooks, coupled with sharp rise in usage of video and data services. Mobile data traffic is expected to double annually over the coming three years. Communication 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, coupled with the recovery in the world economy. The global telecom business scenario has been boosted with continued deregulation.

The following key trends in the telecommunication industry are being observed and emerging and therefore the product development is being based on these trends:

1. Explosion of connected (always-on) devices;
2. All of these connected devices are bringing in an astronomical growth in data requirements;
3. Global growth of mobile connectivity is the engine for growth.

4. Most data growth is occurring in the developing world and amongst poorer populations; and
5. Network Security: The network is under threat due to very poor network security.

### Business Operation

The Company was mainly focused on the export market erstwhile; however, with the various initiatives taken by the Government of India, under the leadership of our Hon'ble Prime Minister, such as "Make in India", "Digital India" and "PMA Policy", the Indian business scenario is now looking more vibrant and promising. All the initiatives taken by the Government of India are helping the Company (being an indigenous manufacturer of communications equipment) to capitalize its position in India.

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 distinct advantage to the Company over some large MNCs. There have also been various opportunities wherein Tejas Networks Limited has participated across the utility sectors with the equipment of the Company.

The growth of the Company related to the power sector is closely associated with the pace of Optical Fiber Cable (OFC) deployment. It can be reasonably estimated based on number of power sub-stations, wherein the Company has met the deployment Qualifying Requirement (QR) up to 765KV power sub-station level, one of the highest functional power sub-station level of the country.

During the year under reporting, the Company has also signed MOU with ITI Ltd. (an undertaking of the Govt. of India) for forthcoming large opportunities in defense and paramilitary forces.

On the export front, the Company is experiencing a pick-up in export demand from developing countries in South East Asia, Eastern Europe, the Middle East, Africa and South America.

Many of the larger opportunities are expected to materialize in near term, across various utility sectors including Power, DFCC (Dedicated Freight Corridor under Ministry of Railways), Defense etc., wherein, Valiant is competing against foreign companies including MNCs. All these opportunities have potential to make a significant positive impact on the financials of the Company.

### Opportunities

Valiant has now also entered in to the domain of Network Synchronization, which is mainly to address the poor Mobile Network Performance and call-drop issues. The upgradation in the levels in technology from 2G to 3G, 4G (LTE) has only increased the requirements of improved Network Performance to a higher level.

The Company has also added to its range of Frequency, Phase and the Time Synchronization range of products with its GPS / GNSS based Primary Reference Clock with integrated IEEE-1588v2 PTP Grandmaster and NTP Server for installation at cell-sites to provide a comprehensive solution which shall improve “Mobile Network Performance” and “Reduce Call Drops”. The field trials are in the process of being conducted in India and on an international basis.

New product developments are also focused on Network Security solutions. A range of Encryption & Firewall Equipment along with Network Protection solutions proving Network / Path / Equipment (Server/Router) redundancy solutions for network reliability are been introduced and are currently undergoing extensive Government approvals to be introduced in the domestic and overseas markets.

Higher 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 communication networks.

While competing against large foreign MNCs, the Company is continuously investing to upgrade its product portfolio and has launched state-of-the-art technology products for across various utility sectors, which are expected to be bear fruit in the coming quarters.

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 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 GPS Receivers, Multiplexers and Digital Cross Connect Switch products has also received Type Test Approval from the across the Power Grid Corporation of India Ltd., Bharat Heavy Electrical Ltd., Delhi Transco Ltd., Tamil Nadu Transmission Co. Ltd., AP Transmission Company Limited, etc.

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

### New Products

The Company has enhanced and upgraded its existing range of the Multiplexers and Teleprotection / Digital Protection Coupler equipment and now also offers a comprehensive range of GPS / GNSS (GNSS refers to a global navigation satellite system (GNSS) which includes Global Positioning System (GPS) and the Russian GLONASS as well as the European Union's Galileo (are termed as GNSS). 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.

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.

New product development is also focused at Network Security. A range of Encryption & Firewall Equipment along with Network Protection solutions proving Network / Path / Equipment (Server/Router) redundancy solutions for network reliability are been introduced and are currently undergoing extensive Government approvals to be introduced in the domestic and overseas markets.

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 110 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.

### Future Prospects

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

The Company is in the process of introducing many new products during the year 2017-2018 for Smart Grid, 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> 2018.

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 2016-17, the 48.50% (previous year: 9.15%) of operating revenue comes from the India, while the 18.58 % (previous year: 31.04%) and 2.90% (previous year: 6.58%) is from the US and European market respectively. The balance 30.02% (previous year: 53.23%) of the sales is contributed from the rest of the world.

### Risk and Concerns

Risk is an inherent aspect of every business. The communication 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 business in Indian environment has long gestation period and inherited execution delays, consequently causes volatility in revenue recognition and profit figures in financial statements.

Further, in view of industrial trends in India, the Company may face the delay in debtors realization, which may have an adverse impact on cash position of the Company in short-term. Consequently, the Company may face challenges to maintain the working capital requirements in view of upcoming larger opportunities.

The Company may also face challenges to meet the requisite financial criteria of tender based business, for which Company has to rely on other larger business entities, which may have an adverse impact on margins.



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.

### Exchange Rate Fluctuation

The functional currency of your Company is the Indian rupee, whereas most of 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.

### Financial and Operational Performance

The Company has posted its all-time high annual revenue figures at ₹ 1,756 lac (previous year: ₹ 1,351 lac). The total revenue of the Company has increased by 30% on annual basis.

The Company has recorded annual EBITDA Profit at ₹ 200.40 lac Vs. ₹ 109.46 lac on year on year basis.

The other income is dropped from ₹ 74.36 lac to ₹ 42.77 lac on annual basis. The drop is mainly because of fall in income from bank interest on deposits, as the funds are presently being deployed for working capital requirements.

The profit after tax has increased to ₹ 49.16 lac Vs. ₹ 21.14 lac on year-on-year basis.

At consolidated level, the total revenue of the Group has increased by 28% to ₹ 1,759 lac from ₹ 1,372 lac on annual basis. Whereas, the reported net profit after taxes is ₹ 48.49 lac as compared to ₹ 23.30 lac on annual basis.

The Company has maintained its debt-free status throughout the reporting year.

### Shareholders Fund

A statement of Shareholders Fund as on March 31<sup>st</sup> 2017 along with the comparison with previous three years is given below:

In ₹

Particulars	Year ended on March 31 <sup>st</sup> 2017 (Audited)	Year ended on March 31 <sup>st</sup> 2016 (Audited)	Year ended on March 31 <sup>st</sup> 2015 (Audited)	Year ended on March 31 <sup>st</sup> 2014 (Audited)
Equity Paid-up Capital	72,234,600	72,234,600	72,234,600	72,234,600
Reserve and Surplus				
- P&L A/c (Cr.)	113,726,397	108,809,935	106,696,346	109,446,612
- Security Premium	89,676,647	89,676,647	89,676,647	89,676,647
- Capital Redemption Reserve	14,221,400	14,221,400	14,221,400	14,221,400
Shareholders Fund / Equity	289,859,044	284,942,582	282,828,993	285,579,259
Book Value (per equity share)	₹ 40.13	₹ 39.45	₹ 39.15	₹ 39.53

### 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.

### Human Resources

Human resource is the most precious asset of your Company and the Company seeks to attract and retain the best talent available. The Company provides an environment, which encourages initiatives, innovative thinking and recognizes 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. The Directors' Report may be referred for any further details.

### 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 20.05.2016, 09.08.2016, 09.11.2016, and 09.02.2017 during the financial year 2016-2017.

Details of the composition of the Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting (AGM), number of other directorships / other committee memberships held during the financial year 2016-2017, are given below:

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

None of the directors holds any committee membership in any other 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") 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 9<sup>th</sup> 2017, as required under Schedule IV to the Companies Act, 2013 ("the Act") and the Listing Regulations. All Independent Directors have attended the meeting. Mr. Gaurav Kaura chaired the Meeting.

### Familiarization programs

The details of familiarization programs imparted to independent directors, is uploaded on the Company's website at the web link: <http://www.valiantcom.com/corporate/misc/notice/familiarization-2016-17.pdf>

### 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 Regulations and the 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 20.05.2016, 09.08.2016, 09.11.2016 and 09.02.2017 during the financial year 2016-2017.

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	4
Sh. Avinash Verma	Member	4
Sh. D.M. Sood	Member	4
Sh. Sumit Mehta	Member	4
Ms. Neepa Chatterjee	Member	4

### CEO/ CFO Certification

The CEO and CFO have certified, in terms of the regulation 17(8) of Listing Regulations, to the Board that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.

### Stakeholder Relationship Committee

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 eight 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> 2017.

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

### 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	1
Sh. Sumit Mehta	Member	1
Ms Neepa Chatterjee	Member	1

The members of the Committee met 09.02.2017 during the financial year 2016-2017.

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.
11. Review and approve the Code of Conduct for the company.
12. Review and approve the disclosures of the committee in the annual report.
13. Devise a policy relating to human resources, including diversity.
14. Review and modify these terms of reference on a need basis.
15. 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>	3,155,000	Nil	Up to 16/08/2019
Sh. D.M. Sood <i>Executive Director</i>	2,874,000	Nil	Up to 30/11/2019
Ms.Neepa Chatterjee <i>Independent Non Executive Director</i>	Nil	30,000	Not Applicable
Sh. Gaurav Kaura <i>Independent Non Executive Director</i>	Nil	30,000	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

In addition of above, the Company's wholly owned subsidiary in UK, has paid the service compensation to each Executive Director of ₹ 808,797/- based on their performance. The Company has not paid any allowance, perquisite commission, etc., to its Executive Directors. Further, no stock options have been allotted to any Director(s) during the financial year under consideration.

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

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

As on March 31<sup>st</sup> 2017, none of the 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 noncompliance 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 Listing Regulations, whereas, the non-

mandatory requirement(s), have not been adopted specifically.

- The policy on material subsidiaries, as approved by the Board, can be accessed at the web-link: <http://www.valiantcom.com/corporate/misc/notice/policy-material-subsiadiaries.pdf>
- The policy on dealing with related party transactions, as approved by the Board, is uploaded on the Company's website at the web-link: [http://www.valiantcom.com/corporate/misc/notice/rtp\\_policy.pdf](http://www.valiantcom.com/corporate/misc/notice/rtp_policy.pdf)
- The business activities of the Company are not directly exposed to any commodity price risks and accordingly, the Company did not enter in any commodity hedging activities.
- Certain information and disclosures under the Act, 2013 and Listing Regulations, have been provided either in Directors' Report or in Management Discussion Analysis. The same can be referred for any further requisite information.

### Means of Communications

- The quarterly / half yearly / annual financial results are submitted to the Stock Exchanges and published in the leading national daily newspapers *Financial Express and Jansatta*, in English and in vernacular language respectively.

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, if any, 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:

Particulars	Date and Time	Venue
23 <sup>rd</sup> Annual General Meeting	September 30 <sup>th</sup> 2016 at 9.30 a.m.	96/4, Post & Village, Tikri Kalan, New Delhi 110041
22 <sup>nd</sup> Annual General Meeting	September 30 <sup>th</sup> 2015 at 9.30 a.m.	96/4, Post & Village, Tikri Kalan, New Delhi 110041
21 <sup>st</sup> Annual General Meeting	September 26 <sup>th</sup> 2014 at 9.30 a.m.	96/4, Post & Village, Tikri Kalan,



During the previous three years, the Company has neither passed any special resolution(s) in any General Meetings; nor 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 (AGM):

The information regarding the 24<sup>th</sup> Annual General Meeting during the year 2017 is as follows:

Date: September 29<sup>th</sup> 2017  
 Day: Friday  
 Time: at 9.30 a.m.  
 Place: 96/4, Post & Village, Tikri Kalan,  
 New Delhi 110041

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

#### c. Date of Book Closure: Saturday, September 23<sup>rd</sup> 2017 to Friday, September 29<sup>th</sup> 2017 (both days inclusive)

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

#### e. Dividend:

In view of current and expected foreseeable growth opportunities, the Board of Directors intends to retain the financial resources of the Company and therefore, finds it prudent 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 - 400001

Listing Fee: The Company has paid, till date, the listing fees of Bombay Stock Exchange, Mumbai, for the year 2016-2017 and 2017-2018.

#### 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 documents are 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 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

#### i. 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> 2017, 96.19% (previous year: 96.17%) of the outstanding equity shares of the Company have been dematerialized.

#### j. Foreign exchange risk

The functional currency of your Company is the Indian rupee, whereas most of the business receipts are in foreign currencies. The Company may face 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. The Company did not enter in any hedging activities.

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

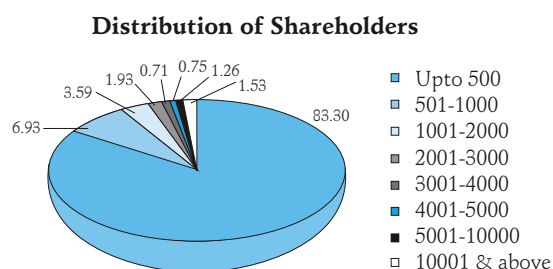
Valiant Communications Ltd.  
 71/1, Shivaji Marg,  
 New Delhi 110015, India

#### l. Compliance Officer:

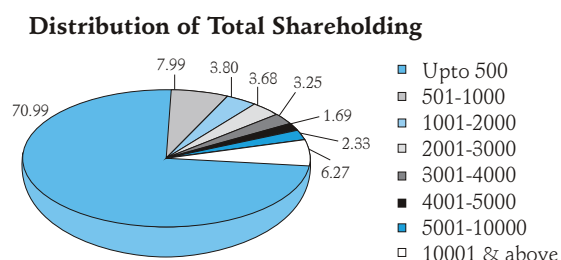
Mr. Manish Kumar, Company Secretary  
 Valiant Communications Ltd.

### m. Distribution of Shareholding (as on 31<sup>st</sup> March 2017)

No. of equity shares held	No. of Shareholders	% of Shareholders
Up to 500	4,016	83.30
501-1000	334	6.93
1001-2000	173	3.59
2001-3000	93	1.93
3001-4000	34	0.71
4001-5000	36	0.75
5001-10000	61	1.26
10001 & above	74	1.53
<b>Total</b>	<b>4,821</b>	<b>100.00</b>



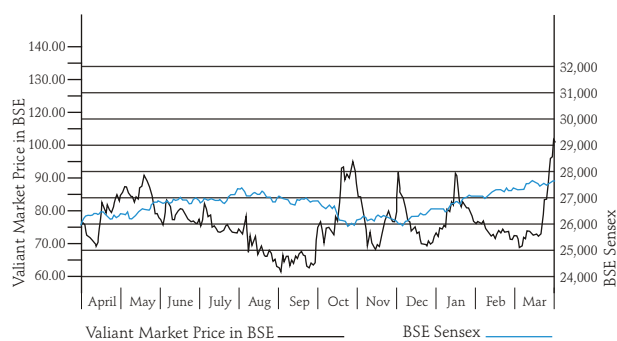
No. of equity shares held	No. of Shares held	% of Shares held
Up to 500	577,087	7.99
501-1000	274,359	3.80
1001-2000	265,494	3.68
2001-3000	235,021	3.25
3001-4000	122,103	1.69
4001-5000	168,527	2.33
5001-10000	452,690	6.27
10001 & above	5,128,179	70.99
<b>Total</b>	<b>7,223,460</b>	<b>100.00</b>



### n. Market Price Data: High / Low during each month in financial year 2016-2017\*

Month	Valiant' market price in BSE	
	High	Low
April-16	89.00	67.20
May-16	93.00	78.00
June-16	83.65	73.00
July-16	83.00	71.10
August-16	82.00	61.15
September-16	70.00	59.05
October-16	96.10	65.90
November-16	98.00	63.50
December-16	95.00	68.00
January-17	96.00	71.00
February-17	79.90	68.25
March-17	104.00	68.00

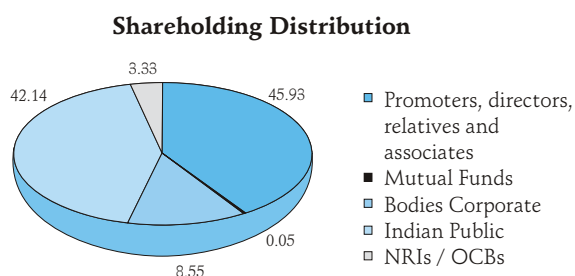
### Valiant Market Price Vs. BSE Sensex\*



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

### o. Shareholding Pattern(as on 31-03-2017)\*

Categories	No. of Shares	Shareholding in %
Promoters and Promoter's Groups <sup>§</sup>	3,043,931	42.14
Mutual funds	3,900	0.05
Bodies Corporate	617,558	8.55
Indian public	3,317,266	45.93
NRI/OCBs/FIIs	240,805	3.33
<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's 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 conditions of corporate governance by Valiant Communications Limited (the Company), for the year ended on March 31<sup>st</sup> 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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 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  
Surbhi Aggarwal (Partner)  
Membership No. 534836

New Delhi, May 3, 2017

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## 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, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the (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 which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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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. 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, 2017 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, 2016 ("the Order") issued by the Government of India in terms of sub-Section 11 of Section 143 of the Act, we give in the "Annexure-I", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
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 purpose 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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-II"; and
  - g) 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 to 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.
    - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 21(g) to the financial statements.

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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836



ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017, 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.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
2. a. The inventory has 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 inventory 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 discrepancy noticed on physical verification of inventory, as compared to book records.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
4. The company has not given any loan, guarantee and security to and on behalf of any of its Directors as stipulated under Section 185 of the Act and the Company has not made any loan and investment for which compliance are to be complied with the provisions of Section 186 of the Act.
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, 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, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 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 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 the 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	6,938,270/-	2009-2010	Tribunal

8. According to the information and explanations given to us, the company has not taken any loan from any financial institution or bank Government or dues to debenture holders; hence clause (viii) of paragraph 3 of the Order is not applicable.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term Loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause (xii) of paragraph 3 of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of

- such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
  15. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.
  16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836

New Delhi, May 3, 2017

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## ANNEXURE - II TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF VALIANT COMMUNICATIONS LIMITED

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

We have audited the internal financial controls over financial reporting of Valiant Communications Limited ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

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### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

New Delhi, May 3, 2017

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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836

## VALIANT COMMUNICATIONS LIMITED

## BALANCE SHEET AS AT

(In ₹)

Particulars	Note No.	31-03-2017	31-03-2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	72,234,600	72,234,600
Reserves & surplus	2	<u>217,624,444</u>	<u>212,707,982</u>
		289,859,044	284,942,582
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	3	<u>1,029,070</u>	<u>525,646</u>
		1,029,070	525,646
<b>Current liabilities</b>			
Trade payables (other than Micro and Small Enterprises)	4	16,125,977	17,763,166
Other current liabilities		3,591,171	3,123,848
Short-term provisions		<u>3,095,933</u>	<u>1,900,709</u>
		22,813,081	22,787,723
<b>Total</b>		<b><u>313,701,195</u></b>	<b><u>308,255,951</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5		
Tangible assets		43,379,723	43,944,312
Intangible assets		22,575,820	26,136,115
Intangible assets under development		1,280,000	-
Non-current investments	6	20,621,000	23,100,474
Long-term loans and advances	7	<u>4,364,501</u>	<u>3,523,375</u>
		92,221,044	96,704,276
<b>Current assets</b>			
Inventories	8	79,917,160	89,456,880
Trade receivables	9	101,791,557	44,424,687
Cash and cash equivalents	10	30,209,371	65,479,751
Short-term loans and advances	11	<u>9,562,063</u>	<u>12,190,357</u>
		221,480,151	211,551,675
<b>Total</b>		<b><u>313,701,195</u></b>	<b><u>308,255,951</u></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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836

New Delhi, May 3, 2017

For and on behalf of the Board

Inder Mohan Sood  
Managing Director  
DIN: 00001758

Davinder Mohan Sood  
Director-Finance  
DIN: 00001756

Manish Kumar  
Company Secretary  
Membership No.: A16483

New Delhi, May 3, 2017

VALIANT COMMUNICATIONS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED

(In ₹)

Particulars	Note No.	31-03-2017	31-03-2016
<b>INCOME</b>			
I. Revenue from operations		175,601,200	135,141,834
II. Other income		4,276,701	7,435,577
III. <b>Total revenue (I+II)</b>	12	179,877,901	142,577,411
<b>EXPENSES</b>			
Cost of raw materials consumed		76,755,598	57,511,153
Changes in inventories of finished goods, work-in-progress and stock-in-trade		8,758,113	7,236,977
Employee benefits expenses		35,744,129	31,511,048
Depreciation and amortization expenses		17,182,381	15,294,373
Other expenses		34,302,819	27,936,166
IV. <b>Total expenses</b>	13	172,743,040	139,489,717
V. Profit before exceptional and extraordinary items and tax (III-IV)		7,134,861	3,087,694
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		7,134,861	3,087,694
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		7,134,861	3,087,694
X. Tax expenses			
1) Current tax		1,714,975	588,360
2) Minimum Alternate Tax (MAT) entitlement		-	(588,360)
3) Deferred tax		503,424	974,105
XI. <b>Net profit/(loss) after tax for the period (IX-X)</b>		4,916,462	2,113,589
XII. Earning per share (basic and diluted)		0.68	0.29
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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836

New Delhi, May 3, 2017

For and on behalf of the Board

Inder Mohan Sood  
Managing Director  
DIN: 00001758

Davinder Mohan Sood  
Director-Finance  
DIN: 00001756

Manish Kumar  
Company Secretary  
Membership No.: A16483

New Delhi, May 3, 2017



VALIANT COMMUNICATIONS LIMITED  
**NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**

(In ₹)

Particulars	31-03-2017	31-03-2016
<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	31-03-2017		31-03-2016	
	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 the Board of Directors is subject to the approval of equity shareholders in their ensuing annual general meeting.

In the event of liquidation of the 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	31-03-2017		31-03-2016	
		No. of shares	% shareholding	No. of shares	% shareholding
Inder Mohan Sood	Promoter	1,149,086	15.91	1,032,536	14.29
Davinder Mohan Sood	Promoter	1,147,758	15.89	1,031,208	14.28
Ostrich Estate Private Ltd.	Non-promoter	194,429	2.69	380,660	5.27

VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017

(In ₹)

Particulars	31-03-2017	31-03-2016
<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	108,809,935	106,696,346
Add: Profit/ (loss) for the year	4,916,462	2,113,589
Closing balance	113,726,397	108,809,935
<b>Total</b>	<b>217,624,444</b>	<b>212,707,982</b>
<b>3. Deferred tax assets / liabilities</b>		
Depreciation and amortization	1,455,786	2,364,348
Gross deferred tax liability	1,455,786	2,364,348
Less:		
Unabsorbed depreciation carried forward	-	1,433,186
Expenditure under Section 43B of Income Tax Act	426,716	405,516
Gross deferred tax asset	426,716	1,838,702
<b>Deferred tax liabilities (net)</b>	<b>1,029,070</b>	<b>525,646</b>
<b>4. Current liabilities</b>		
Trade payables	16,125,977	17,763,166
<i>Other current liabilities</i>		
Advances from customers	1,918,232	2,078,451
Statutory dues	1,384,605	606,002
Unpaid dividend	288,334	439,395
	3,591,171	3,123,848
<i>Short-term provisions</i>		
Provision for income tax	1,714,975	588,360
Provision for gratuity	585,022	481,944
Provision for short-term employees benefits	795,936	830,405
	3,095,933	1,900,709
<b>Total</b>	<b>22,813,081</b>	<b>22,787,723</b>

## VALIANT COMMUNICATIONS LIMITED

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**

(In ₹)

**5. Fixed assets**

Description	GROSS BLOCK				DEPRECIATION & AMORTIZATION			NET BLOCK		
	As at 01-04-2016	Additions	Deductions	Total upto 31-03-2017	Total upto 31-03-2016	Depreciation for the year	Depreciation written back	Accumulated Depreciation upto 31-03-2017	Total as at 31-03-2016	Total as at 31-03-2017
<b>Tangible Assets</b>										
Building	18,106,657	-	-	18,106,657	4,166,304	592,132	-	4,758,436	13,940,353	13,348,221
Plant & Machinery	18,857,852	-	-	18,857,852	15,837,006	291,919	-	16,128,925	3,020,846	2,728,927
Electric Installations	858,323	-	-	858,323	668,123	84,824	-	752,947	190,200	105,376
Office Equipment	3,772,945	904,550	-	4,677,495	3,247,597	227,649	-	3,475,246	525,348	1,202,249
Air Conditioner	1,741,065	63,000	-	1,804,065	746,632	95,897	-	842,529	994,433	961,536
Generator Set	732,487	-	-	732,487	465,666	32,873	-	498,539	266,821	233,948
Vehicles	10,299,842	1,407,335	760,925	10,946,252	3,915,028	1,256,243	722,879	4,448,392	6,384,814	6,497,860
Tools & Dies	2,023,219	6,442	-	2,029,661	1,674,105	29,174	-	1,703,279	349,114	326,382
Testing Equipment	26,987,852	1,756,124	-	28,743,976	11,522,019	1,591,507	-	13,113,526	15,465,833	15,630,450
Furniture & Fixtures	5,123,583	19,700	-	5,143,283	3,183,778	306,177	-	3,489,955	1,939,805	1,653,328
Computer	5,288,860	293,594	-	5,582,454	4,422,115	468,893	-	4,891,008	866,745	691,446
	93,792,685	4,450,745	760,925	97,482,505	49,848,373	4,977,288	722,879	54,102,782	43,944,312	43,379,723
<b>Intangible Assets</b>										
Software	10,180,814	88,698	-	10,269,512	8,697,752	324,352	-	9,022,104	1,483,062	1,247,408
Technical Know-How	92,409,004	8,556,100	-	100,965,104	67,755,951	11,880,741	-	79,636,692	24,653,053	21,328,412
	102,589,818	8,644,798	-	111,234,616	76,453,703	12,205,093	-	88,658,796	26,136,115	22,575,820
<b>Total</b>	<b>196,382,503</b>	<b>13,095,543</b>	<b>760,925</b>	<b>208,717,121</b>	<b>126,302,076</b>	<b>17,182,381</b>	<b>722,879</b>	<b>142,761,578</b>	<b>70,080,427</b>	<b>65,955,543</b>
Previous year	176,526,941	20,816,562	961,000	196,382,503	111,920,653	15,294,373	912,950	126,302,076	64,606,288	70,080,427

(In ₹)

Particulars	Face value of each	31-03-2017	31-03-2016
<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; 286,287 (previous year: 286,287) equity shares			
	₹ 10.00	2,862,870	2,862,870
		20,621,000	20,621,000
b) Non-trade investments (unquoted, fully paid up, other than in subsidiaries, associates, joint ventures and controlled special purpose entities)			
i) United States Steel Corporation, United States of America Nil (previous year: 1,195) common stock			
	US\$ 1.00	-	2,479,474
		-	2,479,474
<b>Total</b>		<b>20,621,000</b>	<b>23,100,474</b>
<b>7. Long-term loans &amp; advances</b>			
<i>(Unsecured but considered good to other than related parties)</i>			
Capital advances			
		4,342,501	3,499,125
Security deposit			
		22,000	24,250
<b>Total</b>		<b>4,364,501</b>	<b>3,523,375</b>

VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2017

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>8. Inventories</b> (Valued at lower of cost or net realizable value)		
Raw material	75,152,196	75,933,803
Work-in-progress	4,764,964	13,523,077
<b>Total</b>	<b>79,917,160</b>	<b>89,456,880</b>
<b>9. Trade receivables</b> (Unsecured, but considered good)		
Debts (outstanding for less than six months)	101,791,557	44,424,687
<b>Total</b>	<b>101,791,557</b>	<b>44,424,687</b>
<b>10. Cash &amp; cash equivalents</b>		
Cash on hand	139,788	184,368
Balances with banks*		
Current accounts	19,026,270	16,466,707
Deposits [including Nil of bank deposits with more than 12 months maturity (previous year: nil)]	11,043,313	48,828,676
<b>Total</b>	<b>30,209,371</b>	<b>65,479,751</b>
*It includes:		
Restricted bank balance (unpaid dividend accounts)	288,334	439,395
Deposits held as security against bank guarantee(s) (Including deposits of ₹1,633,370/- (previous year: nil) with maturity of less than 3 months)	10,736,097	10,736,097
Non-earmarked deposits with maturity of less than 3 months	-	20,000,000
<b>11. Short-term loans &amp; advances</b> (Unsecured but considered good to other than related parties)		
Sundry advances to suppliers	478,541	2,172,633
Earnest money deposits	94,500	194,600
Tax deducted at source	328,793	596,313
Advance income and other taxes	6,110,114	7,989,953
Prepaid expenses	2,550,115	1,236,858
<b>Total</b>	<b>9,562,063</b>	<b>12,190,357</b>
<b>12. Revenue</b>		
Revenue from operations		
Sales (refer note 12.1)	175,601,200	135,141,834
Other Income		
Bank interest	3,146,948	5,707,290
Dividend income*	12,039	15,172
Net gain on sale of investments*	138,424	-
Net gain/(loss) on foreign currency transaction & translation	979,290	1,713,115
Other non-operating income (net of expenses directly attributable to such income)	-	-
	4,276,701	7,435,577
<b>Total</b>	<b>179,877,901</b>	<b>142,577,411</b>

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



## VALIANT COMMUNICATIONS LIMITED

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>12.1 Revenue from operations</b>		
<b>From exports</b>		
Sale of products	90,328,541	122,558,092
Sale of services	49,950	217,800
<b>TOTAL (A)</b>	<b>90,378,491</b>	<b>122,775,892</b>
<b>From India</b>		
Sale of products	92,483,847	12,272,854
Less: Excise duty	7,402,138	982,280
	85,081,709	11,290,574
Sale of services	141,000	1,075,368
<b>TOTAL (B)</b>	<b>85,222,709</b>	<b>12,365,942</b>
<b>TOTAL (A+B)</b>	<b>175,601,200</b>	<b>135,141,834</b>
<b>13. Expenses</b>		
<b>Cost of raw material consumed</b>		
Opening stock	75,933,803	64,273,546
Add : Purchases	75,973,991	69,171,410
Less : Closing stock	(75,152,196)	(75,933,803)
	76,755,598	57,511,153
<b>Changes in inventories of work-in-progress (semi-finished)</b>		
Opening stock	13,523,077	20,760,054
Less : Closing stock	(4,764,964)	(13,523,077)
(Increase) / decrease in inventories	8,758,113	7,236,977
<b>Employee benefits expenses</b>		
Salary, wages and bonus	33,550,905	29,342,069
Contribution to provident and other funds	1,019,557	1,024,407
Staff welfare	1,173,667	1,144,572
	35,744,129	31,511,048
<b>Depreciation and amortization expenses</b>		
Depreciation on tangible assets	4,977,288	4,600,524
Amortization of intangible assets	12,205,093	10,693,849
	17,182,381	15,294,373
<b>Other expenses</b>		
Consumption of stores and spare parts	851,140	940,037
Power & fuel	1,562,920	1,433,148
Repairs to machinery	237,228	279,967
Repairs to building	173,398	193,311
Other manufacturing expenses	6,560,679	4,806,020
Loss on sale of fixed assets	18,046	3,605
Rent	720,000	720,000
Rates & taxes, excluding taxes on income	164,919	105,343
Postage, phones & grams	765,726	721,059
Product testing & quality certification	866,178	925,298
Printing & stationery	611,303	606,832
Installation & Commissioning	1,501,558	-
Traveling	3,658,784	3,655,553
Insurance	342,435	179,756

VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017

(In ₹)

Particulars	31-03-2017	31-03-2016
Advertisement	660,006	838,298
Office general expenses	828,180	529,130
Vehicle repair & maintenance	728,374	721,275
Freight & cartage	5,600,667	4,753,564
Charity and donation	35,000	33,000
Unrealized debtors	376,489	-
Security	1,003,200	950,400
Miscellaneous	609,791	270,055
Auditors remuneration	400,000	400,000
Bank charges	463,864	414,398
Legal & professional	3,789,706	3,274,534
Packing & forwarding	1,602,613	955,434
Business promotion	170,615	226,149
	34,302,819	27,936,166
<b>Total</b>	<b>172,743,040</b>	<b>139,489,717</b>

#### 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

**VALIANT COMMUNICATIONS LIMITED**
**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**
**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 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	31-03-2017	31-03-2016
<b>15.1 Contingent liabilities (not provided for)</b>		
Income-tax matter in dispute	6,938,270	6,938,270
Any other contingent liability	-	-
<b>Total</b>	<b>6,938,270</b>	<b>6,938,270</b>

## VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017

The management believes that the claim made is untenable and is contesting before appellate authority. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. In the event, the revenue authorities succeed with enforcement of their assessments, there shall be an adverse effect on the net income, however, it should not make any material impact on the cash-flow of the Company, as the various other undisputed refund dues are substantially sufficient to settle the above claim.

**15.2 Commitments**

In view of current and expected foreseeable growth opportunities, the Board of Directors intends to retain the financial resources of the Company and therefore, finds it prudent not to propose any dividend for the year under reporting.

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>16. Auditor's remuneration</b>		
Statutory audit fee	175,000	175,000
Certification charges	100,000	100,000
Tax audit	125,000	125,000
<b>Total</b>	<b>400,000</b>	<b>400,000</b>
<b>17. Segmentwise revenue &amp; results</b>		
<b>Revenue by geographical segment</b>		
India	85,172,711	12,365,942
USA	32,618,714	41,949,501
Europe	5,087,832	8,896,138
Rest of the world	52,721,893	71,930,253
Total	175,601,150	135,141,834
Less : Inter segment revenue	-	-
Net sales/ revenue from operation	175,601,150	135,141,834
<b>Profit/(loss) before tax and interest by geographical segment</b>		
India	43,695,589	6,441,266
USA	16,734,161	21,850,974
Europe	2,610,177	4,633,888
Rest of the world	27,047,562	37,467,576
Total	90,087,489	70,393,704
Less : Interest	-	-
Less : Other unallocable expenditure	87,229,329	74,741,587
Add: Other unallocable income	4,276,701	7,435,577
Profit before tax	7,134,861	3,087,694

**Note:**

The Company is an 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 FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**
**18. 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:

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>Gratuity Scheme</b>		
<b>Changes in present value of defined benefit obligation</b>		
Opening defined benefit obligation	5,910,893	5,054,524
Interest cost	473,635	449,097
Current service cost	334,175	324,197
Benefits paid	(501,006)	-
Net actuarial (gain)/ loss on obligation	36,914	83,075
Closing defined benefit obligation	6,254,611	5,910,893
<b>Changes in fair value of plan assets</b>		
Opening fair value of plan assets	5,428,949	4,705,677
Expected return	428,888	411,747
Contribution by employer	350,709	296,621
Benefits paid	(501,006)	-
Net actuarial gain/ (loss)	(37,951)	14,904
Closing fair value of plan assets	5,669,589	5,428,949
<b>Plan assets/ (liability) recognized in the balance sheet</b>	(585,022)	(481,944)
<b>Net employee benefit expenses (recognized in profit &amp; loss account)</b>		
Current service cost	334,175	324,197
Interest cost on benefit obligation	473,635	449,097
Expected return on plan assets	(428,887)	(411,747)
Net actuarial (gain)/ loss recognized in the year	74,865	68,171
Net benefit expense	453,788	429,718
Actual return on plan assets	412,642	426,651
<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	7.90%	8.75%
Mortality rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
<b>Contribution to defined contribution plan</b>		
Provident fund	894,853	879,134



VALIANT COMMUNICATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2017

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 ₹ 515,000/- approximately to gratuity in financial year 2017-2018. 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.

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	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Defined benefit obligation	(6,254,611)	(5,910,893)	(5,054,524)	(4,207,716)	(4,091,128)
Plan Assets	5,669,589	5,428,949	4,705,677	4,051,986	4,453,339
Surplus (deficit)	(585,022)	(481,944)	(348,847)	(155,730)	362,211
Experience adjustments on plan liabilities	(36,914)	(83,075)	(179,958)	(563,783)	35,328
Experience adjustments on plan assets	(37,951)	14,904	750	(35,450)	11,439

19. 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	31-03-2017	31-03-2016
Creditors	US\$	4,380,538	4,104,463
Debtors	US\$	17,557,436	34,934,515
Advances paid	US\$	128,383	2,165,741
Advances received	US\$	1,902,438	2,078,451
Bank balance	US\$	2,033,847	2,721,371

20. Related parties disclosure

Name	Relationship	Transaction details
Valiant Communications (UK) Limited, UK	Subsidiary	Sale of goods of ₹2,402,114/- (Previous year:5,754,113/-)
Valiant Infrastructure Limited, India	Subsidiary	Nil (previous year: nil)
Valcomm Technologies Inc.	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	₹ 6,029,000/- (previous year: ₹ 5,320,000/-).

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.

## VALIANT COMMUNICATIONS LIMITED

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**
**21. Additional information under Schedule III of the Companies Act, 2013**

(In ₹)

Particulars	31-03-2017	31-03-2016
a) Consumption of raw material		
Electronic components	60,775,252	50,767,594
Hardware	15,980,346	6,743,559
	<u>76,755,598</u>	<u>57,511,153</u>
b) Purchases of raw material		
Electronic components	59,200,309	62,427,851
Hardware	16,773,682	6,743,559
	<u>75,973,991</u>	<u>69,171,410</u>
c) Work-in-progress		
Electronic cards	4,764,964	13,523,077
d) Earning in foreign currency		
Value of Exports (FOB)		
i) Telecom transmission equipment / cards	88,033,083	119,006,617
ii) Services	49,950	217,800
Dividend received	12,039	15,172
	<u>88,095,072</u>	<u>119,239,589</u>
e) Expenditure in foreign currency		
Raw material	45,968,594	46,399,477
Capital goods	1,191,896	582,619
Total Import (CIF)	<u>47,160,490</u>	<u>46,982,096</u>
Know-how Services	1,068,788	274,063
Traveling expenses	784,765	914,253
	<u>49,014,043</u>	<u>48,170,412</u>
f) Value of raw materials, spares parts and components consumed		
Raw material		
Imported [59.96% (previous year: 63.93%)]	46,022,657	36,766,880
Indigenous [40.04% (previous year: 36.07%)]	30,732,941	20,744,273
	<u>76,755,598</u>	<u>57,511,153</u>
Stores & Spares		
Imported [0.00% (previous year: 0.00%)]	-	-
Indigenous [100.00% (previous year: 100.00%)]	851,140	940,037
	<u>851,140</u>	<u>940,037</u>

g) Disclosure for Specified Bank Notes\* (SBN) held during the period from 08-11-2016 to 30-12-2016

Particulars	SBN	Other Denomination notes	Total
Closing cash in hand as on 8-11-2016	260,000	17,705	277,705
Add: Permitted receipts (withdrawal from bank)	-	350,000	350,000
Less: Permitted payments	-	293,007	293,007
Less: Amount deposited in Banks	<u>260,000</u>	-	<u>260,000</u>
Closing cash in hand as on 30-12-2016	-	<u>74,698</u>	<u>74,698</u>

\*The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

VALIANT COMMUNICATIONS LIMITED  
**NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**

**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.

**23. Other disclosures:**

- a) During the last five years immediately preceding the date as at the balance sheet is prepared, the Company had bought-back 199,550 equity shares pursuant to the approval of Board of Directors of the Company.
- b) 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 Nil (previous year: ₹ 1,272,193/-).
- c) All revenue from services relates to the installation and commissioning support services of the goods manufactured by company.
- d) As at end of reporting date of current year and preceding year, there is no principal amount and the interest due thereon remain unpaid to any supplier in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.
- e) During the financial year under reporting and in any preceding years, the Company did not enter in any transaction with any Micro, Small and Medium Enterprises and therefore no interest was paid or payable by the Company in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, for the payments made beyond appointed day. Accordingly, there is no reportable amount of principal, interest accrued and remain unpaid at the end of reporting accounting year(s).
- f) During the financial year under reporting, no interest was due or payable for the delay in making the payment (which has been paid but beyond the appointed day during the year) but without adding interest specified 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.
- g) During the financial year, there is no reportable amount of interest due and payable, accrued and remaining unpaid, to small enterprises supplier, to whom the Company owes dues, which are outstanding beyond prescribed period as at the balance sheet date.

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

25. 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

Surbhi Aggarwal  
 (Partner)  
 Membership No. 534836

New Delhi, May 3, 2017

For and on behalf of the Board

Inder Mohan Sood Managing Director DIN: 00001758	Davinder Mohan Sood Director-Finance DIN: 00001756
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Manish Kumar  
 Company Secretary  
 Membership No.: A16483

New Delhi, May 3, 2017

## VALIANT COMMUNICATIONS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	7,134,861	3,087,694
Adjustment for		
Depreciation and amortization	17,182,381	15,294,373
Short-term provisions	1,380,958	1,900,709
(Profit)/loss on sale of fixed assets	18,046	3,605
Bank interest	(3,146,948)	(5,707,290)
Net gain on sale of investments	(138,424)	-
Dividend income	(12,039)	(15,172)
Net (gain)/Loss on foreign currency translation	(979,290)	(1,713,115)
	14,304,684	9,763,110
<b>Operating profit before working capital changes</b>	21,439,545	12,850,804
Adjustment for		
Trade & other receivables	(54,738,576)	(30,201,183)
Inventories	9,539,720	(4,423,280)
Trade and other payables	(3,070,575)	14,454,489
<b>Cash generated from operations</b>	(26,829,886)	(7,319,170)
Interest paid	-	-
Direct taxes	-	-
<b>Net cash generated from operating activities</b>	<b>(26,829,886)</b>	<b>(7,319,170)</b>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(13,095,543)	(20,816,562)
Sale of fixed assets	20,000	44,445
Sale (purchase) of investments	2,617,898	(925,004)
Long-term loans and advances	(841,126)	4,125,125
Intangible assets under development	(1,280,000)	-
Dividend income	12,039	15,172
Bank interest	3,146,948	5,707,290
<b>Net cash generated from investing activities</b>	<b>(9,419,784)</b>	<b>(11,849,534)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash generated from financing activities</b>	-	-
Net gain/(loss) on foreign currency translation	979,290	1,713,115
<b>Net increase in cash and cash equivalents</b>	<b>(35,270,380)</b>	<b>(17,455,589)</b>
Cash and cash equivalents (opening balance)*	65,479,751	82,935,340
Cash and cash equivalents (closing balance)*	<b>30,209,371</b>	<b>65,479,751</b>

\* Please refer note 10 for restrictive and earmarked cash balances.

**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 the Board

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

Inder Mohan Sood  
Managing Director  
DIN : 00001758

Davinder Mohan Sood  
Director-Finance  
DIN : 00001756

Manish Kumar  
Company Secretary  
Membership No.: A16483

Surbhi Aggarwal (Partner)  
Membership No. 534836  
New Delhi, May 3, 2017

New Delhi, May 3, 2017



**VALIANT COMMUNICATIONS LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31-03-2017**



## 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, 2017, 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 the 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 Board of Directors of the Company 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 Directors of the Holding Company, as aforesaid.

#### **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 Holding 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding 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, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Other Matters**

We did not audit the financial statements of Valiant Communications (UK) Limited and Valcomm Technologies Inc., Foreign subsidiary of the Holding Company, whose respective standalone financial statements reflect total assets of ₹ 286.39 lacs as at 31<sup>st</sup> March, 2017, total turnover of ₹ 25.09 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited under the provisions of law of the respective host countries 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-sections (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

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 aforesaid 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 Holding Company as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Holding 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-I"; and
- g) 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 Holding Company and its subsidiary companies incorporated in India.
  - iv) The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company- refer note no. 19(b) of the Notes to Consolidated Financial Statements.

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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836

New Delhi, May 3, 2017

### Annexure - I to the Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2017, we have audited the internal financial controls over financial reporting of Valiant Communications limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

(“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Surbhi Aggarwal (Partner)  
Membership No. 534836

VALIANT COMMUNICATIONS LIMITED  
CONSOLIDATED BALANCE SHEET AS AT

(In ₹)

Particulars	Note No.	31-03-2017	31-03-2016
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	1	72,234,600	72,234,600
Reserves & surplus	2	<u>224,522,727</u>	<u>223,397,775</u>
		296,757,327	295,632,375
<b>Minority interest</b>		413,396	401,145
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	3	<u>1,029,070</u>	<u>525,646</u>
		1,029,070	525,646
<b>Current liabilities</b>			
	4		
Trade Payables (other than Micro and Small Enterprises)		16,627,773	18,158,032
Other current liabilities		3,116,542	3,123,848
Short-term provisions		<u>3,144,741</u>	<u>1,939,588</u>
		22,889,056	23,221,468
<b>Total</b>		<b><u>321,088,849</u></b>	<b><u>319,780,634</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5		
Tangible assets		43,379,723	43,944,312
Intangible assets		22,575,820	26,136,115
Intangible assets under development		1,280,000	-
Non-current investments	6	5,098,000	7,331,540
Deferred tax assets (net)	3	891,401	-
Long-term loans and advances	7	<u>4,714,501</u>	<u>3,873,375</u>
		77,939,445	81,285,342
<b>Current assets</b>			
Inventories	8	79,917,160	89,456,880
Trade receivables	9	102,497,234	49,572,376
Cash and cash equivalents	10	51,129,182	87,239,139
Short-term loans and advances	11	<u>9,605,828</u>	<u>12,226,897</u>
		243,149,404	238,495,292
<b>Total</b>		<b><u>321,088,849</u></b>	<b><u>319,780,634</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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836  
New Delhi, May 3, 2017

For and on behalf of the Board

Inder Mohan Sood Managing Director DIN : 00001758	Davinder Mohan Sood Director-Finance DIN : 00001756
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Manish Kumar  
Company Secretary  
Membership No.: A16483

New Delhi, May 3, 2017

## VALIANT COMMUNICATIONS LIMITED

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

(In ₹)

Particulars	Note No.	31-03-2017	31-03-2016
<b>INCOME</b>			
I. Revenue from operations		175,954,389	137,217,516
II. Other income		7,045,527	8,500,947
III. <b>Total revenue (I+II)</b>	12	182,999,916	145,718,463
<b>EXPENSES</b>			
Cost of raw materials consumed	13	76,755,598	57,511,153
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	13	8,758,113	7,236,977
Employee benefits expenses	13	37,361,723	32,655,540
Depreciation and amortization expenses	13	17,182,380	15,294,373
Other expenses	13	35,444,370	29,670,617
IV. <b>Total expenses</b>		175,502,184	142,368,660
V. Profit before exceptional and extraordinary items and tax (III-IV)		7,497,732	3,349,803
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		7,497,732	3,349,803
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		7,497,732	3,349,803
X. Tax expenses			
1) Current tax		1,753,196	627,268
2) Minimum Alternate Tax (MAT) entitlement		-	(588,360)
3) Deferred tax		888,638	974,105
		2,636,834	1,013,013
XI. Net profit/(loss) after tax, but before minority interest (IX-X)		4,860,898	2,336,790
XII. Minority interest		12,252	6,313
XIII. <b>Net profit/(loss) after tax for the period (XI-XII)</b>		4,848,646	2,330,477
XIV. Earning per share (basic and diluted)		0.67	0.32
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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836

New Delhi, May 3, 2017

For and on behalf of the Board

Inder Mohan Sood                      Davinder Mohan Sood  
Managing Director                      Director-Finance  
DIN : 00001758                          DIN : 00001756

Manish Kumar  
Company Secretary  
Membership No.: A16483

New Delhi, May 3, 2017



## VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017

(In ₹)

Particulars	31-03-2017	31-03-2016
<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	31-03-2017		31-03-2016	
	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	31-03-2017		31-03-2016	
		No. of shares	% shareholding	No. of shares	% shareholding
Inder Mohan Sood	Promoter	1,149,086	15.91	1,032,536	14.29
Davinder Mohan Sood	Promoter	1,147,758	15.89	1,031,208	14.28
Ostrich Estate Private Ltd.	Non-promoter	194,429	2.69	380,660	5.27

## VALIANT COMMUNICATIONS LIMITED

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**

(In ₹)

<b>Particulars</b>	<b>31-03-2017</b>	<b>31-03-2016</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	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	115,905,998	113,575,521
Add: Profit/ (loss) for the year	4,848,646	2,330,477
Closing balance	120,754,644	115,905,998
<i>Foreign currency translation reserve</i>		
Balance brought forward	3,593,730	2,925,066
Addition/(deduction) for the year	(3,723,694)	668,664
	(129,964)	3,593,730
<b>Total</b>	<b><u>224,522,727</u></b>	<b><u>223,397,775</u></b>
<b>3. Deferred tax assets / liabilities</b>		
Depreciation and amortization	1,455,786	2,364,348
Gross deferred tax liability	1,455,786	2,364,348
Less:		
Unabsorbed depreciation carried forward	-	1,433,186
Expenditure under Section 43B of Income Tax Act	426,716	405,516
Gross deferred tax asset	426,716	1,838,702
<b>Deferred tax liabilities (net)</b>	<b><u>1,029,070</u></b>	<b><u>525,646</u></b>
Unabsorbed past losses carried forward by overseas subsidiaries	891,401	-
<b>Deferred tax assets (net)</b>	<b><u>891,401</u></b>	<b><u>-</u></b>
<b>4. Current liabilities</b>		
Trade payables	16,627,773	18,158,032
<i>Other current liabilities</i>		
Advances from customers	1,443,603	2,078,451
Statutory dues	1,384,605	606,002
Unpaid dividend	288,334	439,395
	3,116,542	3,123,848
<i>Short-term provisions</i>		
Provision for income tax	1,763,783	627,239
Provision for gratuity	585,022	481,944
Provision for short-term employees benefits	795,936	830,405
	3,144,741	1,939,588
<b>Total</b>	<b><u>22,889,056</u></b>	<b><u>23,221,468</u></b>

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017

(In ₹)

5. Fixed assets

Description	GROSS BLOCK			DEPRECIATION & AMORTIZATION				NET BLOCK		
	As at 01-04-2016	Additions	Deductions	Total upto 31-03-2017	Total upto 31-03-2016	Depreciation for the year	Depreciation written back	Accumulated Depreciation upto 31-03-2017	Total as at 31-03-2016	Total as at 31-03-2017
<b>Tangible Assets</b>										
Building	18,106,657	-	-	18,106,657	4,166,304	592,132	-	4,758,436	13,940,353	13,348,221
Plant & Machinery	18,857,852	-	-	18,857,852	15,837,006	291,919	-	16,128,925	3,020,846	2,728,927
Electric Installations	858,323	-	-	858,323	668,123	84,824	-	752,947	190,200	105,376
Office Equipment	3,772,945	904,550	-	4,677,495	3,247,597	227,649	-	3,475,246	525,348	1,202,249
Air Conditioner	1,741,065	63,000	-	1,804,065	746,632	95,897	-	842,529	994,433	961,536
Generator Set	732,487	-	-	732,487	465,666	32,873	-	498,539	266,821	233,948
Vehicles	10,299,842	1,407,335	760,925	10,946,252	3,915,028	1,256,243	722,879	4,448,392	6,384,814	6,497,860
Tools & Dies	2,023,219	6,442	-	2,029,661	1,674,105	29,174	-	1,703,279	349,114	326,382
Testing Equipment	26,987,852	1,756,124	-	28,743,976	11,522,019	1,591,507	-	13,113,526	15,465,833	15,630,450
Furniture & Fixtures	5,123,583	19,700	-	5,143,283	3,183,778	306,177	-	3,489,955	1,939,805	1,653,328
Computer	5,288,860	293,594	-	5,582,454	4,422,115	468,893	-	4,891,008	866,745	691,446
	93,792,685	4,450,745	760,925	97,482,505	49,848,373	4,977,288	722,879	54,102,782	43,944,312	43,379,723
<b>Intangible Assets</b>										
Software	10,180,814	88,698	-	10,269,512	8,697,752	324,352	-	9,022,104	1,483,062	1,247,408
Technical Know-How	92,409,004	8,556,100	-	100,965,104	67,755,951	11,880,741	-	79,636,692	24,653,053	21,328,412
	102,589,818	8,644,798	-	111,234,616	76,453,703	12,205,093	-	88,658,796	26,136,115	22,575,820
<b>Total</b>	<b>196,382,503</b>	<b>13,095,543</b>	<b>760,925</b>	<b>208,717,121</b>	<b>126,302,076</b>	<b>17,182,381</b>	<b>722,879</b>	<b>142,761,578</b>	<b>70,080,427</b>	<b>65,955,543</b>
Previous year	176,526,941	20,816,562	961,000	196,382,503	111,920,653	15,294,373	912,950	126,302,076	64,606,288	70,080,427

(In ₹)

Particulars	Face value of each	31-03-2017	31-03-2016
<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) <i>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	-	4,852,066
		-	4,852,066
b) <i>Non-trade investments (unquoted, fully paid up):</i>			
i) BHP Billiton United States, 1,000 (previous year: nil) ADR, each representing 2 ordinary shares	US\$ 1.00	1,916,536	-
ii) Freeport McMoran Inc, 4,500 (previous year: nil) common stocks	US\$ 0.10	3,181,464	-
iii) United States Steel Corporation, United States of America Nil (previous year: 1,195) common stock	US\$ 1.00	-	2,479,474
		5,098,000	2,479,474
<b>Total</b>		<b>5,098,000</b>	<b>7,331,540</b>

## VALIANT COMMUNICATIONS LIMITED

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>7. Long-term loans &amp; advances</b>		
<i>(Unsecured but considered good to other than related parties)</i>		
Capital advances	4,342,501	3,499,125
Security deposits	372,000	374,250
<b>Total</b>	<b>4,714,501</b>	<b>3,873,375</b>
<b>8. Inventories</b> <i>(Valued at lower of cost or net realizable value)</i>		
Raw material	75,152,196	75,933,803
Work-in-progress	4,764,964	13,523,077
<b>Total</b>	<b>79,917,160</b>	<b>89,456,880</b>
<b>9. Trade receivables</b> <i>(Unsecured but considered good)</i>		
Debts (outstanding for less than six months)	101,791,557	48,850,435
Debts (outstanding for more than six months)	705,677	721,941
<b>Total</b>	<b>102,497,234</b>	<b>49,572,376</b>
<b>10. Cash &amp; cash equivalents</b>		
Cash on hand	141,438	190,318
Balances with banks*		
Current accounts	36,942,173	35,217,881
Deposits [including Nil of bank deposits with more than 12 months maturity (previous year: Nil)]	14,045,571	51,830,940
<b>Total</b>	<b>51,129,182</b>	<b>87,239,139</b>
*It includes:		
Restricted bank balance (unpaid dividend accounts)	288,334	439,395
Deposits held as security against bank guarantee(s) [including deposits of ₹ 1,633,370/- (previous year: nil) with maturity of less than 3 months]	10,736,097	10,736,097
Non-earmarked deposits with maturity of less than 3 months	-	20,000,000
<b>11. Short-term loans &amp; advances</b>		
<i>(Unsecured but considered good to other than related parties)</i>		
Sundry advances to suppliers	478,541	2,172,633
Earnest money deposits	94,500	194,600
Tax deducted at source	352,167	622,815
Advance income and other taxes	6,130,505	7,999,991
Prepaid expenses	2,550,115	1,236,858
<b>Total</b>	<b>9,605,828</b>	<b>12,226,897</b>

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>12. Revenue</b>		
<i>Revenue from operations</i>		
Sale (refer note 12.1)	175,954,389	137,217,516
<i>Other Income</i>		
Bank interest	3,451,376	6,176,041
Dividend income*	180,884	15,172
Net gain on sale of investments*	2,376,448	-
Net gain/(loss) on foreign currency transaction & translation	932,639	2,264,024
Other non-operating income (net of expenses directly attributable to such income)	104,180	45,710
	<u>7,045,527</u>	<u>8,500,947</u>
<b>Total</b>	<b><u>182,999,916</u></b>	<b><u>145,718,463</u></b>
* The income is from non-current and non-trade investments in non-subidiaries.		
<b>12.1 Revenue from operations</b>		
<i>from exports</i>		
Sale of products	90,681,730	124,633,774
Sale of services	49,950	217,800
<b>Total (A)</b>	<b><u>90,731,680</u></b>	<b><u>124,851,574</u></b>
<i>from India</i>		
Sale of products	92,483,847	12,272,854
Less: Excise duty	7,402,138	982,280
	<u>85,081,709</u>	<u>11,290,574</u>
Sale of services	141,000	1,075,368
<b>Total (B)</b>	<b><u>85,222,709</u></b>	<b><u>12,365,942</u></b>
<b>Total (A+B)</b>	<b><u>175,954,389</u></b>	<b><u>137,217,516</u></b>
<b>13. Expenses</b>		
<b>Cost of raw material consumed</b>		
Opening stock	75,933,803	64,273,546
Add: Purchases	75,973,991	69,171,410
Less: Closing stock	(75,152,196)	(75,933,803)
	<u>76,755,598</u>	<u>57,511,153</u>
<b>Changes in inventories of work-in-progress (semi-finished)</b>		
Opening stock	13,523,077	20,760,054
Less: Closing stock	(4,764,964)	(13,523,077)
(Increase) / decrease in inventories	<u>8,758,113</u>	<u>7,236,977</u>
<b>Employee benefits expenses</b>		
Salary, wages and bonus	35,168,499	30,486,561
Contribution to provident and other funds	1,019,557	1,024,407
Staff welfare	1,173,667	1,144,572
	<u>37,361,723</u>	<u>32,655,540</u>

Contd...



## VALIANT COMMUNICATIONS LIMITED

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>Depreciation and amortization expenses</b>		
Depreciation on tangible assets	4,977,287	4,600,524
Amortization of intangible assets	12,205,093	10,693,849
	17,182,380	15,294,373
<b>Other expenses</b>		
Consumption of stores and spare parts	851,140	940,037
Power & fuel	1,562,920	1,433,148
Repairs to machinery	237,228	279,967
Repairs to building	173,398	193,311
Other manufacturing expenses	6,560,679	4,806,020
Loss on sale of fixed assets	18,046	3,605
Rent	882,630	721,800
Rates & taxes, excluding taxes on income	164,919	105,343
Postage, phones & grams	765,726	721,059
Product testing & quality certification	866,178	925,298
Printing & stationery	611,303	634,771
Installation & commissioning	1,501,558	-
Traveling	3,781,233	3,910,302
Insurance	342,435	179,756
Advertisement	660,006	838,298
Office general expenses	828,180	552,020
Vehicle repair & maintenance	728,374	721,275
Freight & cartage	5,600,667	4,753,564
Charity and donation	35,000	33,000
Unrealized debtors	376,489	-
Security	1,003,200	950,400
Miscellaneous	610,862	299,355
Auditors' remuneration	405,750	405,725
Bank charges	500,098	437,594
Legal & professional	4,603,123	4,643,386
Packing & forwarding	1,602,613	955,434
Business promotion	170,615	226,149
	35,444,370	29,670,617
<b>Total</b>	<b>175,502,184</b>	<b>142,368,660</b>

#### 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.

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.

- i) The financial statements of the holding company and its subsidiaries have been combined on a line-by-line basis by

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2017

- 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.

**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.

**VALIANT COMMUNICATIONS LIMITED**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**
**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.

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> 2017	Proportion of Ownership/Voting Power as at March 31 <sup>st</sup> 2016
Valiant Communications (UK) Limited	United Kingdom	100.00%	100.00%
Valcomm Technologies Inc.*	USA	100.00%	18.33%
Valiant Infrastructure Limited	India	88.94%	88.94%

\*During the financial year under reporting, Valcomm Technologies Inc., is considered as step-down subsidiary of the Company pursuant to share repurchase agreement executed by the step-down subsidiary. The figures are uncomparable to that extent.

**17. Auditor's remuneration**
*(In ₹)*

Particulars	31-03-2017	31-03-2016
Statutory audit fee	180,000	180,000
Certification charges	100,000	100,000
Tax audit	125,000	125,000
Service tax	750	725
<b>Total</b>	<b>405,750</b>	<b>405,725</b>

VALIANT COMMUNICATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017

18. Segment wise revenue & results

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>Revenue by geographical segment</b>		
India	85,172,711	12,365,942
USA	32,618,714	41,949,501
Europe	5,087,832	10,971,820
Rest of the world	53,075,132	71,930,253
TOTAL	175,954,389	137,217,516
Less : Inter segment revenue	-	-
Net sales/ revenue from operation	175,954,389	137,217,516
<b>Profit/(loss) before tax and interest by geographical segment</b>		
India	43,695,589	6,441,266
USA	16,734,159	22,155,004
Europe	2,610,177	5,794,603
Rest of the world	27,400,753	38,078,513
TOTAL	90,440,678	72,469,386
Less : Interest	-	-
Less : Other unallowable expenditure	89,988,473	77,620,530
Add: Other unallowable income	7,045,527	8,500,947
Profit before tax	7,497,732	3,349,803

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

a) 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 ₹)	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Valiant Communications Ltd.	Parent	97.67	96.38	289,859,044	284,942,582	101.39	90.69	4,916,462	2,113,589
Valiant Communications (UK) Limited	Foreign subsidiary	7.51	9.58	22,278,315	28,323,970	(36.22)	8.94	(1,756,124)	208,423
Valiant Infrastructure Ltd.	Indian subsidiary	1.18	1.15	3,499,016	3,388,224	2.29	2.45	110,792	57,089
Valcomm Technologies Inc.	Step Down subsidiary	2.12	-	6,282,445	-	32.79	-	1,589,768	-
Minority interest in all subsidiaries	Minority shareholders	(0.14)	(0.14)	(413,396)	(401,145)	(0.25)	(0.27)	(12,252)	(6,313)
Elimination of intra-group balances		(8.34)	(6.97)	(24,748,097)	(20,621,256)	-	(1.81)	-	(42,311)
Total		100.00	100.00	296,757,327	295,632,375	100.00	100.00	4,848,646	2,350,477

b) Disclosure for Specified Bank Notes\* (SBN) held during the period form 08-11-2016 to 30-12-2016

Particulars	SBN	Other Denomination notes	Total
Closing cash in hand as on 8-11-2016	334,500	20,705	355,205
Add: Permitted receipts (withdrawal from bank)	-	350,000	350,000
Less: Permitted payments	-	293,007	293,007
Less: Amount deposited in Banks	334,500	-	334,500
Closing cash in hand as on 30-12-2016	-	77,698	77,698

\*The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

## VALIANT COMMUNICATIONS LIMITED

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31<sup>ST</sup> 2017**
**20. Related parties disclosure**

Name	Relationship	Transaction details
Mr. Inder Mohan Sood	Key Managerial Personnel	Salary and other employees benefits of ₹ 7,646,594/- (previous year: ₹ 6,464,492/-).
Mr. Davinder Mohan Sood	Key Managerial Personnel	

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. 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 ₹ 882,630/- (previous year: ₹ 721,800/-) in respect of obligation under operating lease(s), have been recognized in the profit & loss account.

**22. Other disclosures**

- During the last five years immediately preceding the date as at the balance sheet is prepared, the Company had bought-back 199,550 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 ₹ 6,253,073/- (previous year: ₹ 1,272,193/-).
- All revenue from services relates to the installation and commissioning support services of the goods manufactured by the group companies.
- 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.
- 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.

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

Surbhi Aggarwal  
(Partner)  
Membership No. 534836

New Delhi, May 3, 2017

For and on behalf of the Board

Inder Mohan Sood Managing Director DIN: 00001758	Davinder Mohan Sood Director-Finance DIN: 00001756
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Manish Kumar  
Company Secretary  
Membership No.: A16483

New Delhi, May 3, 2017

VALIANT COMMUNICATIONS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(In ₹)

Particulars	31-03-2017	31-03-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	7,497,732	3,349,803
Adjustment for		
Depreciation and amortization	17,182,380	15,294,373
Short-term provisions	1,380,958	1,939,588
Loss on sale of fixed assets	18,046	3,605
Dividend income	(180,884)	(15,172)
Bank Interest	(3,451,376)	(6,176,041)
Net gain on sale of investments	(2,376,448)	-
Transition deferred tax assets of subsidiary	(1,271,615)	-
Foreign currency translation reserve adjustment	(3,723,694)	534,508
Net (gain)/loss on foreign currency translation	(932,639)	(2,264,024)
	6,644,728	9,316,837
<b>Operating profit before working capital changes</b>	14,142,460	12,666,640
Adjustment for		
Trade & other receivables	(50,303,789)	(27,764,667)
Inventories	9,539,720	(4,423,280)
Trade & other payables	(3,466,566)	6,662,396
<b>Cash generated from operations</b>	(30,088,175)	(12,858,911)
Direct taxes	-	(38,908)
<b>Net cash generated from operating activities</b>	<b>(30,088,175)</b>	<b>(12,897,819)</b>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(13,095,543)	(20,816,562)
Sale of fixed assets	20,000	44,445
Sale (purchase) of investments	4,609,988	(925,004)
Long-term loans and advances	(841,126)	4,125,125
Intangible assets under development	(1,280,000)	-
Dividend income	180,884	15,172
Bank interest	3,451,376	6,176,041
<b>Net cash generated from investing activities</b>	<b>(6,954,421)</b>	<b>(11,380,783)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash generated from financing activities</b>	-	-
Net gain/(loss) on foreign currency translation	932,639	2,264,024
<b>Net increase in cash and cash equivalents</b>	<b>(36,109,957)</b>	<b>(22,014,578)</b>
Cash and cash equivalents (opening balance)*	87,239,139	109,253,717
Cash and cash equivalents (closing balance)*	<b>51,129,182</b>	<b>87,239,139</b>

\*Please refer note 10 for restrictive and earmarked cash balances.

**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  
Surbhi Aggarwal (Partner)  
Membership No. 534836

For and on behalf of the Board

Inder Mohan Sood  
Managing Director  
DIN: 00001758

Davinder Mohan Sood  
Director-Finance  
DIN: 00001756

Manish Kumar  
Company Secretary  
Membership No.: A16483

New Delhi, May 3, 2017

New Delhi, May 3, 2017





## NOTICE

Notice is hereby given that 24<sup>th</sup> Annual General Meeting of the Valiant Communications Limited will be held on Friday, September 29<sup>th</sup> 2017, 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> 2017 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> 2017 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 appoint 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 Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s Pawan Nanak Bansal & Co., Chartered Accountants, (ICAI Firm Registration No. 008953C), be and they are hereby appointed as Statutory Auditors of the Company in place of retiring Auditors, M/s B. Aggarwal & Co., Chartered Accountants (Firm Registration No. 004706N) for a period of five years commencing from the conclusion of the 24<sup>th</sup> annual general meeting of the Company up to the conclusion of the 29<sup>th</sup> annual general meeting of the Company subject to ratification of such appointment by the members at every annual general meeting held after 24<sup>th</sup> annual general meeting at a remuneration and out of pocket expenses as may be fixed for each financial year by the Board of Directors in consultation with the Auditors”.

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

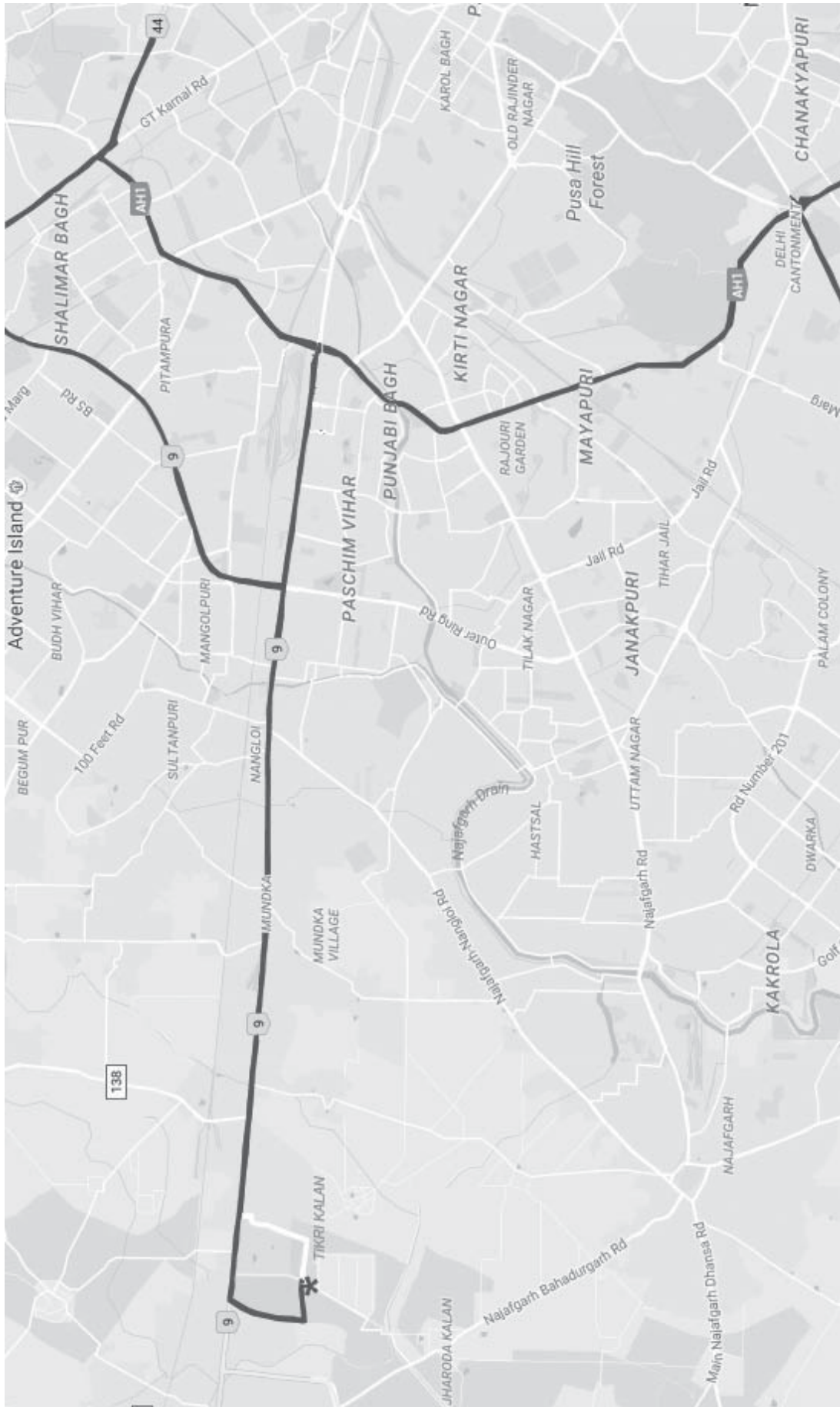
Manish Kumar  
Company Secretary

Date: May 3<sup>rd</sup>, 2017  
Regd. Office: 71/1, Shivaji Marg,  
New Delhi - 110015

### 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 23<sup>rd</sup> 2017 to Friday, September 29<sup>th</sup> 2017 (both days inclusive).
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. Members are also requested to note that, pursuant to the provisions of Section 124 of the Act and the IEPF Rules, the Company is obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to an IEPF Demat Account. Members/ claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF- 5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fee as decided by the IEPF Authority from time to time. The Member/ Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
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, 2nd 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 an Honors 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. He does not hold any directorship and/or membership of the committees of Board in any other listed entity. Mr. Inder Mohan Sood, Managing Director and Mr. Davinder Mohan Sood, Whole-time Director, are brothers. As on March 31<sup>st</sup> 2017, he holds 1,147,758 (15.89%) equity shares of the Company.

**Location of Annual General Meeting:**



## Remote 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 22<sup>nd</sup> 2017.
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 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 remote 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Stores. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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.com> 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. (xix) above to cast vote.

Other instructions:

1. The voting period begins on Tuesday, September 26<sup>th</sup> 2017 (10.00 a.m. IST) and ends on Thursday, September 28<sup>th</sup> 2017 (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 Friday, September 22<sup>nd</sup>, 2017, 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.com](http://www.evotingindia.com) under Help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through e-voting, make a Consolidated Scrutinizer's Report and submit the same to the Chairperson of the Company, not later than three (3) days of conclusion of the AGM.
6. 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.
7. A copy of this notice has been placed on the websites of the Company and CDSL.



**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 24<sup>th</sup> Annual General Meeting of the Company to be held Friday, September 29<sup>th</sup> 2017 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, 2017		
1(b).	Adoption of Audited Consolidated Financial Statements and Auditors Reports for the financial year ended 31 <sup>st</sup> March, 2017		
2.	Re-appointment of Mr. Davinder Mohan Sood, who retires by rotation		
3.	Appointment of Statutory Auditors of the Company and fix their remuneration		

Affix  
₹ One  
Revenue  
Stamp

Signed the .....day of .....2017

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 -----



ATTENDANCE SLIP

(To be presented at the entrance)  
24<sup>TH</sup> ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER 29<sup>TH</sup> 2017 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

### Asia

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

### Africa

Algeria  
Egypt  
Libya  
Nigeria  
South Africa